# Overview of the Budget Toolbox Project: Phase I

The Budget Toolbox project was designed to support campus academic and budgetary planning in the face of current and anticipated additional budget cuts. Because of severe financial pressures, UCLA must develop plans for sustaining academic strength through (i) cost savings and increased efficiency, (ii) increased non-state revenues, and (iii) strong alignment of academic programs with institutional priorities.

The Project was initiated in December 2008, when UCLA was planning for budget cuts of approximately 5 percent. The recent intensification of the State budget crisis is likely to lead to cuts that are far more severe than expected. In light of this situation, the Budget Toolbox Project takes on a special importance and urgency.

In Phase I of the Toolbox Project, Executive Vice Chancellor and Provost Scott Waugh convened three task forces:

- The Cost Savings and Efficiency Task Force, chaired by Vice Chancellor Sam Morabito, reviewed options for reducing administrative costs and improving operational efficiency.
- The Revenue Task Force, chaired by Vice Chancellor Steven Olsen, recommended options for increasing non-state revenues for support of academic and administrative programs.
- The Academic Programs Task Force, chaired by Executive Vice Chancellor and Provost Scott Waugh, recommended options for reducing the cost of the academic program and for re-allocating resources within the academic program to meet anticipated budget reductions. Because many such actions would have a direct impact on UCLA's academic programs, they needed to be considered within the context of UCLA's overall academic mission, especially the teaching enterprise.

Each Task Force met several times between January and April 2009. Members developed guiding principles; reviewed relevant data; generated a wide variety of ideas; and from the information developed the set of recommendations described in this report.

Given limited time for analysis and discussion and budget uncertainties, the recommendations emerging from these reports point to ideas that are worthy of further consideration, *not* full-blown proposals ready for implementation. In other words, these reports represent only the first phase of work – the next phase is to move from generating ideas to developing implementation plans.

**A Common Planning Context**

California's economic and budgetary problems carry serious repercussions for UCLA's academic programs. While the size of the budget cuts UCLA will face in 2009-10 is not yet known, it will without doubt require us to undertake new approaches to fiscal, operational, and academic planning. In doing so, the Toolbox reports offer some useful guiding principles:

1. *UCLA should protect the quality of the academic enterprise to the greatest degree possible.* Because such a large percentage of UCLA's state funding is devoted to faculty salaries and benefits, it is increasingly difficult to find non-academic areas that can absorb the level of reductions being demanded. Exacerbating this difficulty are serious shortfalls in state funding for necessities such as utilities and benefits. In addition, following a period of sustained growth which brought increased revenues to UCLA, enrollment is now flat or declining. That means that we will have to cut administrative costs and seek new revenues, but it also means that our academic programs must be tailored to new circumstances. This is in no way inconsistent with our commitment to excellence in education and research; in fact, cost-cutting and revenue-generating activities have the potential to improve UCLA's overall quality by forcing us to focus on our priorities and strengths.

2. *The Toolbox reports indicate that across-the-board solutions – including budget cuts, mandatory furloughs, salary cuts, or hiring freezes – may be necessary but are neither sufficient nor, in all cases, desirable*. Targeted solutions are preferred where possible. In so doing, we can protect activities that are core to UCLA and we can customize our strategies to achieve the same outcomes of reduced costs or increased revenues.

3. *The reports indicate a need for both top-down and bottom-up approaches*. Many cost-cutting and revenue-generating activities can and should occur at the local (unit) level. For example, academic departments are best able to identify the courses that are core to a major or minor; and an administrative director is best able to determine how to reduce the number of staff. There remains a role for central administration in requesting, reviewing, and assessing local activities, to ensure that they meet institutional needs and are consistent with university policies, values, and strategies. In addition, some changes can only be made at the central level either by policy or as a practical matter.

4. *Accountability and assessment are crucial to effective change.* All three Toolbox task forces recognize the need to develop reliable and credible indicators or metrics of change that can be applied at the unit level and institution-wide. The assessment process should address at least three questions: (a) Were the recommendations implemented as intended? (b) Did they achieve their desired effects with regard to cost savings, revenue-generating, academic quality, and administrative efficiency? And (c), were there unanticipated effects that either amplified or mitigated the benefits derived from the implementation effort?

5. *The reports also demonstrate that UCLA is already doing a great deal to cut costs, increase efficiency, and raise non-state revenue*. Far from passively waiting for more information or for central guidance, our academic and administrative units are pro-active in finding and applying innovative solutions to cut costs and generate revenue.

6. *It will be impossible to adjust to changing circumstances without making very difficult decisions. In each case, however, we have the opportunity to benefit or strengthen UCLA.* Some examples follow:

a. Enrollment. UCLA is over-enrolled by more than 1,000 students. This level of over-enrollment imposes unfunded costs on UCLA – for example, for additional course sections, student support staff, infrastructure maintenance, information technology, library usage, and more. The anticipated level of budget cuts mandates that we reduce our over-enrollment. In so doing, however, graduate student support could drop if fewer TA's are needed. At the same time, adjusting our enrollment gives us opportunities to consider how students *should* be distributed across schools, majors, and degree programs and to move toward that optimal distribution in enrollment planning.

b. Fees. Imposing new or increased fees is an efficient means of generating revenue quickly. The Revenue Task Force estimates that a new student fee framework (including education fee, registration fee, non-resident tuition, differential fees, technology fees, and other special fees) could generate over $200 million. Such fees shift more of the burden of supporting the UC to students, potentially threatening real or perceived access. To address this risk, however, a fee policy can provide for an increase in the return-to-aid percentage, thereby expanding the pool of financial aid funds.

c. Self-supporting programs. Such programs offer opportunities to both generate revenue and shift educational costs from state-funds to private funds. Schools can and do use the revenue from self-supporting programs to improve overall academic quality. Some faculty have expressed concern, however, that the financial benefits of self-supporting programs may lead programs to sacrifice quality and selectivity for revenue. This presents an opportunity to develop robust procedures for establishing and reviewing self-supporting programs.

d. Targeted investments. Long-term gains in efficiency may require short-term investments, particularly with regard to information technology and energy conservation. Such strategic investments may require deeper cuts in other areas, with the expectation that they will be justified by the benefits to follow.

e. Opportunities and needs for mergers, acquisitions, and consolidations. From a distance, it appears that UCLA has a variety of redundant services, courses and programs. Those most closely involved, however, are unlikely to agree with this conclusion. For example, the fact that several different departments offer introductory statistics courses does not necessarily mean that we can realize efficiencies by consolidating such courses. We can, however, identify these and other apparent redundancies for further study. In so doing, we can sharpen our understanding of the core purposes of such courses, services, or programs.

f. Program contraction. To reduce the costs of instruction, departments and programs must review their curricula and prioritize course offerings, aiming to lower credit hour requirements while maintaining each

program's quality. This review process can have strong academic benefits, by leading faculty to consider what matters most in the major. This same approach can be applied to a review of pre-requisites and interdisciplinary programs.

**Phase II**

The Phase I Toolbox Reports are currently under review by interested faculty, students, staff, alumni, or other UCLA constituents. Comments should be directed to Executive Vice Chancellor/Provost Scott L. Waugh at evc@conet.ucla.edu. The project will move forward in the following manner:

1. Before the end of the spring quarter, the Executive Vice Chancellor/Provost will convene and chair an implementation committee, to include administrative and Senate leaderships. The Committee will consider the three Toolbox Reports as well as comments and reactions received in response to them.
2. The Committee will establish priorities for follow-up, based on the feasibility and anticipated benefits of the ideas generated in Phase I.
3. The Committee will determine an action plan for each of the high-priority recommendations.
4. The Committee will develop an assessment framework for the implementation phase as a whole.
5. The recommendations and action plans will be reviewed by UCLA leadership (students, faculty, and administration) and modified as appropriate.
6. The Chancellor and EVC/Provost will decide which recommendations to accept and implement.

Because of the severity of the State budget, and its implications for the University, implementation will proceed as quickly as possible, with the goal of completing an implementation plan early in the 2009 Fall Quarter.

**Academic Programs Task Force**
**Reducing the Cost of UCLA's Academic Program**
**April 24, 2009**

## Charge to the Task Force

The Budget Toolbox project was designed to support campus academic and budgetary planning in the face of current and anticipated additional budget cuts. Because of severe financial pressures, UCLA must develop plans for sustaining academic strength through (i) cost savings and increased efficiency, (ii) increased non-state revenues, and (iii) strong alignment of academic programs with institutional priorities.

Toward this end, Executive Vice Chancellor and Provost Scott Waugh convened three task forces:

- The Cost Savings and Efficiency Task Force, chaired by Vice Chancellor Sam Morabito, reviewed options for reducing administrative costs and improving operational efficiency.
- The Revenue Task Force, chaired by Vice Chancellor Steven Olsen, recommended options for increasing non-state revenues for support of academic and administrative programs.
- The Academic Programs Task Force, chaired by Executive Vice Chancellor and Provost Scott Waugh, recommended options for reducing the cost of the academic program and for re-allocating resources within the academic program to meet anticipated budget reductions. Because many such actions would have a direct impact on UCLA's academic programs, they needed to be considered within the context of UCLA's overall academic mission, especially the teaching enterprise.

The membership of the Academic Programs Task Force is as follows:

Chair Uptal Banerjee
Dean Frank Gilliam
Professor and Senate Chair Michael Goldstein
Chair Ray Knapp
Chair Christine Littleton
Dean Judy Olian
Associate Professor and Graduate Council Chair Janice Reiff
Associate Vice Chancellor and Executive Associate Dean Alan Robinson
Acting Dean Joe Rudnick
Dean and Vice Provost Judith Smith
University Librarian Gary Strong
Professor Eric Sundquist
Professor Stephen Yeazell

The Task Force met seven times between January and April, 2009. Members developed a set of guiding principles; reviewed data about student enrollment, degree programs, and

research centers; generated a wide variety of ideas, and from them developed the set of recommendations described in this report. The recommendations address four broad areas: academic infrastructure, faculty, curriculum, and research centers.

**Budgetary and Academic Context**

California's economic and budgetary problems carry serious repercussions for UCLA's academic programs. Although the Chancellor and Executive Vice Chancellor/Provost attempt to keep the cuts away from academic units as much as possible, because such a large percentage of UCLA's state funding is devoted to faculty salaries and benefits, it is increasingly difficult to find non-academic areas that can absorb the level of reductions being demanded. Exacerbating this difficulty are serious shortfalls in state funding for necessities such as utilities and benefits. The consequent pressure on our academic programs means that UCLA faces uncomfortable trade-offs that demand a combination of short term actions to save money and longer term actions that will produce permanent savings by restructuring academic programs. In addition, like the rest of the UC system, UCLA has been through a period of sustained growth, which allowed the institution to pursue academic excellence in part by adding programs and faculty. That growth is at an end, probably for the UC system and most certainly for UCLA. We now must adjust our practices to a situation in which state funding is flat or declining. That means that we will have to seek new revenues, but it also means that our academic programs must be tailored to the new circumstances and become more entrepreneurial in achieving desired outcomes.

The area most immediately affected by these changes is instruction and the most salient and difficult tradeoffs involve faculty hiring, graduate student teaching assistants, and temporary teaching support. Reductions in instructional funds will require cutbacks on hiring ladder and temporary faculty and holding open as many ladder faculty positions as possible. As a research university devoted to training the next generation of scholars and delivering a high quality education for undergraduates, it is incumbent on us to take steps to sustain our graduate programs, of which teaching assistantships are a crucial element. This consideration has important consequences for our academic programs, the delivery of curricula and courses, and faculty workload.

As we make uncomfortable choices, we strive to maintain and, wherever possible, enhance the academic quality of our programs. Decisions about majors, curricula, and teaching should be undertaken with a view toward providing undergraduates and graduates an education that is second to none. In that sense, the budgetary crisis offers us an opportunity to examine carefully and in detail our majors and courses and to make sure that they meet our academic goals and the aspirations of students and the community in which we live. Our teaching resources need to be directed where they are most useful: to the high-priority courses essential for students to make progress toward their degrees.

This report offers a set of tools – in the nature of actions – that may be used to help bring the costs of our academic programs in line with the reduced funding available to support them. The suggestions are informed by and consistent with a set of principles that we believe should guide the campus, divisions and schools, and departments and programs in making necessary changes. These actions have varying time horizons associated with

them – some bearing immediate fruit, others taking longer to consider, implement and achieve results. The longer time horizon, however, should not discourage units from taking action today to secure a stronger financial footing in the future.

## I. Principles to guide decision-making with regard to budget impact on academic programs

A. The foremost principle guiding our actions must be the preservation of academic excellence with regard to education and research.

1. At both the undergraduate and graduate levels, departments must focus on maintaining the integrity and quality of degree programs and on effective teaching. Maintenance of our instructional programs is one of our highest priorities.

2. Experiences that promote engagement in learning for undergraduates (such as seminars, research opportunities, and capstones) should be preserved and offered as much as possible given budgetary constraints.

3. We must work to sustain graduate education and support, and on the campus as a whole, we need to maintain a healthy balance between undergraduate, graduate and professional education.

4. Academic excellence also requires a sustained commitment to the research enterprise. UCLA's educational programs are of high quality largely because our faculty are engaged in advancing knowledge within and across the disciplines. We must therefore provide a work environment that enables strong research and scholarship, even when more teaching may be asked of faculty.

B. Decisions regarding curricula and teaching should be made locally, where specific knowledge and expertise can best guide strategic choices about the reallocation of teaching resources. The Chancellor, EVC/Provost, and deans will establish operating targets and provide direction, oversight and accountability, but variation among units must be expected and respected. For the most part, this report provides options for departments, divisions, and schools to consider rather than recommendations that should or could be implemented centrally.

C. Changes to degree programs and curricula need to be developed by faculty and implemented in accordance with Academic Senate policies regarding review and approval. Deans and Chairs should work closely with the FEC as well as other Senate Committees to develop academically sound plans. Academic Senate program review recommendations as well as quantitative measures such as workload should be considered when making decisions for strategic investments (and divestments).

D. As UCLA develops new streams of revenues, whether through fundraising or other means, it is vital that new funds be directed to the support of UCLA's scholarly and educational mission.

E. Academic changes should take into account UCLA's three priorities (quality, diversity and community engagement).

1. Based upon the principle that quality is more important than breadth, UCLA should improve the quality of its academic enterprise as it undertakes to align its programs with budgetary realities.

2. Revisions should protect diversity as a focus of access, scholarship, and study.

3. Revisions should enable community engagement, including but not limited to civic education, service-learning and community-based research.

## II. Academic Infrastructure

To meet our budgetary realities, we need to ensure that our academic infrastructure – administration, programs, and degrees – is as efficient as possible, meaning that we must act to reduce or eliminate duplication, unnecessary costs, and unproductive programs. In one area – research administration – a major effort at reform is already underway, with the aim of improving the quality of service provided to faculty, improving our compliance, and using our resources as efficiently as possible.

A. Reduce duplicative courses offered in multiple departments by consolidating similar basic knowledge courses. Reviews of courses need to be conducted for the campus and for local units.

A staff committee can draw up a list of apparently duplicative or redundant courses across schools and departments. Because duplication may carry value in some situations (e.g., accommodating student demand) and because closer examination may reveal important differences between courses with similar titles, faculty committees within units should review courses in their units. It is advisable to conduct a pilot project in one or two topics (such as statistics) to determine the feasibility, desirability and (if appropriate) best method of achieving this.

B. Strengthen oversight, review, and accountability of academic programs. UCLA should on the one hand nurture and develop new programs that promise to enhance our academic mission while on the other eliminating those that do not provide high-quality education or scholarship.

The EVC/Provost and Academic Senate need to work together closely to apply appropriate criteria to the evaluation of programs and majors. The knowledge derived from program reviews and the annual budget cycle needs to be aligned so that the Senate and Administration can together support emerging programs and eliminate redundant or weak ones.

C. Consolidate academic units and reduce the number of majors and minors offered.

1. Consolidation can occur on two levels: administrative and academic. Administrative consolidation, in which common functions are centrally provided to departments and programs, should be expanded, including Information Technology services.

2. At the same time, there are potential savings in merging academic units, such as Departments and IDPs, where there exists a common academic core.

3. Eliminating or merging majors can reduce administrative costs, focus teaching resources, and enhance quality control. Budget reductions may preclude us from offering specialized majors to small numbers of students, but by providing minors and tracks within majors, we can retain the richness of our academic offerings at a lower cost.

4. Departments should review minors to determine which should be dropped due to low enrollment.

D. Examine and assess the functions of the academic service units, such as Research Administration or Graduate Division, to ensure that they reduce unnecessary costs and function as efficiently as possible in support of the academic mission. The principal review criterion of any academic organization is the degree to which it effectively supports the academic mission of the campus as a whole. Unnecessary costs and duplication of services should be eliminated.

E. Streamline and reduce the cost of the academic personnel process. The academic personnel system and procedures are one of the hallmarks of the UC system and one of the most important aspects of academic life at UCLA. It has brought many benefits, but it is also very costly in terms of direct staff support and faculty participation. It is important to examine the trade off between benefits and costs and to determine whether streamlining produces the same outcomes at less cost to the campus and faculty.

F. Consider establishing new self-supported degree programs, provided there is sufficient oversight to assure academic excellence and financial viability. There should be a clear organizational reporting structure for such new programs from both a financial and an academic perspective. Also, an initial academic review should be undertaken in year three of newly established programs to ensure that the academic and financial goals are being achieved. All such programs should be subject to a budgetary review each year. The academic components of degree granting programs (admissions, degree requirements, course approval, etc.) must be under the control of regular Senate faculty.

Graduate Council will consider how to implement this in the context of program review. The EVC/Provost will work with deans to assure administrative review, oversight and accountability.

G. No department or degree program will be eliminated without appropriate process in keeping with the principles enunciated above, although such processes should be streamlined and expedited wherever possible.

## III. Faculty Hiring

A. In light of the budgetary and academic trade-offs facing UCLA, it is critical for the short-term to establish a campus-wide hiring target, tailored to the needs and capabilities of individual units. A hiring “freeze” is not recommended: it would

send the wrong signal to the outside academic community and it would be difficult to administer. At the same time, since we need to keep ladder positions open, we should reduce the number of new faculty hires.

B. In practice, the EVC/Provost will set a campus hiring target and then give each school a specific number of target hires. It is incumbent upon deans to prioritize the searches/hires they request and to make sure that departments and programs understand the need to cut back.

C. Hiring targets should also include a cushion for partner hires so that the number of actual hires does not exceed the target provided in the academic plan. Since FTE are limited, deans must collaborate on partner hires, which will have to be used as sparingly as possible and, in all cases, held to the same standards as all other hires.

D. We should also develop a broader compensation plan to create incentives for faculty in Engineering, the Physical Sciences and other units to pursue extramural funding, enhance faculty salaries, and reduce pressures on general funds for off-scale salaries.

## IV. Curricular Changes and Course Delivery

Under the budgetary constraints that we face, and the difficult trade-offs that they entail, all schools, divisions, departments and programs must be attentive to the costs of mounting their graduate and undergraduate majors and course offerings. Furthermore, despite the budgetary cutbacks, UCLA is overenrolled at the undergraduate level, so that it is essential for departments to make every effort to offer the same number of course seats/spaces, in roughly the same distribution, as they did in 2008-09. Therefore, because of over-enrollment, the loss of temporary teaching power and the desire to protect graduate student teaching assistantships, it will be essential to refocus ladder faculty teaching on high-priority courses required for majors. Increasing the percentage of courses taught by ladder faculty and the participation of ladder faculty in courses core to their majors will improve academic quality and access to scholars and research opportunities for undergraduates. This is likely to carry with it a concomitant decline in the number and range of elective courses offered.

A. Departments and programs must review their curricula and prioritize course offerings, aiming to lower credit hour requirements while maintaining each program's quality.

1. This review process will have strong academic benefits, by leading faculty to consider what matters most in the major. The review should be guided by the principles of academic excellence, objectives and outcomes – what is important for students to learn in a major to enable them to become knowledgeable and skilled in the major and responsible members of society. Similarly, course and major pre-requisites should be reviewed to determine if they are needed and to ensure that students can enroll in a timely manner. By lowering the credit hour requirements for majors, without diluting the content, departments can save money and enhance the quality of their programs. Also,

students may have opportunities to graduate early by using AP credits, or they may be able to take advantage of electives in areas outside their majors or devote more effort to creative projects and research required for capstones.

2. In developing their prioritized list of courses, Departments must be mindful of the needs of other majors, whether in departments or Interdepartmental Programs. Interdisciplinary research and education are hallmarks of UCLA and are in increasing demand from students and faculty alike. Curricular revisions therefore must respect the importance of faculty commitments to interdisciplinary programs.

3. Academic units should hold to the maximum units allotted for graduation (216 units minus AP credits) and permit students to take double majors or minors only if they can complete their studies within the limit of 216 units.

B. Departments should continue to offer a variety of course formats to students, from large lectures to more intimate settings, but they also need to eliminate low enrollment courses that do not contribute directly to the academic objectives of the major. If faculty wish to offer such courses, departments should follow the School of Medicine's policy whereby faculty are allowed to do so as a voluntary overload.

1. Develop an efficient mix of course sizes and offerings. In some cases, it may be worthwhile to offer a course less often to more students, while in other cases, high-priority courses necessary for graduation may have to be offered more often. The mix of regular session and summer session courses also needs close consideration. In all cases, the guiding principle must be the academic quality of the student experience, though budgetary constraints have to be acknowledged.

2. While consolidation can reduce instructional costs, we do not want to eliminate all small course experiences, including capstones. By streamlining the curriculum, students and faculty may have more time to devote to capstone seminars and projects.

3. Departments should submit course plans, based on their priorities, to deans early enough in the planning process to determine how deans should distribute resources and to allow adjustments to the curricula. Benchmarking and trend/historical data should be provided to departments and deans to assist in planning and monitoring course planning. The Office of Analysis and Information Management will provide benchmarking and trend data. The College Cabinet is encouraged to establish a staff working group to operationalize these recommendations.

C. Like majors and courses at UCLA, undergraduate core (basic knowledge and skills) requirements have expanded along with enrollment and faculty expansion. It is now worth reviewing those requirements to preserve only those that contribute meaningfully to the intellectual growth of students and are cost-effective.

UCLA needs to consider alternative ways of providing instruction, especially in the areas of language, writing and math. Increased use of summer sessions, partnerships with community colleges and extension, and new teaching technologies including online methods must be explored in order to lower the costs of delivering basic and remedial skills.

D. Expand the use of summer sessions to provide greater flexibility in course and scheduling opportunities, to generate additional revenue for departments, and to alleviate enrollment pressures in the regular session.

Summer Sessions will continue working with deans and department chairs, including offering students financial incentives for participation in summer session under some conditions. In doing so, we want to increase opportunities for faculty and doctoral and post-doctoral fellows to teach in the summer.

E. As UCLA continues to expand its use of educational technology to enhance quality, we should also consider how or if technology can enable greater efficiency in delivering education.

F. Because the campus expends considerable funds each year on providing course release for faculty – whether for research, administration, or teaching in other units – it is advisable to examine both the policies and costs of course release with an eye toward reducing them or mitigating their impact on the costs of instruction.

G. Examine the role of professional schools in undergraduate education. Many undergraduates want exposure to fields such as medicine, public health, education, law and business and those fields can greatly enrich the educational opportunities that we offer students. Yet, in a static or contracting budgetary environment, it is essential that we understand all the tradeoffs and costs involved in developing such programs.

H. Where possible eliminate the practice of using "course buyouts" to staff IDP or program courses (e.g., Freshman Clusters), which encourages UCLA to pay twice for teaching. This issue is being addressed within the context of the WASC accreditation review. Appendix B provides more information about this issue.

## V. Research Institutes and Centers

Much research conducted at UCLA is supported through extramural grants and contracts. In addition, some research receives state general fund support, particularly research conducted in Organized Research Units (ORUs) or in "small c" centers funded by deans and department chairs. The scholarly interactions and research they generate enrich academic life at UCLA. At the same time, because state funding is declining, by continuing to invest in these centers, we may forgo opportunities to invest in new areas of research and investigation that could yield important benefits for UCLA. We cannot, therefore, exclude these state-funded units from scrutiny as we re-examine our overall use of state funds in research and education.

A. UCLA should review state-funded research centers (i.e., Function 44 and small-c centers) and consider changing campus policy to stipulate that general funds shall

be phased out over 3/4/5 years and that each center must achieve an independent stable stream of extramural funding. Recognizing that not all areas of scholarship can count on the same degree of extramural support, an alternative policy could state that after 3/4/5 years all centers receiving state funding would have to recompete for their support. As part of the policy review determine the appropriateness of the support based on quality, centrality to UCLA's strategic directions, and return on investment.

B. Title VI centers present a particular challenge and the campus needs to examine carefully the scholarly and financial trade-offs involved in obtaining and keeping Title VI funding. Title VI Centers have brought academic opportunities and prestige to UCLA, yet they also require the institution to invest resources in courses and programs that serve small numbers of students and might not otherwise emerge as institutional priorities. A review of Title VI centers will enable us to determine the extent to which they meet the criteria of quality, centrality to UCLA's strategic directions, and return on investment, i.e., whether some should be discontinued.

C. Implement sunset reviews of ORUs. Prior efforts at UCLA and elsewhere in the system have not led to significant savings in terms of closed ORU's, so that future sunset reviews may need to be approached differently. We must also proceed with great caution if new centers and/or ORUs are proposed.

## VI. Planning For and Managing Enrollment

Robust admissions and enrollment planning is needed in order to accommodate UCLA's large undergraduate student population and to help relieve the teaching burden on impacted departments and majors. In a period of limited resources, admissions and enrollment generally are critical tools that can be used to make full use of teaching resources across the campus and, potentially, bring in additional resources without cutting back on our fundamental commitment to offer a first-class undergraduate education to Californians.

A. UCLA needs to reduce its undergraduate over-enrollment while remaining aware of and attempting to mitigate the trade-offs involved in reducing enrollment, including but not limited to a potential decline in enrollment among under-represented minority students.

B. UCLA should develop a plan for admitting students to College divisions in order to distribute undergraduate students more evenly across the College and to align enrollment with departmental teaching resources. This analysis must encompass the trade-offs involved, including a possible reduction in student diversity.

C. Another tool that UCLA should use to spread undergraduates more evenly across divisions, schools and departments is capping majors. This will require concerted action across the College and campus to ensure that students have opportunities to take courses and majors they need and want. A special concern in this regard is the ability for transfer students to enter the majors they want.

D. UCLA advocates a more aggressive use of undergraduate student fees to help support the educational program. If state resources are no longer sufficient to provide the quality of education that has become an essential characteristic of UCLA, then we must raise fees that will sustain undergraduate and graduate education. In so doing, we must also provide sufficient financial aid for students and families in need.

1. Increase non-resident students (considered in depth by Revenue Task Force).
2. Establish differential fees for undergraduates (considered in depth by Revenue Task Force).
3. Consider expanding the number of graduate programs levying differential fees.

**Conclusion**

The steps advocated in this report represent a change in direction for UCLA: We have always aimed for growth. This report is advocating contraction. To maintain the quality of our academic mission and practice we will need to develop better monitoring in the use of our teaching resources and better focus on the core elements of our academic programs. Such efforts will occur both centrally and locally. From the central perspective, institutional leadership must assure that the aggregate deployment of teaching resources is aligned with the Chancellor's priorities and the emerging UCLA Academic Plan. At the unit level, decisions need to be made in line with academic priorities of the campus.

The changed fiscal environment challenges us to review our teaching methods and curricula, our enrollment and admissions planning, and our priorities for state-supported research. We face the opportunity – and the need – to (re-)define, protect or strengthen the core elements of our programs while modifying those elements that are not essential to our mission or accomplishments. The result can be a rich dialogue among faculty about the goals and purposes of various academic and research programs, a clear-cut set of requirements and courses, new opportunities for graduate students, and greater involvement of ladder faculty in undergraduate education. If we can do this while increasing efficiency and reducing expenditures, we will sustain quality despite the challenges we face.

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **GSEIS** | Education | Education | | EDM | 207 |
| | | | | MA | 40 |
| | | | | PHD | 35 |
| | | Education (Leadership) | Y | EDD | 21 |
| | | Education Administration (w/UCI) | | EDD | - |
| | | Special Educ (w/ CSU-LA) | | PHD | 1 |
| | Education Total | | | | 303 |
| | Information Studies | Information Studies | | PHD | 2 |
| | | Library & Information Sci | | MLIS | 78 |
| | | | | PHD | 1 |
| | Information Studies Total | | | | 81 |
| | **GSEIS Total** | | | | **385** |
| **SEAS** | Bioengineering | Bioengr & Biomed Engr | | BS | 11 |
| | Biomedical Engineering | Biomedical Engineering | | ENGR | 0.3 |
| | | | | MS | 29 |
| | | | | PHD | 17 |
| | Biomedical Engineering Total | | | | 46 |
| | Chemical Engineering | Chemical Engineering | | BS | 52 |
| | | | | MS | 9 |
| | | | | PHD | 9 |
| | Chemical Engineering Total | | | | 70 |
| | Civil & Environmental Engr | Civil Engineering | | BS | 53 |
| | | | | ENGR | 1 |
| | | | | MS | 41 |
| | | | | PHD | 10 |
| | Civil & Environmental Engr Total | | | | 106 |
| | Computer Science | Computer Sci & Engr | | BS | 61 |
| | | Computer Science | | BS | 59 |
| | | | | MS | 59 |
| | | | | PHD | 27 |
| | Computer Science Total | | | | 145 |
| | Electrical Engineering | Electrical Engineering | | BS | 125 |
| | | | | ENGR | 1 |
| | | | | MS | 81 |
| | | | | PHD | 46 |
| | Electrical Engineering Total | | | | 253 |
| | Materials Science & Engr | Materials Engineering | | BS | 18 |
| | | Materials Science & Engr | | MS | 13 |
| | | | | PHD | 13 |
| | Materials Science & Engr Total | | | | 44 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | Mech & Aerospace Engr | Aerospace Engineering | | BS | 41 |
| | | | | MS | 14 |
| | | | | PHD | 2 |
| | | Manufacturing Engr | | MS | 1 |
| | | Mechanical Engineering | | BS | 85 |
| | | | | ENGR | 0 |
| | | | | MS | 61 |
| | | | | PHD | 20 |
| | Mech & Aerospace Engr Total | | | | 224 |
| | Schoolwide | Engineering | | M Engr | - |
| | | new - on-line | Y | MS | - |
| | Schoolwide total | | | | |
| | **SEAS Total** | | | | **959** |
| **Law** | Law | Law | | JD | 324 |
| | | prior to becoming self-supporting | | LLM | 9 |
| | | Law-LLM | Y | LLM | 28 |
| | | Law | | SJD | - |
| | **Law Total** | | | | **361** |
| **AGSM** | Management | Cooperative Exec MBA | Y | MBA | 21 |
| | | Executive MBA | Y | MBA | 67 |
| | | Fully Employed MBA | Y | MBA | 188 |
| | | Financial Engineering - new | Y | MFE | - |
| | | Management | | MBA | 333 |
| | | | | MS | 2 |
| | | | | PHD | 12 |
| | **AGSM Total** | | | | **623** |
| **SPA** | Public Policy | Public Policy | | MPP | 37 |
| | Social Welfare | Social Welfare | | MSW | 89 |
| | | | | PHD | 7 |
| | Social Welfare Total | | | | 96 |
| | Urban Planning | Urban Planning | | MA | 59 |
| | | | | PHD | 4 |
| | Urban Planning Total | | | | 63 |
| | **SPA Total** | | | | **197** |
| **SOAA** | Arch & Urban Design | Arch and Urban Plan (Inact) | | MAR | 0 |
| | | Architectural Studies - new | | BA | - |
| | | Architecture -M Arch I, M Arch II | | MAR | 48 |
| | | Architecture | | MA | 2 |
| | | | | PHD | 3 |
| | Arch & Urban Design Total | | | | 53 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | Art | Art | | AB | 59 |
| | | | | MA | - |
| | | | | MFA | 18 |
| | Art Total | | | | 77 |
| | Design \| Media Arts | Design \| Media Arts | | AB | 38 |
| | | MA disestablishmentd in process | | MA | - |
| | | | | MFA | 7 |
| | Design \| Media Arts Total | | | | 45 |
| | Ethnomusicology | Ethnomusicology | | AB | 20 |
| | | | | MA | 5 |
| | | | | PHD | 8 |
| | Ethnomusicology Total | | | | 33 |
| | Music | Music | | AB | 35 |
| | | | | MA | 4 |
| | | | | MM | 15 |
| | | | | DMA | 8 |
| | | | | PHD | 3 |
| | Music Total | | | | 65 |
| | World Arts and Cultures | Culture & Performance | | MA | 3 |
| | | | | PHD | 3 |
| | | Dance Inactive | | MA | 1 |
| | | Active | | MFA | 5 |
| | | World Arts and Cultures | | AB | 47 |
| | World Arts and Cultures Total | | | | 59 |
| | Schoolwide | Individual Field | | BA | |
| | **SOAA Total** | | | | **332** |
| **TFT** | Film, TV, & Digital Media | Film and Television | | AB | 35 |
| | | | | MA | 12 |
| | | | | MFA | 64 |
| | | | | PHD | 6 |
| | Film, TV, & Digital Media Total | | | | 117 |
| | Theater | Theater | | AB | 67 |
| | | | | MA | 1 |
| | | | | MFA | 23 |
| | | Theater & Performance Studies | | PHD | 3 |
| | Theater Total | | | | 94 |
| | Moving Image Archive Studies IDP I | Moving Image Archive Std | | MA | 9 |
| | **TFT Total** | | | | **221** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **College** | | | | | |
| | College - General | Individual Field - L&S | | AB | 5 |
| | **College General Total** | | | | **5** |
| **Humanities** | | Appl Linguistics & TESL | | MA | 4 |
| | Applied Linguistics & TESL (renaming of programs in process) | Teaching English as a Second Language -- inactive | | MA | - |
| | | Applied Linguistics - NEW | | AB | - |
| | | Applied Linguistics | | PHD | 8 |
| | Applied Linguistics & TESL Total | | | | 12 |
| | Art History | Art History | | AB | 83 |
| | | | | MA | 7 |
| | | | | PHD | 5 |
| | Art History Total | | | | 95 |
| | Asian Lang & Cultures | Asian Humanities | | AB | 25 |
| | | Asian Lang & Cultures | | MA | 5 |
| | | | | PHD | 7 |
| | | Asian Religions | | AB | - |
| | | Chinese | | AB | 13 |
| | | Japanese | | AB | 17 |
| | | Korean | | AB | 4 |
| | Asian Lang & Cultures Total | | | | 70 |
| | Classics | Classical Civilization | | AB | 15 |
| | | Classics | | MA | 4 |
| | | | | PHD | 2 |
| | | Greek | | AB | - |
| | | | | MA | - |
| | | Greek and Latin | | AB | 2 |
| | | Latin | | AB | 2 |
| | | | | MA | - |
| | Classics Total | | | | 26 |
| | Comparative Literature | Comparative Literature | | AB | 23 |
| | | | | MA | 3 |
| | | | | PHD | 8 |
| | Comparative Literature Total | | | | 34 |
| | English | American Lit & Culture | | AB | 72 |
| | | English | | AB | 402 |
| | | | | MA | 13 |
| | | | | PHD | 12 |
| | English Total | | | | 499 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | French & Francophone | French | | AB | 32 |
| | | French & Francophone | | MA | 2 |
| | | | | PHD | 3 |
| | | French and Linguistics | | AB | 3 |
| | French & Francophone Total | | | | 41 |
| | Germanic Languages | German | | AB | 10 |
| | | Germanic Languages | | MA | 0 |
| | | | | PHD | 3 |
| | Germanic Languages Total | | | | 13 |
| | History-Art History(disestab) | History/Art History | | AB | 12 |
| | Indo-European Studies | Indo-European Studies | | PHD | 1 |
| | Italian | Italian | | AB | 4 |
| | | | | MA | 3 |
| | | | | PHD | 2 |
| | | Italian and Special Fields | | AB | 10 |
| | Italian Total | | | | 20 |
| | Linguistics | African Languages (proposed transfer to Applied Linguistics) | | AB | - |
| | | Linguistics | | AB | 24 |
| | | | | MA | 5 |
| | | | | PHD | 8 |
| | | Linguistics & Anthro | | AB | 3 |
| | | Linguistics & Asian Lang | | AB | 7 |
| | | Linguistics & Computer Sci | | AB | 3 |
| | | Linguistics and English | | AB | 1 |
| | | Linguistics and French | | AB | 3 |
| | | Linguistics and Italian | | AB | - |
| | | Linguistics and Philosophy | | AB | 2 |
| | | Linguistics and Psychology | | AB | 8 |
| | | Linguistics and Scandinavian Langs. | | AB | - |
| | | Linguistics and Spanish | | AB | 1 |
| | Linguistics Total | | | | 64 |
| | Musicology | Music History | | AB | 12 |
| | | Musicology | | MA | 4 |
| | | | | PHD | 5 |
| | Musicology Total | | | | 9 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | Nr East Lang & Cultures | Ancient Nr East Civ | | AB | 3 |
| | | Arabic | | AB | 3 |
| | | Hebrew | | AB | 1 |
| | | Iranian Studies | | AB | 4 |
| | | Jewish Studies | | AB | 4 |
| | | Nr East Lang & Cultures | | MA | 5 |
| | | | | PHD | 4 |
| | Nr East Lang & Cultures Total | | | | 25 |
| | Philosophy | Philosophy | | AB | 113 |
| | | | | MA | 6 |
| | | | | PHD | 4 |
| | Philosophy Total | | | | 124 |
| | Romance Linguistics & Lit | Romance Linguistics & Lit (disest in process) | | PHD | 1 |
| | Scandinavian Section | Scandinavian Languages | | AB | 1 |
| | | Scandinavian | | MA | 1 |
| | Scandinavian Section Total | | | | 2 |
| | Slavic Languages & Lit | Cent & E Europ Lang and Cult | | AB | 0 |
| | | Russian Language and Literatur | | AB | 2 |
| | | Russian Studies | | AB | 4 |
| | | Slavic Languages & Lit | | MA | 2 |
| | | | | PHD | 2 |
| | Slavic Languages & Lit Total | | | | 10 |
| | Spanish and Portuguese | Hispanic Languages & Lit | | PHD | 6 |
| | | Portuguese | | AB | 2 |
| | | | | MA | 1 |
| | | Spanish | | AB | 61 |
| | | | | MA | 6 |
| | | Spanish & Linguistics | | AB | 11 |
| | | Spanish & Portuguese | | AB | 4 |
| | | Spanish and Community and Culture | | AB | 1 |
| | Spanish and Portuguese Total | | | | 90 |
| | Study of Religion | Study of Religion | | AB | 12 |
| | **Humanities Total** | | | | **1,169** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **Life Sciences** | Bioinformatics | Bioinformatics - New | | MS | - |
| | | | | PhD | - |
| | Computational and Systems Bio | Computational and Systems Bio | | BS | 8 |
| | Ecology and Evol Bio | Biology | | BS | 298 |
| | | | | MA | 5 |
| | | | | PHD | 8 |
| | | Ecol, Behavior & Evol | | BS | 15 |
| | | Marine Biology | | BS | 26 |
| | | Plant Biology (disestablished) | | BS | 1 |
| | | Botany (disestablished) | | MA | 0 |
| | | Zoology (disestablished) | | PHD | 0 |
| | Ecology and Evol Bio Total | | | | 354 |
| | Molecular Biology | Molecular Biology | | PHD | 13 |
| | Molec, Cell and Devel Bio | Molec, Cell & Developm Bio | | BS | 109 |
| | | | | MA | 2 |
| | | | | PHD | 4 |
| | Molec, Cell and Devel Bio Total | | | | 115 |
| | Molec Cell & Integr Physio | Molec Cell & Integr Physio | | PHD | 4 |
| | Neuroscience | Neuroscience | | BS | 91 |
| | Physiological Science | Physiological Science | | BS | 167 |
| | | | | MS | 6 |
| | | disestablished | | PHD | 1 |
| | Physiological Science Total | | | | 174 |
| | Psychology | Cognitive Science | | BS | 22 |
| | | Psychobiology | | BS | 237 |
| | | Psychology | | AB | 666 |
| | | | | MA | 31 |
| | | | | PHD | 26 |
| | Psychology Total | | | | 983 |
| | **Life Sciences Total** | | | | **1,742** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **Physical Sciences** | Atmosph & Ocean Sci | Atmos, Ocean & Environ | | BS | 10 |
| | | Atmospheric and Oceanic Sci | | MS | 8 |
| | | | | PHD | 6 |
| | Atmosph & Ocean Sci Total | | | | 24 |
| | Chemistry and Biochemistry | Biochem & Molec Bio | | MS | 6 |
| | | | | PHD | 11 |
| | | Biochemistry | | BS | 193 |
| | | Chemistry | | BS | 42 |
| | | | | MS | 15 |
| | | | | PHD | 28 |
| | | General Chemistry | | BS | 1 |
| | Chemistry and Biochemistry Total | | | | 297 |
| | Chemistry/Materials Science IDP | Chemistry/Materials Science IDP | | BS | 4 |
| | Earth and Space Sciences | Earth and Environmental Sci | | AB | 1 |
| | | Geochemistry | | MS | 2 |
| | | | | PHD | 0 |
| | | Geology | | BS | 5 |
| | | | | MS | 3 |
| | | | | PHD | 2 |
| | | Geology (Engr Geology) | | BS | 3 |
| | | Geology/Paleobiology | | BS | 1 |
| | | Geophys & Space Physics | | MS | 5 |
| | | | | PHD | 4 |
| | | Geophys/Geophys & Sp Physics | | BS | 2 |
| | | Geophysics/Applied Geophysics | | BS | 1 |
| | Earth and Space Sciences Total | | | | 30 |
| | Mathematics | Applied Mathematics | | BS | 47 |
| | | Math of Computation | | BS | 9 |
| | | Mathematics | | BS | 38 |
| | | | | MA | 35 |
| | | | | MAT | - |
| | | | | PHD | 22 |
| | | Mathematics for Teaching | | BS | 12 |
| | | Mathematics/Applied Science | | BS | 75 |
| | Mathematics Total | | | | 237 |
| | Math/Atmospheric & Oceanic Sci IDP | Math/Atmospheric & Oceanic Sci | | BS | 0 |
| | Mathematics/Economics IDP | Mathematics/Economics | | BS | 47 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | Physics and Astronomy | Astronomy | | MS | 5 |
| | | | | MAT | - |
| | | | | PHD | 3 |
| | | Astrophysics | | BS | 13 |
| | | Biophysics | | BS | 6 |
| | | Physics | | AB | 3 |
| | | | | BS | 38 |
| | | | | MS | 18 |
| | | | | MAT | - |
| | | | | PHD | 18 |
| | Physics and Astronomy Total | | | | 103 |
| | Statistics | Statistics | | BS | 8 |
| | | | | MS | 21 |
| | | | | PHD | 7 |
| | Statistics Total | | | | 37 |
| | **Physical Sciences Total** | | | | **779** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **Social Sciences** | Afro-American Studies | Afro-American Studies | | AB | 19 |
| | | | | MA | 7 |
| | Afro-American Studies Total | | | | 26 |
| | American Indian Studies | American Indian Studies | | AB | 1 |
| | | | | MA | 6 |
| | American Indian Studies Total | | | | 7 |
| | Anthropology | Anthropology | | AB | 142 |
| | | | | BS | 34 |
| | | | | MA | 6 |
| | | | | PHD | 11 |
| | Anthropology Total | | | | 193 |
| | Archaeology | Archeology | | MA | 2 |
| | | | | PHD | 1 |
| | Archaeology Total | | | | 4 |
| | Asian American Std | Asian American Studies | | AB | 43 |
| | | | | MA | 9 |
| | Asian American Std Total | | | | 52 |
| | Chican/o Studies Cesar Chavez | Chicana & Chicano Studies | | AB | 64 |
| | Communication Studies | Communication Studies | | AB | 182 |
| | CAEM | Conserv Arch & Ethno | | MA | 2 |
| | Economics | Business Economics | | AB | 212 |
| | | Economics | | AB | 401 |
| | | | | MA | 28 |
| | | | | PHD | 24 |
| | | Economics/Intl Studies | | AB | 38 |
| | Economics Total | | | | 703 |
| | Geography | Geography | | AB | 50 |
| | | | | MA | 3 |
| | | | | PHD | 6 |
| | | Geography/Environ Std | | AB | 33 |
| | Geography Total | | | | 93 |
| | History | History | | AB | 622 |
| | | | | MA | 31 |
| | | | | PHD | 28 |
| | History Total | | | | 680 |
| | Political Science | Political Science | | AB | 668 |
| | | | | MA | 11 |
| | | | | PHD | 14 |
| | | Public Admnistration - inactive | | MPA | - |
| | Political Science Total | | | | 694 |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| | Sociology | Sociology | | AB | 565 |
| | | | | MA | 17 |
| | | | | PHD | 14 |
| | Sociology Total | | | | 596 |
| | Women's Studies | Women's Studies | | AB | 48 |
| | | | | MA | 2 |
| | | | | PHD | 0 |
| | Women's Studies Total | | | | 51 |
| | **Social Sciences Total** | | | | **3,348** |
| **Intl Inst** | African Studies | African Studies | | MA | 5 |
| | East Asian Studies | East Asian Studies | | AB | 32 |
| | | | | MA | 3 |
| | East Asian Studies Total | | | | 35 |
| | European Studies | European Studies | | AB | 14 |
| | Global Studies (IDP) | Global Studies | | AB | 21 |
| | Intl Development Studies | Intl Development Studies | | AB | 158 |
| | Islamic & Nr Eastern Studies | Islamic Studies | | MA | 3 |
| | | | | PHD | 1 |
| | | Mid East & N African Std | | AB | 9 |
| | Islamic & Nr Eastern Studies Total | | | | 13 |
| | Latin American Studies | Latin American Studies | | AB | 18 |
| | | | | MA | 12 |
| | Latin American Studies Total | | | | 30 |
| | Southeast Asian Studies (IDP) | Southeast Asian Studies | | AB | 2 |
| | **International Institute Total** | | | | **278** |
| **IOE** | Institute of the Environment | Environmental Science | | BS | 2 |
| | **IOE Total** | | | | **2** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **MIMG** | Micro, Immun, & Molec Gen | Micro, Immun, & Molec Gen | | BS | 140 |
| | | | | MS | 4 |
| | | | | PHD | 15 |
| | **MIMG Total** | | | | **159** |
| **Dentistry** | Dentistry | Dentistry | | DDS | 86 |
| | | Dentistry (PPID) | Y | DDS | 10 |
| | | Oral Biology | | MS | 9 |
| | | | | PHD | 4 |
| | **Dentistry Total** | | | | **109** |
| **Medicine** | Medicine | Medicine | | MD | 136 |
| | | Medicine - PRIME New | | MD | - |
| | | Medicine-Drew | | MD | 23 |
| | Medicine Total | | | | 160 |
| | Biological Chemistry | Biological Chemistry | | MS | 3 |
| | | | | PHD | 8 |
| | Biological Chemistry Total | | | | 11 |
| | Biomathematics | Biomathematics | | MS | 2 |
| | | | | PHD | 3 |
| | | Clinical Research | | MS | 5 |
| | Biomathematics Total | | | | 10 |
| | Biomedical Physics | Biomedical Physics | | MS | 5 |
| | | | | PHD | 4 |
| | Biomedical Physics Total | | | | 9 |
| | Human Genetics | Human Genetics | | MS | 0 |
| | | | | PHD | 8 |
| | Human Genetics Total | | | | 9 |
| | Molec and Med Pharm | Molec & Med Pharmacology | | MS | 1 |
| | | | | PHD | 9 |
| | Molec and Med Pharm Total | | | | 10 |
| | Neurobiology | Neurobiology | | MS | 1 |
| | | | | PHD | 5 |
| | Neurobiology Total | | | | 6 |
| | Neuroscience | Neuroscience | | PHD | 13 |
| | Path and Lab Medicine | Cellular & Molecular Path | | MS | - |
| | | | | PHD | 6 |
| | **Medicine Total** | | | | **233** |
| **Nursing** | Nursing | Nursing | | BS | 18 |
| | | | | MSN | 130 |
| | | | | PHD | 8 |
| | **Nursing Total** | | | | **155** |

# UCLA Degrees Granted: Three Year Average for 2005-06, 2006-07, and 2007-08

## Duplicated counts (double/joint majors counted in both majors)

| Division | Department | Major Program | Self Support | Degree | Three Year Average |
|---|---|---|---|---|---|
| **Public Health** | Biostatistics | Biostatistics | | MS | 16 |
| | | | | PHD | 6 |
| | Biostatistics Total | | | | 23 |
| | Community Health Sciences | Public Health | | MS | 1 |
| | | | | PHD | 5 |
| | Community Health Sciences Total | | | | 6 |
| | Environmental Health Sci | Environmental Health Sci | | MS | 3 |
| | | | | PHD | 4 |
| | Environmental Health Sci Total | | | | 7 |
| | Environmental Sci & Engr | Environmental Sci & Engr | | DENV | 5 |
| | Epidemiology | Epidemiology | | MS | 5 |
| | | | | PHD | 15 |
| | Epidemiology Total | | | | 20 |
| | Health Services | Health Services | | MS | 8 |
| | | | | PHD | 6 |
| | Health Services Total | | | | 14 |
| | Molecular Toxicology IDP | Molecular Toxicology | | PHD | 3 |
| | Public Health | Preventive Med & Public Health | | MS | - |
| | | Public Health | | DPH | 4 |
| | | | | MPH | 113 |
| | | Public Health (non-state) | Y | MPH | 44 |
| | Public Health Total | | | | 162 |
| | **Public Health Total** | | | | **238** |
| **Grand Total** | | | | | **11,295** |

0 represents 0.33, meaning one degree was granted in three years

*I:\Toolbox\[Acad toolbox app A degrees by dept and level.xls]by dept*

## Appendix B

### Costs of and Alternatives to UCLA's Buyout Model[1]

April 24, 2009

Interdisciplinary teaching is an important and distinguishing component of undergraduate education at UCLA. Interdisciplinary courses are found throughout the curriculum, with the greatest concentrations in Interdepartmental Programs (IDPs), Freshman Clusters, and Honors Collegium. Yet long-established practices have created obstacles to faculty teaching outside their own departments. The result is a costly system in which we often pay twice for teaching.

Why don't more faculty teach in IDPs and other interdisciplinary courses or programs? The commitment of ladder faculty to such programs is an important ingredient in successful proposals but, over time, participation tends to dwindle. In some cases, this reflects evolution in scholarship. In other cases, however, this is the result of UCLA's "buyout" culture. In short, the buyout culture means that many departments expect to be reimbursed for the "loss" of a faculty member who might teach in the department if he or she were not teaching outside the department. The reimbursement is intended to cover all or part of the cost of a lecturer to make up for the absence of the ladder faculty member.

In practice, however, the department does not always need to hire a lecturer when a faculty member commits to teaching a course outside the department. Furthermore, the practice implies that departments have no ongoing responsibility to support interdisciplinary teaching when, in fact, UCLA is committed to a variety of programs that do not fit within the departmental structure, such as the Freshman Clusters, General Education, and IDPs. Nonetheless, the buyout expectation remains and serves as a disincentive to participation in interdisciplinary teaching. An important exception is the South Campus IDPs, most of which do not have difficulty involving ladder faculty.

When faculty are unavailable to teach in IDPs, some programs hire lecturers to deliver teaching. This, too, is costly, and at some point the quality and continuity of the program is threatened by insufficient involvement of ladder faculty.

In short, we pay twice for teaching when:

A) we buyout a faculty member's time to teach outside the department when it is not necessary to hire a replacement lecturer; or
B) we hire a lecturer when we could, with appropriate planning, involve ladder faculty in teaching within IDPs or other interdisciplinary programs.

As shown in Table 1, the College invested $4.3 million in payroll expenses for IDPs in 2007-08. Of this total, $321,511 was used to "buy out" faculty time, and $1.1 million was

[1] This has not been reviewed by the Academic Programs Task Force. It is a working paper still in development and co-authored by Robin Garrell, Maryann Gray, Julie Sina, and Judith Smith.

used to cover costs of temporary faculty. Buy-out costs for the Freshman Clusters and Honors courses (Table 2) add significantly to this total. And professional schools also incur costs associated with IDP instruction, albeit far less than the College.

To encourage and facilitate interdisciplinary teaching, we need to foster a culture that recognizes the value of teaching outside one's department and develop a sustainable approach to enable it. In so doing, we have an opportunity to realize significant cost savings, because we will no longer pay twice for teaching. As Vice Provost and Dean Judi Smith has written, "Changes in the buyout culture…will require new expectations and structures promoted and monitored by the Chancellor, Provost as well as the deans."

In the short-term, we should:

- Use a flat buyout at rate of $5,000 per course as a cost-savings and cost-sharing measure.
- Convey the expectation that departments should contribute to the common good by enabling faculty to teach in GE, Clusters, Honors, IDPs, or other interdisciplinary opportunities outside the department. The level to which departments can and should contribute to the common good will depend on both capacity and demand. Every department can make some contribution, however.
- Identify IDP courses that could appropriately be multi-listed by departments in which the instructors hold their primary appointments.

As the next steps towards phasing out course buyouts, we should:

- Consider different allocation models. For example, we have discussed allocating Cluster funds and other funds for temporary IDP teaching), on a permanent basis in exchange for an ongoing commitment of faculty time to the Freshman Cluster program. In some cases, these represented unfilled FTEs that could then be filled.
- Consider a "tax" model in which every school, division or department is asked to make an "up front" allocation of money and/or faculty time to teaching programs deemed "common good." The common good might include GE, Cluster, and lower division service courses, teaching in Honors and IDPs, as well as other interdisciplinary offerings.
- Review IDPs to determine the extent to which faculty participation, as described in the proposal or most recent 8-year review, has been sustained.
- Ask departments to review their course offerings and consider dropping or consolidating courses with small demand, in order to free up faculty time for teaching outside the department in courses for which there is greater student demand and faculty interest. Consolidating courses across departments (e.g., by multilisting) is another way to ensure that interdisciplinary courses continue to be offered.
- Develop teaching workload policies that recognize: a) teaching outside the department as part of departmental responsibilities, b) and teaching for the

common good as a responsibility of individual faculty and departments as a whole.

- Establish MOU's with individual faculty members, deans and department chairs when the faculty members are hired and/or when IDP's are formed or reviewed, to specify the expected levels of commitment to extra-departmental teaching. The MOUs could be reexamined periodically as faculty members' interests and campus needs evolve.

**Table 1. 2007-08 Interdepartmental Program (IDPs) payroll expenditures and course buyouts**

| Division | Adminis-trators | Ladder | Librarians | Temp. Faculty | TAs Tutors | Total Payroll | Total buyouts |
|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | a+b+c+d+e | |
| Humanities | $5,136 | 76,925 | | 54,766 | 24,701 | 161,528 | 26,309 |
| Life Sci. | 323,626 | | | 14,735 | 940,740 | 1,279,100 | 0 |
| Phys. Sci. | 6,440 | | | 221,075 | 80,077 | 307,592 | 0 |
| Social Sci. | 57,931 | 347,243 | | 309,806 | 105,471 | 820,451 | 124,965 |
| Intl. Inst. | 891,314 | 14,306 | 174,571 | 535,731 | 118,852 | 1,734,774 | 170,237 |
| Total | 1,284,447 | 438,473 | 174,571 | 1,136,113 | 1,269,840 | 4,303,445 | 321,511 |

1) Data for columns a through e are derived from payroll ledger and expenses are categorized by academic series codes.
2) "Total Buyout" data are best guessed from QDB GL Transaction Table by reviewing transferred-out funds (type entry=14) and the description field for course buyouts.

**Table 2. Cost of actual instruction for the Undergraduate Education Division's major academic programs in 2007-08**

| Instructional Programs | Buyouts for Ladder Faculty* | Salaries for Temp. Faculty** | Grad Student Instructors | Total Costs of Instruction |
|---|---|---|---|---|
| Honors Collegium | $274,380 | $117,074 | $86,659 | $478,113 |
| CUTF^ | -0- | -0- | $102,492 | $102,492 |
| Freshman Clusters | $477,717 | $241,803 | $1,067,031 | $1,786,551 |
| Writing II | -0- | $67,115 | $196,809 | $263,924 |
| CCL TAs^^ | -0- | -0- | $163,241 | $163,241 |
| **Totals** | **$752,097** *(27%)* | **$425,992** *(15%)* | **$1,616,232** *(58%)* | **$2,794,321** *(100%)* |

* Buyout rate at ~$9,146.(rate at Assistant Professor Step III).
** Temporary faculty include: lecturers, academic administrators, emeriti/ae, adjuncts; in these categories, divisional funds are used to pay a portion of the instructor's salary based on the teaching workload.

^ Collegium of University Teaching Fellows (OID program)
^^ Center for Community Learning (CCL); TAs for internship classes (course number "195") are sponsored by departments or offered through the Civic Engagement Minor.

**Table 3. Summary of ladder-faculty course buyouts* by College Divisions and Schools (2007-08)**

| Academic Units | # course buyouts Honors | Honor Collegium | # course buyouts Clusters | Cluster Program | Totals | % of Grand Total |
|---|---|---|---|---|---|---|
| Humanities | 14 | $128,044 | 2 | $18,734 | $146,778 | 19% |
| Social Sciences | 11 | $100,606 | 31 | $290,377 | $390,983 | 52% |
| Life Sciences | 1 | $9,146 | 7 | $65,569 | $74,715 | 10% |
| Physical Sciences | 2 | $18,282 | 5 | $46,835 | $65,117 | 9% |
| Professional Schools | 2 | $18,292 | 6 | $56,202 | $74,715 | 10% |
| Grand Total | **30** | $274,380 | **51** | $477,717 | **$752,097** | **100%** |

* In 2007-08, buyouts were paid at the level of Assistant Professor-Step III to departments; these costs do not include summer stipends paid to a few cluster faculty for course development or teaching overload.

## Cost Savings and Efficiencies Task Force
**Budget Toolbox Project**

# INTERIM REPORT

24 April 2009


Committee Members

Administrative Vice Chancellor Sam Morabito, Chair
Associate Vice Chancellor & Controller Susan Abeles
Assistant Dean Lianna Anderson
Associate Vice Chancellor Jim Davis
Dean Aimee Dorr
Associate Vice Chancellor and CEO David Feinberg
Professor and Chair John Mazziotta
Assistant Dean Mary Okino
Vice Chancellor Steve Olsen
Vice Chancellor Roberto Peccei
Associate Vice Chancellor Jack Powazek
Professor Vivek Shetty

Staff to the Committee

Associate Vice Chancellor Glyn Davies
Associate Vice Chancellor Lubbe Levin
Special Assistant Don Worth
Programmer/Analyst Andrew Alexan

# TABLE OF CONTENTS

Introduction …… 2

Guiding Principles ……. 4

Recommendations ……. 7

Cost Savings and Efficiencies Task Force Initiatives ……... 11

Proposal Rankings ……. 18

Suggested Next Steps for Further Analysis and Implementation ……. 23

**APPENDICIES**

A – Charge Letter

B – Detailed Proposals

C – Cost Savings & Efficiencies Task Force IT Recommendations

# INTRODUCTION

In December, 2008, in response to the unprecedented budget crisis, both at the state level and within the University of California, Executive Vice Chancellor and Provost Scott Waugh created the Cost Savings and Efficiencies Task Force as part of a broader strategy for analyzing available options to address significant anticipated budget reductions. The Cost Savings and Efficiencies Task Force, chaired by Administrative Vice Chancellor Sam Morabito, was to "review options for reducing administrative costs and improving operational efficiency" and, in addition to across-the-board reductions, "consider more carefully selective, large-scale reductions that would substantially alter or eliminate units or programs." The task force was requested to provide a preliminary report by April 24, 2009, with recommendations for short-term actions, and a final report with longer-term recommendations in September, 2009. This document represents the committee's interim report; many of the recommendations contained herein will require further study to determine feasibility.

Throughout its deliberations, the task force has been cognizant of other planning activities that are closely connected with its charge. First, the task force has worked closely with the other two task forces created by EVC Waugh that are part of the Budget Toolbox project: the Academic Programs Task Force and the Revenue Task Force. As ideas were raised that were more appropriate for the consideration by one of the other task forces, they were forwarded to the relevant committee. Also, the committee reviewed the July 2008 report "Building Administrative Efficiency for the University of California", and considered how its recommendations could be applied to UCLA in particular. Finally, because many of the task force's recommendations concerned Information Technology and several of the Cost Savings and Efficiencies Task Force members were also members of the IT Planning Task Force which had been meeting concurrently to develop an IT strategic plan for the campus, these two committees attempted to closely align their concepts, principles and proposals.

The task force began its work by developing a set of principles that could be used to guide its analysis of options. These principles were drawn from the Building Administrative Efficiency report and adapted from principles that had been created by the IT Planning Task Force. The group then compiled a list of more than 80 cost saving ideas, including many submitted by individuals across the campus at large. Operational staff analyzed items on the list for viability and completed the forms included in the appendix describing each proposal, its benefits, and, where possible, an estimate of potential savings for some, although others will require further analysis over the next several months to complete estimates. A final review of the list of ideas resulted in the elimination of some and consolidation of similar suggestions. Proposals that related to revenue generation or that had academic implications were routed to the respective task forces. There were also a number of recommendations that would be dependent on the UC Office of the President and/or The Regents for approval and action, and it was decided that these would be endorsed by the task force with a recommendation that they

be forwarded to UCOP for consideration. The final list of recommendations contains 25 major categories, many of which are comprised of more than one subordinate proposal.

The Task Force completed its work by ranking each proposal with regard to its relative value in addressing the budget crisis and the perceived degree of ease with which each could be implemented.

Costs estimates are provided for many of the initiatives contained in this document with further estimating continuing. This interim report identifies partial potential savings totaling $43 million increasing to $119 million if a furlough option resulting in a 5% pay cut (one day per month for all faculty and staff) were to be adopted. Of course, for most recommendations, actual cost reductions can only be known after initiatives have been implemented and in operation for a sustained period of time and properly analyzed. Moreover, it is important to note that many of the initiatives identified in this report may produce cost savings for local departments but which may not be able to be captured at the institutional level.

# GUIDING PRINCIPLES

The Task Force created the following guiding principles in collaboration with the IT Planning Task Force. They were used to guide discussion and the development of proposals for this report.

*Foundational Principles*

- Change initiatives must have strong support from the highest levels of campus leadership and broad support from the university community as a whole to be successful. Planning and implementation must involve faculty, staff and students whenever appropriate.

- Cost savings should not be extracted without an understanding and assessment of the risk/reward trade-offs and they should not be applied in situations or to units that could jeopardize revenue growth. Where possible, consideration should be given to eliminating services or programs rather than reducing service quality across-the-board.

- Change will require a success driven mentality and building trust in institutional approaches. The benefits of cost saving and efficiency initiatives are accumulated, sustained and maximized by phasing actions and implementing quick wins first to establish trust, preparing the campus to take on more difficult challenges.

- While appropriate consolidations can form a core set of cost saving recommendations, centralization should not automatically be viewed as the solution to every challenge. Conversely, centralization or regionalization should not be automatically resisted when considering how best to deliver common services to campus departments. Choices should be made with an enterprise perspective and justified on the basis of the value they generate for the university.

- Cost saving initiatives and/or consolidations do not always need to include all campus units. Initially, coalitions of collaborating units may be able to bring more immediate benefits to the campus rather than attempting to build one-size-fits-all solutions to problems.

- Opportunities to consolidate common services should be actively explored. Redundant provisioning of common services by multiple service providers increases overall institutional support costs, results in uneven service levels and inhibits the ability to leverage economies of scale.

- Outsourcing systems and services should be considered when equivalent or better service can be provided at less cost while complying with regulatory requirements and University policy objectives. Conversely, services that are currently

outsourced should be evaluated for possible insourcing if there is a potential for savings or service improvement. Campus services that cannot compete with commercial entities with regard to price or performance should be considered as possible outsource candidates.

- UCLA should draw upon its own expertise and capacity first.

- Effective cost optimization may need new or continued investments to reap long term benefits.

- Recommendations for change should simultaneously consider service, fiscal and workforce implications.

- It is important to have realistic expectations for this cost saving effort. While much can be accomplished in a reasonably short time frame, some initiatives may take a period of years to implement.

*IT Related Principles*

- IT is a strategic tool for the campus that represents a significant investment of university resources. IT efforts and capabilities must be aligned with the goals of the institution to better enable the achievement of its mission and maximize the overall benefit of IT investments.

- Local IT autonomy, especially at the research and education 'front lines', is highly valuable to UCLA's primary economy of knowledge generation and impact and is recognized as a critical component of innovation. A high degree of individualized and responsive end user support is part of this economy. At the same time, 'connectedness' and the potential for collaboration within and outside the university are also highly valued components of a knowledge and innovation economy. IT is foundational and needs to be deployed with a careful balance between autonomy and collaboration and the infrastructure of individualized responsiveness and connectedness.

- Data is an institutional asset and the currency that has to be available and accessible to support the cost savings and efficiency business and infrastructure decisions. Campus units will need to readily share data and information.

- In support of innovation, the university will operate in a "federated IT" deployment model that is based on a structure of local, regional and institutional IT services to meet needs.

- Cost savings and efficiency proposals will respect these institutional principles by considering when local, regional and/or institutional solutions are more appropriate, enabling local units to leverage centralized/regionalized service capabilities.

- Consolidations of IT systems and infrastructure should be preceded by a reengineering analysis to extract unnecessary process steps, minimize bureaucracy, and consider impacts across multiple units.

- Reorganization and cost savings with regard to IT should recognize and be poised to compete for what are likely to be significant new state and federal funds which may be available in connection with the federal stimulus act.

# RECOMMENDATIONS

During its deliberations, the Task Force was able to identify 58 proposals that are responsive to its charge to provide recommendations for cost savings, improve efficiency and assist departments facing budget cuts. Due to the limited amount of time available, it was not possible to fully develop these ideas and, as mentioned earlier, although cost savings estimates were provided for many of these initiatives, others will require further analysis to assess their value in addressing the current budget crisis. Some proposals will need a significant implementation period and their benefits may not be seen in the shorter term. With the exception of a few "quick wins" (e.g. the voice access and TIF rate reductions and the telephone savings proposals), most of the ideas will require at least some further vetting and planning before they can be acted upon. Over the next few months, it is expected that the campus would initiate work groups to explore these options further and report back by fall 2009 with suggested plans for implementation. Recommendations for how this activity might be organized are provided later in this report.

Several cost saving suggestions considered by the Task Force were dependent on the Office of the President for approval or action. The group feels very strongly that these ideas should be considered because they could be of significant help to campuses in reducing costs. The Task Force offers its endorsement to UCOP for the following:

- The University should implement a phased retirement program to encourage early planning for retirement, assist with succession planning, and provide for smoother transitions as older members of the workforce retire.
- A defined contribution plan with portability of benefits should be offered in place of or as an additional alternative to the current defined pension plan for new employees.
- UC should consider options that would result in reducing the costs of employee health benefits, perhaps by offering fewer plan choices while retaining quality of benefits.
- The feasibility of extending the START program to faculty should be evaluated.
- UCOP should discontinue existing requirements for submission of signed paper forms from campus units and instead allow campuses to submit documents and forms electronically.
- The minimum threshold for capital projects should be increased to $1 million.

Most of these ideas were articulated more fully in "Building Administrative Efficiency for the University of California".

The Task Force's recommendations specific to UCLA are listed in the chart that follows this section. They divide between broader initiatives and those with Information

Technology implications. Each is described in greater detail in the appendix. Descriptions of representative proposals are highlighted below.

*General Budget Strategies*

The first two recommendations concern global strategies for addressing future budget reductions. Imposing across-the-board cuts on campus departments was considered and contrasted with using targeted budget reductions. The Task Force believes the former would not serve the campus well, and that cuts should be imposed more selectively so that programs and services that are critical to the campus' mission can be protected. As stated in the guiding principles, the Task Force felt that it would be better to eliminate programs or find efficiencies than to reduce service quality across-the-board. The cost savings recommendations that follow support this strategy.

*Human Resources Strategies*

Among the Human Resource strategies put forward, the Task Force believes the use of hiring freezes could be beneficial, but that such a program is best implemented at the local level by Deans and Vice Chancellors. A one or two day furlough was discussed, and it is clear that this could have the greatest impact in reducing costs. A single furlough day a month for all faculty and staff including the medical enterprise can produce approximately $76M in savings on an annualized basis without considering benefit savings that would pertain. A furlough, however, is only a short-term solution, and must be considered carefully. If a furlough is to be implemented, the Task Force recommends a program that combines extensions of holiday periods (campus-wide furlough days), combinations of furlough days with other holidays, or other scenarios that would serve to minimize the impact on university operations. The Task Force understands that the discontinuation of the incentive award pool assessment and the implementation of the START program for staff are being implemented. Consideration for an expansion of the START program to include faculty should also be considered.

*Procurement Strategies*

A number of procurement strategies were also considered. Imposing mandates on the use of procurement contracts was examined. However, most contracts already have 85% to 95% voluntary compliance, and it was decided that the remaining benefit of achieving 100% compliance would not be worth the negative implications of a mandate. There are examples of corporations that have achieved significant savings by institutionally promoting and providing incentives for "purchasing" used physical assets and goods first from within the institution; i.e. draw upon purchased assets within the institution first before purchasing externally. Suggestions were made for greater use of "used" equipment, goods, and exchange of services on campus. A proposal was also put forward to increase the number of "sweet spot" configurations for desktop computers and to strongly promote the avoidance of expensive configuration variations. Lastly, it was recognized that there was still considerable capacity for further savings on purchased software and licenses by aggregating needs across campus.

*Energy Conservation*

Energy conservation was also a prevalent theme among the recommendations. The campus already shuts down heating and cooling for most buildings during the winter break. Shutting down these services on long weekends, or even most weekends during the year can extend these savings. Also, significant energy savings are possible by promoting green initiatives regarding PCs and other electronic devices. By providing guidelines on how to better manage the power usage of over 60,000 devices, significant energy savings are possible. Additionally, data centers have become significant areas of energy usage. By immediately raising the operating temperature in these rooms there is considerable savings in air conditioning costs. Within the IT initiatives there are recommendations to consolidate data centers and share servers so there can be more energy efficient data centers and fewer servers. The higher cost of utilities suggests that the campus should look for more ways to reduce power consumption in all areas.

*Reducing Travel and Entertainment Expenses*

The Task Force also considered ways in which travel and entertainment costs, whether incurred directly by the University or by its employees while commuting, could be reduced. Videoconferencing, telecommuting, and telework centers are all on the list, as well as a target of a 10% reduction in travel.

*Reduction of Printing and Paper Costs*

One area that was specifically discussed was the use of printed materials by schools and departments for marketing and promotion. Millions of dollars a year are spent on brochures and newsletters, many of which are directed only internally within UCLA itself. The Task Force believes that the difficult fiscal times call for a drastic curtailment of spending in this area (i.e. internal marketing). In addition, when there is a need to print, there are significant savings to be had by making duplex printing the default, consolidating printing on printers that have duplex capabilities, and using fonts and draft print to reduce the amount of ink.

*Business Consolidations*

Business processing consolidations were also discussed, particularly in eliminating duplicative transactional processing across the campus and the medical enterprise. The group also considered some options for consolidating transactional processing at the departmental level into larger, regional business processing centers.

*Facilities Savings*

The Task Force believes that significant savings can be achieved through the consolidation of leases, especially by coordinating the procurement of office space between the campus and the medical enterprise. Further analysis of ways in which the costs of capital and facilities project planning can be reduced is also recommended.

*Other Proposals*

Other recommendations include cutting mail delivery on campus to once a day, and collecting statistical data and disseminating it to the campus to encourage economical behaviors, such as conserving energy, consumables, reducing travel, etc.

*Information Technology Recommendations*

Many of the suggestions in the area of Information Technology closely correlate with the work being done by the IT Planning Task Force. Consolidations are recommended in all areas of the technology stack, including desktop/help desk support, data warehousing and reporting, portal services, wired and wireless networks, email and calendaring, and data centers and server hosting. A PowerPoint presentation that outlines a general approach to providing IT services to the campus in the future is included in the appendix. It advocates a blended approach to service delivery, where some elements of an end-to-end IT service (such as email back-end services) are provided centrally or regionally, while others (such as service provisioning and end-user support) are provided locally.

In aggregate there are a number of opportunities to reduce campus infrastructure costs while still supporting the variable roles and needs for IT at the frontlines of research and education. Perhaps most importantly, by optimizing the campus infrastructure there can be additional capability for research and education, but this will require new IT deployment models for the campus. As such there will be some substantial immediate cost and service benefits, but the broader set of benefits will accrue over time and will require investment to move the campus in these new directions.

Key to accomplishing this institutional approach to IT service delivery will be a comprehensive and ongoing inventory and assessment of campus assets and services, including an analysis of the number of FTE currently employed across the campus to support IT functions. The act of doing an inventory will not only uncover substantial near term possibilities but will provide the critical information for planning more substantial infrastructure consolidation.

As noted previously the committee has included recommendations that would expand the use of software discounts and site license agreements, promote economical “green” computing at the desktop and departmental levels, and share IT services among campuses. In addition there is potential to reduce training costs through the use of online training, leverage on-campus expertise rather than hire off-campus consultants, and implement procurement strategies for IT products and services that can reduce costs.

Finally, through a combination of volume increases, expense reductions, and cost avoidance, CTS was able to maintain its voice access rate for FY 2008/09 and further reduce the voice access and voice mail rates for FY 2009/10 amounting to an annualized savings of $690,000. In addition, over the same time period, CTS has absorbed over $500,000 that would have been allocated to the Technology Infrastructure Fee (TIF) rate providing further cost avoidance savings to the campus.

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | **General Budget Strategies** | | | | | | | | |
| | a | Across the board budget reductions | 2.1 | 4.1 | n/a | Immediate | Waugh | Olsen | Committee rejected this option | |
| | b | Targeted budget reductions | 3.9 | 2.0 | n/a | Immediate | Waugh | Olsen | Committee endorses this strategy | |
| 2 | | **HR Strategies** | | | | | | | | |
| | a | Implement administrative hiring freeze | 3.0 | 3.5 | | Immediate | Waugh | Olsen | Committee suggests this be handled at the local level by VC's & Deans | |
| | b | Implement a 1 day/month or 2 day/month furlough | 3.5 | 1.5 | $76M | Lead time for OP review and Union notification | Chancellor | Morabito, Levin | Requires Presidential approval. | $ 76,000,000 |
| | c | Discontinuation of incentive award pool assessment | 3.7 | 4.4 | $5.97M one time, $4.85M annual | Est. May 2009 | Morabito, Olsen | Abeles, Levin, Davies | Campus is currently eliminating the .8% assessment and return of accumulated funds to units. | $ 4,850,000 |
| | d | START program for Academic Senate Faculty | 2.8 | 2.7 | $166K - $332K | Est. July 2009 | Chancellor, EVC | Morabito, Levin | Requires Regental approval. | $ 332,000 |
| 3 | | **Procurement Strategies** | | | | | | | | |
| | a | Expand use of strategic sourcing contracts by mandate | 2.5 | 2.8 | negligible | 6 months or less | Morabito | Abeles, Propst | Campus already has high compliance with procurement contracts. Mandate would not produce substantial additional savings. | |
| | b | Advertise Dollar Saver more broadly, broker departments providing services to each other | 2.5 | 4.2 | | | Morabito | Abeles | | |
| | c | Procure pre-owned goods (furniture, phones, vehicles) | 2.3 | 3.4 | | 3-6 months | Morabito | Abeles, Propst | | |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| | d | Utilize "Industry Standard" configurations for PC purchases | 2.9 | 3.3 | $375K | 1-2 months | Morabito | Abeles, Propst | | $ 375,000 |
| **4** | | **Energy Conservation** | | | | | | | | |
| | a | Reduction of HVAC services on 3 and 4 day weekends | 2.8 | 2.3 | $170K | 8-12 months | Morabito | Powazek | | $ 170,000 |
| | b | Reduction of HVAC services on Sundays (during school year) | 2.6 | 2.5 | $400K | 8-12 months | Morabito | Powazek | | $ 400,000 |
| | c | Reduction of HVAC services on all Saturdays | 2.5 | 2.3 | $500K | 8-12 months | Morabito | Powazek | | $ 500,000 |
| | d | Encourage departments to conserve energy | 3.5 | 3.4 | | | Morabito | Powazek | | |
| | e | Reduce energy consumption in telecom and server rooms on campus | 3.2 | 3.3 | | 1-2 years | Morabito | Powazek, Schilling | Develop policy statement on energy use for server rooms. | |
| **5** | | **Reduce Travel & Entertainment Expenses** | | | | | | | | |
| | a | Reduce travel & entertainment spending | 4.3 | 3.0 | $6.9M | immediate | Chancellor, EVC | Morabito, Abeles | Sue Abeles to provide reports to departments. | $ 6,900,000 |
| | b | Use video conferencing for meetings | 4.0 | 3.4 | | | Morabito, Davis | Powazek, Schilling | Need video conferencing hubs on campus as well as standard software contracts. | |
| | c | Develop UCLA remote work centers,support Teleworking | 2.8 | 2.6 | | 18 months | Morabito | Erickson, Schilling | | |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| **6** | | **Reduce Paper and Printing Costs** | | | | | | | | |
| | a | Eliminate all non-essential promotion/advertising/marketing | 4.0 | 3.5 | $2.2M-$3.3M | 6 months | VCs and Deans | | | $ 3,300,000 |
| | b | Transition to paperless processes | 3.4 | 3.2 | $100K+ $1M in reuse of leased space | 12 months | VCs and Deans | | | $ 100,000 |
| | c | Eliminate all internal advertising at UCLA | 3.7 | 3.5 | $4.4M | 6 months | VCs and Deans | | | $ 4,400,000 |
| **7** | | **Business Consolidations** | | | | | | | | |
| | a | Consolidate business functions and systems across campus and medical sciences | 4.2 | 1.8 | Requires further study | Requires further study | Morabito, Feinberg, Olsen | | | |
| | b | Pooled administrative expertise (Regional Business Processing centers) | 3.4 | 2.4 | Requires further study | Requires further study | VCs and Deans | Abeles, Levin | | |
| | c | Payroll Personnel proposal (standardized time reporting & business processing centers) | 3.4 | 2.4 | Unknown but substantial | 6-9 months | Morabito | Levin, Abeles | | |
| | d | Institute Business Administration Teams for Research Administration | 2.7 | 2.5 | | 6-8 months to years | Peccei, Morabito | Abeles, Levin, Marsha Smith | Requires additional study in conjunction with Huron Report | |
| **8** | | **Facilities Savings** | | | | | | | | |
| | a | Reduction in off-Campus space lease costs | 4.5 | 2.5 | $4.8M | TBD | VCs and Deans | Morabito, Erickson | | $ 4,800,000 |
| | b | Reduce costs of capital and facilities project planning and delivery | 3.8 | 2.7 | $100K | Immediate upon UCOP approval | Olsen, Morabito | Santon, Hendrickson, Powazek, Feinberg, Angelis | Requires UCOP approval, VC Olsen to form committee | $ 100,000 |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| | c | Use low-maintenance landscaping on campus | 2.3 | 2.9 | $4-$7K per building, 7 year payback | 6-12 months | Morabito | Powazek | | $ 30,000 |
| **9** | | **Cut Mail Delivery to Once a Day** | **3.2** | **3.9** | **$148K** | **< 6 months** | **Morabito** | **Erickson** | | $ 148,000 |
| **10** | | **Use Data to Encourage Economical Behaviors** | **2.7** | **2.2** | | | **Davis** | | | |
| | | **IT INITIATIVES** | | | | | | | | |
| **11** | | **Desktop/Support Consolidation** | | | | | | | | |
| | a | Help Desk | 2.5 | 2.7 | | | Davis | | | |
| | b | Migrate desktop and server support for small groups to existing, large-scale regional or institutional providers | 3.3 | 3.2 | $50K per dept | 1 month per migration | Davis | CTS/others | | $ 1,000,000 |
| | c | Consolidate application support help desks (central applications) | 3.0 | 2.6 | Requires further study | Requires further study | Morabito, Davis | Wissmiller | | |
| | d | Campuswide Help Desk Tracking S | 2.9 | 3.5 | small initially | pilot 2-3 months, campus 1-2 years | Morabito, Davis | Wissmiller | | |
| **12** | | **Broaden Participation in Software Central** | **4.0** | **4.1** | | | **Morabito, Davis** | **Propst, Trappler** | | |
| **13** | | **Economical Green Computing** | **4.3** | **3.6** | **$2.6M** | **up to 4 years** | **Davis** | | | $ 2,600,000 |
| **14** | | **UC-wide Service Centers** | **3.4** | **2.3** | | **36 months** | **Davis** | **Schilling** | | |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| **15** | | **Data and Reporting Initiatives** | | | | | | | | |
| | a | Data Sharing | 3.3 | 2.5 | | | Davis, Morabito | Wissmiller | | |
| | b | Research and Educational Data | 2.7 | 2.4 | primarily cost avoidance | | Davis | | | |
| | c | Campus reporting strategy and tools | 3.3 | 3.1 | $500K | now | Morabito, Davis | Wissmiller | | $ 500,000 |
| **16** | | **Campus Portal Standards/Consolidation** | **3.3** | **3.2** | | **multi-year** | **Morabito, Davis** | **Wissmiller** | | |
| **17** | | **Network Consolidation with Layered Services** | | | | | | | | |
| | a | Campus Network Facilities Consolidation and Service Provisioning Regionalization | 3.5 | 2.6 | $208K | 12-18 months | Davis, Morabito | Schilling, Van Norman, Snow | | $ 208,000 |
| | b | Commoditization of Wireless Services utilizing a layered or shared service model for support of user services | 3.8 | 2.7 | $160K | begin June 2009 | Davis, Morabito | Schilling, Van Norman, Snow | | $ 160,000 |
| **18** | | **Consolidate Email & Calendaring Systems** | **4.1** | **2.5** | **$1.2M** | **30-36 months** | **Morabito, Davis** | **Schilling** | | $ 1,200,000 |
| **19** | | **Network & Communications Strategic Sourcing** | | | | | | | | |
| | a | Network switching vendor diversity | 3.3 | 3.5 | $125K | 6-36 months | Morabito, Davis | Schilling, Van Norman | | $ 125,000 |
| | b | Reduce communications costs associated with cell phones and other PDAs | 3.3 | 3.2 | $100K | 6 months | Morabito, Davis | Schilling | | $ 100,000 |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| | c | UC/CPG outbound telecommunications trunking and calling plan initiative | 2.9 | 2.7 | $16K | start July 2010 | Morabito, Davis | Schilling | | $ 16,000 |
| | d | Consolidate CISCO/other network maintenance programs | 3.2 | 3.7 | $50K | 6 months | Morabito, Davis | Schilling | | $ 50,000 |
| | e | UC cellular services sourcing initiative | 3.2 | 3.5 | $216K | 6 months | Morabito, Davis | Schilling | | $ 216,000 |
| **20** | | **Telephone Savings Proposals** | | | | | | | | |
| | a | Voice Access Rate Reduction | 3.5 | 4.2 | $690K | start July 2009 | Morabito | Schilling | Will be implemented at CTS level | $ 690,000 |
| | b | Reduce in-bound trunking to minimum contract levels | 3.5 | 4.1 | $50K | start July 2010 | Morabito | Schilling | Will be implemented at CTS level | $ 50,000 |
| | c | Nortel maintenance program | 3.4 | 3.8 | $50K | start Jan 2011 | Morabito | Schilling | Will be implemented at CTS level | $ 50,000 |
| | d | Migrate the emergency out-call system | 3.1 | 4.4 | $3K | 3 months | Morabito | Schilling, Powazek | Will be implemented at CTS level | $ 3,000 |
| **21** | | **TIF Rate Mitigation Strategy** | **4.2** | **3.7** | **$502K** | **start July 2009** | **Morabito** | **Schilling** | | $ 502,000 |
| **22** | | **Data Center Facility and Virtual Servers Consolidation** | **4.3** | **2.3** | **$2.3M equipment $1.7M energy** | **start in 6 months** | **Morabito, Davis** | **Wissmiller, Schilling, Labate** | | $ 2,275,000 |
| **23** | | **Inventory & Assessment of IT Assets** | **3.5** | **3.1** | **$5M** | **6 months** | **Davis** | **Snow, Wissmiller, Reddingius** | | $ 5,000,000 |
| **24** | | **Campus Implementation Teams** | **3.5** | **3.2** | **$250K-$500K** | **1 year ramp up** | **Davis** | **Reveil, Rocchio** | | $ 500,000 |

## Cost Savings and Efficiencies Task Force Initiatives

| # | | Initiative | Importance<br>1=Low<br>5=High | Ease of Implement.<br>1=Hard<br>5=Easy | Annual Cost Savings | Timeframe | Responsible to Implement | Support | Comments/Status | Annual Savings Totaled |
|---|---|---|---|---|---|---|---|---|---|---|
| **25** | | **Online IT Training** | **3.8** | **3.8** | **$900K** | **pilot underway** | **Davis** | **J. Reynolds** | | $ 900,000 |

**TOTAL WITH FURLOUGH OPTION $ 118,550,000**

**TOTAL WITHOUT FURLOUGHS $ 42,550,000**

**Referred to Academic Cost Savings Committee**

Reduce UCLA contributions to research units that are over and above basic infrastructure costs
The semester system
Reduce number of required courses in academic degree programs
Increase required minimum enrollment for undergrad and grad courses
Admit students who can cover their own costs over and above unit enrollment target
Create online courses

**Referred to Revenue Committee**

Allow schools to recharge use of classrooms for non-teaching purposes

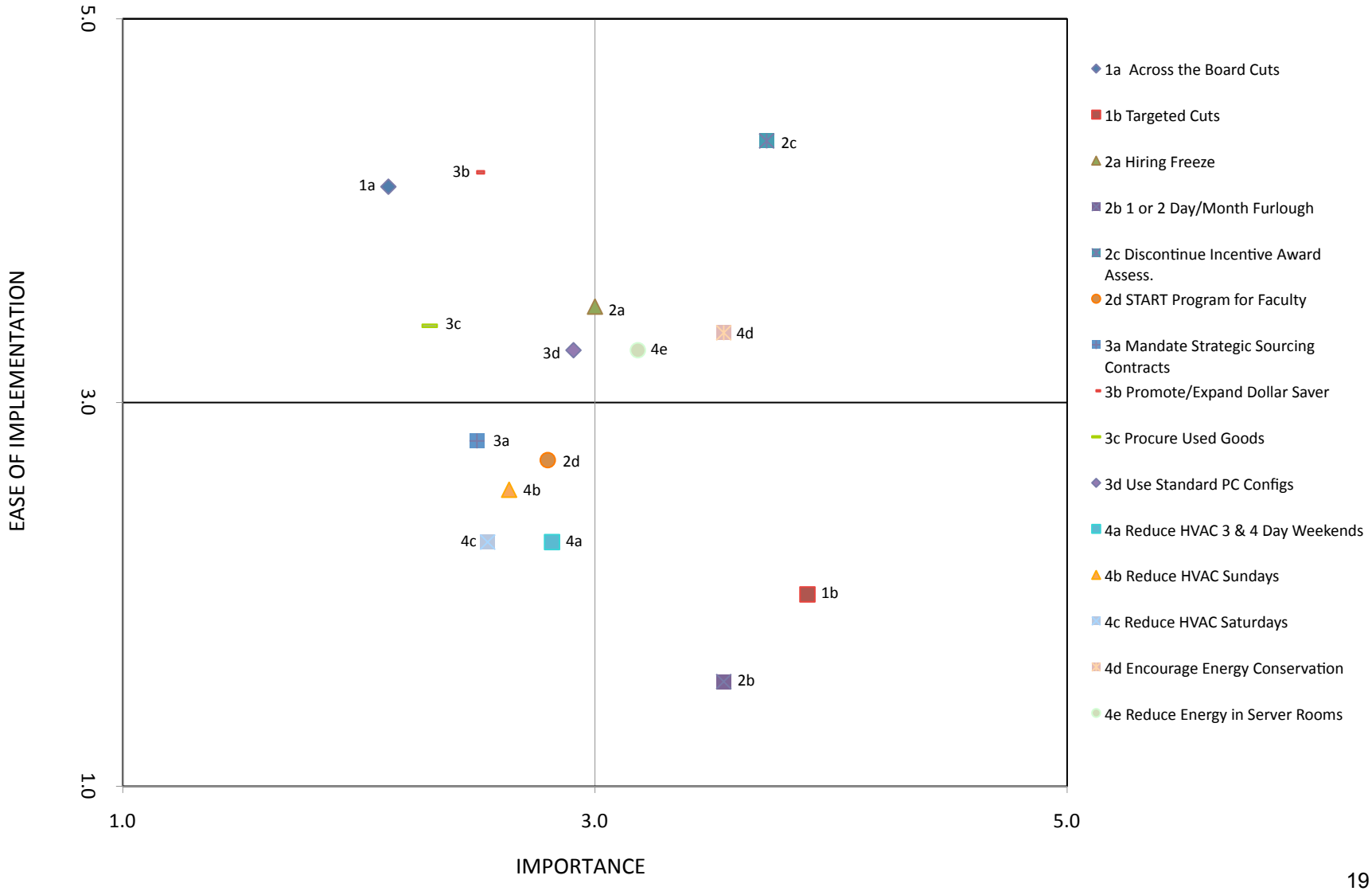
**Endorse in report and refer to UCOP for action**

Implement phased retirement program
Implement second tier retirement program
Reduce costs of employee health benefits
Establish a START program for faculty
Permit emailing electronic forms to UCOP for most administrative functions
Increase minimum threshold for capital projects

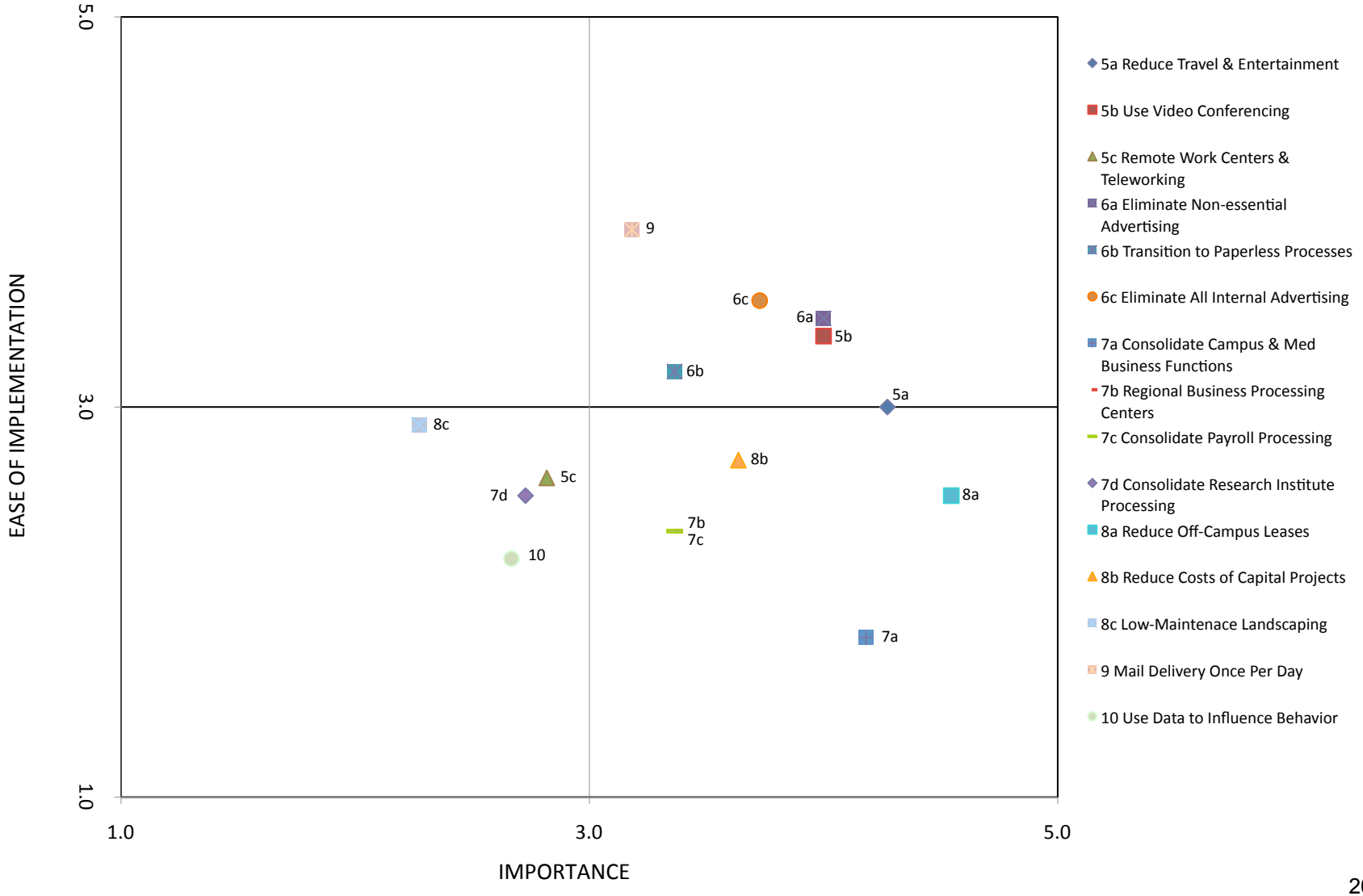
# PROPOSAL RANKINGS

As a final task, the Cost Savings and Efficiencies Task Force members each ranked the group's proposals on a 1 to 5 point scale (1=low, 5=high) with regard to their relative importance or value against the expected ease of implementation. Individual rankings were averaged across all the task force members to produce final Importance and Ease scores for each item, as shown on the earlier chart, and plotted on quadrant graphs on the pages that follow. Those ideas, which in the Task Force's estimation are likely to produce the highest value for the least effort, tended to group in the upper right quadrant of each graph. Difficult but nevertheless important initiatives appear in the lower right quadrant. These graphical representations may be helpful in identifying the "low hanging fruit" among the recommendations.

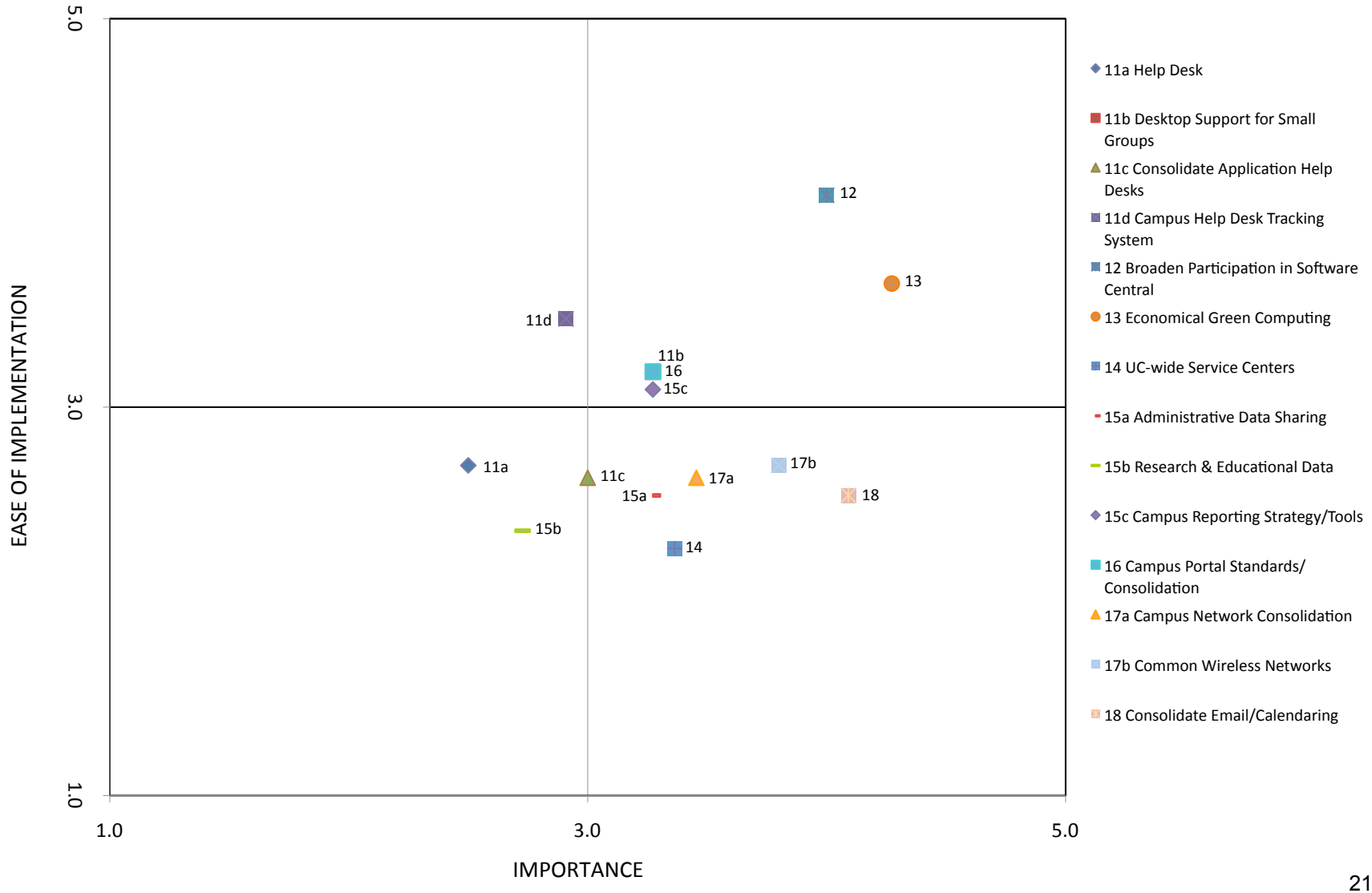
# Rankings for Initiatives 1 - 4



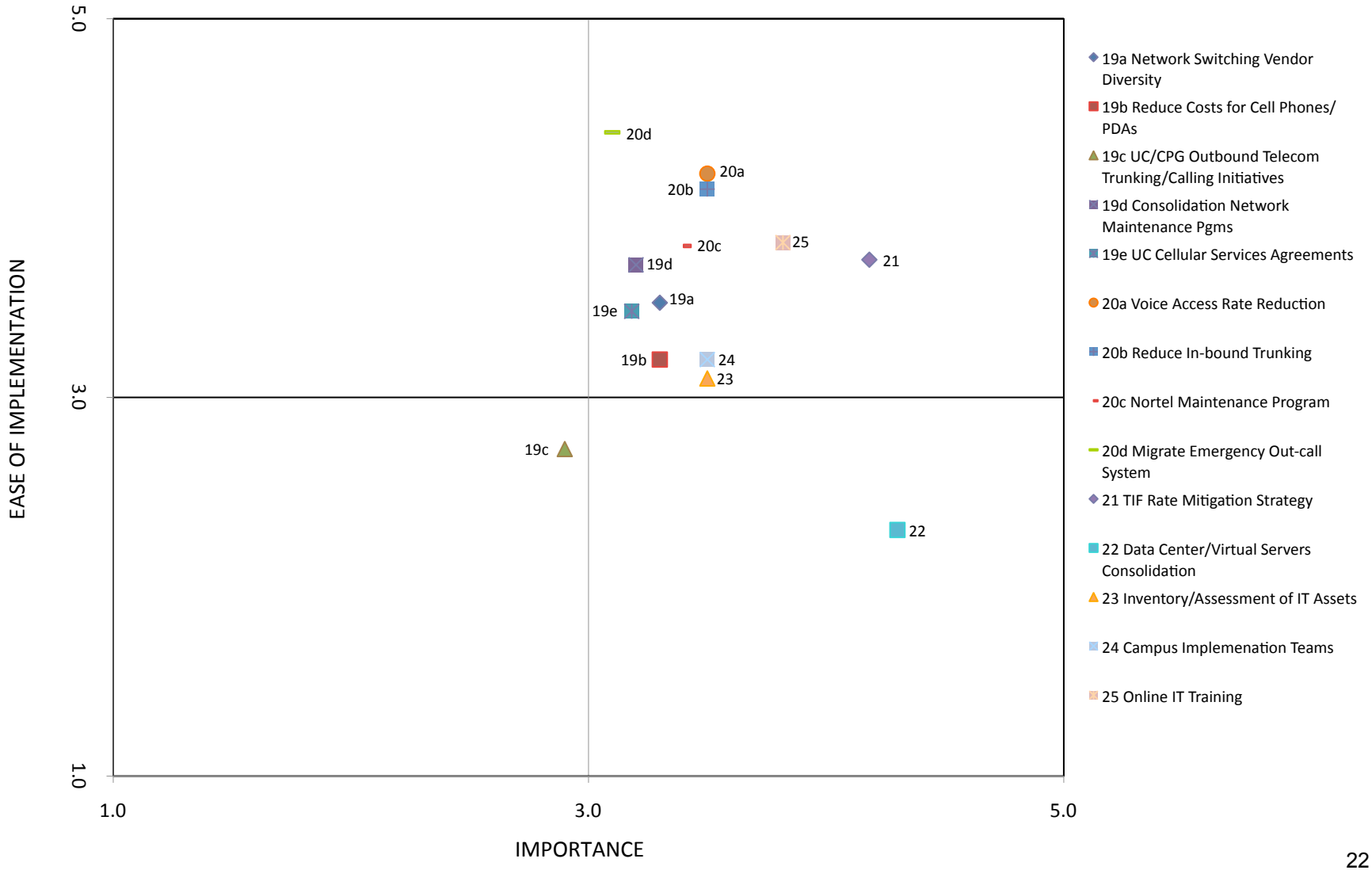
# Rankings for Initiatives 5 - 10



# Rankings for Initiatives 11 - 18 (IT)



# Rankings for Initiatives 19 - 25 (IT)



# SUGGESTED NEXT STEPS FOR FURTHER ANALYSIS AND IMPLEMENTATION

The Task Force has provided suggestions for implementation responsibility for each item on the list of recommendations on the summary chart provided earlier. A number of the items can and should proceed with analysis and immediate implementation. These include the CTS internal cost saving initiatives, the voice access and TIF rate proposals, the green IT initiatives, software and PC savings, savings on IT training and the initiatives to reduce printing and ink usage and costs. Others, such as the lease consolidations, will require further discussion and study by staff with operational responsibilities in those areas. In many cases, those charged with implementation responsibility can form small cross-organizational work groups that can conduct further feasibility analysis and develop detailed implementation plans.

Since the IT Planning Task Force is expected to submit the first draft of an IT strategic plan for the campus at the end of May, it seems prudent to wait for that document before moving further with most of the IT proposals that involve new shared services or consolidations. The campus' CIO should lead these initiatives. However, the campus inventory and assessment of data centers/machine rooms and what is in them will provide key information for further analysis and prioritization on the IT and energy savings recommendations from the Cost Efficiencies Task Force and it will be needed to proceed with the recommendations from the IT Planning Task Forces and other campus IT initiatives. The inventory and analysis should be planned and proceed as soon as practicable.

The Task Force believes its recommendations can be fully analyzed and developed by September 1.

# APPENDIX

December 8, 2008

Associate Vice Chancellor Susan Abeles
Assistant Dean Lianna Anderson
Associate Vice Chancellor Jim Davis
Dean Aimee Dorr
Associate Vice Chancellor and CEO David Feinberg
Professor and Chair John Mazziotta
Vice Chancellor Sam Morabito
Assistant Dean Mary Okino
Vice Chancellor Steve Olsen
Vice Chancellor Roberto Peccei
Associate Vice Chancellor Jack Powazek
Professor Vivek Shetty
Professor Michael Stenstrom

Dear Colleagues:

I am writing to ask you to serve on the Cost Savings and Efficiencies Task Force, one of three groups formed under the Budget Toolbox project.

The Budget Toolbox project is designed to support campus academic and budgetary planning in the face of current and anticipated additional budget cuts. Because of severe financial pressures, UCLA must develop plans for sustaining academic strength through: (i) cost savings and increased efficiency, (ii) increased non-state revenues, and (iii) strong alignment of academic programs with institutional priorities. Toward this end, I am convening three task forces to address these issues. These task forces, and their respective charges, are as follows:

1. The Academic Programs Task Force, which I will chair. The charge of this task force is to review and recommend options for reducing the cost of the academic program and for reallocating resources within the academic program to meet anticipated budget reductions. Many of these actions may have a direct impact on our academic programs and therefore need to be considered within the context of UCLA's overall academic mission, especially the teaching enterprise. Initially, the task force should consider the potential impact of 3, 5, and 8 percent General Fund reductions to academic units, as contemplated in UCLA's budget planning guidelines for 2009-10. In addition to across-the-board approaches, the task force should also consider more carefully selective, large-scale reductions that would substantially alter or eliminate units or programs. This analysis should not be limited solely to teaching or research units, but also to academic

support units such as Research Administration, the Graduate Division, the University Library and others. In making recommendations, the task force will need to consider the centrality of units to the core mission of UCLA, the impact on students, the overall quality of units, and the long-term impact on UCLA.

2. The Revenue Task Force, which will be chaired by Vice Chancellor Steve Olsen. The charge of this task force is to review and recommend options for increasing non-state revenues for support of academic and administrative programs. Such options may involve the establishment of self-supporting degree programs, changes in student fee levels, options for private fund raising, improving returns from the use of university property, and improved returns from royalty income. Revenues may be limited to specific programs or available for the general use of the campus.

3. The Cost Savings and Efficiencies Task Force, which will be chaired by Vice Chancellor Sam Morabito. The charge of this task force is to review options for reducing administrative costs and improving operational efficiency. Initially, the task force should consider the potential impact of 3, 5, and 8 percent General Fund reductions to campus administrative units, as contemplated in UCLA's budget planning guidelines for 2009-10. In addition to across-the-board approaches, the task force should also consider more carefully selective, large-scale reductions that would substantially alter or eliminate units or programs. The task force may also wish to consider reviewing the July 2008 report titled "Building Administrative Efficiency" in its deliberations, but it should not necessarily be limited to options included in that report.

The work of the task forces will be guided by a steering committee, consisting of the task force chairs (Sam, Steve, and myself), and one or two faculty to be determined.

I will convene an organizational meeting of the three task forces on December 17, 2008. My office will contact you soon with the meeting time and location. The individual task forces will begin their work in earnest early in the winter quarter. Meetings of each task force will be scheduled in advance at intervals of three weeks. Staff support will be provided by the Chancellor's Office, the Office of Academic Planning and Budget, and the Office of Analysis and Information Management. In addition, we will establish a dedicated web site for sharing information and soliciting input from task force members.

Each task force should plan for two phases of work. The first should focus on the review of options relevant to the 2009-10 budget planning process. In this phase, each task force should submit its report and recommendations to my office no later than April 24, 2009. The second phase should focus on options for reallocating resources, generating new revenue, and improving efficiency that are not necessarily relevant to the 2009-10 timeframe, but should be pursued by the campus as part of a longer-term strategy for adapting to severely constrained resources. The report and recommendations of this second phase should be transmitted to my office no later than September 1, 2009.

For your further information, I have attached a full roster of task force members. You will also soon be provided with access to a set of preliminary toolbox options. This document summarizes ideas that may be worthy of further consideration as approaches to sustaining academic quality despite declining state support. This list of actions is preliminary and is designed to foster and promote discussion, not to suggest a preferred agenda. I expect that in the course of its work, each task force will reject many of these options as infeasible or undesirable, and will also identify additional options for analysis and recommendation.

Your service on this Task Force will be of great value to UCLA. Please let me know if you are unable to serve.

Warm Regards,

Scott L. Waugh
Executive Vice Chancellor and Provost

Attachment: Task Force Roster

cc: Chancellor Gene Block
Andrew Alexan
Associate Vice Chancellor Glyn Davies
Assistant Provost Maryann Gray
Associate Vice Chancellor Lubbe Levin
Assistant Vice Chancellor Lawrence Lokman
Director Sonia Luna
Vice Chancellor Tom Rice
Director Caroline West

**Budget Toolbox Task Force Membership**

Budget Toolbox Steering Committee

Sam Morabito
Steve Olsen
Scott Waugh (chair)

Academic Programs Task Force

Utpal Banerjee
Frank Gilliam
Michael Goldstein
Ray Knapp
Chris Littleton
Judy Olian
Janice Reiff
Alan Robinson
Joe Rudnick
Judi Smith
Gary Strong
Eric Sundquist
Scott Waugh (chair)
Steve Yeazell

Revenue Task Force

Kathryn Atchison
Hilu Bloch
Robin Garrell
Janina Montero
Sam Morabito
Steve Olsen (chair)
No-Hee Park
Cathy Sandeen
Mike Schill
Rhea Turteltaub
David Unruh
Kang Wang

Cost Savings and Efficiencies Group

Sue Abeles
Lianna Anderson
Jim Davis
Aimee Dorr
David Feinberg
John Mazziotta
Sam Morabito (chair)
Roberto Peccei
Steve Olsen
Jack Powazek
Mary Okino
Vivek Shetty
Michael Stenstrom

Staff Support

Glyn Davies (chief of staff)
Andrew Alexan
Maryann Gray
Lubbe Levin
Sonia Luna
Tom Rice
Caroline West

**COST SAVINGS & EFFICIENCIES TASK FORCE**

# TOOLBOX OPTIONS

**4/20/2009**

## 1. GENERAL BUDGET STRATEGIES

| 1a | Across the board budget reductions |
|---|---|
| Project Description → <br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Impose budget cuts as a percentage of overall state funding by department. |
| Benefits & who benefits | Easiest to implement. Distributes the impacts of the budget crisis equally across all departments. |
| Challenges or difficulties | Departments' ability to absorb cuts varies. Does not protect programs that are critical to the University's mission. |
| Est. cost savings (realizable) or cost avoidance and to whom | Depends on budget cut target. |
| Cost to implement if any | None |
| Est. duration in months | 1-2 months |
| Decision rights | Chancellor |
| Responsibility | Waugh (Olsen) |

| 1b | Targeted budget reductions |
|---|---|
| Project Description → <br> IMPORTANCE / EASE OF IMP. (1=least, 5=most) | Apply budget cuts strategically on a program-by-program basis. Eliminate entire programs where possible, rather than reducing services across-the-board. |
| Benefits & who benefits | Protects mission critical units. Allows the University to express its strategic directions through targeted cuts. |
| Challenges or difficulties | Harder to implement. Requires significant analysis. |
| Est. cost savings (realizable) or cost avoidance and to whom | Depends on analysis and strategic policy. |
| Cost to implement if any | Staff time to complete analysis. |
| Est. duration in months | 6 months |
| Decision rights | Chancellor |
| Responsibility | Waugh (Olsen) |

**2. HR STRATEGIES**

| **2a** | **Implement administrative hiring freeze** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Implement a hiring freeze on all administrative positions. |
| Benefits & who benefits | Departments and units |
| Challenges or difficulties | Requires an exception process for positions essential to the operation of the university. Generally units faced with budget cuts, will already have held open or eliminated non-essential positions. |
| Est. cost savings (realizable) or cost avoidance and to whom | Unknown |
| Cost to implement if any | None |
| Est. duration in months | 1 month |
| Decision rights | Chancellor |
| Responsibility | Waugh (Olsen) |

| 2b | Implement a 1 day/month or 2 day/month furlough |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Furlough staff for one or two unpaid days per month |
| Benefits & who benefits | UCLA as a whole. |
| Challenges or difficulties | Coordination of schedules across organizations; may require collective bargaining negotiations for represented employees; some service areas (e.g. hospitals) would need to be exempted; requires OP review and approval. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated savings include: 8 to 16 hours of salary savings per month. One day (8 hours) per month is equivalent to a 5% pay cut: for campus staff (excluding healthcare) approx. savings of $22 million. If healthcare is included, additional savings would be $32 million. (These estimates do not include benefit cost savings.) If academic appointees are included in the process, the additional savings are estimated at $4 million for the campus and $18.6 million for healthcare. (The only group left out would be student employees.)<br><br>Grand total savings = $76.6M |
| Cost to implement if any | This would need further evaluation. The complexities of scheduling to ensure coverage could result in implementation costs. The timing of implementation in connection with meeting-and-conferring requirements for the various bargaining units would create additional complexity. |
| Est. duration in months | Uncertain lead time needed for OP review and potential union notification/negotiations. |
| Decision rights | Chancellor recommendation to President for approval. |
| Responsibility | Chancellor (Morabito) |

| 2c | **Discontinuation of incentive award pool assessment** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Currently departments are assessed .89% of payroll across all fund sources to generate the non-represented staff incentive award pool. The assessment is .5% for skilled crafts, patient-care technical employees, and police officers, respectively. Other bargaining units have negotiated use of this funding for salary actions in lieu of awards and, as a result, assessment of those bargaining units has already been discontinued.<br><br>In view of recent Regents' actions to limit awards to $1,000 annually and limit eligibility to those earning less than $100,000, discontinuing the assessment and returning current balances to departments would allow use of the funding either for budgetary savings or for "local" awards funded at the department level with available resources. |
| Benefits & who benefits | Campus departments |
| Challenges or difficulties | Assessments made against Federal contracts and grants need special review and may require returning funds to the fund source. It may be possible to refund current year assessments to open federal awards; the balance would need to be returned to the Federal government. |
| Est. cost savings (realizable) or cost avoidance and to whom | Annual savings related to discontinuing the assessment are estimated at $4.85 million. Approximately $5.97 million in one-time accumulations will be returned to departments this year after excluding federal funds. (Departments that wish to continue to make incentive awards under program guidelines may do so using available funds. Estimated savings do not include new expenditures for local awards.) |
| Cost to implement if any | Time and effort by payroll staff to return balances to campus. |
| Est. duration in months | Estimated target date May 1, 2009. |
| Decision rights | Chancellor |
| Responsibility | Morabito (Abeles, Levin) and Olsen (Davies) |

| 2d | START program for Academic Senate faculty |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | Currently staff and academic employees, except Academic Senate faculty (and postdoctoral researchers and student employees) are eligible to volunteer to reduce their appointment time by 5% or more (not to go below 50%) with the approval of the department. Employees retain full UCRP service credit and vacation/sick leave accrual at the regular appointment percentage while on START. |
| Benefits & who benefits | University and employees. |
| Challenges or difficulties | Ladder rank faculty do not work "regular" 40 hour work weeks; thus reducing time may or may not be feasible. |
| Est. cost savings (realizable) or cost avoidance and to whom | For staff, START savings between July 1, 2008 and February 28, 2009, were approx. $1 million. Using the same take-rate, faculty salary savings are estimated between $166,000 (5% average reduction) and $332,000 (10% average reduction). |
| Cost to implement if any | None |
| Est. duration in months | Potentially could be implemented by July 1, 2009. |
| Decision rights | Chancellor recommendation for approval by the President and Regents. |
| Responsibility | Chancellor, EVC (Morabito, Levin) |

## 3. PROCUREMENT STRATEGIES

| 3a | Expand Use of Strategic Sourcing Contracts by mandate |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Increase participation rates in purchasing through established strategic sourcing contracts. Current participation varies by contract. Most are at or above 85%. Lowest participation is in academic units. |
| Benefits & who benefits | Use of contracts reduces overall costs to the university for commodity purchases. Increased volume gives the university greater leverage with vendors when negotiating contract renewals. |
| Challenges or difficulties | May require imposition of mandatory restrictions to contracted vendors for certain commodities. |
| Est. cost savings (realizable) or cost avoidance and to whom | Campus compliance is already quite high. Additional savings recovered through mandates would be negligible. |
| Cost to implement if any | No cost |
| Est. duration in months | 6 months or less |
| Decision rights | Chancellor |
| Responsibility | Morabito (Abeles, Propst) |

| 3b | **Advertise Dollar Saver more broadly, broker departments providing services to each other** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Increase awareness of the Dollar Saver clearinghouse for departments to sell used items. Add the capability for departments to broker services to one another. |
| Benefits & who benefits | Theoretically all departments/units/individuals who procure assets and services |
| Challenges or difficulties | Reallocation of assets is difficult without a solid process. Motivating and incenting people to participate. There may be some assets and services funded in ways that they cannot be redeployed internally |
| Est. cost savings (realizable) or cost avoidance and to whom | Corporate surveys have shown that about 15% of company assets sit idle or go unused. It has been shown that for every $1 of assets transferred within an organization, $3 in new purchase costs is avoided. |
| Cost to implement if any | Investment to better advertise the Dollar Saver and add the ability to broker services between departments. |
| Est. duration in months | The greatest difficulty is motivating people to participate. Significant participation has been motivated through the use of credits (internal currency used to buy and sell assets) credits then become a measure of participation and an overall measure of purchased good cost avoidance. |
| Decision rights | |
| Responsibility | Morabito (Abeles) |

| 3c | **Procure pre-owned goods (furniture, phones, vehicles)** |
|---|---|
| Project Description → <br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Purchase pre-owned goods (furniture, phone sets, vehicles, etc.) as an alternative to new purchases. |
| Benefits & who benefits | Departments would pay lower prices for acquired goods. |
| Challenges or difficulties | Would require a perceptual shift; most pre-owned goods offer warranties. |
| Est. cost savings (realizable) or cost avoidance and to whom | Cost savings accrue to entire campus, but may vary by department. |
| Cost to implement if any | Small, nominal procedural costs. |
| Est. duration in months | 3 – 6 months contingent upon campus approval and enforcement. |
| Decision rights | Chancellor |
| Responsibility | Morabito (Abeles, Propst) |

| 3d | Utilize "industry standard" configurations for PC purchases |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | UCLA's reseller for personal computers (desktops and notebooks), KST Data, also has a number of large aerospace customers, and to achieve maximum savings, those customers have a very few "standard configurations" or "sweet spots" for the purchase of desktop and notebook computers. In comparison, the UC standard configurations numbered about 18 for UCLA until the recent system-wide negotiations with Dell reduced the UC number to 9. Even with the standard configurations, most UCLA PC purchases involve departmental modifications to the configuration, which modification is at the line of business discount and not the deeper standard configuration discount.<br><br>The project concept is to have KST Data approach HP and Dell on our behalf to enable UCLA to purchase the same few number of "industry standard configurations" and achieve the deeper discounts available, estimated by KST at 10 – 15%.<br><br>The method of purchase through KST Data already exists. The concept of standard configurations is in practice. The negotiation with HP is expected to be fairly easy, as HP seeks to take market share from Dell, and has demonstrated its willingness to improve pricing on the Westwood Replacement Hospital Project as well as currently with desktop pricing. A Dell negotiation is likely to be more difficult, but there are economies of scale in ordering, manufacturing, shipping, and invoicing for Dell that should make this successful. |
| Benefits & who benefits | KST has estimated potential cost savings at 10 – 15% for buying the "industry standard configurations" instead of UC sweet spots. It may be possible to establish a short list of accessories at the same deeper discount to add to the purchase, such as incremental memory. With the manufacturers on board, KST also may be able to stock the standard configurations shared by its aerospace customers and UCLA and ship product more quickly to the end customer than today's factory direct. The departments purchasing the industry standard configurations would benefit from lower pricing and faster delivery. |

| | |
|---|---|
| Challenges or difficulties | There is a challenge in the negotiations with Dell to include UCLA in the deeper discounts offered to industry. Further internal challenges apply to purchase standard configurations without modification. While there also can be a reluctance to doing business with KST Data instead of the desired direct relationship with Dell, the added value KST is bringing here should work in our favor, as we would not be getting these deeper discounts without KST bringing them to us. To reduce the difficulty in implementation, this concept has not been presented to the system-wide team, but we would seek to implement at UCLA first. |
| Est. cost savings (realizable) or cost avoidance and to whom | The cost savings accrue to the departments buying desktop and laptop computers. Over the past two years, UCLA has averaged 5,300 desktop and 1,200 notebook computers purchased from KST. If the economic slowdown and longer refresh cycle for computer purchases reduces annual purchases by 25%, if a "blended" savings rate is estimated at 10% across the various configurations, and an "opt-in" factor of 75% is applied, savings are estimated at $375K annually |
| Cost to implement if any | No dollar cost to implement. We recommend an extension to the KST Data agreement, currently scheduled to reach the end of its life 10/31/09. The two key computer manufacturers, HP and Dell, may seek a commitment of volume to extend pricing to us. |
| Est. duration in months | 1 to 2 months. |
| Decision rights | The individual purchaser has the ability to decide whether to buy the industry standard configuration and save, or spend more money and modify the configuration. |
| Responsibility | Morabito, Davis (Abeles, Propst) |

**4. ENERGY CONSERVATION**

| 4a | Reduction of HVAC Services On Three and Four Day Weekends |
|---|---|
| Project Description → <br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Reduce or eliminate HVAC in non-laboratory campus buildings on three and four day weekends. Currently this HVAC reduction program is limited to summer three day weekends. |
| Benefits & who benefits | Reduces annual purchased utilities costs for the campus |
| Challenges or difficulties | Negative impact on faculty performing research activities on campus, potentially disruptive to educational efforts of graduate students, and reduces the ability of campus groups and organizations to schedule programs and special events on these weekends. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated annual energy savings are about $170,000. |
| Cost to implement if any | Undetermined cost to move or eliminate programs or special events. |
| Est. duration in months | 8 to 12 months – Will require changes in the scheduling of campus programs, many of which are planned 8 to 12 months in advance. |
| Decision rights | Chancellor |
| Responsibility | Morabito (Powazek) |

| 4b | Reduction of HVAC Services On Sundays (During School Year) |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Reduce or eliminate HVAC in non-laboratory campus buildings on Sundays during the school year (late September until mid June). Currently this HVAC reduction program is limited to summer Sundays. |
| Benefits & who benefits | Reduces annual purchased utilities costs for the campus |
| Challenges or difficulties | Negative impact on faculty performing research activities on campus, potentially disruptive to educational efforts of graduate students, discourages faculty in meeting on campus, and reduces the ability of campus groups and organizations to schedule programs and special events on Sundays. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated annual energy savings are about $400,000 |
| Cost to implement if any | Undetermined cost to move or eliminate programs or special events. |
| Est. duration in months | 8 to 12 months – Will require changes in the scheduling of campus programs, many of which are planned 8 to 12 months in advance. |
| Decision rights | Chancellor |
| Responsibility | Morabito (Powazek) |

| 4c | **Reduction of HVAC Services On All Saturdays** |
|---|---|
| Project Description → <br> IMPORTANCE / EASE OF IMP. (1=least, 5=most) | Reduce or eliminate HVAC in non-laboratory campus buildings on all Saturdays. |
| Benefits & who benefits | Reduces annual purchased utilities costs for the campus |
| Challenges or difficulties | Negative impact on faculty performing research activities on campus, potentially disruptive to educational efforts of graduate students, discourages faculty meeting on campus, and reduces the ability of campus groups and organizations to schedule programs and special events Saturdays. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated annual energy savings are about $500,000 |
| Cost to implement if any | Undetermined cost to move or eliminate programs or special events. |
| Est. duration in months | 8 to 12 months – Will require changes in the scheduling of campus programs, many of which are planned 8 to 12 months in advance. |
| Decision rights | Chancellor |
| Responsibility | Morabito (Powazek) |

| 4d | Encourage Departments to Conserve Energy |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Through an on-going communication campaign and special programs such as "Shut Your Sash!" for laboratory buildings that possess fume hoods, alter behavior of building occupants that will lead to a reduction in energy consumption. Energy Savings Tips will be communicated to the campus community and some of the efforts of the Campus Sustainability Coordinator should assist in this initiative. Eventually building energy performance may be available in some buildings for occupants to observe. |
| Benefits & who benefits | Savings to the campus in reduced purchased utilities costs which in turn will reduce departments' rebalancing costs. Provides an opportunity for faculty, staff, and students to participate in reducing campus energy consumption and green house gas emissions. |
| Challenges or difficulties | It is very difficult to change long term behavior and some slippage in terms of energy conservation performance will occur over time. |
| Est. cost savings (realizable) or cost avoidance and to whom | If departments in state funded buildings reduce energy consumption by one percent it will result in about $400,000 annual savings in the campus purchased utilities expense. |
| Cost to implement if any | On-going investment in communication efforts to campus departments. |
| Est. duration in months | Multi-year implementation |
| Decision rights | Administrative Vice Chancellor |
| Responsibility | Administrative Vice Chancellor |

| 4e | **Reduce energy consumption in telcom and server rooms on campus** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Provision all campus and Medical Enterprise IT equipment and telecommunication rooms with motion detector light switches and updated heat sensors to maintain cooling within safe operating limits but at the higher temperature limits of manufacturer recommendations. |
| Benefits & who benefits | Power savings for the entire campus. |
| Challenges or difficulties | Prioritizing with all other Facilities projects. Installing motion detectors on light switches and temperature sensors. |
| Est. cost savings (realizable) or cost avoidance and to whom | It is recommended that General Services, with the support of MCCS and CTS, evaluate the benefit of installing sensors, monitoring tools, and system interfaces required to maintain the temperature of rooms at the higher limits of manufacturer recommendations. |
| Cost to implement if any | To be determined. |
| Est. duration in months | 6 months to one year for study<br>One year to two years to implement program components |
| Decision rights | Morabito |
| Responsibility | Morabito (Powazek, Schilling) |

## 5. REDUCE TRAVEL AND ENTERTAINMENT SPENDING

| **5a** | **Reduce travel and entertainment spending** |
|---|---|
| Project Description → <br> IMPORTANCE / EASE OF IMP. (1=least, 5=most) | Reduce travel and entertainment expenses at the departmental level. |
| Benefits & who benefits | Campus departments |
| Challenges or difficulties | Difficult to enforce. |
| Est. cost savings (realizable) or cost avoidance and to whom | The campus spent approx. $68.9M in FY08 on Travel and Entertainment related expense. A 10% savings would yield $6.9M annually. |
| Cost to implement if any | none |
| Est. duration in months | Immediate |
| Decision rights | Unit heads. |
| Responsibility | Chancellor, EVC (Morabito, Abeles) |

| 5b | Use Videoconferencing for meetings |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Create video conferencing hubs around the campus for meetings with persons off-site. Establish standards and contracts for videoconferencing software and hardware. |
| Benefits & who benefits | Campus departments |
| Challenges or difficulties | Requires willingness to use videoconferencing by UCOP & other UC campuses. |
| Est. cost savings (realizable) or cost avoidance and to whom | Savings accrue in Travel & Entertainment spending (see above) |
| Cost to implement if any | Requires study |
| Est. duration in months | Requires study |
| Decision rights | Chancellor |
| Responsibility | Morabito, Davis (Powazek, Schilling) |

| 5c | Develop UCLA remote work centers, support teleworking |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Develop a series of remote work centers. Centers could potentially be located along the primary Metro Link/transportation routes, including the following lines: Ventura, Santa Clarity, Long Beach, Orange, and Riverside.<br><br>The centers could potentially be combined with UNEX extension classes, Early Care and Education, and Medical outreach. |
| Benefits & who benefits | Potentially all UCLA employees/departments would benefit, including UNEX, Early Care and Education and Medical Sciences. |
| Challenges or difficulties | Developing cost models that work in the short-term |
| Est. cost savings (realizable) or cost avoidance and to whom | Improved employee morale, reduced number of trips allowing greater growth for the campus. Potential additional revenue generation for UNEX and reduced cost of provisioning medical services. |
| Cost to implement if any | Cost of leasing, legal and campus coordination |
| Est. duration in months | 18 months |
| Decision rights | Chancellor |
| Responsibility | Morabito (Erickson, Schilling) |

## 6. REDUCE PAPER AND PRINTING COSTS

| 6a | Eliminate all non-essential promotion/advertising/marketing |
|---|---|
| Project Description → <br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Eliminate or reduce publication/advertising costs and rely on email and Internet sites to communicate and disperse information. |
| Benefits & who benefits | Campus cost reduction; promotes environmental and social responsibility across campus. |
| Challenges or difficulties | Changing existing practices and gaining consensus. |
| Est. cost savings (realizable) or cost avoidance and to whom | Total spend on printing and events is approximately $22M annually. Over 50% of the spending occurs in 20 units, each of which spends in excess of $200K/year. Savings of 10-15% in this area would reduce spending by $2.2M to $3.3M/year. |
| Cost to implement if any | None |
| Est. duration in months | 6 months |
| Decision rights | Chancellor |
| Responsibility | Vice Chancellors & Deans |

| 6b | Transition to paperless process |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Eliminate paper usage as it pertains to all aspects of campus processes and transition to a paperless environment.<br><br>Facilitate efforts to scan paper documents into electronic form across campus.<br><br>Encourage behavior that uses electronic documents, document transmittal and online archival rather than printing documents and storing them. |
| Benefits & who benefits | The campus will realize a savings in cost of printers, maintenance, toner and paper. There is also an environmental benefit, as less paper will be used. And storage space will be recovered for other uses. |
| Challenges or difficulties | Change management. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimate $100,000+ in savings from automating remaining paper-based transactional processes.<br><br>At the Wilshire Center, we estimate that 10% of all building office space is taken up with file cabinets. At our current rental rate of $2.65 per square foot per month, this equates to approximately $1,000,000 per year in rent. We believe that at least half the files currently stored do not need to be retained as paper files, and certainly not in a costly onsite location. |
| Cost to implement if any | Transition costs |
| Est. duration in months | 12 months. Scanning and e-document control technology is such that this process could be implemented immediately. |
| Decision rights | Chancellor |
| Responsibility | Vice Chancellors & Deans |

| 6c | **Eliminate ALL internal advertising within UCLA** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Currently there is a vast amount of internal UCLA mail related to advertising, marketing, assessments, and a variety of other information.<br><br>Recommendation is to Go…Green and eliminate ALL printed non essential internal UCLA mail on the above topics. |
| Benefits & who benefits | All UCLA departments |
| Challenges or difficulties | No technical difficulties |
| Est. cost savings (realizable) or cost avoidance and to whom | Current printing and events spending by internal campus service departments is roughly estimated at $4.4M for FY08. This figure may include some external advertising, but it may not include all internally facing service units on campus. Moving all internal print advertising to electronic could realize something approaching this amount in annual savings. |
| Cost to implement if any | None |
| Est. duration in months | Start now |
| Decision rights | Chancellor |
| Responsibility | Vice Chancellors & Deans |

## 7. BUSINESS CONSOLIDATIONS

| 7a | **Consolidate business functions and systems across campus and Medical Sciences** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Look for opportunities to eliminate redundant business offices and applications where there is little differentiation and savings can be achieved through consolidation. Examples:<br><br>Accounting, General Ledger<br>Purchasing/Accounts Payable<br>HR<br>Insurance<br>Real Estate<br>Security |
| Benefits & who benefits | |
| Challenges or difficulties | |
| Est. cost savings (realizable) or cost avoidance and to whom | Requires study |
| Cost to implement if any | Requires study |
| Est. duration in months | Requires study |
| Decision rights | Chancellor |
| Responsibility | Morabito, Feinberg, Olsen |

| 7b | Pooled Admin Expertise (Regional Business Processing Centers) |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Consolidate and/or provide backup fiscal, HR and purchasing administration management across units - regionalize fiscal, HR and procurement capabilities and capacity among units. |
| Benefits & who benefits | |
| Challenges or difficulties | |
| Est. cost savings (realizable) or cost avoidance and to whom | Requires further study |
| Cost to implement if any | Requires further study |
| Est. duration in months | Requires further study |
| Decision rights | Chancellor |
| Responsibility | Morabito (Abeles, Levin) |

| 7c | **Payroll Personnel Proposal (Standardized Time Reporting & Business Processing Centers)** |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | The campus payroll/personnel system (EDB) manages multiple, complex types of employment. This complexity leads to inefficiencies, especially in smaller units. Training and review costs are high, as is the error rate. It is proposed that payroll functions be carried out as a campus service rather than unit-based. Examples of service include:<br>• Standardize and fully automate time reporting, resulting in system-derived calculations of vacation and sick leave balances<br>• Hiring, pay, appointment and separation actions conducted by a campus service, with department review<br>• Review of FLSA compliance |
| Benefits & who benefits | Benefits of improved data and compliance, economies of scale, and timeliness. Benefits to individual employees, to departments in reduction of workload, and to the campus in improved compliance and employee information. |
| Challenges or difficulties | Perceived issues of decentralization versus centralization |
| Est. cost savings (realizable) or cost avoidance and to whom | Unknown but substantial, on a campus-wide basis |
| Cost to implement if any | Expertise and software (ex. automated time reporting) already exist on campus, so implementation costs should be low |
| Est. duration in months | 6-9 months to full implementation |
| Decision rights | Morabito |
| Responsibility | Morabito (Levin, Abeles) |

| 7d | Institute Business Administration Teams |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | UCLA should create an "Institute Business Administration Team" to support all fiscal, administrative, Human Resource, public relations, equipment management, grant management and event management functions.<br><br>It is proposed that the administrative teams would have at least one expert in each of the following areas:<br><br>1) Human Resources<br><br>2) Internal Controls and Risk Management<br><br>3) Fiscal Planning and Budgeting<br><br>3) Purchasing<br><br>4) Grant Management<br><br>5) Facility and Equipment Management<br><br>6) Public Relations, Communications and Events Management |
| Benefits & who benefits | Benefits would be realized by institutes and as a cost savings to the campus. There are two benefits to creating such teams:<br><br>1) Teams that provide both routine and specialized administrative functions for similar kinds of institutes would be more efficient than having full admin teams for each institute. Having teams work across institutes would likely allow more support to be provided by less FTE, thus creating a cost savings to the campus.<br><br>2) Institutes would get administrative experts in various areas (rather than generic admin folks) who would perform unique functions required by institutes (such as grant and event management). |

| | |
|---|---|
| Challenges or difficulties | The political challenges would be resistance to the idea from current institute administrative teams, who would likely see staff cuts. When gathering information from five sample institutes – one business officer refused to answer questions about their administrative functions and got angry about being asked. The questions were posed as seeking information about how administrative functions are handled at institutes, with no mention of cost cutting. That does seem to indicate that the idea would be met with some resistance. |
| Est. cost savings (realizable) or cost avoidance and to whom | Cost savings at this time is unknown, although it seems highly likely that there would be a significant savings over time – realized mainly through reduced FTE across several institutes. More analysis is needed to get a clearer picture of how each institute is using its current admin staff and what the costs are.<br><br>A sampling of five institutes (CENS, Brain Research Institute, Institute of the Environment, JIFRESSE, CNSI) showed the following:<br><br>Four institutes each had five admin staff. One institute (CNSI) had nine admin staff.<br><br>While the number of people affiliated with the institutes (including faculty, staff and students) ranged from 46 to 292, people on payroll ranged from 6 to 50 people.<br><br>Two of the institutes have one grant each that they are managing. One institute is managing 11 grants, and two institutes would not say how many grants they are managing.<br><br>Besides reducing overall FTE, there are cost savings to be realized by having functions handled by people who have special training and knowledge in specific areas. For example, a fully trained grant manager who works across institutes is likely to be faster and more efficient AND to know exactly what is required for grant management than an admin person who is doing grant management as one task of many. The same goes for event managers and for public relations people. |

| | |
|---|---|
| Cost to implement if any | One-time costs would include a planning/implementation effort that start with: a comprehensive analysis of how many people on the Institute Admin Team could support how many institutes; an evaluation of campus institutes and which are likely to belong to the same admin team, a full reorganization of the administrative functions at institutes. The recommendation would be to start this on a small scale (focusing on new and growing institutes would be the best way to start) and then to broaden the concept across campus. |
| Est. duration in months | A phased approach would be required. Analysis, planning and initial implementation would like take six to 12 months. To fully implement would need to be done over the course of years. |
| Decision rights | Peccei, institute directors |
| Responsibility | Peccei, Morabito (Abeles, Levin, Marsha Smith) |

**8. FACILITIES SAVINGS**

| 8a | Reduction in off-Campus space lease costs |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Reduce off-campus space leasing as follows:<br><br>Increase office worker density -- more workers in less square footage<br><br>Reduce paper file storage in office spaces -- scan everything and keep only limited paper files<br><br>Relocate offices to inexpensive locations (ie, airport area, valley, mid-Wilshire)<br><br>Buy or develop close-in or on-Campus property to control long-term leasing costs (see first item) -- Wilshire Center is a good example.<br><br>This requires buying distressed assets while their value is low, or building at relatively low costs, and then limiting cost increases over time via efficiencies and our non-profit profile (relative to private landlords, who will raise rents whenever possible to the top of the market)<br><br>Proactively renegotiate existing leases to lower lease rates |
| Benefits & who benefits | Campus departments |
| Challenges or difficulties | |
| Est. cost savings (realizable) or cost avoidance and to whom | The Campus currently spends roughly $2M per month, or $24m per year, for privately owned leased space. Much of that space is not at high market rents, however. My very rough estimate is that we could achieve a 5% savings within a year by implementing a variety of the easier items, and up to another 10-15% long term (2-5 years) for a total of 20% relative to what we are currently paying or would otherwise pay by pursuing all manner of cost saving steps over the next five years. That would equate to an annual savings (relative to doing nothing other than what we currently do, which is to try and identify and negotiate the best value/lowest cost opportunities for those with leasing needs) of up to $4.8M per year. |

| | |
|---|---|
| | Please note that the majority (60 plus percent) of this savings would accrue to medical entities, potentially, as they are our largest user groups (SOM, Med Center). |
| Cost to implement if any | none |
| Est. duration in months | TBD |
| Decision rights | Chancellor |
| Responsibility | VCs and Deans (Morabito, Erickson) |

| 8b | Reduce costs of capital and facilities project planning and delivery |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | The current UC-determined threshold for the definition of what constitutes a "Major Capital Project" has been set at $400,000 for more than ten years. Current fiscal realities should have an automatic adjustment to at least $750,000 and perhaps as much as $1.0 million. UC should adopt a standing policy calling for the automatic re-set of the threshold on a fixed, periodic basis (e.g., every fourth year.) |
| Benefits & who benefits | Campus departments undertaking construction projects. |
| Challenges or difficulties | Requires UCOP approval. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated cost savings of approximately $5,000 per project. Assuming 20 such projects on an annual basis at UCLA, savings can be estimated at $100,000 annually. |
| Cost to implement if any | None |
| Est. duration in months | Short |
| Decision rights | Chancellor |
| Responsibility | Olsen, Morabito (Santon, Hendrickson, Powazek, Feinberg, Angelis) |

| 8c | Use low-maintenance landscaping on campus |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Remove current turf landscape and replace with low maintenance and low irrigation demand landscape. For the purposes of calculating the costs and potential savings of a typical turf area, the landscape areas east and south of Moore Hall and west of the Physics and Astronomy building were selected as examples. |
| Benefits & who benefits | Installation of low maintenance/low irrigation landscapes would reduce water consumption slightly and save maintenance costs. |
| Challenges or difficulties | These turf areas such as the one by Moore Hall are used consistently for academic activities such as classes and GSEIS functions. Additionally, this area is used for campus wide functions such as the Book Fair and Engineering Week. Any change in landscape would require the consultation and approval of the Campus Architect. |
| Est. cost savings (realizable) or cost avoidance and to whom | Annual savings in water consumption and maintenance costs at Moore Hall $6,500 and at Physics and Astronomy $4,000. The payback period is approximately 7 years. |
| Cost to implement if any | Estimated cost to install at Moore Hall: $46,200; at Physics and Astronomy: $27,400. |
| Est. duration in months | Six to twelve months depending on how many areas. |
| Decision rights | Administrative Vice Chancellor with input from academic units in adjacent buildings and the Campus Architect. |
| Responsibility | Morabito (Powazek) |

| 9 | **Cut campus mail delivery to once per day** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Cut mail delivery to once a day.<br>Most of what is delivered by traditional mail is not important, so UCLA mail delivery should be cut to once a day from its current twice a day schedule. |
| Benefits & who benefits | Campus departments in reduced mail delivery recharges. |
| Challenges or difficulties | FINANCIAL ISSUES<br><br>• Self Supporting units: Reducing to once-a-day would result in revenue reduction of $80,261.28/FY (result would be a reduction of 2 FTE)<br>• 19900 units: Reducing to once-a-day would result in revenue reduction of $68,100.48/FY (result would be a reduction of 1.75 FTE)<br><br>Reduced revenue would be $148,361/FY resulting in the release of 3.75 FTE.<br><br>(*Data based on salary plus benefits of $39,119)<br><br>SERVICE ISSUES<br><br>• Twice-a-day mail directs workflow in many units. Mail delivered in the morning is processed that day and mail that has been processed during the day is picked up in the evening.<br>• Express Mail (urgent overnight mail) arrives at UCLA 11 am each day. If we had once-a-day delivery, we would deliver all mail in the afternoon to ensure Express Mail is on that day's route. This would include the regular mail we received from the USPS at 6 am but not the regular mail we picked up from the USPS mid-morning as we would not have time to sort.<br>• When we pick-up Outgoing Mail from departments (only in the in the late afternoon), then that mail will not be processed until the following day. |

| | |
|---|---|
| | • Inherently, then, Incoming and Outgoing mail will always be one-day late.<br>• Saturday mail picked up from the USPS on Monday morning would be delayed 2 days due to the volume of mail to sort prior to carriers leaving on their Monday routes.<br>• Mail after holidays would be delayed at least 1 day.<br>• The volume of mail picked up and delivered on routes would increase due to what used to be transported over the course of 2 routes being condensed into 1, possibly meaning multiple trips to the vehicle to either drop off a full load and/or pick up another batch from the vehicle. This would increase the time out on routes.<br>• Hospital mail is of an urgent nature (lab results, x-rays, appointments, referrals, etc.) and delays would be unacceptable.<br>• Late deliveries cause extra staff time in researching the many inquiries of "where is my mail? ----the USPS said UCLA picked it up but I have not received".<br>• Poor service results in UCLA employees increasing off-campus stamp purchases. This will generate increased postage reimbursement processing and accounting. |
| Est. cost savings (realizable) or cost avoidance and to whom | $148,361/FY in departmental recharge reductions |
| Cost to implement if any | None |
| Est. duration in months | 6 months |
| Decision rights | Chancellor |
| Responsibility | Morabito (Erickson) |

| 10 | Use Data to Encourage Economical Behaviors |
|---|---|
| Project Description → <br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Use data about costly behaviors as peer influence to motivate or elicit cost reduction behaviors see article below |
| Benefits & who benefits | The university, departments and individuals save money and or lower risk |
| Challenges or difficulties | Identifying or prioritizing target behaviors to be changed, measuring and developing public data |
| Est. cost savings (realizable) or cost avoidance and to whom | |
| Cost to implement if any | |
| Est. duration in months | |
| Decision rights | |
| Responsibility | Davis |

# Harnessing Social Pressure

by Noah J. Goldstein | Harvard Business Review | February 2009

Marketers are good at using peer influence to sell products, but few executives understand that it can motivate customers to help companies achieve other goals, such as saving money. Even fewer seem to be aware that the improper use of peer influence can elicit behaviors contrary to what was intended.

Hotels, for example, don't exploit peer influence when trying to get guests to reuse towels, even though the daily cost of providing fresh ones can run to $1.50 a room. My colleagues and I set out to see if we could boost participation in one hotel's towel-reuse program by placing signs with various messages in randomly chosen rooms. We increased participation

by 26% over the standard environmental appeal by truthfully stating that the majority of other hotel guests reused their towels. The increase in compliance was even greater when we communicated that most of the guests who had stayed in that particular room were reusers.

But peer influence can have strange effects. In a study led by the social psychologist Robert Cialdini, signs at Arizona's Petrified Forest National Park lamenting that many previous visitors had stolen petrified wood not only proved less effective at reducing pilferage than signs simply asking visitors not to take souvenirs, but resulted in more theft than when no signs at all were displayed. And in research I conducted with Wesley Schultz and several colleagues, California households that were informed they were using more electricity than their neighbors reduced their consumption, but those informed that they were using less increased their consumption by 8.6%.

The lesson is that people respond strongly to messages about the behavior of others, particularly similar others; the more similar the other people, the more potent the effect. But beware: A publicized behavioral norm becomes a "magnetic middle," drawing people toward it. To avoid inadvertently encouraging your best-behaved customers to backslide, try showing approval for their behavior. When the message to the below-norm California electricity users included a smiley face as a sign of approval, those households continued to consume at their original low rate.

***Noah J. Goldstein*** *is an assistant professor at UCLA Anderson School of Management in Los Angeles and a coauthor of* Yes!: 50 Scientifically Proven Ways to Be Persuasive (Free Press, 2008).

http://hbr.harvardbusiness.org/web/2009/hbr-list/harnessing-social-pressure

# IT INITIATIVES

## 11. DESKTOP/SUPPORT CONSOLIDATION

| 11a | Help Desk |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Consolidate help desk tools, infrastructure, and FAQs management, examine shared/swat approaches to desktop support responsiveness, and centralize help desk functions around 24x7 tier 1 support for commonly asked questions. |
| Benefits & who benefits | Benefits end-users by broadening access to tier 1 support. Could benefit units through reduced cost for tools and added capacity through shared expertise, reports and knowledgebase information. |
| Challenges or difficulties | Cultural. There is room to consolidate, but the current distributed structure is an artifact of distributed operations that are not standardized. The diversity of the operations needs to be solved first. Given existing structure this would need to be carefully staged to maintain the direct support and consolidate support on issues that are common to a majority of end-users. Staff and especially faculty prefer assistance from someone they know and work with consistently. There is a long-standing internal preference for this local hands-on support which makes it difficult to propose an outsourced or centralized triage approach, even at a base level. On the consolidated tools, requirements are diverse, investments have been made, support group sizes vary, large systems are overkill for small groups, small systems don't scale. |
| Est. cost savings (realizable) or cost avoidance and to whom | Reduce number of ticket systems and servers, potential for shared resources across campus allowing staff to do more with less. End user time savings if 24x7 tier 1 support were available. |
| Cost to implement if any | Enterprise-level systems are costly, staff training costs (Moodle, ITIL tools, Wireless, Shibboleth etc.) |
| Est. duration in months | unknown |
| Decision rights | Executive VC and Deans |
| Responsibility | Davis |

| 11b | **Migrate desktop and server support for small groups to existing, large-scale regional or institutional providers** |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | This may be of benefit to organizations of 50 or fewer users where there is a single FTE supporting a group of users and related hardware/systems and frontline user support can be adequately addressed with less than ½ FTE |
| Benefits & who benefits | The departments would have full access to multiple tech support staff.<br>The departments would have access to after-hours support.<br>There would be supporting Service Level Agreements (SLAs).<br>The departments would have access to technical project assistance.<br>The departments would have access to other technical specialties including database administration, web server administration, application development, etc.<br>The departments would have access to services including offsite/onsite backups of data, VPN and remote services, email support; central data file servers, login authentication, and network printing. |
| Challenges or difficulties | Existing staff and change of service provider. |
| Est. cost savings (realizable) or cost avoidance and to whom | The annual savings for a [single] department with 50 users would be in the range of $50,000 annually (department FTE/expenses $100,000 less recharges of $50,000) per group. This model does require the provider area to hire up so there is adequate frontline user contact and support. |
| Cost to implement if any | Initial monetary investments would be minimal. |
| Est. duration in months | Planning and migrations occur over a period of a few weeks. Varies depending on the size and location of the department. On average, migrations take one month. |
| Decision rights | Departmental Directors/Deans/Chairs. |
| Responsibility | Davis (CTS or other units) |

| 11c | Consolidate application support help desks (central applications) |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Currently there are independent help desks that support the major financial applications (e.g. ledger, purchasing, payroll) as well as AIS's and CTS's help desks, Bruin OnLine and BruinCard. Integration of central IT support functions or, at least, a front-end triage function that could answer frequently asked questions would save staffing costs and reduce customer confusion about which help desk to call.<br><br>A central help desk could also provide support for common desktop applications, such as the MS Office suite, Adobe CS, Windows, Mac OS, etc., freeing departmental help desk personnel to support only local and unique applications. |
| Benefits & who benefits | Customers, help desk providers |
| Challenges or difficulties | Difficulties in cross-training support staff, defining escalation rules, etc. |
| Est. cost savings (realizable) or cost avoidance and to whom | Requires further study |
| Cost to implement if any | Requires further study |
| Est. duration in months | 12 months |
| Decision rights | Chancellor |
| Responsibility | Morabito, Davis (Wissmiller) |

| 11d | Campuswide Help Desk Tracking System |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | A single help desk tracking and reporting infrastructure that would be used by all campus Help Desks to log, track, and report on IT incidents, problems, and solutions. |
| Benefits & who benefits | The greatest benefits would be realized by Help Desk staffs having a more complete and comprehensive Knowledge Base of problems and solutions from a single repository and from being able to pull up problem tickets from one Help Desk to another when the problem crosses multiple areas. Organizations may be able to benefit from the potential cross-training of HD staff. |
| Challenges or difficulties | Most departments use Open Source or inexpensive Help Desk solutions that meet the needs of the unit. It is unlikely that this will be a high priority for Deans or VCs whose staff is already meeting the needs of the org, are fully trained in their solution, and do not see the benefits to their faculty or students.<br><br>A way to bring this in with less financial and political cost would be for a unit with a well established Help Desk to host a single solution as a campus service to initially support those units on campus who currently do not have a trouble tracking system in place or are unhappy with the solution they have. It would then be possible to grow, evolve the service as a campus service and evaluate the true benefits to the campus. Once the service is established and proven, then it is positioned for evaluation by units with existing service infrastructure. |
| Est. cost savings (realizable) or cost avoidance and to whom | The cost savings of a solution such as this would be extremely small or non-existent in the first years. Cost savings may be realized as a grass-roots solution grows and extends further into the campus infrastructure. The more significant savings, which are also difficult to quantify, rest with being able to track and recognize systemic issues and apply solutions. Much like an inventory and analysis of physical systems, the aggregation of help desk user issues is an inventory of significant issues and trends for which solutions can be identified. |

| | |
|---|---|
| Cost to implement if any | The initial cost for an shared system that could serve initial units interested in this service would be minimal, maybe $5000. If we need to convert the host unit to a different tool in order to do this, costs would grow rapidly. If the shared system could meet the needs of the campus, ongoing costs would simply be for servers, training, and support, but if a major system for the entire campus would be needed, purchasing and customizing such a solution could run in 6-figures. |
| Est. duration in months | An initial pilot system could be implemented in 2-3 months. A major campus-wide solution would take at least a year if not 2 years. |
| Decision rights | Administrative Vice Chancellor, AVC-IT, Deans and VCs |
| Responsibility | Morabito, Davis (Wissmiller) |

| 12 | **Broaden participation in Software Central** |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | Demand aggregation across the campus for packaged software applications in order to obtain more favorable volume pricing from software vendors. |
| Benefits & who benefits | Benefit is low-cost access to commonly used software. Thus far primary beneficiaries have been the administrative staff and departmental computer labs, with some software being used for research purposes. With more use by faculty we do expect that they, too, would receive benefits. |
| Challenges or difficulties | We believe that because of lack of awareness of SWC's services, software is purchased from more expensive sources through the LVO process. Actual volume of such purchases is difficult to obtain from our current systems. Options would be to do a closer integration with the purchasing system and/or add SWC's catalog to BruinBuy. Purchasing has been approached but has shown little interest in the past. |
| Est. cost savings (realizable) or cost avoidance and to whom | Academic departments would be the beneficiary of such expanded participation. Without better data it is hard to accurately predict the size of the incremental benefit. |
| Cost to implement if any | Incremental investment would be primarily in outreach activities, cost of which would be recovered from the differential between the cost at which SWC obtains the licenses and the price charged to the participating unit – as is the case with all SWC products.<br><br>Cost of deeper integration with Purchasing systems and/or the upgrade of our on-line ordering and downloaded installation is TBD. |
| Est. duration in months | |
| Decision rights | |
| Responsibility | Davis (Trappler) |

| 13 | **Economical Green Computing** |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | Using recommendations that are good for the environment in order to save the campus money.<br><br>The recommendations (cost savings on attachment) are:<br>(1) Shutting off computers, monitors, and printers after business hours<br>(2) Consolidating printing to large central printers, moving away from the expense of small desktop units<br>(3) Make duplex printing the campus-wide default (often not possible on desktop printers, offering another reason to move away from that technology).<br>(4) When purchasing new desktop computers, purchase "small form factor" models rather than "towers".<br>(5) Saving toner by using eco fonts for drafts.<br>(6) Use "power cycling" software, integrating with management software to reduce PC energy consumption by 20%.<br><br>NOTE: Compliance will be difficult, if not impossible, to manage, but following the recommendations should be easy. |
| Benefits & who benefits | Power savings for the entire campus. The campus will benefit by being "good citizens" and watching energy and paper costs drop dramatically. |
| Challenges or difficulties | The only challenge is compliance. Each unit will have to care enough to provide some level of enforcement. They will also have to convince people to give up the tremendous number of desktop printers out there. Data used to drive behaviors and communications will be key factors of success. |
| Est. cost savings (realizable) or cost avoidance and to whom | If the recommendations above can be followed across campus, the estimated annual savings to UCLA could be $2,675,000. |

| | |
|---|---|
| Cost to implement if any | If we enforce the use of central printers with duplexing capabilities, we may have to purchase more of them, but in most locations, these already exist along with dozens of desktop printers. The small form factor computers can simply be bought instead of replacing towers with towers over the next few years. Shutting off equipment regularly may have a small overhead in increased equipment failures, but for the most part, this concern has been debunked. |
| Est. duration in months | The critical measures could be implemented as soon as the campus makes the recommendation. Replacement of towers with small-form-factors could take up to 4 years (replacement cycle). |
| Decision rights | Chancellor, ITPB, Deans and Vice Chancellors |
| Responsibility | Davis |

| 14 | UC-wide service centers |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Evaluate the provisioning of campus services via UC service centers: the provisioning of services by region - north, central or south; or a single campus provisioning service for the entire UC system. Services could potentially include: legal, IT, Registrar, Real Estate, Payroll, HR, Accounting, Travel reimbursements, Tax Services, Procurement, Construction, etc.<br><br>As an example, the UC CPG group has developed an initial set of services for evaluation:<br>(1) Oracle calendaring<br>(2) POP based email services<br>(3) Exchange services (calendaring, email)<br>(4) LDAP services<br>(5) Apache services<br>(6) NOC monitoring<br>(7) Voice mail services<br>(8) Network integration and shared Mgt.<br>(9) Telco management and trunking integration across UC<br>(10) Disk Storage Services<br>(11) Back up Services<br>(12) Oracle DBA Services<br>(13) Benchmarking |
| Benefits & who benefits | Campus locations |
| Challenges or difficulties | Significant planning and execution issues |
| Est. cost savings (realizable) or cost avoidance and to whom | tbd |
| Cost to implement if any | Normalization of systems across campus locations, training, and consolidation of help desk services between campus locations, etc. |
| Est. duration in months | 36 months |
| Decision rights | Chancellors & VCAs |
| Responsibility | Davis (Schilling) |

## 15. DATA INITIATIVES

| 15a | Data Sharing |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Accelerate data warehouse initiatives to develop options for end users to better use central data. |
| Benefits & who benefits | Units spend a tremendous amount of effort searching for and converting campus data into a format relevant to their unit. |
| Challenges or difficulties | Issues around data ownership vs. stewardship |
| Est. cost savings (realizable) or cost avoidance and to whom | Staff time across all units – difficult to measure |
| Cost to implement if any | |
| Est. duration in months | |
| Decision rights | |
| Responsibility | Davis, Morabito (Wissmiller) |

| 15b | Research and Educational Data |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | Develop institutional strategies which consolidate research and educational data into institutional data resources now. WASC is requiring learning outcomes data which will take the form of student capstone projects. The federal agencies will be requiring archived and accessible research data. The campus needs to invest now to begin consolidating these services and staff now to avoid future costs of doing so. Also there will not be the staff to do so if we do not act now. |
| Benefits & who benefits | Campus-wide long-term benefits |
| Challenges or difficulties | No existing resource like this exists now. this would be a new expense. |
| Est. cost savings (realizable) or cost avoidance and to whom | The cost of doing this at all has not been identified, but the new requirements will cost the university significantly in the future. It's very important to get systems in place now, to avoid a scattered ad hoc costly unit level response that would need to be fixed in the future |
| Cost to implement if any | Significant |
| Est. duration in months | unknown |
| Decision rights | |
| Responsibility | Davis |

| 15c | Campus reporting strategy and tools |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Establish standard reporting tools for administrative reporting. |
| Benefits & who benefits | Departments would benefit by no longer paying for duplicative reporting tools rather than taking advantage a shared campus license. The biggest savings, though, would be in the ability to create reports in less time and by less skilled, lower paid staff than are currently used to create reports in major units such as AIS, Medical School, College, and Budget & Planning. Each of these units employs at least 2 P/A 3 or (more often) P/A 4 programmers in order to develop standard reports using Excel pivot tables, VB, C++, or Java. Tests have shown that identical reports can be created using modern managed reporting environment (MRE) in hours or days rather than weeks, using lower-level programming staff. |
| Challenges or difficulties | The challenges involve programming where not all data is available in the Campus Data Warehouse. Also the learning curve for making the best possible use of a MRE must be noted. Also, the change would require staffing changes which may not be done with ease. |
| Est. cost savings (realizable) or cost avoidance and to whom | Once retrained, current reporting programmers could create reports more quickly, increasing productivity and freeing them for other tasks. We would also save in servers because the current paradigm requires separate servers for the data being used for reporting purposes. And lastly we would save $120,000 if current users of BI/Query ($400 per license) switched to a campus site license (currently about 300 users x $400) |
| Cost to implement if any | Retraining costs for reporting staff. COGNOS can be used for the common reporting environment, but other tools may be needed for specialized data modeling and reporting needs. |
| Est. duration in months | 6 – 12 months of retraining. |

| | |
|---|---|
| Decision rights | Chancellor, ITPB, Deans and Vice Chancellors |
| Responsibility | Morabito, Davis (Wissmiller) |

| 16 | **Campus Portal Standards/Consolidation** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Leverage the UCLA Campus Portal to reduce and avoid future costs related to portal development, management and support.<br>• Avoid investment in additional departmental portal technology and content management solutions<br>• Optimize portal development costs using a common portal platform, interoperability standards, templates, and shared (reusable) portlets and services<br>• Reduce portal support costs through shared development and support resources, a rationalized portal infrastructure and consolidated content repositories<br>• Leverage Portal / IAMUCLA integration to reduce campus authentication and authorization requirements<br>• Provide a cost effective solution for building web-based processes, workflow and self-service functionality<br>• Provide a cost effective system for the implementation and management of campus intranet capabilities (i.e., manage what processes and data are exposed to what audience)<br>• Improve overall UCLA web presence, content management and user web experience (i.e., integrated and personalized) |
| Benefits & who benefits | Central administration and campus departments would benefit through reduced development, maintenance and support costs. The UCLA community would benefit from a more integrated web experience that provides a richer set of capabilities and more accessible content. |
| Challenges or difficulties | Campus adoption of a common portal strategy, processes and infrastructure. Validation of the existing portal solution, Vignette, in terms of long-term viability and capabilities to support an expanded set of portal requirements. |

| | |
|---|---|
| Est. cost savings (realizable) or cost avoidance and to whom | Reduced overall development and support costs for campus websites, self-service applications and content management |
| Cost to implement if any | Primarily achieved by redirecting development efforts and resources toward a common strategy and shared infrastructure. Some additional investment required to expand portal capabilities for application integration, access management and intranet architecture. |
| Est. duration in months | Multi-year, phased development and implementation plan based on institutional benefits and cost efficiencies |
| Decision rights | Chancellor, Vice Chancellors and Deans for establishing direction and commitment to an enterprise portal strategy |
| Responsibility | Morabito, Davis (Wissmiller) |

## 17. NETWORK CONSOLIDATION WITH LAYERED SERVICES

| 17a | Campus Network Facilities Consolidation and Service Provisioning Regionalization |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | In keeping with the Next Generation Network principles, consolidate physical infrastructures within buildings and through regionalization reduce the number of primary management groups to eight or fewer utilizing a layered or shared service model for provisioning. |
| Benefits & who benefits | Campus departments would benefit in terms of reduced expenses related to the operation of the physical and logical computer network services. Departments would also have increased support by having access to a team of dedicated professionals that focus on provisioning the needed services with a focus on the end user. Departments would save or redeploy resources currently being used to manage and support the physical networking layers and on the management overhead of many smaller areas vs. a larger region. |
| Challenges or difficulties | Departments have typically provided their own networking services and are reluctant to move towards shared infrastructure provider. |
| Est. cost savings (realizable) or cost avoidance and to whom | The campus areas would benefit from staff savings of approximately $320,000 annually (16 groups x ¼ FTE @ $80,000).<br><br>Two additional FTEs @ $80,000 each or $160,000* would be required to support the aggregated networks within a regional group.<br><br>Each of the 16 areas also utilizes hardware, maintenance agreements, and other tools that would result in an annual estimated savings of $3,000 per area or $48,000.<br><br>Estimated annual savings to be returned to organizations $368,000 ($320,000 + $48,000).<br><br>Net savings to the campus $208,000 ($368,000 less $160,000) |

| | |
|---|---|
| Cost to implement if any | Increased staffing within a regional provider(s) of 2 FTE @ $80,000 each, or $160,000. Other costs would include efforts to identify and document the existing networks prior to migration. Assumes no additional expenses are required by the regional provider(s) for management tools, etc. |
| Est. duration in months | 12 to 18 months; period might be longer if hardware replacement cycles are used as opportunities to implement the program. |
| Decision rights | Deans and Vice Chancellors |
| Responsibility | Davis, Morabito (Schilling, Van Norman, Snow) |

| 17b | Commoditization of Wireless Services utilizing a layered or shared service model for support of user services |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Benefits would include migrating to a seamless aggregated environment for campus wireless access including reduced management costs, reduced expense for monitoring tools, and security/access tools. |
| Benefits & who benefits | The longer-term benefit includes the ability to create a ubiquitous wireless architecture for UCLA.<br><br>Other potential benefits include the provisioning and consolidation of a suite of applications including wireless VoIP, sensor networks, IP video, building security, building access, and other services over a common infrastructure. |
| Challenges or difficulties | No technical difficulties.<br><br>The challenge is in facilitating the transition of existing local wireless deployments to a shared service model that addresses local management requirements. |
| Est. cost savings (realizable) or cost avoidance and to whom | 16 groups would have a net benefit of approximately $160,000 annually (16 groups x 1/8 FTE [5 hours per week] @$80,000).<br><br>Operational savings related to the ongoing replacement of APs [on average every four years] would be approximately $250,000 annually.<br><br>Total operational savings = $410,000 ($160,000 + $250,000).<br><br>CTS would then need to fund access points on an annual basis.<br><br>Net savings to the campus $160,000 ($410,000 less $250,000). |
| Cost to implement if any | Ongoing purchase by CTS of wireless access points (hardware and required maintenance) via working capital. . The annual amortized value of the access points (including maintenance) is approximately $250,000 equal to that of the estimated savings. |

| | |
|---|---|
| Est. duration in months | Migrations could begin June 2009 |
| Decision rights | Deans and Vice Chancellors |
| Responsibility | Davis, Morabito (Schilling, Van Norman, Snow) |

| 18 | **Consolidate Email & Calendaring Systems** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Email and Calendaring strategy steps:<br><br>• Establish Exchange Services as the primary communications tool set;<br>• Maintain @ UCLA (BOL) name space as a forwarding option;<br>• Outsource student email and help desk services to third party.<br>• Eliminate email storage and calendaring services associated with BOL;<br><br>Project is a 30 to 36 month process.<br><br>Requirements:<br>- Migrate 28+/- remaining departments to Enterprise Messaging (EM)<br>- Migrate student BOL accounts to a third-party provider<br>- Establish email forwarding for all remaining @UCLA address space<br>- Consolidate remaining BOL support services within CTS operational space and vacate ASUCLA store front. |
| Benefits & who benefits | All UCLA Departments benefit. |
| Challenges or difficulties | Agreement on future migrations |
| Est. cost savings (realizable) or cost avoidance and to whom | $1,165,000 in annual savings beginning late FY 20011/12<br>Bruin on line - $ 435,000 (depreciation, space and staff)<br>EM migrations - 730,000 (see below)<br>$1,165,000<br><br>Incremental savings will occur in FY 2009/10 (migration of existing departmental exchange services) and in FY 2010/11 (migration of student email services and departmental exchange services).<br><br>Secondary benefit is that the broader communications strategy for UCLA will be supported by a common infrastructure for email, calendaring, integrated messaging, and disaster recovery. |

| | |
|---|---|
| Cost to implement if any | The 28 additional groups would benefit by approximately $1,330,000 annually (28 x 1/2 FTE/benefits @ $80,000 = $1,120,000) + (28 x $7,500 = $210,000).<br><br>The annual net savings to the campus is estimated at approximately $730,000; $1,330,000 less the additional EM cost of approximately $600,000 for additional FTE and operational/capital cost for additional licensing, hardware/etc. |
| Est. duration in months | 30 to 36 months ending July 1, 2011 |
| Decision rights | Chancellor |
| Responsibility | Morabito, Davis (Schilling) |

## 19. NETWORK & COMMUNICATIONS STRATEGIC SOURCING

| 19a | Network switching vendor diversity |
|---|---|
| Project Description →<br><br>IMPORTANCE: ___<br>EASE OF IMP.: ___<br>(1=least, 5=most) | The CTS Managed Network Services Group currently supports a multi-vendor environment for Administration, Residential, and other campus clients. The group supports approximately 20,000 switched network ports and utilizes Cisco at Layer 3 (core routers) and Alcatel-Lucent at Layer 2 (department wall connections). By using Alcatel-Lucent at Layer 2 instead of Cisco, estimated savings are approximately $250,000 per year.<br><br>By extending this practice to other appropriate areas of networking the University could realize further savings. Note that there are particular network areas, i.e. the Medical Enterprises, that may have committed to Cisco for Layer 2 services for certain reasons. |
| Benefits & who benefits | Campus departments would benefit in terms of reduced expenses related to the ongoing operation of computer networks. Other potential savings are related to product research, procurement activities, and ongoing vendor relationship management. |
| Challenges or difficulties | The operation viability and the potential for savings increases with larger network regions and a critical mass of equipment and staff support. There is a strong preference on campus for a single network equipment vendor. |
| Est. cost savings (realizable) or cost avoidance and to whom | Annualized savings of $125,000 based on 50% participation ($250,000 less 50%). |
| Cost to implement if any | Additional training may be required. |
| Est. duration in months | 6 months to 36 months and would be dependent upon the hardware replacement cycles for existing equipment. |
| Decision rights | EVC, Deans and Vice Chancellors |
| Responsibility | Morabito, Davis (Schilling, Van Norman) |

| 19b | **Reduce communications costs associated with cell phones and other PDAs (Blackberries, pagers, network cards, etc.)** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Reduce the use of cell phone and PDA costs (Blackberries, pagers, remote access network cards) by determining needs based on business operations, migrating existing services to UCOP commodity service agreements as appropriate. |
| Benefits & who benefits | Campus benefits in terms of cost reduction. |
| Challenges or difficulties | Changing existing practices and gaining consensus. Departments would need to establish criteria on who needs these devices and why, based on business needs. |
| Est. cost savings (realizable) or cost avoidance and to whom | AT&T's cost savings are estimated below. It is expected that Verizon's savings will be similar over the cost of provisioning individual personal plans. The Verizon contract is in progress..<br><br>From UCOP: "Projected cost savings are 4% for AT&T basic cellular service and up to 25% for data plans at most campuses. This new agreement is intended to create and maintain higher service standards and customer satisfaction. Among the features of the agreement with AT&T are the following:<br><br>• Greater efficiencies through electronic billing<br>• Additional carrier resources devoted to the University<br>• Conversion of individual reimbursable accounts to University accounts<br>• The revised University tax policy on cellular phones (effective June 1, 2009) will not be in conflict as the phones will continue to be University-owned<br>• Departmental pooling of minute plans for greater cost savings"<br><br>Estimated savings in converting 3,500 individual [cell phone and data] plans to corporate plans is approximately $100,000 annually (3,500 devices @ $30 per month – average savings 8% for 12 months). |

| | |
|---|---|
| | Note: This is for option B where UC retains management of cell phone and data plans. If option A is implemented, where employees are paid stipends and are responsible for payment, no savings are likely.. |
| Cost to implement if any | Nominal administrative costs |
| Est. duration in months | 6 months |
| Decision rights | Departmental heads |
| Responsibility | Morabito, Davis (Schilling) |

| 19c | UC/CPG outbound telecommunications trunking and calling plan initiative |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Based on the current work of the UC/CPG strategic sourcing initiative, CTS may benefit further from UC wide contracts for outbound voice trunking and local, domestic and international calling plans. Previous bids by UCLA reduced similar costs by 50% ($1.6M annually to $800K annually).<br><br>It is expected that the Telcom/trunking/plans initiative will be competed and implemented by the end of FY 2009/10. The RFP(s) are based on the RFPs issued by UCLA/CTS over the past five years. CTS estimates an additional potential savings of 2% on trunking costs beginning FY 2010/11. Current UC initiatives in various stages of completion:<br><br>1. Cellular-based services<br>2. Audio/web conferencing<br>3. Video conferencing<br>4. Telecom/trunking/plans<br>5. IT Professional Services |
| Benefits & who benefits | All UCLA departments using UCLA voice services |
| Challenges or difficulties | No technical difficulties |
| Est. cost savings (realizable) or cost avoidance and to whom | Current trunking expenses are approximately $800K annually.<br><br>We are anticipating an additional 2% aggregating together all UC calling plans. This would be an additional $16,000 annually, or a reduction in the voice access rate beginning FY 1010/11 of $<.04> per line per month. |
| Cost to implement if any | None |
| Est. duration in months | Start July FY 2010/11 |
| Decision rights | Chancellor |
| Responsibility | Morabito, Davis (Schilling) |

| 19d | Consolidate CISCO/other network maintenance programs |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Evaluate the savings related to renegotiating the existing Cisco maintenance program. The current program is individually negotiated with dozens of network providers within the campus and Medical Enterprise groups.<br><br>The existing program could be replaced with a campus wide agreement(s). This has been recommended in TIER. |
| Benefits & who benefits | UCLA would benefit by the elimination of individual contracts vs. a campus wide negotiated contract with more favorable terms and conditions. |
| Challenges or difficulties | No technical difficulties |
| Est. cost savings (realizable) or cost avoidance and to whom | A detailed cost saving evaluation would need to be conducted. An RFQ would need to be written requesting pricing from Cisco and other potential vendors. A realistic annual savings would be approximately $50,000. |
| Cost to implement if any | Internal staff time |
| Est. duration in months | 6 months – Service would start fall ‘09/10 |
| Decision rights | Morabito, Davis |
| Responsibility | Morabito, Davis (Schilling) |

| 19e | UC Cellular services sourcing initiative |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Mandate strategic sourcing agreements/ Cellular plans<br><br>Recommendation is to mandate the use of the preferred cellular carrier contract to be completed by Q3 '08/09. The two preferred carriers are AT&T and Verizon.<br><br>This can be accomplished with centralized billing incorporated within the CTS online web billing process while supporting decentralized ordering and support. |
| Benefits & who benefits | The entire UCLA campus would benefit by elimination of individual contracts vs. a UC-wide strategic sourcing agreement.<br><br>Individual personal billings will no longer be submitted to accounts payable. Monthly billings and usage will be auditable as part of the online billing detail. |
| Challenges or difficulties | No technical difficulties. Expect significant resistance from departmental IT staff to switch to AT&T or Verizon if services are not currently provisioned by the two providers. Provisioning of the services will require significant collaboration between Corporate Finance, CTS and campus organizations. |
| Est. cost savings (realizable) or cost avoidance and to whom | Cost savings are determined by the UCOP Strategic Sourcing group. Preliminary savings are in excess of 20% over personal rate plans. Assuming that UCLA has 3,000 phones on individual personal plans @ $30 per month, savings may total $18,000 per month/ or $216,000 annually. |
| Cost to implement if any | Internal staff time |
| Est. duration in months | 6 months – Service would start fall 2009/10 |
| Decision rights | Chancellor |
| Responsibility | Morabito, Davis (Schilling) |

**20. TELEPHONE SAVINGS PROPOSALS**

| 20a | Voice Access Rate Reduction |
|---|---|
| Project Description → <br><br> IMPORTANCE <br> EASE OF IMP. <br> (1=least, 5=most) | Voice Access rate - FY 2009/10 rate reduction from $18.55 to $17.60<br><br>Voice Mail rate - FY 2009/10 rate reduction from $6.25 to $6.00<br><br>Combining several internal operational objectives, a continued reduction in CTS staff associated with voice operations, ongoing gains in administrative efficiency, and benefits from an increase in line count, CTS is recommending that the voice access rate be reduced by $<.95> per line per month resulting in a savings of approximately $390,000 annually.<br><br>Benefiting from similar initiatives as listed above, CTS is recommending that the Voice Mail rate be reduced by $<.25> per mail box per month resulting in annual savings of $55,000.<br><br>The remaining savings of $245,000 is related to cost avoidance. |
| Benefits & who benefits | All UCLA Departments benefit.<br><br>In total the combined efforts will reduce the overall cost to the campus and Medical Sciences Group by $445,000 annually. |
| Challenges or difficulties | Staffing and expense reductions will be accomplished by June '09 |
| Est. cost savings (realizable) or cost avoidance and to whom | $390,000 in annual voice access rate savings<br>55,000 in annual voice mail rate savings<br>245,000 in annual cost avoidance savings<br>$690,000 total cost savings & avoidance<br><br>Includes a reduction of 5 FTEs |
| Cost to implement if any | N/A |
| Est. duration in months | Start July 1, 2009 |
| Decision rights | Morabito |
| Responsibility | Morabito (Schilling) |

| 20b | Reduce inbound voice trunking to minimum contract levels |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Recommendation is that in FY 2010/11, trunking associated with in-bound calling can be further reduced, as calling patterns continue to further decline, to the minimum established under the UCLA/Verizon contract. |
| Benefits & who benefits | All UCLA departments using UCLA voice services would benefit |
| Challenges or difficulties | No technical difficulties |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated annual savings in the range of $50,000 annually. The impact is to reduce the voice access rate by $<.12> on a monthly basis. |
| Cost to implement if any | None |
| Est. duration in months | Start July FY 2010/11 or prior. Contributes to prolongation of reduced rates. |
| Decision rights | Morabito |
| Responsibility | Morabito (Schilling) |

| 20c | MSL-100 maintenance program |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | In FY 2010/11 begin to transition the Nortel MSL-100 maintenance contract to a customer-owned and maintained program. This would cover the two MSL-100 units and seven remotes. |
| Benefits & who benefits | CTS |
| Challenges or difficulties | Ensuring that CTS has the necessary [staff] certifications and are experienced enough to triage issues as they arise. |
| Est. cost savings (realizable) or cost avoidance and to whom | Estimated cost savings will be realized by not renewing the annual maintenance contract of over $50,000.<br><br>The $50,000 annual cost savings would be directly attributed to the voice access rate and amount to a $<.12> reduction in the rate. |
| Cost to implement if any | Some additional staff training may be required. |
| Est. duration in months | Reduction would begin January 2011 at end of Nortel contract. Contributes to prolongation of reduced rates. |
| Decision rights | Morabito |
| Responsibility | Morabito (Schilling) |

| 20d | Migrate the emergency outcall system |
|---|---|
| Project Description →<br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Migrate the Emergency Outcall System from Kuflink currently managed by CTS to the campus Emergency Outcall System managed by General Services, David Burns |
| Benefits & who benefits | Campus and General Services would benefit by utilizing one Emergency Outcall System. |
| Challenges or difficulties | Syncing the two systems; overall system and end-user testing to ensure the migration successfully completed. |
| Est. cost savings (realizable) or cost avoidance and to whom | The cost savings are approximately $3,000 annually. Contributes to prolongation of reduced rates. |
| Cost to implement if any | Nominal administrative costs |
| Est. duration in months | 3 months |
| Decision rights | Morabito |
| Responsibility | Morabito (Schilling, Powazek) |

| 21 | **TIF Rate Mitigation Strategy** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | FY 2009/10 TIF rate will be maintained at $40.75<br><br>Combining several internal operational objectives, a continued reduction in CTS staff associated with TIF operations, ongoing gains in administrative efficiency and benefits from a decrease in the CTS head count, CTS is recommending that the TIF rate be maintained at $40.75.<br><br>Savings are related to cost avoidance. |
| Benefits & who benefits | All UCLA Departments benefit. |
| Challenges or difficulties | Staffing and expense reductions will be accomplished by June '09 |
| Est. cost savings (realizable) or cost avoidance and to whom | $502,000 in annual cost avoidance savings.<br><br>Includes a reduction of 2 FTEs |
| Cost to implement if any | N/A |
| Est. duration in months | Start July 1, 2009 |
| Decision rights | Morabito |
| Responsibility | Morabito (Schilling) |

| 22 | Data Center Facility and Virtual Servers Consolidation |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Develop a campus combined "server operations" and "data center" strategy to standardize machine, OS, platform, and support operations, allowing for a reduction in the number of servers and storage devices; and a reduction in the number of primary and secondary data centers. An inventory and assessment would be required to optimize appropriately.<br>■ Consolidate critical applications into a minimum number of primary data centers with minimum number of geographical locations - campus two locations, and hospitals and clinics two locations.<br>■ Consolidate non-critical, local applications and servers into a set of regionalized second tier data centers.<br>■ Manage campus data centers collectively and with a single staff operation.<br>■ Develop the campus strategy for research computing and storage, migrating to shared computing resources in regional and local data centers and minimizing singly hosted facilities to those with special needs.<br>■ Migrate research computing resources to lower cost, low energy usage space vs. redundant power space.<br>■ Develop a strategy to develop and insource (within UC) local (TBD) and remote DR services (already in progress).<br>Rationalize data centers and closets so that campus energy usage is minimized. |
| Benefits & who benefits | Currently official data centers represent ~24,000 assigned square footage (ASF) (~10,000 ASF in departments and units, ~3,000 ASF for research, ~11,000 ASF for Medical Center and Hospitals), yet facilities has designated ~62,000 ASF as computer server rooms (not counting Medical Center and Hospitals). This means there is at least ~49,000 ASF housing equipment in space not optimized for energy or operational efficiency.<br><br>The entire campus could benefit through reduced expenses related to the operation of data centers. Research shared clusters are being consolidated through IDRE's efforts. Other units have expressed an interest in a variety of levels of this service, from straight co-location options, to virtualized servers, and even more extensive sys admin support options. Full benefits would only be realized if extensive virtualization were implemented. |

| | |
|---|---|
| Challenges or difficulties | The campus does not currently have the capacity in it's existing central data centers, and virtualization and hosting services are not currently available campus-wide. There needs to be a demonstrated successful service before units would consider migrating to a service like this and the service may require multi-level architecture options. While units may be interested in a co-location data center model, legacy equipment and systems would not be able to realize the advantages of virtualization including energy, staffing and equipment savings offered by a consolidated model. The current IT funding model does not incentivize consolidation of servers and facilities. |
| Est. cost savings (realizable) or cost avoidance and to whom | Cost savings could be realized through economies of scale for more efficient energy, staffing, equipment utilization, security, maintenance and software licensing. Additional cost savings could be realized through a reduction in facilities improvements to server closets across campus. Broader implementation of holiday and after hours building closures would be facilitated for additional energy savings. Facilities which do not have 24/7 staff are at a higher risk for damage to equipment by fire, thermal overload, water intrusion etc. A consolidated strategy would reduce risk costs. These factors are difficult to measure without a full inventory and analysis, but following are some sample data points:<br><br>**Data Points:**<br>■ Although it is difficult to obtain reliable industry statistics for virtualization, consolidation ratios in physical servers range from 2:1 to 20:1, Gartner narrows this down by stating the median number of virtual machines on a server is 6 (12 for dual processors).<br>■ The average utilization on stand-alone servers is 50%<br>■ Item #24 Inventory and Assessment describes a number of industry examples where corporations have realized significant savings (5%-30% of their IT expenditures) from data center, server and application consolidation, made possible through IT portfolio management initiatives. (see item #24 Inventory and Assessment for details on cost savings extrapolated to UCLA).<br>■ There are currently 100s of sys admins on campus, but many have split roles (same staff are also providing help desk, and/or application development functions to local units). This makes it difficult to estimate staff savings. In the consolidation of email as an example, many technologists were running email servers as a portion of their duties, when the task of email server maintenance was removed, they shifted time to their primary |

| | |
|---|---|
| | role.<br><br>**Extrapolating to UCLA:**<br>■ The Disaster Recovery effort alone reduced AIS central servers from 196-100, this represents **$300K in equipment savings** and an additional **$60K in annual energy savings** (assumes $3K/server, 300watts/server, $1/watt/year, equipment power is multiplied by 2 for cooling and infrastructure). The same DR effort identified 495 additional servers out in larger units. If the same server reduction ratio were achieved on these servers, an additional **$756K in equipment savings** and **$151K annual energy savings** could be achieved.<br>■ While we do not have data on the number of existing servers on campus, UCLA Purchasing reported 827 servers purchased from the KST agreement in the past 2 years (does not include servers purchased outside of KST for grants or other specialized servers). If we use the conservative 2:1 consolidation ratio, on just those machines, that would represent a savings of **$1.2m in equipment savings** and **$248K in annual energy savings**.<br>■ Equipment housed in an environmentally optimized data center realizes on average a 25% decrease in energy costs. If the KST server number represents a 4 year replacement cycle that would extrapolate out to 1140 servers (not all units replace equipment at this rate, but this would be conservative given that this includes a 7% growth assumption for and not all servers are purchased through KST). If just half of those were moved into a campus data center, **$85K annual energy savings** could be achieved.<br>■ If the 49,000 ASF of servers-in-closets (see "who benefits" above) were to migrate to an optimized data center environment, **$1.2m in annual energy savings** could be realized (assumes 25% decrease, 2.0 PUE, 60 ASF/rack - double the ASF of a standard DC due to space inefficiencies in closets, and 3kw/rack – half the density of administrative servers in a standard DC). Additional energy savings might be realized if an evaluation of the environmental conditions in larger server rooms across campus were conducted.<br>This collection of items is based on a few known data-points - likely a fraction of all the servers used on campus. A campus-wide inventory and assessment would be critical to clarifying these and identifying other opportunities. Still, these conservative estimates collectively represent an **overall savings of $2.3m in equipment savings** and **$1.7m in annual energy savings**. |

| | |
|---|---|
| Cost to implement if any | Assessment of existing capacity/environments, options, prioritization is required to determine the full impact and costs, but it is expected that an investment would be required to develop service, funding and business models, and to augment existing data center capacity through improvements to existing facilities, UC regional data center agreements, and/or co-location out-sourcing. |
| Est. duration in months | Multiple stages -- Preliminary assessment 6-9 months, near term localized benefits are already happening through the Disaster Recovery initiative, further near-term benefits are expected to be realized when the Math Science Data Center power upgrades are complete. |
| Decision rights | Chancellor, EVC |
| Responsibility | Morabito, Davis (Wissmiller, Schilling, Labate) |

| 23 | Inventory and Assessment |
|---|---|
| Project Description →<br><br>IMPORTANCE \| <br>EASE OF IMP. \| <br>(1=least, 5=most) | Inventory and Assessment are prerequisites to managing UCLA's information technology as a strategic resource instead of a collection of tactical solutions to local problems. The inventory collects the location of server rooms, the equipment housed therein and the applications deployed there, and the dependencies among the applications and systems. |
| Benefits & who benefits | The inventory does not generate revenue or directly create a cost reduction, but it provides facts to support institutional decisions to standardize, consolidate, eliminate non-productive redundancy, shut down buildings on weekends, etc. The inventory also serves as input to staffing planning, data center sizing and many other decisions that have large long-term fixed cost commitments. The initiative removes the duplication of effort among all IT cost reduction initiatives that would otherwise require an inventory of IT capabilities as their startup activities. We will incorporate the information already attained from recent initiatives like the disaster recovery initiative. |
| Challenges or difficulties | Campus units have traditionally been less than forthcoming with information about their deployment of information technology. |
| Est. cost savings (realizable) or cost avoidance and to whom | In most cases it is difficult to scale corporate results to UCLA; the nature of our business is vastly different. Taking a very conservative stance on the 5 – 30% savings reportedly achieved by commercial enterprises in their administrative computing, we should expect to benefit by on the order of an additional **$5 million** (5% of half UCLA's estimated $200 million annual IT spend) above the Virtual Server and Data Center Consolidation item that depend on the inventory as a starting point by also reducing common applications and reconciling platforms and operating systems.<br><br>**Industry Benchmarks:**<br>• Hewlett-Packard's corporate inventory found that "unofficial data centers" outnumbered corporate facilities 5 to 1, that the number of applications was grossly underestimated, and that in final analysis 70%-80% of the applications were not needed. Restructuring their IT has resulted in annual savings of $1 billion (Information Week 12/1/2008).<br>• An MIT case study on Campbell Soup, at the time twice the size |

| | |
|---|---|
| | of UCLA, reports that standardization of platforms and processes resulted in annual savings of $8 million.<br>• Dow Chemical standardized about 60% of their IT portfolio and was able to double in size over a 10-year period with only a 10% increase in their staffing.<br>Confidential information from Disney Corp. would indicate that a 5% savings is well within reach for UCLA. |
| Cost to implement if any | |
| Est. duration in months | 6 months to establish a basic inventory; beyond that an on-going effort to refine and/or augment the data and keep it up to date. |
| Decision rights | Chancellor, EVC |
| Responsibility | Davis, Morabito (Snow, Wissmiller, Reddingius) |

| 24 | Campus Implementation teams for medium/small IT projects |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Draw upon existing campus expertise, rather than hire outside consultants for small to mid-range IT application projects. The model of hiring outside consultants to address common application needs is an expensive and wasteful one. More specific savings can be estimated when UCLA completes it's inventory assessment, but there are many anecdotal accounts of units needing some form of temporary or part-time expertise in a broad range of IT areas.<br><br>The recommendation is to build a deployable team for short term projects and analyses that can be assigned to a unit project. This can be done by hiring a versatile staff that can handle a variety of IT consulting tasks or negotiating a more comprehensive and attractive contract can be more cost effective. |
| Benefits & who benefits | When this expertise is not available, units will hire outside consultants at a premium rate, or attempt to tackle areas where they do not have expertise resulting in slower development cycles and lower quality systems ( due to lack of proper data modeling, project management, QA etc…)<br><br>This effort would also allow many units on campus that may be involved in duplicative development efforts (i.e.: Committee management systems, scientific program coordination or even detailed accounting systems) that support almost identical functional requirements to join together in a single effort building a resource for the campus instead of just their unit. |
| Challenges or difficulties | Currently departments need to outsource much of this work since there is no existing center of excellence for each of these areas and units do not have permanent funding for these positions. Layoffs will make this situation worse as units lose internal expertise and they will need to pay higher outside consulting fees for urgent IT services.<br><br>It is currently impossible to do this with our current capacity, so the start-up funding to hire and develop a team of versatile IT staff that can handle a variety of IT consulting tasks is critical to implementing this initiative. |

| | |
|---|---|
| Est. cost savings (realizable) or cost avoidance and to whom | Year 1: ~ $250,000<br>Year 2 and ongoing: ~ $500,000<br>( see attached spreadsheet for details) |
| Cost to implement if any | In the future an accurate portfolio management tool would let us see at a high level what kinds of projects have common consulting needs. Good examples include requirements gathering, data modeling, system design, upgrade analysis, project tracking, campus system integration, performance tuning and quality assurance. In the interim, we would need to conduct a yearly planning process to understand upcoming needs for the next year and build the resource pool to service it.<br><br>A ballpark figure for building the service pool for the initial year would be approximately $250k to hire 2 PA IIs and 2 PAIIIs. Once the team was in place and brought up to speed, the unit would be self-supporting. |
| Est. duration in months | Campus savings should continue on an ongoing yearly basis as the internal campus service's expertise increases, internal knowledge and sharing increases and dollars spent on consultants' decreases. |
| Decision rights | Heads of individual projects |
| Responsibility | Davis (Partnerships between the Clients of the service and the Office of Information Technology) (Reveil, Rocchio) |

| 25 | **Online IT Training** |
|---|---|
| Project Description →<br><br>IMPORTANCE<br>EASE OF IMP.<br>(1=least, 5=most) | Using online technical training as a way to continue to develop our IT staff, maintain UCLA technical skills, and dramatically cut the costs associated with attending classes. |
| Benefits & who benefits | IT staff will benefit from the ability to enhance their skills, grow in their careers, and meet the challenges of their ever-changing jobs. UCLA and departments will benefit with improved staff retention, up-to-date skills, and reduced training budgets. |
| Challenges or difficulties | Finding the best possible online courseware and distributing it in a way that benefits all units. |
| Est. cost savings (realizable) or cost avoidance and to whom | A typical class that requires travel averages over $2000 for one week. An online class costs about $200 and the employee can still be at or near work while taking it. If we wanted to provide one week of training to the ~500 IT staff at UCLA each year, online classes would save $900,000 annually. |
| Cost to implement if any | The initial cost would be selecting and purchasing a training solution. OIT is currently piloting a product called Skillsets Online which has a large course list and is willing to create cost effective packages for UCLA. Other companies may do this as well. To provide the amount of training presented above, would cost the campus less than $100,000. |
| Est. duration in months | The pilot has already begun. This could be done gradually, but if we wanted to buy a year's training with the best possible company, the analysis could take a few months. |
| Decision rights | Deans and Vice Chancellors |
| Responsibility | Davis (Reynolds) |

UCLA

# COST SAVINGS & EFFICIENCIES TASK FORCE

## IT Recommendations

## March 2009

UCLA

# IT Planning Task Force Work Informs Cost Savings & Efficiencies Task Force Recommendations

# We have a set of principles that have been vetted with the IT Planning Task Force and the Cost Savings and Efficiencies Task Force

See Attached Guiding Principles

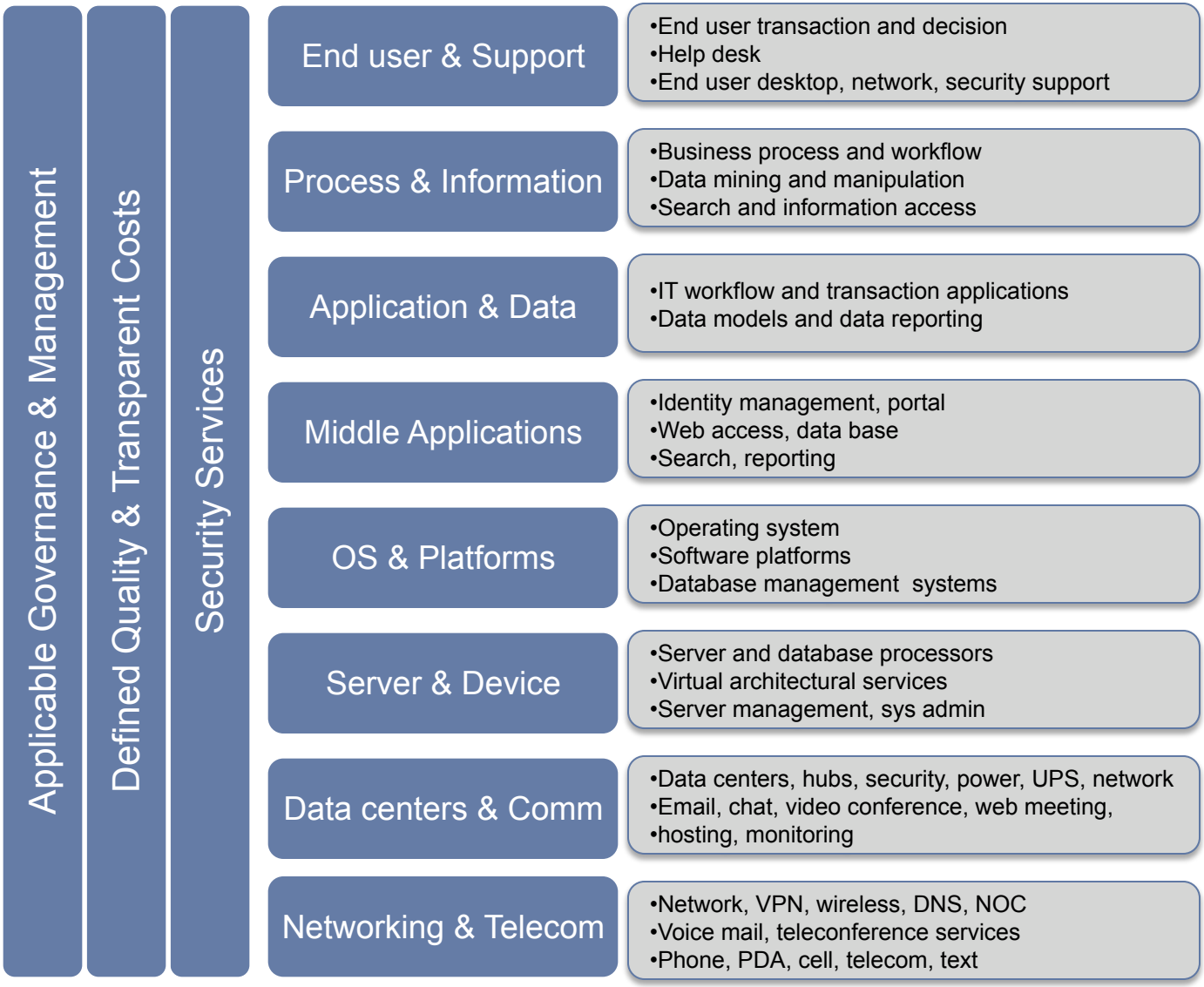
UCLA

# IT Application, Data and Infrastructure Services Stack with Illustrative Services

**IT-enabled processes require all services**

**Services can be provisioned in different ways and with different groupings**

**The objective of the operating model is to specify the approaches that best meet UCLA's needs**



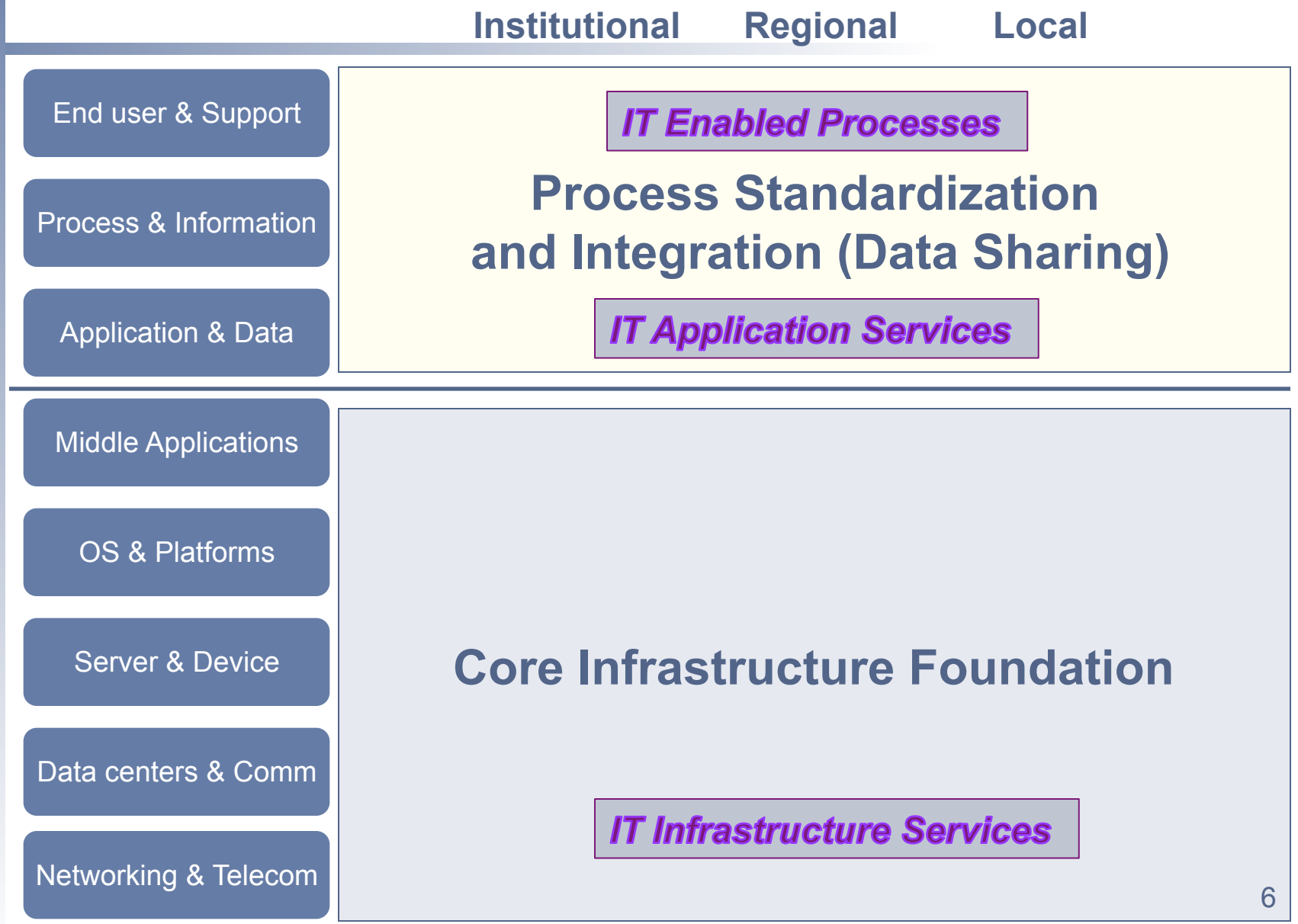
UCLA

# Important Definitions

- **IT Service** – any use of systems AND staff support to deliver an IT capability that enables or supports an end user capability
- **Application & Data IT Service** – IT application, database and staff support that enable an end user capability
- **Integrated Application & Data IT Services** – applications & databases that need to interface and/or interoperate to form a complete end user service
- **Business Process** – an orchestration of *integrated* application & data services within a unit or across units
- **IT Infrastructure Service** – IT services and staff support that enable Application & Data Services and Processes
- **Centralized IT Service** – a campus wide *service* that is provisioned and delivered to the end user and functional support staff without involvement of a local IT operation – can still have impact if infrastructure not consistent, i.e. web browser
- **Decentralized IT Service** – a locally deployed *service* that is provisioned and delivered to the end user and functional support staff without the involvement of a centralized or regionalized IT operation
- **Blended IT Infrastructure Service** – an Infrastructure IT *service* formed by sharing institutional components of a centralized service and components of local services to form an overall service that is *provisioned and delivered* with joint accountability to the end user
- **Regionalized IT Infrastructure Service** – a form of blended service in which a subset of unit based infrastructure services are consolidated for the region formed by those units
- **Federated IT** – a general term referring to an organization structure in which staff reporting lines and service provisioning can be distributed but still operate in concert to form an institutional capability

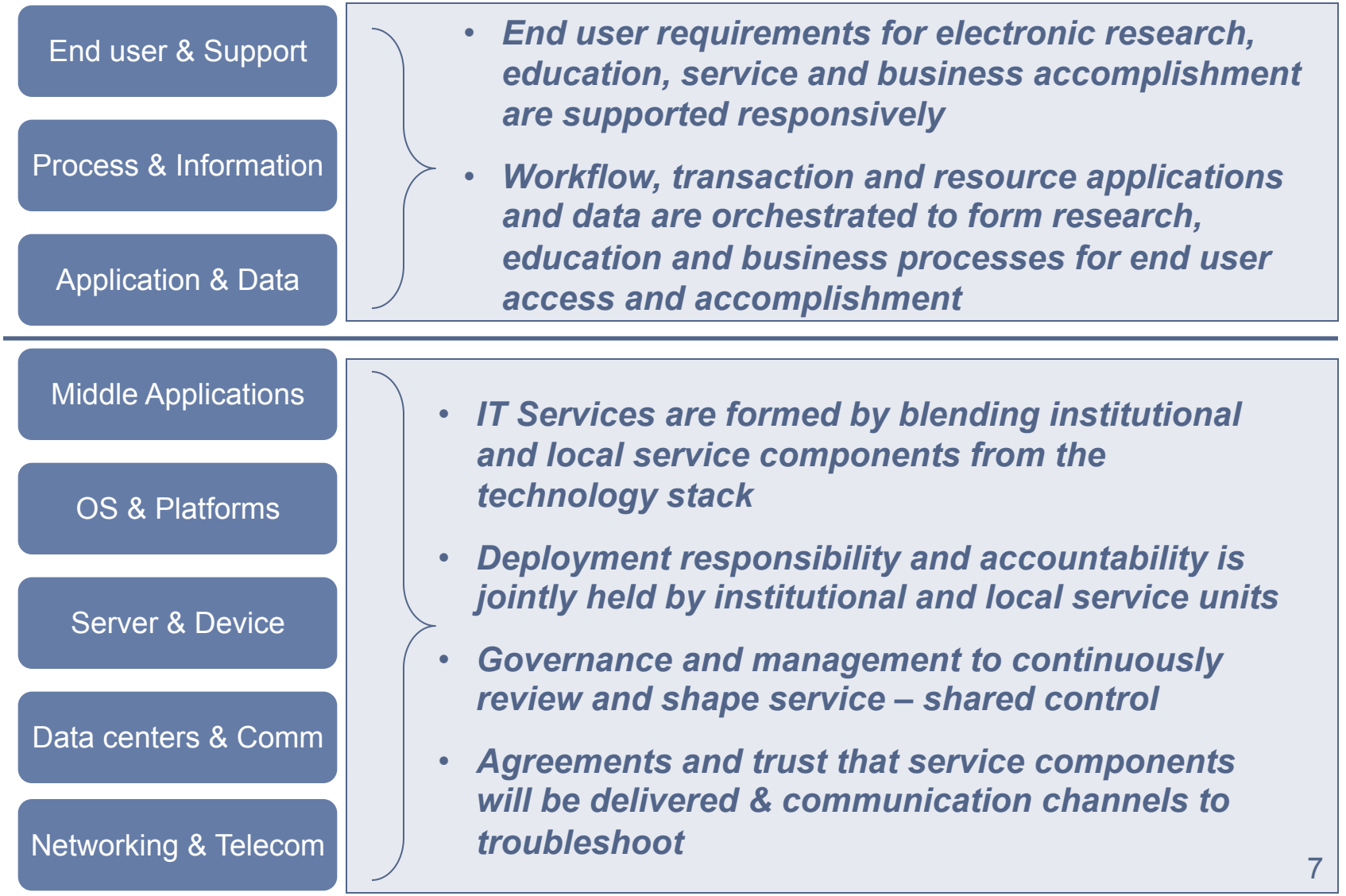
UCLA

# The Technology Stack: Distinction Between Application and Data Services and IT Infrastructure Services



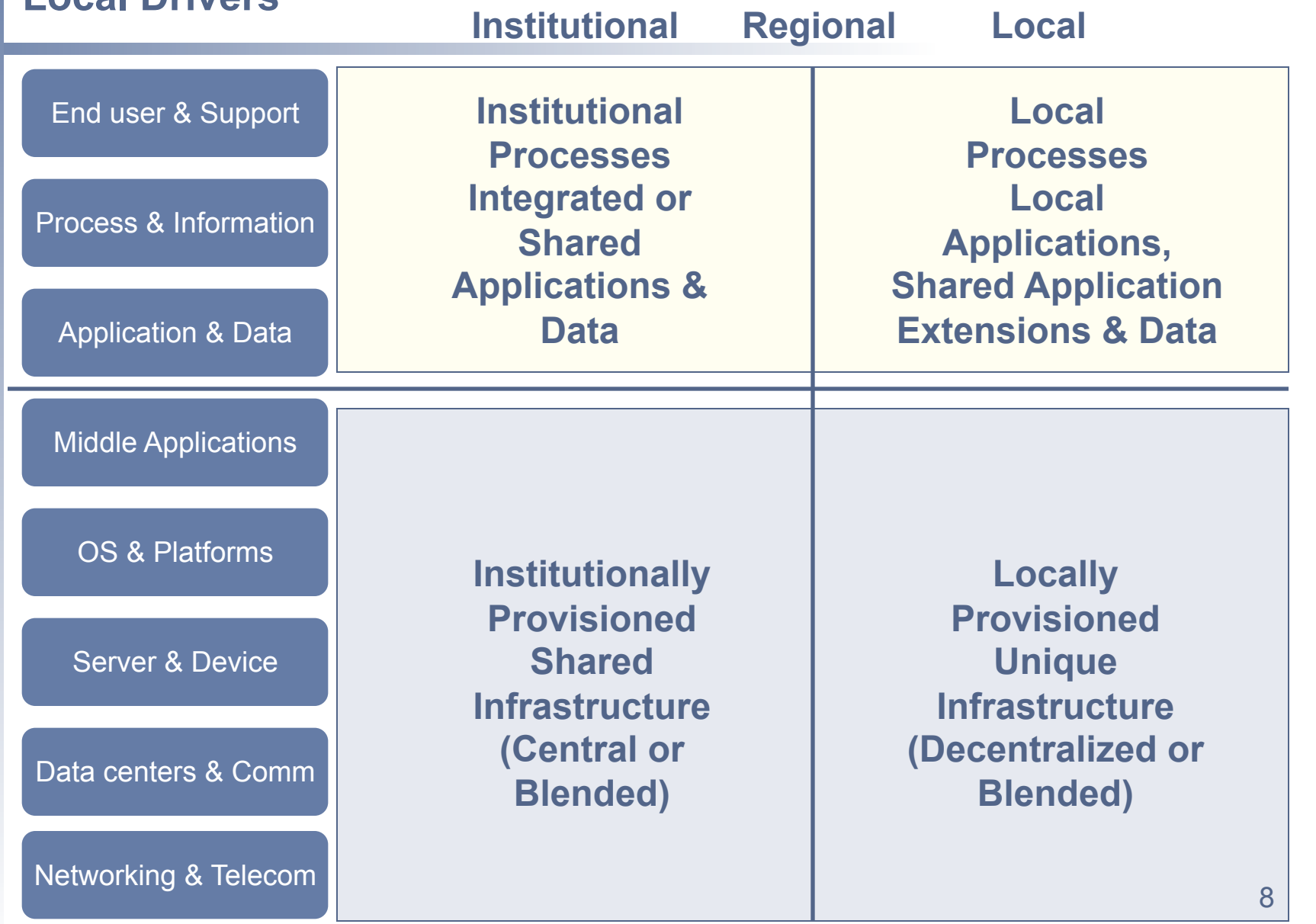
UCLA

# The Technology Stack: Distinction Between Application and Data Services Integration and IT Infrastructure Service Blending



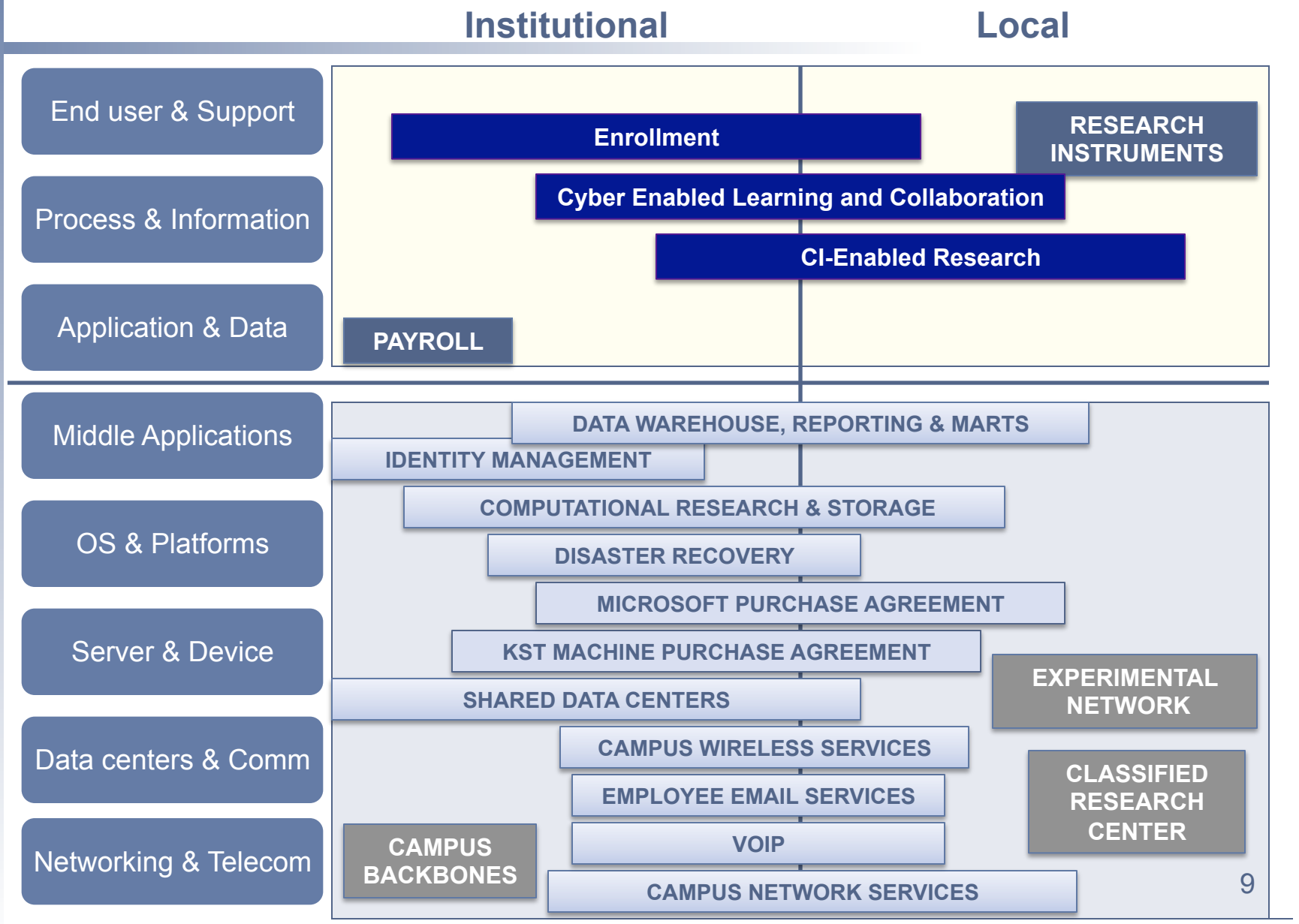
UCLA

# The IT Technology Stack in four Quadrants: Application and Data Services & IT Infrastructure Services in relation to Institutional and Local Drivers



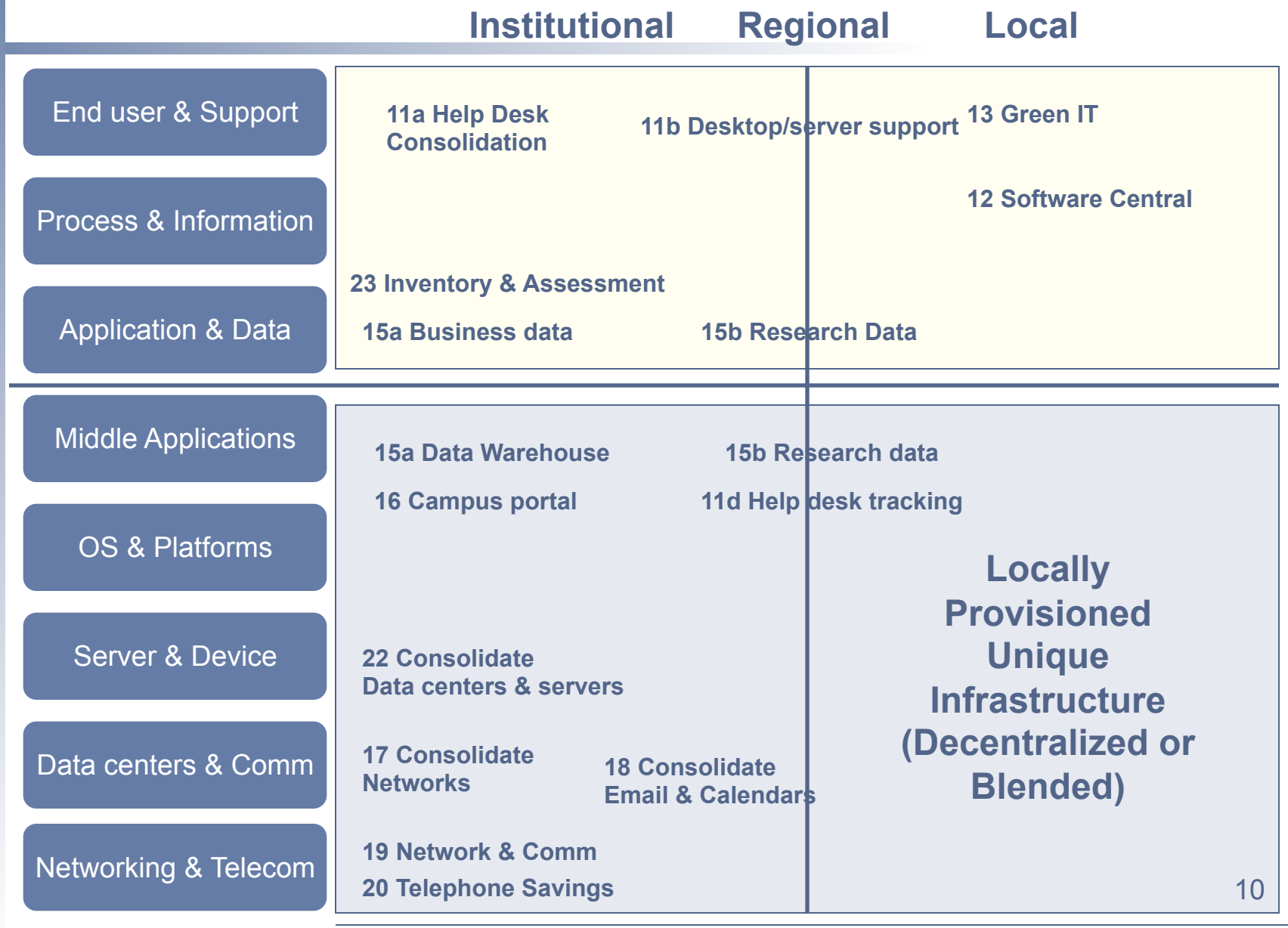
UCLA

# The Technology Stack: Integrated Applications & Data and IT Service Blending



UCLA

# IT Cost Savings Recommendations



# 1st Assumption Operating Model

- Assumes first that research and specialized education IT infrastructure are local, e.g. experimental wireless networking
- Assumes first that research and teaching processes are local, e.g. research computing
- Assumes first that IT infrastructure services are institutional or regional, e.g. data centers/machine rooms
- Assumes first that business processes are institutional, e.g. time and attendance

UCLA

# 1st Assumption Model

- Existence of defined institutional or regional service
  - Clearly defined services (including blending)
  - Transparency of costs
  - Clear governance, accountability and management structure to ensure campus service
- Defined evaluation methodology
- Defined mechanism for negotiating tradeoffs through blending

UCLA

# Recommendation #1 Support 1st Assumption Model

| | Institutional | Local |
|---|---|---|
| End user & Support<br>Process & Information<br>Application & Data | **Institutional Processes Applications & Data [1st Assumption Institutional]** | **Local Processes Applications & Data [1st Assumption R & E Local]** |
| Middle Applications<br>OS & Platforms<br>Server & Device<br>Data centers & Comm<br>Networking & Telecom | **Institutionally Provisioned Shared Infrastructure (Central or Blended) [1st Assumption Institutional]** | **Locally Provisioned Unique Infrastructure (Local or Blended) [1st Assumption R & E Local]** |

UCLA

# Follow-on Recommendations

② Form campus data center/server architecture team and proceed immediately with an inventory and assessment of data centers, facilities, platform infrastructure, applications and data – inventory by Fall
   a. Highest priority IT services to tackle next
   b. Organize inventory plan for development of data center/server service requirements
   c. Needs endorsement by Gene, Scott, VCs, Deans, ITPB and CITI with CSG input

③ Proceed immediately with all infrastructure procurement savings proposals – voice contracts, cell phones, software central and desktop server purchases
   a. Inform Deans, VCs, ITPB and CITI of plans

④ Proceed immediately with reviewing/forming existing requirements teams, organize for institutional requirements gathering and final specification of services, quality assurance, outsourcing, blending and transition requirements to form 1st Assumption Infrastructure Services Model
   a. Enterprise messaging (EM and BOL), identity management, data warehouse, data reporting, networking
   b. Develop evaluation protocol
   c. Needs endorsement by Gene, Scott, VCs, Deans, ITPB and CITI with CSG input

⑤ Proceed Immediately to form campus IT fiscal business model team to specify funding requirements/models that drive evaluation, transition and sustained operation – likely to be a recommendation from the IT Planning Task Force
   a. Inform Deans, VCs, ITPB and CITI of plans

⑥ Proceed on other IT recommendations as prioritized

# University of California, Los Angeles
# Budget Toolbox Project

# Report of the Revenue Task Force

**April 24, 2009**

# Table of Contents


I. Task Force Charge and Process 1
II. Principles for Review of Revenue Creation Proposals 2
III. Summary of Recommendations 4
IV. Major Issues and Recommendations
A. Student Fees 6
B. Enrollment of Nonresident Undergraduates 14
C. Development of New Academic Programs & Services 15
D. Research Funding 19
E. Faculty Compensation Plan 21
F. Brand Extension Licensing 23
G. Fundraising Opportunities 25
H. Sale of Underutilized Property 27

Appendix A: UCLA Approval Process for Revenue-Generating Courses and Programs 30

Appendix B: Revenue Generating Course and Programs Administrative Guide 34

Appendix C: Guidelines for endowed chairs 36

# I. TASK FORCE CHARGE AND PROCESS

The Budget Toolbox project is designed to support campus academic and budgetary planning in the face of current and anticipated additional budget cuts. Because of severe financial pressures, UCLA must develop plans for sustaining academic strength through: (i) cost savings and increased efficiency, (ii) increased non-state revenues, and (iii) strong alignment of academic programs with institutional priorities. Toward this end, Executive Vice Chancellor and Provost Scott Waugh appointed three task forces to address these issues. These task forces are:

- The Academic Programs Task Force, chaired by Scott Waugh. The charge of this task force is to review and recommend options for reducing the cost of the academic program and for reallocating resources within the academic program to meet anticipated budget reductions.

- The Cost Savings and Efficiencies Task Force, chaired by Vice Chancellor Sam Morabito. The charge of this task force is to review options for reducing administrative costs and improving operational efficiency.

- The Revenue Task Force, chaired by Vice Chancellor Steven Olsen. The charge of this task force is to review and recommend options for increasing non-state revenues for support of academic and administrative programs. Such options may involve the establishment of self-supporting degree programs, changes in student fee levels, options for private fund raising, improving returns from the use of University property, and improved returns from royalty income. Revenues may be limited to specific programs or available for the general use of the campus.

The membership of the Revenue Task Force is as follows:

- Kathryn Atchison, Vice Provost for Intellectual Property and Industry Relations
- Hilu Bloch, Associate Dean & CAO, Anderson Graduate School of Management
- Robin Garrell, Professor and Vice Chair, Academic Senate
- Janina Montero, Vice Chancellor for Student Affairs
- Sam Morabito, Administrative Vice Chancellor
- Steven A. Olsen, Vice Chancellor, Finance, Budget & Capital Programs (chair)
- No-Hee Park, Dean, School of Dentistry
- Cathy Sandeen, Dean, University Extension
- Michael Schill, Dean, School of Law
- Rhea Turteltaub, Vice Chancellor, External Affairs
- David Unruh, Assistant Provost, Academic Program Development
- Kang Wang, Professor, School of Engineering and Applied Science

The staff of the committee consisted of:

- Andrew Alexan
- Glyn Davies (chief of staff)
- Sonia Luna

The committee convened in January 2009 and met on six occasions. The first meeting was devoted to organizing the committee, establishing procedures and setting an agenda. The next four meetings were devoted to analysis and discussion of the various options for generating new campus revenue. The final meeting was devoted to reviewing the draft report.

## II. PRINCIPLES FOR REVIEW OF REVENUE CREATION PROPOSALS

The Budget Toolbox project was designed to support campus academic and budgetary planning by creating an inventory of possible options to assist the campus in its efforts to adapt to increasing pressure on core academic and administrative resources. Plans to sustain academic strength are needed within three areas: cost savings and increased efficiency, increased non-state revenues, and strong alignment of academic programs within institutional priorities. Three task forces were convened to address these issues. The charge of the Revenue Task Force was to "review and recommend options for increasing non-state revenues for support of academic and administrative programs."

Revenue generating proposals were solicited from the Task Force members and the campus as a whole. The many revenue generating proposals that were received were divided into eight categories:

- changes in student fees
- changes in student enrollment
- new academic programs and services
- research funding
- faculty compensation plan
- brand extension licensing
- fundraising
- disposition of underutilized property

The Task Force briefly discussed the merits of each proposal, to identify those that appeared both meritorious and feasible, as well as those that are less viable, at least at this time. Considerations included whether they are consistent with the University's mission, priority and values, and whether there is a reasonable possibility that they would indeed generate revenues.

Those proposals identified as meriting further consideration will now need to be evaluated based on sound, objective criteria, and reviewed and approved within our framework of shared governance. Deserving programs and services should be implemented expeditiously, with appropriate oversight, accountability, and plans for assessing their value and impact.

Occasionally, seemingly promising new revenue streams end up costing more than they yield. A set of five general criteria, proposed by Benjamin, et al.,[1] provides a framework for the Task Force to use in reviewing and prioritizing the proposals it has received. These criteria are:

[1] THE Redesign of Governance in Higher Education; R. Benjamin, S. Carroll, M Jacobi, C Krop, M Shires. Institute on Education and Training, RAND publication; 1993.

- Quality
- Centrality to the institution's mission
- Demand and work load
- Cost-effectiveness
- Comparative advantage

Finally, we note that budgetary reform is most successful when the resulting organization is strengthened by additions and deletions brought about through careful examination of the longstanding goals of the institution. Thus, overlaying the criteria above are the three institutional objectives set forth in UCLA's Academic Plan: *Academic excellence* through a furthering of UCLA's tradition of world-class scholarship and teaching; *Civic engagement* to create a novel and meaningful interaction among faculty, staff, students, and community; and, increasing *Diversity.* It is expected that programs and services endorsed by the Task Force are ones that are consistent with UCLA's institutional objections and will advance UCLA's goal of pre-eminence. The proposals implemented today will provide streams of revenue that will make UCLA stronger tomorrow.

.

## III. SUMMARY OF RECOMMENDATIONS

1) *The Revenue Task Force recommends adoption of a **Student Fee Framework** for the University of California.* This framework would:

   a) Provide new revenues to protect and improve the educational experience of UCLA students. Specifically, campus programs would receive:
      i) $88 million for general University support.
      ii) $25 million annually for support of undergraduate education.
      iii) $93 million annually for need-based student financial aid to support access and affordability.
      iv) $7 million annually for investment in instructional technology.
      v) New revenue for UCLA's graduate and undergraduate professional programs to improve program quality.
   b) Implement moderate and predictable increases in student fees over the next five years to levels more closely approximating those charged by competing public and private institutions. The average annual increase in total cost of attendance for a resident undergraduate living on campus would be 7 percent for the next five years.
   c) Maintain the competitiveness of UCLA's fees for graduate and nonresident undergraduate students.
   d) Strengthen access and affordability for low- and moderate-income students.

2) *UCLA should increase the enrollment of nonresident undergraduate students by 150 students in each of the next four years*. This action would:

   a) Increase tuition-paying nonresident students from 6.7% to 9.0% of UCLA's undergraduates.
   b) Generate $28 million annually in nonresident tuition revenue for support of need-based student aid, instruction, faculty support, and other campus priorities.

3) *Recommendations Related to New Academic Programs and Services*

   a) Deans and department chairs should consider creating new academic courses, programs and services that have the potential to generate revenue.
   b) This revenue, net of an appropriate overhead charge for centrally provided services, would remain with the unit establishing the program.
   c) The revenue potential would depend on the nature and number of such programs, the number of students enrolled, and the fees charged. (Revenue must be construed as net income after all costs have been covered.)
   d) These programs may take the form of programs that lead toward an existing degree, certificate and non-degree programs, non-academic and non credit-bearing programs, and administrative efficiencies leading to more rapid completion of degree programs.
   e) The task force will publish a guide to UC and Academic Senate policy and procedures regarding the establishment of these courses and programs. Deans and chairs are strongly encouraged to refer to this guide to assist and expedite the development and approval of these offerings.

4) *Recommendations Related to Research Funding*

a) UCLA should develop a strategic plan designed to broaden and enhance the participation of all campus units in applying for research funding, and to provide support that will lead to success in those efforts.
b) The Vice Chancellor for Research should continue to monitor waivers or reductions of indirect cost recovery in order to ensure that sponsors pay for allowable costs to the fullest extent possible.
c) UCLA's indirect cost proposal should propose additional rate points to recover costs for two critical research facilities – the Life Sciences Replacement Building, and the CHS South Tower Seismic Renovation project.

5) *Recommendations Regarding a Faculty Compensation Plan*

a) The campus should seek approval for a Compensation Plan for faculty with high revenue capabilities, to save General Funds and strengthen incentives to increase research.
b) UCLA should begin with Biological Sciences faculty, and subsequently expand implementation to other interested and appropriate schools.

6) *Recommendations Regarding Brand Extension Licensing*

a) In addition to current efforts to strengthen and expand product licensing and merchandising, UCLA should seek outside expertise to assist in the assessment of revenue generation from brand extension licensing.
b) Potential programs could include a more active program for filming on campus, advertising and sponsorship activities, and co-branding tie-ins.

7) *Recommendations Regarding Fundraising Opportunities*

a) The Campus should engage the Academic Senate Board on Admissions and Relations with Schools (BOARS) in a discussion about the possibility of according weight in the admissions process to whether an applicant is the child of an alumnus/alumna.
b) UCLA should promote endowed chairs that permit a portion of the income to be used to support the relevant departments, graduate students and infrastructure.
c) UCLA should raise endowment minimums.
d) UCLA should expand the naming opportunities on campus.
e) UCLA should begin planning future fundraising campaigns**.**

8) *Recommendations Regarding Disposition of Underutilized Property*

a) The task force evaluated the potential disposition of four properties: the Carter Estate, the Japanese Gardens, the Trisonic Wind Tunnel, and May's Landing.
b) All four properties are currently underutilized, and it is unlikely that a future use could be identified that would provide sufficient value to the campus compared to the potential market value of the property. Therefore, all four properties should be considered suitable candidates for disposition, when appropriate market conditions are present.
c) The proceeds from these potential sales are in part restricted by the terms of the agreements under which the Regents obtained the properties, and these conditions must be appropriately evaluated before a decision is made to sell the properties.

# IV. MAJOR ISSUES AND RECOMMENDATIONS

## A. STUDENT FEES

---

*The Revenue Task Force recommends adoption of a **Student Fee Framework** for the University of California. This framework would:*

1. Provide **new revenues** to protect and improve the educational experience of UCLA students. Specifically, campus programs would receive:
    a. $88 million for general University support.
    b. $25 million annually for support of undergraduate education.
    c. $93 million annually for need-based student financial aid.
    d. $7 million annually for investment in instructional technology.
    e. New revenue for UCLA's graduate and undergraduate professional programs to improve program quality.
2. Implement **moderate and predictable increases** in student fees over the next five years to levels more closely approximating those charged by competing public and private institutions. The average annual increase in total cost of attendance for a resident undergraduate living on campus would be 7 percent for the next five years.
3. Maintain the **competitiveness** of UCLA's fees for graduate and nonresident undergraduate students.
4. Strengthen **access and affordability** for low- and moderate-income students.

---

The issue of student fees is complex, emotionally and politically charged, and vital to the financial stability and academic excellence of the University. For much of the University's history, the notion of a "free" college education dominated state and University policy. By the 1960s, however, the Regents authorized the levying of a Registration Fee to support student services and an Education Fee to support capital investments initially, and later, the UC General Fund. Through the 1970s, low fees were the foundation of supporting the broad goals of affordability and access.

Low fees also were a measure of the State's willingness and ability to subsidize higher education. Through the 1970s, the overwhelming majority of revenues supporting the instructional mission were provided by the State of California. A number of factors have steadily undermined this support. The passage of Proposition 13 in 1978 slashed the local property tax and greatly expanded the role of the state in funding K-12 education. Demographic change and state and federal policies greatly expanded the cost of state health and human services programs. The growth of determinant sentencing and passage of the "three strikes" legislation led to a large increase in the state corrections program. Various voter-approved constitutional amendments and federal laws provided budgetary protection to favored programs, but higher education was not among these. Over time, state support for the University eroded. Over the past twenty years, state funding per enrolled UC student has declined by 40 percent in inflation adjusted dollars.

There have been four episodes of State budget cuts since the 1970s – from 1982 to 1983, from 1991 to 1994, from 2002 to 2004, and the current episode beginning in 2008. The first three of these episodes led to sharp increases in student fees. The current crisis so far has led to a 7 percent increase in 2008-09 and a proposed increase of 10 percent in 2009-10. In response to rising fees in the early 1980s, the state adopted a policy calling for steady and predictable increases in student fees, but the policy has not been followed. Budget crises have led to spikes in fees, and good times have limited or even reduced fees. This well-intentioned effort to keep fees low has not been sustained and has instead increased the volatility of fee levels. To assist students and families to plan for their educational expenses, fee increases should be moderate, steady, and predictable.

Under state policy, the level of student fees for state residents takes into consideration fees charged by four comparison institutions – the University of Michigan, the University of Virginia, the University of Illinois, and SUNY Buffalo. With the exception of SUNY Buffalo, UC fees are significantly below the fees charged by these institutions. More importantly, these comparison institutions are not competing institutions for Berkeley and UCLA. Rather, these two campuses compete with the elite privates for students, and UC fees are even farther below tuition charged by those institutions than they are below those of the official comparison universities.

The Office of the President estimates that UC is facing a General Funds funding shortfall of $450 million. Even before reductions in state funding, the ten campuses have experienced major cost increases for faculty and staff compensation, benefits, utilities, and other mandatory items. In 2008-09, the State reduced permanent funding for UC by $65 million, plus an additional $33 million one-time cut. The student fee increase approved the Regents for the 2008-09 (7 percent) yielded approximately $70 million in new revenue after return to aid, far below the amount needed to replace reduced state funding and to support mandated cost increases. For 2009-10, the outlook is grim. State funding will be cut at least another $50 million, and mandated cost increases will continue, especially as the University resumes contribution to its retirement program. Systemwide, General Fund contributions to the retirement plan will amount to $20 million in 2009-10, $95 million in 2010-11, and will eventually grow to over $250 annually when fully phased in. Total contributions from all fund sources will be even larger. Fee increases for 2009-10 are planned at 10 percent, producing about $100 million after financial aid, but again, this is far less than the amount needed. The University has taken aggressive measures to cut costs. Unfortunately, efficiencies alone will not protect academic quality from the magnitude of the state shortfalls and mandated cost increases. The University needs to rethink its funding model.

The University's overall funding strategy is expressed in the Higher Education Compact Agreement. Under this agreement, the state provides UC and CSU with annual funding increases for enrollment and faculty and staff compensation. In exchange, the universities agree to limit fee increases to the cost of inflation, or higher levels if specific needs can be identified. The budget cuts of 2008-09 have ended the Compact Agreement for now, and few observers of state finances believe that funding will be restored anytime soon. The fee increases approved in 2008-09 and contemplated in 2009-10 are higher than those that would have been in effect had the state funded the Compact Agreement, but the University has no long-term strategy to set student fees at levels needed to protect quality, affordability, and access. Notwithstanding the state's perilous financial condition, UC continues to focus primarily on state funding for its needs, thereby keeping student fees significantly below those charged by comparable, or less prestigious, public universities.

This Task Force does not savor the prospect of recommending student fee increases, and understands that its recommendations may stir controversy. Nonetheless, major reductions in state support will

inevitably lead to a deterioration of quality, access, and affordability. The University of California must act to prevent this from occurring. The Revenue Task Force strongly believes that the University of California must shift its strategy from low fee/moderate aid to moderate fee/high aid. This strategy shift is best suited to protect the University and low- and moderate-income students during these turbulent financial times.

The Task Force bases its recommendations on the following set of principles:

- Combined state support and student fees **must generate sufficient revenue** to support the basic instructional, research, and public service mission.
- Student fee levels should be evaluated in light of their impact on **access to low- and moderate-income students,** and on **student diversity.** On balance, a moderate-fee, high-aid strategy is best suited to balance the need for additional revenue with UCLA's commitment to access and diversity. This will require both increased return to aid and expanded private fundraising efforts.
- Fee levels for **resident undergraduates** should be set bearing in mind the cost of attendance at competing institutions. For UCLA, these are not the official comparison institutions, but instead Berkeley, USC, and elite privates.
- The setting of fees for **nonresident undergraduates** should be based in part on nonresident fees charged at comparable public institutions and tuition charged by competing private universities, but should also **consider the limited financial aid** currently available to nonresidents.
- **Graduate academic** fees should take into consideration the highly competitive nature of graduate admissions.
- **Graduate professional** fees should take into consideration fees charged by competing public **and private** institutions, and the earnings potential of graduates.
- Increased student fee revenue should be used to enhance **educational quality** of the programs in which students paying the fees are enrolled.
- Student fee increases should be **moderate, sustained over time, and predictable**.

## RECOMMENDED STUDENT FEE FRAMEWORK

From these principles, the task force recommends the adoption of a **Student Fee Framework**. The objective of the framework is to put in place a multi-year plan to:

- Generate new revenue needed to meet University needs related to undergraduate education, faculty and staff compensation, retirement contributions, and energy purchases.
- Expand need-based aid to support access and affordability for low- and moderate-income students.
- Meet the special needs of undergraduate and graduate professional degree programs, and
- Support investments in student information technology services.

The Task Force acknowledges that the Regents set UC policy regarding student fees. Any decisions by UCLA's leadership would have to be undertaken under the authority of the Regents.

The Student Fee Framework has the following elements:

Education Fee

After current planned increases in 2009-10, the Education Fee would be increased 12.5% annually for resident undergraduates and 5% annually for all other students. The amount of this increase is calculated in order to replace state funds that the campus would forgo under a pessimistic budget scenario.

Registration Fee

The Registration Fee would be increased 5% annually to fund mandatory cost increases related to campus student service programs.

Nonresident Tuition

Nonresident tuition would be increased 5% annually for undergraduates, and frozen at current levels for graduate academic and professional students.

UCLA Differential Fee for Undergraduate Education

The Regents would authorize the President to approve a differential fee for undergraduate students enrolled at different UC campuses, in an amount of up to 20% of the Education Fee. The purpose of the fee would be to support undergraduate education. Each campus levying such a fee would pay a systemwide tax of 15% to 20%, in recognition that the ability of campuses to establish such fees will vary, and also recognizing the need to build systemwide support for the proposal. The Framework assumes that UCLA would implement the full amount of the fee, phased in over a 4-year period beginning 2010-11.

Student Technology Fee

The Regents would authorize establishment of a student technology fee to support instructional technology applications, classroom technology, University student systems, and an appropriate share of campus IT infrastructure. The fee would replace the Instructional Enhancement Initiative Fee in 2010-11. It would be established at $12/unit for all students.

Professional Differential Fees

All UCLA graduate professional programs would levy a professional differential fee of varying amounts, and the process for approval of the fees would be streamlined.

Currently, there are eight graduate professional degree programs that charge a professional differential fee: School of Law (J.D.), Anderson (M.B.A.), TFT (M.F.A.), Public Affairs (M.P.P.), Medicine (M.D.), Public Health (M.P.H.), Nursing (M.S.N.), and Dentistry (D.D.S.) The following graduate professional programs do not currently charge this fee: School of Arts & Architecture (M. Arch. I & M. Arch. II, M.M. M.F.A.); Education & Information Studies (M.Ed., M.L. & I.S.); Engineering and Applied Sciences (M.S.); Public Affairs (M.S.W., M.A. (Urban Planning)).

Approval of these fees by the Regents would take place through approval of a 5-year student fee plan submitted by the campus, rather than the annual approval process currently in place. The plans would

take into consideration fees charged by competing public and private institutions, and the future earnings potential of graduates.

Student Financial Aid

Return to aid for undergraduate students would increase from 36% to 40% by 2013-14. Return to aid for graduate academic and professional students will remain at current levels. The Student Fee Framework also would require the State of California to increase the maximum level of assistance available under the Cal Grant program so that the full amount of resident fees may be covered by those grants.

Special Fees for Undergraduate Degree Programs

The Task Force also considered the authorization of special fees for selected undergraduate degree programs. While not part of the Student Fee Framework, the University should consider this policy and study options for its implementation.

There are several options for determining the amount and basis of these fees. They could be paid for any student who has declared a specific major subject to the fee, or by any student, major or non-major, enrolled in major courses. The task force has not examined this issue in depth, but believes that the following fields may be appropriate for further study: Art & Architecture (B.A. in Architectural Studies, Art, Design/Media Studies, Music, Dance; Theater, Film, & Television (B.A. in Theater, B.A. in Film, Television, & Digital Media); Engineering & Applied Science (B.S.); School of Nursing (B.S.N.).

The campus also should consider whether differential fees might also apply to some highly impacted undergraduate majors in the College. This may be more complex, because most entering freshman is not admitted into a specific degree program. It may be possible, however, to establish such fees for third- and fourth-year students that are admitted to an undergraduate major after fulfilling prerequisite requirements, or to levy a fee for specific courses.

## IMPACT ON STUDENTS

Impact on Undergraduate Fees

Table 1 summarizes the application of the Student Fee Framework on **undergraduate** student fees. The table does not include the potential impact of future undergraduate differential fees if authorized by the Regents.

**Table 1: Undergraduate Fees**

| Fee | Purpose | 2008-09 | Recommended Increase | 2013-14 |
|---|---|---|---|---|
| Registration Fee | Student Services | $864 | 5% Annually | $1,094 |
| Education Fee | UC General Fund | $6,262 | 10% in 2009-10, 12.5% annually thereafter | $11,033 |
| UCLA Undergraduate Differential Fee | Undergraduate Education | $- | Establish in 2010-11 at 5% of Education Fee, increase to 20% by 2013-14 | $2,207 |
| Instructional Enhancement Initiative Fee | Classroom IT | $270 | Repeal in 2010-11 | $- |
| Technology Fee | Broad range of student IT support | $- | Establish at $12/unit in 2010-11 | $540 |
| Campus Fees | Various | $1,184 | None | $1,184 |
| **Total Fees, Residents** | | **$8,580** | **Average Increase of 13% annually** | **$16,058** |
| Non-resident Tuition | UC General Fund | $20,021 | 5% annually | $25,551 |
| **Total Fee, Non-residents** | | **$28,601** | **Average increase of 8% annually** | **$41,609** |

Fees for resident undergraduate students would increase from $8,580 in 2008-09 to $16,058 in 2013-14. This represents an average annual increase of 13 percent over the five year period. Fees paid by nonresident undergraduates would increase from $28,601 in 2008-09 to $41,609 in 2013-14. This represents an average annual increase of 8 percent over the five-year period.

Impact on Cost of Attendance

Based on current student fees, the estimated cost of attendance for a resident undergraduate living in the residence halls is $25,400 in 2008-09. Under the Student Fee Framework, the estimated cost of attendance would increase to $36,000 in 2013-14, which is an **average annual increase of 7 percent**. In comparison, the cost of attendance at the University of Southern California (UCLA's primary competitor among private universities) for the 2009-10 year is projected to be $53,600. If USC were to limit increases in the cost of attendance to 5% annually, its projected cost of attendance would be $65,100 by 2013-14. If the framework were adopted, the cost of attendance at UCLA would still be **45 percent lower** than the cost of attending USC.

Impact on Graduate Academic Fees

Table 2 below summarizes the projected impact of the Student Fee Framework on **graduate academic** fees.

**Table 2: Graduate Academic Fees**

| Fee | Purpose | 2008-09 | Recommended Increase | 2013-14 |
|---|---|---|---|---|
| Registration Fee | Student Services | $864 | 5% annually | $1,094 |
| Education Fee | UC General Fund | $7,122 | 5% annually | $9,090 |
| Technology Fee | Broad range of student IT support | $- | Establish at $12/unit in 2010-11 | $540 |
| Campus Fees | Various | $1,684 | No increase | $1,684 |
| **Total Fees, Residents** | | **$9,670** | **Average increase of 5% annually** | **$12,407** |
| Non-resident Tuition | UC General Fund | $14,694 | No increase | $14,694 |
| **Total Fee, Non-residents** | | **$24,364** | **Average increase of 2% annually** | **$27,101** |

Fees for resident graduate academic students would increase from $9,670 in 2008-09 to $12,407 in 2013-14. This represents an average annual increase of 5% over the five year period. Fees paid by nonresident graduate academic students would increase from $24,364 in 2008-09 to $27,101 in 2013-14. This represents an average annual increase of 2%. This low growth rate primarily represents the cap on NRT for these students.

Impact on Graduate Professional Fees

Table 3 summarizes the impact of the Student Fee Framework on **graduate professional fees**. The impact on these programs is more variable because of the wide variances in professional differential fees among these programs. This table summarizes the impact on mandatory systemwide and campus fees, which is the base upon which professional differential fees are added.

**Table 3: Graduate Professional Fees**

| Fee | Purpose | 2008-09 | Recommended Increase | 2013-14 |
|---|---|---|---|---|
| Registration Fee | Student Services | $864 | 5% annually | $1,094 |
| Education Fee | UC General Fund | $6,204 | 5% annually | $7,918 |
| Tech Fee | Broad range of student IT support | $- | Establish at $12/unit in 2010-11 | $540 |
| Campus Fees | Various | $1,684 | No increase | $1,684 |
| **Total Mandatory Fees, Residents** | | **$8,752** | **Average increase of 5% annually** | **$11,236** |
| Non-resident Tuition | UC General Fund | $12,245 | No increase | $12,245 |
| **Total Mandatory Fees, Non-residents** | | **$20,997** | **Average increase of 2% annually** | **$23,481** |
| Differential Fees | Support of Graduate Professional Programs | Varies by Program | Increases to be determined by programs based on market headroom and earnings potential of graduates | Varies by program |

## ESTIMATED REVENUE GAIN FROM STUDENT FEE FRAMEWORK

The revenue impact of the Student Fee Framework is summarized in Table 4.

**Table 4: Impact of Student Fee Framework on UCLA Revenues**
**$ in millions**

| Fee | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|
| Education Fee and Registration Fee -- net of financial aid | $13 | $29 | $47 | $67 | $88 |
| UCLA Differential Fee for Undergraduate Education -- net of systemwide 20% tax | $- | $5 | $10 | $17 | $25 |
| Technology Fee -- net of IEI | $- | $8 | $8 | $8 | $7 |
| Student Financial Aid | $8 | $31 | $48 | $69 | $93 |
| Total Revenue Gain | $21 | $73 | $113 | $160 | $213 |

By 2013-14, the framework will generate a total of $213 million annually in new revenues for UCLA. Of this amount, $88 million would be new Education Fee and Registration Fee revenues, net of student financial aid, for support of mandatory cost increases related to academic and staff compensation, benefits, and utilities. The new UCLA undergraduate differential fee will generate $25 million, net of financial aid and the new 20% systemwide tax, for investment in undergraduate education. The new

student technology fee would generate $7 million net of the IEI for investment in instructional technology. Return to aid on all these fee increases would generate $93 million in new funds for need-based student support. Additional student support is also planned from the Chancellor's Bruin Scholars initiative. When fully endowed at $500 million, this initiative would provide $25 million annually in new support to supplement growth in return to aid.

Summary

If embraced by the Regents and UC leadership, adoption of such a framework would put in place a multi-year plan for predictable increases in student fees, culminating in fee levels similar to public comparison institutions, yet substantially lower than competing private universities. The framework also will maintain UCLA's competitiveness in fields where fee increases are a barrier to student recruitment, and will provide significant increases in funding for need-based financial aid. Finally, and most critically, the framework provides revenues needed to maintain UCLA's overall academic excellence, at a time when the State of California cannot.

## B. ENROLLMENT OF NONRESIDENT UNDERGRADUATES

---

1. *UCLA should closely monitor the mix of resident and nonresident undergraduate students, with the goal of increasing enrollment of nonresident by 150 students in each of the next four years.*
2. *The campus should ensure in this process that access and quality for state-funded resident students is protected and enhanced, and that the overall character of UCLA as a University for California residents is maintained.*
3. *This action would:*
   - *Increase tuition-paying nonresident undergraduate students from 6.7% to 9.0% of UCLA undergraduate study body.*
   - *Generate $28 million annually in nonresident tuition revenue for support of need-based student aid, instruction, faculty support, and other campus priorities.*

---

UCLA's current undergraduate enrollment is 25,500 students. Of these, 1,700 are nonresident students paying nonresident tuition. This amounts to 6.7 percent of total UCLA undergraduates.

Enrollment of nonresidents at UC campuses has historically been low. Only Berkeley and UCLA have had significant numbers, and these have consistently remained under 10 percent of the undergraduate student body. Numerous factors have limited the interest of campuses in recruiting out-of-state and international students and the interest of those potential students in attending. For some students, coordination of their high school curriculum with California's (a) to (g) requirements has been difficult. UCLA also held nonresident applicants to a higher academic standard than it did for California resident applicants. In addition, financial assistance for nonresidents has been very limited. Finally, UC campuses have had little financial incentive to increase admission of nonresident students, because nonresident tuition income was allocated to the UC General Fund.

In 2008-09, the UC system decentralized the allocation of nonresident tuition, and for the first time, campuses had a financial incentive to consider increasing nonresident enrollment. The decentralization also led to the establishment of separate enrollment targets for resident and nonresident students. While UCLA is substantially overenrolled in California residents, the campus is underenrolled in nonresidents relative to the target assigned by the state. As a consequence, the campus began modest efforts in 2008-09 to increase these enrollments in order to move closer to the target. The goal of this effort was not only to generate additional tuition income, but also to increase geographic and intellectual diversity of the student body.

The Task Force recommends that UCLA continue these modest efforts, while maintaining UCLA's general character as a University for California students. Specifically, the Task Force recommends that enrollment of nonresident undergraduates be increased by 150 students in each of the next four years. It is estimated that this action, combined with annual increase of 5% in the level of nonresident tuition, will generate $28 million annually when fully implemented.

As UCLA begins to implement this strategy, campus administration must be mindful that an increase in nonresident students should not impair access and qualify for California residents, and that the overall character of UCLA as a University for California residents be maintained.

## C. DEVELOPMENT OF NEW ACADEMIC PROGRAMS AND SERVICES

---

1. *Deans and department chairs should consider creating new academic courses, programs and services that have the potential to generate revenue.*
2. *This revenue, net of an appropriate overhead charge for centrally provided services, would remain with the unit establishing the program.*
3. *The revenue potential would depend on the nature and number of such programs, the number of students enrolled, and the fees charged. (Revenue must be construed as net income after all costs have been covered.).*
4. *These programs may take the form of programs that lead toward an existing degree, certificate and non-degree programs, non-academic and non credit-bearing programs, and administrative efficiencies leading to more rapid completion of degree programs.*
5. *The task force will publish a guide to UC and Academic Senate policy and procedures regarding the establishment of these courses and programs. Deans and chairs are strongly encouraged to refer to this guide to assist and expedite the development and approval of these offerings.*

---

UCLA is facing multiple years of budget cuts, leaving the campus to identify new sources of revenue. One potential source of revenue submitted to the Revenue Task Force was the opportunity to expand on one of the University's primary assets – our academic programs. Unlike the Academic Programs Task Force, whose task was "to review and recommend options for reducing the cost of the academic program and reallocating resources within the academic program to meet budget reductions", the Academic Programs and Services subcommittee to the Revenue Taskforce sought to identify new

academic programs and services that, if offered, could generate revenue for individual schools and departments.

The types of proposals identified by subcommittee members and the campus at large fell into four categories:

- Academic Programs that lead toward an existing degree,
- Certificate and Non-degree programs,
- Non-academic/ non credit-bearing programs, and,
- Administrative efficiency services leading to degree completion.

Examples of the new programs and services can be found in the attached Table 1. The table provides generic names so that the chair or dean can envision how this might apply to his or her unit, and examples of specific programs, if such an example was submitted or is in the planning stage. While the campus administration cannot direct deans and chairs to create new programs, we believe that the administration should strongly encourage and incentivize deans to examine new sources of revenue. We have offered numerous examples and an assessment of priority, based on the amount of money that could be generated and the length of time it would take to get approval to implement. UCLA Extension, Summer Sessions, the International Education Office and the Academic Senate are deeply involved in these processes and are ready to work with the chairs and deans to help them launch new programs.

Benefits to the proposed programs vary, but include income to schools, departments, faculty, and graduate students; expanding campus involvement with new partners (alumni, industry and foreign universities); and increasing efficiency of infrastructure, such as maximizing the existing classes and increasing early matriculation. While the exact revenue that could be received through many of the initiatives could not be estimated at this time, the subcommittee provided estimates to give departments and schools an idea of the potential for future revenue.

The subcommittee recognized the challenge facing deans and chairs in understanding the process for review and approval for the various options described by the four categories of programs above. The University's broadly decentralized governance structure, which includes schools with jurisdiction over academic and some administrative processes, centralized administrative processes that support the admissions process, and a complex administrative and academic leadership that approves certain academic programs, challenge easy understanding of the approval process for new courses, degrees, and programs. Decision-making rights for implementing new programs vary widely, with some requiring only department or decanal approval, and others requiring approval by the Academic Senate, Provost, and even the Regents.

The policies and procedures that guide implementation are determined by a number of factors:

- the educational unit bringing the program forward (College versus professional school),
- whether the program carries academic credit,
- whether the program contributes to a degree or certificate,
- the target audience (matriculated degree-granting students, non-matriculated students, and professionals/executives), and
- whether the program is supported by state funds or is self-sustaining.

To increase the likelihood that schools would be successful in implementing new programs, the subcommittee undertook the task, with strong support of the Academic Senate, of producing a guide that could inform the campus on the appropriate process to seek approval and implementation for each type of program. The guide is intended to be a simple but comprehensive manual to help departments and schools navigate the UCLA Academic Senate and administrative process for developing new educational courses and programs. The guide will be available on-line and will be sent to the Deans. It will include links to key resource people and supporting documents. A key table from the guide that summarizes the leadership needed to grant approval is referenced as Appendix A, and a draft of the table of contents is included as Appendix B.

Chairs and deans are encouraged to use these resource materials to create novel programs or services that will augment their operations and simultaneously generate revenue for the unit.

***Table 1: Proposals for generating Revenue Through New Academic Programs and Services***

| Name | Priority | Revenue Generated | Comments |
|---|---|---|---|
| **Academic Programs**<br>**A. Credit Toward a Degree** | | | |
| Self-support Online International Programs (MS Eng.) | High | approx. $30,000 (gross) /student | Already in progress and might serve as model for other schools |
| Self-support MA/MS Degrees with Department through UCLA Extension | High | $50,000 net to academic dept., @ 20 students, increasing with increased enrollment | Takes approval process but good revenue for select markets |
| New professional M.S. degree (e.g. physical sciences and engineering) | Middle | | Worthy of consideration if departments view as valuable for specific markets-such as industry |
| Re-training post-BS, MS Programs | Middle | | Worthy of consideration if departments view as valuable for specific markets-such as industry |
| Establishing Minor Fields on Campus | Low | Could provide 19900 | Approval Process needed |
| UCLA Extension Degree Credit Course | Low | Could provide cost-savings on 19900, but cost to student | Would require change in UC Regulation |
| Explore Dual-Degree Programs with Partner Institutions, Domestic or Foreign | Low | | |

| **Academic Programs** | | | |
|---|---|---|---|
| **B. Certificate and Non-Degree Programs** | | | |
| Professional Certificate Programs | Medium | Est. Revenue to Dept $20K net/cert./yr and salary to faculty | Worthy of consideration if departments view as valuable for specific markets-such as industry; Not extensive approval approx. 9 months to launch |
| Apply Distance Learning to Existing Program | | | |
| Re-training post-BS Certificate Programs | | | |
| Self-Support certificates through UCLA Extension | | | |
| Revenue Generating Non-degree Programs | | | |

| **Non-academic programs (non credit-bearing) (Submitted Examples Below)** | | | |
|---|---|---|---|
| Cross-disciplinary Leadership/Executive Programs (Inst. Of Environment) | Medium | $10,000-$50,000 | No approval needed. Low barrier to entry. Good PR and can be supportive of interested UCLA students as well as bring revenues. May be drain on staff. Can partner with summer programs or Extension. Niche market only. |
| International Conference on Intellectual Property | | | |
| Core Facilities Training Program | | | |
| Test preparation tutorials e.g., Development of a Patent Agent Course | | | |

| **Administrative Services Efficiencies** | | | |
|---|---|---|---|
| Targeted Concurrent Enrollment through UCLA Extension | High | additional $100,000/year with 25% increase over current enrollments | Expansion to Existing Mechanism |
| Summer Bruins/ Early Matriculation | High | ? | Already in planning |

## D. RESEARCH FUNDING

---

1. *UCLA should develop a strategic plan designed to broaden and enhance the participation of all campus units in applying for research funding, and to provide support that will lead to success in those efforts.*

2. *The Vice Chancellor for Research should continue to monitor waivers or reductions of indirect cost recovery in order to ensure that sponsors pay for allowable costs to the fullest extent possible.*

3. *UCLA's indirect cost proposal should propose additional rate points to recover costs for two critical research facilities – the Life Sciences Replacement Building, and the CHS South Tower Seismic Renovation project.*

---

Research Strategic Plan

At a time when state support is continuously being reduced, extramural research funding supports the campus in many ways, both directly and indirectly. It supports the direct costs of research supplies and equipment, salaries for participating faculty, staff, postdocs, graduate students, undergraduate summer research, travel and collaboration. Research funding also creates overhead returns for support of many different activities to offset the anticipated reduced state funding. For example, as student fees and tuition are anticipated to increase, research funding is critical for providing graduate student stipends and fellowships. To sustain excellence in research and education, UCLA as an institution needs to take a more deliberate, aggressive, and proactive approach to research fundraising in all areas, not only in the sciences, engineering and health fields, but in the arts, humanities, law and business as well.

While UCLA has done an extraordinary job in successfully gathering external research funding, the money is disproportionately garnered by the South campus. To assure that support of research efforts is available campus wide and to strengthen the research mission of the entire campus, we recommend that UCLA conduct a planning process to identify the research support needs of all units and, where appropriate, work with the faculty and staff to introduce and sustain a culture of research fundraising. In particular, UCLA needs to develop a more aggressive and successful approach to garnering grants not only from major federal research agencies such as the NIH and NSF, but also from other federal agencies (e.g., DARPA, DOD, DOE, DoEd, InQTel, the Departments of Commerce and State), as well private or philanthropic agencies that might have more focused missions. To facilitate this broad goal, UCLA needs to establish a mechanism to effectively communicate with faculty and staff about the funding opportunities available through a broader range of federal agencies and the private sector, and to develop closer ties to key federal agencies and private institutions that are relevant to the campus researchers. Two such possibilities to consider are a UCLA office in Arlington VA or Bethesda, MD (such as USC has), or a contracted consultant who can determine the appropriate research expertise of UCLA faculty and represent us to the appropriate agencies.

In addition to assisting with the proactive search for available funding opportunities, UCLA should aid departments without a robust extramurally-funded research program in their efforts to build or access

the administrative infrastructure needed to support the pursuit of such opportunities. For example, schools like Management and Law do not currently have the contracts and grants volumes to justify trained staffs that are dedicated to helping faculty with proposal submissions. The need for training and the specialized knowledge needed to deal with the nuances of grant proposals create barriers to growing these departments' research programs.

UCLA also needs to take advantage of special programs such as the new federal research support available under the American Reinvestment and Recovery Act (ARRA). However, it should be pointed out that ARRA is a short-term program and much of funding is for infrastructures and equipment. Long term research support with overhead bearing remains critical for sustaining and enhancing healthy long term research and ARRA will not provide that long-term support.

In today's research, international funding and collaborations are important. It is necessary for UCLA to develop a strategic plan for increasing and enhancing UCLA's position internationally. In particular, UCLA needs to be among the first to engage internationally with partners in the Pacific Rim region and Latin America to explore collaboration and funding opportunities. Some question whether UC's and UCLA's plans for sharing IP when engaging with private and international funding agencies discourage collaboration.

UCLA should explore engaging a greater number of academic and staff research scientists as PI and Co-PI in the applications for research funds, collaboratively with the faculty or independently. This could be an effective means to increase support for personnel resources to engage funding opportunities.

Indirect Cost Waivers

A subcommittee of the task force examined whether UCLA was granting an excessive number of waivers from University policy requiring that all research contracts and grants be charged all allowable indirect costs. The subcommittee determined that campus practices have been thoroughly audited, that the campus appears to be in full compliance with policy, and that waivers are approved in a manner consistent with policy. The Task Force recommends that the Vice Chancellor for Research continue to monitor the approval of such waivers, to ensure that these campus costs are recovered.

Indirect Cost Rate Setting

UCLA is currently conducting a cost study in preparation for negotiations with the federal government which will culminate in agreement on a new federal overhead rate beginning on July 1, 2010. The purpose of the study is to fully document and justify all indirect costs incurred by the campus research enterprise, to ensure that these costs are fully reimbursed by granting agencies.

As part of the study, the campus should estimate depreciation and interest expense associated with research facilities that may be under construction as of July 1, 2010, but for which the campus has not taken beneficial occupancy. The federal government should be pressed to agree to increased rate points for these facilities. At present, two such facilities may qualify – the Life Sciences Replacement Building, and the CHS South Tower Renovation project.

## E. FACULTY COMPENSATION PLAN

---

1. *The campus should seek approval for a Compensation Plan for faculty with high revenue capabilities, to save General Funds and strengthen incentives to increase research.*
2. *UCLA should begin with Biological Sciences faculty, and subsequently expand implementation to other interested and appropriate schools.*

---

**Background:**

Approximately 85% of UCLA 9-month faculty appointees are currently off-scale, demonstrating the lag faculty salaries have taken compared to comparable Tier 1 research institutions and the cost of living in Los Angeles. UCLA's heavy reliance on off-scale salaries has had the effect of eroding UCLA's valuable and rapidly reducing 19900 funds. In comparison, the School of Medicine and the School of Dentistry, which have utilized compensation plans (Comp Plan) for the past 20 years have seen dramatically increased research funding and a leveraging of their valuable 19900 funds with growth in Adjunct faculty and Academic Research series. These additional academic professionals contribute to the school's teaching, research and service mission.

The Task Force recommends that UCLA propose an expanded Comp Plan, with the following goals:

- Assist UCLA to maintain its high quality as a research institution
- Provide equity opportunity and increased retention of faculty across other campus units who view their total compensation, including salary and contribution to retirement income as inferior to that of faculty on 12 month appointments and a Comp Plan
- Provide a means to more readily track faculty percent effort on research grants and contracts
- Provide incentives for non-Health Sciences faculty to expand their research applications to funding agencies, assured of a share of the remuneration
- Provide a means to increase UCLA's ability to facilitate Conflict of Interest review for faculty who are seeking sponsored research from industry while consulting with the same or competing companies.

Since 1978, the Division of Life Sciences has been working to obtain approval from the Office of the President for the implementation of a faculty salary Comp Plan, but so far without resolution. In 2003 EVC/Provost Dan Neuman supported a proposal that encompassed the general campus departments. OP staff generally supported the plan and agreed to sponsor two meetings during which the proposal would be discussed with the campuses. The first of these meetings was held with the southern campuses and occurred at UCI on January 15th, 2004. The campuses reacted positively to the proposal and the OP staff attending was then to schedule the second meeting to include the northern campuses. Unfortunately, OP leadership and staff changed during this time frame and the proposal fell, again, into a dormant state.

The leadership of the Life Sciences, with the support of the EVC/Provost and the Chancellor has once again forwarded to OP a Comp Plan proposal, this time limited to the Biological Science Faculty.

Conversations regarding the proposal have already occurred with the Provost of the University. The Dean of Life Sciences projects that 90 faculty could participate in the plan, and move the off-scale salaries of faculty, estimated at $2.5M from the General Fund to the compensation plan.

The implementation of a Biological Sciences Compensation Plan would create mid to long term savings by moving the off-scale salaries of the faculty from general funds to the compensation plan.

While we use Biological Sciences for illustrative purposes, we seek approval of a Comp Plan not only for Biological Sciences, but for other appropriate schools and departments that have significant research funding or comparable means to generate comp plan revenues, such as consulting, continuing education or summer teaching. A comparable implementation for SEAS faculty could save $2.36 million annually in off-scale salary, not including above-scale faculty. These revenues could be used to hire additional faculty and academic research professionals to increase research funding.

**The Proposal:**

The current iteration of the proposal describes a compensation plan for 9-month faculty in selected Biological Sciences academic departments or academic program units (APUs). It recognizes that faculty in biological/biomedical disciplines consistently supplement their academic year salary with summer ninths, with the effect of creating year-round employment. This plan, modeled after the Medical School Compensation Plan, allows for the establishment of academic program units which in turn allow for the establishment of a three tier compensation structure: the X component which is equivalent to the base rate which would be provided from general funds; the Y component which is equivalent to the off-scale component and is funded from the Comp Plan; and the Z component which is again funded by the Comp Plan and represents a further off-scale based upon profit sharing generated by the faculty member's efforts.

Within the context of the Revenue Taskforce the purpose of the plan is two fold:

- to enable the Biological Sciences to use non-State funds to offer competitive salaries in hiring and retaining its faculty members, which in turn would release general funds that are currently supporting the off-scale components of the faculty members' salaries;
- and, to enable the use of these summer and other supplementation funds for correcting inequities in salary packages (salary + retirement benefits) for faculty members who work in similar disciplines, but belong to different academic structures.

The main components of the compensation plan are:

- General funded, off-scale salaries will normally be replaced by the components of this plan.

- Consulting/outside professional income is reportable to, and taken into the plan.

- The ability to demonstrate consistent 'income' generation to support at least two summer ninths within an Academic Program Unit (APU) will be required to establish an APU.

- A minimum of one-ninth salary from non-State General fund sources is required for all faculty members in the Academic Program Unit Plan. The source of funding for the Scale 1 and higher increments must be non-State General funds.

- The plan covers academic year (9-month), tenure-track appointments only. Payment for time and effort is on a fiscal-year basis and accrues vacation.

- Initial adoption of the plan will allow for individuals in an APU to opt out. All new appointments subsequent to the establishment of the APU will require membership in the Plan.

- The minimum base salary for determining covered compensation for retirement benefits is the 9-month salary plus 1/9ths, Scale 1.

- The ability to pay a Y component (delta) from non-State funds, above the APU Scale salary on an individual basis is available to Plan members.

- Membership in the plan, by APU or individual, is irrevocable.

## F. BRAND EXTENSION LICENSING

---

1. *In addition to current efforts to strengthen and expand product licensing and merchandising, UCLA should seek outside expertise to assist the assessment of revenue generation from brand extension licensing.*
2. *Potential programs could include a more active program for filming on campus, advertising and sponsorship activities, and co-branding tie-ins.*

---

SITUATION:

Given current fiscal shortfalls and the expected likelihood that the budget picture will not resolve itself in the near term, UCLA is seeking to identify both new sources of revenue via extension of its brand as well as opportunities to increase the amount of revenue from several key existing sources, beyond its already long-established collegiate licensing program.

GOALS/OBJECTIVES:

To seek out a consultancy firm to:

- conduct a targeted revenue enhancement assessment;
- uncover untapped revenue opportunities;

- make recommendations based on a number of factors and the University's capacity to expand current programs and implement and sustain new programs; and
- explore all international as well as domestic branding possibilities that go beyond collegiate/athletic marketing and licensing.

INITIAL INVESTIGATION:

UCLA University Communications identified and conducted initial telephone screenings with five brand extension licensing firms around the country. The University Communications team spoke with these firms to learn about their capabilities for helping UCLA assess and make recommendations on several specific areas for revenue generation:

- Filming on Campus: Explore the scope for a more active program, marketed to the entertainment industry;
- Advertising and Sponsorship Opportunities, i.e. vehicles, billboards, electronic advertising in non-academic facilities;
- Untapped Sources of Revenue, i.e. commercial co-branding tie-ins like the recent Energizer/Mattel Children's Hospital ads.

Two companies caught the team's attention as potential vendors based on their expertise in the higher education and non-profit arenas and their ability to customize services. One firm is: MGT of America, based in Tallahassee, Florida, whose clients include University of Texas, University of Georgia, Florida State University and Rensselaer Polytechnic Institute. The other firm is: LMCA, headquartered in New York City, whose client list includes The American Dental Association, The San Diego Zoo, Heifer International, The New York Philharmonic and the Easter Seals Society.

TIMELINE FOR SERVICES:

Depending on client needs and capabilities to provide research and documentation, keeping to meeting schedules and deadlines, these assessments can take between 3-5 months to complete.

BUDGET:

A focused RFP process would help to lock in on the specifics of the assignment and budget implications. Based on the preliminary conversations, it appears that a rigorous assessment with recommendations would be (at the low end) in the $40,000 range and climb from there, depending on services requested. The University Communications team believes the power of our prestige brand can be helpful to leverage/negotiate the fees for service.

## G. FUNDRAISING OPPORTUNITIES

1. *The Campus should engage the Academic Senate Board on Admissions and Relations with Schools (BOARS) in a discussion about the possibility of according weight in the admissions process to whether an applicant is the child of an alumnus/alumna.*

The State of California has proven to be an unstable source of revenue for UCLA. The current budget crisis is only the most recent in a string of instances in which the campus has had to sustain significant state revenue reductions. In light of this instability and general downward trend in state funding, UCLA must increasingly turn to private philanthropy to provide the funds necessary to maintain and grow excellence. While the school has been very successful in raising money over the past decade, it has not yet focused on building the endowments that will be necessary to allow it to be insulated from annual budget shocks. As the school approaches its 100th birthday, all units will need to focus on building these endowments.

UCLA has over 350,000 living alumni. A good number are engaged with the school, but in any given year only 13% give gifts. One of the reasons for this relatively low participation rate among alumni is that too many are disconnected from the school. Most private universities and many excellent public universities (e.g. University of Virginia) promote alumni engagement by giving preference to alumni status in the admissions process. Deans and their external relations/alumni affairs staffs at UCLA frequently hear alumni displeasure at not being accorded any special treatment in the admissions process.

UCLA operates under a standing Board of Regents resolution which prohibits "[a]dmissions motivated by concern for financial, political, or other such benefit to the University…." This Regental policy, however, does not prohibit campuses from taking into consideration whether an applicant is related to an alumnus.

Issues of legacy admissions present difficult issues for public universities, particularly for institutions such as UCLA that are committed to access. We recommend that the UCLA administration engage the Academic Senate's Board on Admissions and Relations with Schools (BOARS) in a discussion about the possibility of according weight in the admissions process to whether the applicant is an alumni child. The undergraduate admissions process already includes a variety of factors that are unrelated to academic merit (e.g. athletic ability). A change in policy that might make alumni feel more connected to the school would allow for alumni status to be added as a "plus factor" along with all other considerations. Ultimately, it is the belief of this committee that alumni status should only operate as a "tie-breaker" for very close cases.

Before implementing any proposal to include alumni status in the admissions process, we recommend that an analysis be undertaken to assess whether such a change would have positive or negative impacts on racial and ethnic diversity. Many of the schools at UCLA, particularly before the passage of Proposition 209, were extremely diverse. Since alumni from this period are now in their prime childbearing age, it is very conceivable that an admissions process that takes into account alumni status would promote rather than detract from diversity.

2. *UCLA should promote endowed chairs that permit a portion of the income to be used to support the relevant departments, graduate students and infrastructure.*

With the exception of only a small number of schools and departments, the income of most endowed chairs is restricted exclusively to chairholders to support their summer income or research costs. With the soon-to-be-increased endowment minimums, an opportunity presents itself to divide the stream of income between research support, graduate student support and school infrastructure (e.g. library collection that serves the chairholders). These types of arrangements should be encouraged by UCLA and consideration should be given to making them standard in chair gift agreements.

*3. UCLA should raise endowment minimums.*

The current baseline levels for a variety of endowment funds (e.g. chairs, scholarships, fellowships) were set back in 1995 at the start of the last capital campaign. The increasing real costs associated with those activities (e.g. faculty research, student fees, library materials) and the need to remain competitive with peer institutions argue for an increase in many of the minimum levels to establish such endowments. After review by the Deans, Executive Vice Chancellor and Provost, Vice Chancellor for Budget, Finance and Capital Programs and Vice Chancellor for External Affairs, along with national benchmarking of over 70 public and private institutions, the committee recommends the adoption of the endowment minimums set forth in Appendix C.

*4. UCLA should expand the naming opportunities on campus.*

At present, the University provides donor recognition opportunities in the various units, schools and in the College for programmatic and physical locations. The committee recommends expanding the list of naming sites beyond the obvious academic buildings and schools to include residential facilities (both graduate and undergraduate), outdoor spaces (such as fountains, courtyards, plazas and walkways), UCLA facilities off the main campus in Westwood Village, Lake Arrowhead and Santa Monica and athletic and recreational facilities. Although philanthropic gifts are most often inspired by a commitment to people and programs first and foremost, the ability to offer more visible physical naming opportunities affords the possibility of larger gift amounts and potentially new sponsorship opportunities.

*5. UCLA should begin planning future fundraising campaigns.*

Plans are underway to prepare for the UCLA's second century and a substantial campaign, tied to the emerging academic strategic plan. In the interim, a half billion dollar initiative targeted at generating increased student support was launched in January. A major focus of the Bruin Scholars Initiative—80% of the total—is to boost levels of scholarship and fellowship endowments. Likewise, endowment efforts launched in the past year at both the Law School and UCLA Anderson are designed to put both schools on more solid and competitive financial footing.

## H. SALE OF UNDERUTILITZED PROPERTY

---

1. *The task force evaluated the potential disposition of four properties: the Carter Estate, the Japanese Gardens, the Trisonic Wind Tunnel, and May's Landing.*
2. *All four properties are currently underutilized, and it is unlikely that a future use could be identified that would provide sufficient value to the campus compared to the potential market value of the property. Therefore, all four properties should be considered suitable candidates for disposition, when appropriate market conditions are present.*
3. *The proceeds from these potential sales are in part restricted by the terms of the agreements under which the Regents obtained the properties, and these conditions must be appropriately evaluated before a decision is made to sell the properties.*

---

As part of its deliberation process, the committee reviewed campus owned real estate to identify any property that could be sold. The committee identified four properties that could be considered surplus and thus available for sale to generate revenue. The four properties include: (i) the Carter Estate (ii) the Japanese Gardens (iii) the Trisonic Wind Tunnel facility, and (iv) May's Landing. While it may be appropriate to designate these properties as surplus, each has specific challenges, described more fully below, that must be overcome prior to commencing a public offering and consummating a sale contract. As is the case with all surplus property offered for sale by the University, generally speaking, a public competitive bidding process must be employed to make the sale.

The Carter Estate:

The Carter Estate, located at 626 Siena Way, Bel Air, about one mile from campus, is situated on 0.85 acres and includes a two story residence and an adjacent guest house in approximately 7300 gross square feet. The house was vacated by Mrs. Carter in early 2006. The house, which has remained vacant since Mrs. Carter's departure, is currently being managed by UCLA Asset Management.

In June, 2007, the value of this property was appraised at $9,000,000. The University is free to sell this property (via a competitive public bid process) but the proceeds must fund seven endowments specified by Mr. Carter including endowed chairs in the College, Anderson and the School of Medicine, a maintenance endowment for the Japanese Gardens, the establishment of an art history research center in the College, a student awards fund for Anderson and a discretionary fund for the director of the Jules Stein Eye Institute. In 2006, the estimate of the amount needed to fund the corpus for these endowments was $4.7 million. As such, the net proceeds from the sale of the home would be net of the $4.7 million.

The Japanese Gardens:

The UCLA Hannah Carter Japanese Garden and the UCLA Carter House (described above) were, prior to December 1964 part of a single parcel of approximately 1.94 acres. In 1964 the Gardens portion of the site was separated from the Carter House portion. The 1964 grant deed transferring the property to the Regents was amended in 1982 with the requirement that the University names the garden for Mrs. Carter and retain it in perpetuity. Significant research has been completed on the process (via the

California Attorney General) required to remove the restriction on the Garden so that the University could then sell the property. We are advised that it would be possible to remove the restriction but the outcome is not certain. And, there would likely be some political ramifications from various groups about the sale of the Gardens as a potential building site.

In 2007, the MAI appraisal indicates a value of $5.7 million if the property can be sold without the deed restriction to maintain it as the Gardens and $3.4 million with the restriction intact.

The combined value of selling both the Carter House and the Gardens (with the restriction on the Gardens in place) was $12.5 million. The value of the combined properties without restrictions was estimated in 2007 at $14.7 million. Of course property values since 2007 have declined, thus an updated appraisal would be required to ascertain the current value of these properties.

The Trisonic Wind Tunnel:

The Wind Tunnel facility is located on an approximately 3.5 acre site in the City of El Segundo, California. The property was donated to the Regents on behalf of the Los Angeles campus and its School of Engineering and Applied Science, pursuant to a donation agreement that became effective in September 1998. The facility was developed in 1954 by North American Aircraft, a division of the Rockwell International Corporation.

While SEAS operated the facility via a third party operator for some time, the School has now determined that the property is no longer needed. Rockwell International is responsible for decommissioning, demolition and clean-up of the site, with oversight from the California Department of Toxic Substances Control (DTSC).

It is anticipated that the Regents will approve the clean-up plan and related CEQA documents in April. At that point the property will be turned over to Rockwell who is responsible for the site clean-up. This process, expected to commence in summer 2009 will be completed by September 2010.

After clean-up, the property can then be offered for sale. While a formal appraisal will need to be completed, especially in the current market, our best estimate of the value of this property is between $750,000 and $2 million per acre or roughly $2.6 million to $7 million.

May's Landing

The property consists of a 1,655 square foot (interior space) home, originally built in 1949, on a 1.27 acre (55,200 square feet) lot measuring 111 feet wide by 400 feet deep, located on a bluff-top at the edge of the Pacific Ocean in the Point Dume area of Malibu, California. The property was donated by the May family over a period of years as part of a Life Estate gift, and since 2004, the year in which Genevieve May passed away, has been solely owned by the University. In 2006, its assessed property value, per the Los Angeles County Assessor's office, was $7,959,000, with all but $156,000 of this value being allocated to the land itself.

The property was owned since the late 1950's by Dr.s Philip and Genevieve May. Dr. Philip May was a UCLA faculty member and a leader in the field of psychiatry. Upon Dr. Philip May's death in 1986, the property was placed into a trust. The Trust Indenture was amended and restated in 1993. At that time, Dr. Genevieve May, in accordance with the terms of the Trust, donated a portion of her interest in the property to the Campus, while retaining a 100% life estate.

The terms of the Trust directed that the May's Landing property shall be used for programs sponsored by the UCLA Neuropsychiatric Institute, at the discretion of the May's Landing Oversight Committee, which is a group appointed by the Director of the NPI, consisting of the Chancellor and the School of Medicine Dean, among others.

The terms of the Trust further stipulate that upon Dr. Genevieve May's death, and following the Regents possession of the Fee estate (which occurred in 2004), the property will be retained in perpetuity as a Psychiatric Study Center, and that no sale or disposal of the property will be undertaken unless there is an express written finding by the Chancellor and the Oversight Committee *"that circumstances have so substantially changed as to interfere with the University's beneficial use and enjoyment of May's Landing, from such events as acts of God, legal changes in enforcement of land use policy that would make the contemplated uses unlawful or impractical, and/or if financial losses or prospective losses are of such magnitude in the maintenance and repair of May's landing that the Chancellor and the Oversight Committee could reasonably conclude that they were excessive."*

In the event a sale is undertaken, subject to the foregoing provisions, the proceeds are to be distributed to the Philip and Genevieve May Psychiatric Endowment Fund at the UCLA Foundation, with the proceeds to be used per the terms of that endowment, *"exclusively for charitable, educational and scientific purposes relating to Psychiatry."*

It would therefore appear that a sale of the property and/or use of the funds are expressly restricted as noted above, unless these provisions can be changed as a matter of law and/or University gift policy.

It should also be noted that in early 2005, severe rains precipitated a fracture/slide of a portion of the slope at the base of the bluffs immediately below May's Landing, such that a portion of the residence – a two-room addition made in 1968--was not to be occupied due to its location immediately atop the bluff edge. Utilization of the balance of the home and property was not affected by the 2005 slide. Since that time, we have no information indicating that any further erosion or slides have taken place.

In conclusion, based on the relatively limited number of users which can practically gather at one time at the home, due to its size and local zoning restrictions (residential uses) and historical neighbor concerns regarding large gatherings, the cash value of the property likely far exceeds its functional utility value as a small conference center, due fundamentally to the profound property value increase which has obtained since the property was originally donated to the University. However, given the clear restrictions on the sale and the use of proceeds, it is unclear whether the property's cash value can be realized absent a legal process, which would likely be highly controversial among certain segments of the University community, particularly departments, groups, or individuals who currently enjoy and benefit from the current uses of the property.

APPENDIX A

# UCLA

## Approval Processes for Revenue-Generating Courses and Programs

APPENDIX B

# UCLA

## Revenue Toolbox Taskforce Subcommittee on Academic Courses, Programs & Services

# Table of Contents

**Introduction** .....

**State-Supported and Self-Supporting Professional Programs** .....

**Approval Processes Chart for Revenue-Generating Courses and Programs** .....

**Summary Table of Program Management and Oversight: Departmental through UCOP & Regents**

**Process Guide on Course and Program Approval** .....

- Existing unit-bearing course, offered in summer session .....
- Unit-bearing course in summer session that differs from an approved, regular session course in its format, grading, title, etc. .....
- Unit-bearing course in summer session that differes from an approved, regular session course in its venue or is a partial term (e.g., summer travel) .....
- XL courses through Extension (transferable to UCLA) .....
- New, summer-only course for non-matriculated students .....
- Extension courses w/o academic credit (CEU) that may lead to professional certification .....
- Summer short courses for high school students .....
- Exam prep courses .....
- Hosting international exchange students for credit .....
- Online self-supporting graduate degree programs .....
- Self-supporting graduate degree programs .....
- M.A.S. (Master of Advanced Study), Professional MA, MS .....
- Joint degree program with foreign universities .....
- Certificate programs through Extension, bearing professional credit (X300 or X400) or CEU
- Continuing professional education: non-Extension (Law, Medicine, Dentistry, CME, etc.) .....
- ESL .....
- Extension X300 or X400 professional credit courses .....
- Graduate certificate program (academic, SR735) .....
- Summer Institute certificates .....

**Glossary of Terms and Offices** .....

**Appendices** .....

- Appendix A: Compilation of relevant College/School, Division, and Systemwide regulations for courses and programs, including certificates .....
- Appendix B: Examples of current campus programs in each of the categories in the Approval Process Chart
- Appendix C: Key campus contacts .....

# APPENDIX C

Following Campaign UCLA, representatives from the academic planning and budget office and development began reviewing the University's endowment minimums. This effort was prompted by the close of the campaign, the increasing real costs associated with the activities (faculty research, student fees) supported by endowments, and the need to remain competitive among our peer institutions in regard to scholarship support and faculty recruitment and retention. The following recommendations are the result of peer institution benchmarking and needs analyses among the academic units, and have been reviewed by the Executive Vice Chancellor and Provost, Vice Chancellor for Budget, Finance & Capital Programs, and Vice Chancellor for External Affairs. The campus-wide minimum gift to establish a Foundation endowment has been and will remain $50,000.

DRAFT

| | | | Minimum Endowment | | |
|---|---|---|---|---|---|
| **Category** | **Endowment Type** | **Description** | **Current** | **Recommended** | **Annual Payout** |
| **Faculty Support** | Dean's Chair | The Dean's Chair recognizes the administrative appointment of a School and provides unrestricted support for this position. The appointment remains with the position as opposed to with the individual faculty member. | $5,000,000 | $5,000,000 | $225,000 |
| | Endowed Chair *(with salary support)* | The Endowed Chair (with salary support) will support a new faculty full time employee (FTE) on a permanent basis. This chair is a special incentive to recruit and/or retain gifted faculty members whose teaching and research exemplify UCLA's mission. Endowment income provides salary support and resources for research and teaching. | N/A | $5,000,000 | $225,000 |
| | Executive Chair in Medicine | The Executive Chair is awarded to School of Medicine department chairs. Its purpose is to affirm the leadership role of senior-level University administrators who demonstrate superior academic or administrative distinction. This appointment remains with the position. | $1,500,000 | $3,000,000 | $135,000 |
| **Faculty Support** | Endowed Chair *(without salary support)* | The Endowed Chair (without salary support) is a special incentive to attract a scholar of distinction to UCLA or to retain gifted faculty members whose teaching and research exemplify UCLA's mission. Endowment income provides support for research and teaching as well as freedom to explore opportunities for new research. | $1,000,000 | $2,000,000 | $90,000 |
| | Professional Development Term Chair | The Term Chair gives UCLA's professional schools and College the flexibility to recruit, retain and support the career development of exceptional younger faculty. A Term Chair can also be awarded to department chairs and visiting professors for a renewable five-year period. | $500,000 | $1,000,000 | $45,000 |
| | Recruitment/ Distinguished Service/ Teaching Term Chair | This chair allows UCLA to recruit a junior faculty member. It may also be used to acknowledge and support distinguished service or teaching. As a Term Chair, it can be awarded for a term of one or more years, not to exceed five consecutive years. | N/A | $500,000 | $22,500 |
| | Teaching Awards | An endowment for teaching awards provides for the meaningful recognition of outstanding professors, lecturers and teaching assistants year after year. Awards can be used at the honoree's discretion to further teaching or research activities. Individual academic areas determine the selection criteria and awards process. | $100,000 | $250,000 | $11,250 |

| Category | Endowment Type | Description | Minimum Endowment Current | Minimum Endowment Recommended | Minimum Endowment Annual Payout |
|---|---|---|---|---|---|
| **Student Support** | Graduate Fellowships | Graduate fellowship endowments help to fund graduate students' tuition and fees, enable UCLA to attract promising scholars, and indirectly bear on the University's ability to recruit and retain top faculty. | | | |
| | | Management /Law/Medicine | $100,000 | $350,000 | $15,750 |
| | | College of Letters & Science/Engineering | $350,000 | $350,000 | $15,750 |
| | | Other Professional Schools | $100,000 | $250,000 | $11,250 |
| | | Professional Schools, partially funded | N/A | $100,000 | $4,500 |
| | Postdoctoral Fellowships | Postdoctoral fellowship endowments help to fund post-graduate scholars research and living expenses, enabling UCLA to attract promising academics and indirectly bear on the University's ability to recruit and retain top faculty and graduate students. | N/A | $1,000,000 | $45,000 |
| | Undergraduate Scholarships | Endowment income for undergraduate student support ensures a superior education for talented, deserving students who might otherwise be unable to attain their dream of a UCLA education. Scholarships may be awarded on the basis of financial need, academic merit or both. Two levels are available, allowing donors to provide varying amounts of support based on their goals and resources. | $50,000 | $100,000 | $4,500 |
| **Other Endowments** | Endowed Research Units | An institute or center is an organization of scholarly activities created around a specified purpose. These bodies generate research findings and stimulate thought and discussion on their topics of interest and create a nexus for informed perspective on the discipline(s). Research units vay greatly in their individual circumstances, prioritization within the academic mission of UCLA, and appeal to prospective donors. The designation of Center or Institute relates to breadth and scope of function and level of funding, and the circumstances of each naming must be considered carefully to arrive at the appropriate gift level. | | | |
| | | Institute | 10,000,000 | 10,000,000 | 450,000 |
| | | Center | 5,000,000 | 5,000,000 | 225,000 |
| | | Program | N/A | 2,000,000 | 90,000 |
| | Salary Support Lecturership | Endowed funds for lecturers allow for the teaching of various subjects that allow ladder faculty to focus attention on more advanced topics. These endowments can provide needed resources for salary support as well as some programmatic funds. | N/A | 1,000,000 | 45,000 |
| | Lectureships | Endowed funds for lectures and colloquia facilitate the sharing and dissemination of research and information among members of the academic community. Such funding can provide needed resources for travel, honoraria and guest lectureships locally, nationally and globally. | $100,000 | $250,000 | $11,250 |
| **Other Endowments** (continued) | Library Endowment | The Library Collection Endowment Fund allows the UCLA Library System to continue as a premier information resource for University and community users. The fund provides a lasting source of income that advances the existing collections, offsets escalating costs of essential books, periodicals and other materials, and ensures the timely and ongoing acquisition of electronic materials and information technologies. | $25,000 | $50,000 | $2,250 |

# Approval Processes for Revenue-Generating Courses and Programs -- DRAFT 4/20/09

| | UCLA Administrators | | | | | | | | | | | | UCLA Academic Senate | | | | | Systemwide | | | Other | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Department Chair | | Dean of College or School | | Summer Session | | UnEX Dean | | APB & AIM | Dean of Grad Division* | EVC | Registrar[9] | FEC** | UgC | GC | CPB | LgA | System CCGA | System Acad. Council | UC Pres. | Prof. Org | CPEC |
| | C | LB | C | LB | C | LB | C | LB | R | A | A | I | A | A | A | R | A | A | A | A | A | R |

**AIM** - Office of Analysis and Information Management **EVC** - Executive Vice Chancellor **FEC** - Faculty Executive Committee **UgC** - Undergraduate Council **GC** - Graduate Council **CPB** - Council on Planning and Budget **LgA** - Legislative Assembly **CCGA** - Coordinating Committee on Graduate Affairs **CPEC** - California Postsecondary Education CommissionC=development/creation

**R**=review **A**=approve **I**=Implement **LB**=Logistics & Budget [1;]

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Courses** | | | | | | | | | | | | | | | | | | | | | | |
| **A. Credit Toward Degree** | | | | | | | | | | | | | | | | | | | | | | |
| Existing unit bearing course, offered in summer session[2] | | X | | X | | X | | | | | | X | | | | | | | | | | |
| New unit-bearing, summer-only course[2] | X | X | (X)*** | X | | X | | | | (X) | | X | X | (X) | (X) | | | | | | | |
| Unit bearing course in summer session that differs from an approved, regular session course in its format, grading, title, units, etc.[3] | X | X | (X) | X | | X | | | | (X) | | X | X | (X) | (X) | | | | | | | |
| Unit bearing course in summer session that differs from an approved, regular session course in its venue or is a partial term (e.g., summer travel) [4] | X | X | (X) | X | | X | | | | (X) | | X | X | (X) | (X) | | | | | | | |
| XL courses through Extension (transferable to UCLA)[2,4] | | X | | | | | | X | | | | X | | X | | | | | | | | |
| **B. Non-Degree Programs** | | | | | | | | | | | | | | | | | | | | | | |
| New, summer-only course[2] for non-matriculated students | X | X | X | | | X | | | | | | X | X | (X) | (X) | | | | | | | |
| **C. Non-Credit Bearing** | | | | | | | | | | | | | | | | | | | | | | |
| Extension courses w/o acad. Credit (CEU) that may lead to professional certification | | | | | | | X | X | | | | X | | | | | | | | | (X) | |

| | Department Chair | | Dean of College or School | | Summer Session | | UnEX Dean | | APB & AIM | Dean of Grad Division* | EVC | Registrar[9] | FEC** | UgC | GC | CPB | LgA | System CCGA | System Acad. Council | UC Pres. | Prof. Org | CPEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Summer short courses for high school students | | | | | | (X) | (X) | (X) | | | | X | | | | | | | | | | |
| Exam prep courses | | | | | | (X) | (X) | (X) | | | | X | | | | | | | | | | |
| **2. Academic Programs** | | | | | | | | | | | | | | | | | | | | | | |
| **A. Credit Toward Degree** | | | | | | | | | | | | | | | | | | | | | | |
| Hosting international exchange students for credit | X | (X) | X | (X) | | (X) | (X) | (X) | | (X) | | X | | | | | | | | | | |
| On-line self-supporting graduate degree programs[6] | X | X | X | X | | | (X) | (X) | | | X | X | X | | X | | | X | | | | |
| Self-supporting graduate degree programs (not on-line)[6] | X | X | X | X | | | (X) | (X) | | | X | X | X | | X | | | X[5] | | X(fee) | | |
| M.A.S. (Master of Adv. Study), Professional M.A.,M.S. | X | X | X | X | | | (X) | (X) | | | X | X | X | | X | | | X[5] | | X(fee) | | |
| *Joint degree program w/foreign universities* | X | X | X | X | | | | | | | X | X | X | (X) | (X) | | | X[5] | | X(fee) | | |
| **B. Certificate and Non-Degree Programs** | | | | | | | | | | | | | | | | | | | | | | |
| Certificate programs through Extension, bearing professional credit (X300 or 400) or CEU | X | | | | | | X | X | | | | | | | | | | | | | (X) | |
| Continuing professional education: non-Extension (Law, Medicine, Dentistry, CME, etc.) | X | X | X | X | | | | | | | | X | | | | | | | | | X | |
| ESL | | | | | | X | | X | | | | (X) | | | | | | | | | | |
| Extension X300 or X400 professional credit courses | X | | X | | | | | X | | | | X | X | | X of del | | | | | | | |
| Graduate certificate program (academic; SR735)[8] | X | X | | | | | | | | | | X | X | | X | | X | X | X? | | | |
| **3. Non-Academic Programs (non credit-bearing)** | | | | | | | | | | | | | | | | | | | | | | |
| Summer Institute Certificates | X | | | | | (X) | (X) | (X) | | | | X | | | | | | | | | | |

| | Department Chair | Dean of College or School | Summer Session | UnEX Dean | APB & AIM | Dean of Grad Division* | EVC | Registrar[9] | FEC** | UgC | GC | CPB | LgA | System CCGA | System Acad. Council | UC Pres. | Prof. Org | CPEC |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | |

[1] Logistics and budget includes approving logistics, budget.

[2] No additional approval is required to offer an existing, unchanged course from regular session in summer. New courses need full approval by the department, Dean, and FEC. The Curriculum Committee of the UgC or Grad Council (or its designee) are also involved in approving certain types of courses or course changes; see *Guide.*

[3] Assumes that these courses will be assigned new course numbers. It is suggested that a suffix system be adopted to distinguish these courses from regular course offerings.

[4] This assumes that courses offered in an off-campus venue will be assigned a new course number (via CIMS) as well as for partial term courses.

[5] Note that College, SOAA, TFT and Nursing School students cannot simultaneously enroll in UCLA regular session and in classes through extension (concurrent enrollment). In order to receive degree credit for work done at UCLA Extension, students must take courses numbered X 1-199, XL 1-199, or XLC 1-199; the must be taken in a quarter in which the student is NOT attending UCLA regular session (fall, winter or spring quarters). The only time that students will receive credit for these extension courses is during summer term or if they have taken the regular term off.

[6] UCLA currently has 9: EMBA, FEMBA, EdD, MPHHP, Prof. Prog. For Internat. Dentists (DDS), Global Exec. MBA, LLM, MS Eng. Online, MFE.

[7] 1996 policy: Campus Grad Councils and appropriate campus administrators must approve all new self-supporting programs, but CCGA approval is only required when a proposed self-supporting program does not correspond to a previously authorized regular program and degree title on the campus. *This policy is now being reviewed by the CCGA.*

[8] SR 735, and Jan. 2009 proposal to enforce: SR735 Grad. Acad. Cert. (GAC) programs: a) do not require enrollment in another grad program; are not offered solely through UnEx; b) have indpt. Admissions process, requiring min. B.S.; c) carry ≥3 quarters full-time resident study. *These need to be reviewed by the local Grad Council and Senate before CCGA.* Non-SR735 cert. programs: offered in conjunction with other types of prof. or acad. degrees and are not stand-alone. Final authority is with local grad council and senate.

[9] University Extension operates its own registrar function for its non-credit courses, and certificates.

*Graduate Division approval for course and programmatic changes delegated by the Graduate Council. Delegation authority reviewed/revised by Graduate Council annually.

**FEC approval for course and programmatic changes delegated by the UgC. Delegation authority reviewed/revised by UgC regularly.

***Paranthesis indicate that the involvement is contingent upon the type of proposal under review.