

# Campus Finance Committee Meeting

**Date:** Thursday, August 26th

**Time:** 9:30 am

## In Attendance

Elizabeth Watkins, Gerry Bomotti, Melanie Wu, Anil Deolalikar, Brian Haynes, Christopher Lynch, Dana Simmons, Daryle Williams, Deborah Deas, Jason Stajich, Jeff Girard, Jennifer Brown, Juliet McMillian, Katherine Kinney, Kevin Vaughn, Louie Rodriguez, Mariam Lam, Rodolfo Torres, Shaun Bowler, Steven Mandeville-Gamble, Yung Phung, Yunzeng Wang, and Susana Salazar (committee support)

## Opening Comments - Liz

This meeting is to address the ITS infrastructure deficit and the discuss the option of providing additional \$2.4M in funding. The objecting in deciding on the funding now is to preclude the recharge that would be effective this year as a tax to the orgs. We did not invite ITS staff to the discussion as the intent is not to discuss in more detail on how it will be spent but rather a larger philosophical conversation.

**FP&A Note:** There would need to be a commitment to \$2M in FY23 and \$2.1M in FY24 to fully fund the IMF fee (\$5.5M total) and avoid the new tax, if this new request is not approved.

## Discussion – All Attendees

- In favor of all aspects of the proposal; however, we need a way to evaluate efficiencies of these investments in the future. Still waiting for new CIO but how can we make sure this is the right way to spend the money.
  - Response (LW): We need accountability and shared oversight governance - a robust IT executive governance structure. It was clear the timing at the moment isn't right as there is an interim CIO, but many discussions have occurred with the unit and ideally, we could implement something like at UCSF where there were governance bodies that were functional in focus. As an example, SOM IT would have a dotted line to the CIO and the governance structure would require them to report back.
- We have a very clear need to fix our infrastructure on campus. It is a permanent need, but maybe we shouldn't focus on hiring perm positions, but rather provide temporary funding over multiple years to address the infrastructure needs.
  - Response (LW): Upgrades are needed across the board, ITS indicated that 85% of staff time is spent on maintenance. Providing this perm funding will help open up positions for more time on special projects requested by the campus.
  - Response (GB): The ITS proposal indicated they felt they "needed" about \$5.6M per year to maintain the equipment for the campus network. This suggests that they should be able to address these needs in the near term with perhaps \$2.4M, along with salary savings, at least in the near term. I understand your point and ITS would need to speak to more of the details, but their actual proposal was \$5.6M/year.

- Rumors in the past were that ITS was inefficient, then with time, they went through multiple rounds of layoffs.
- ITS went through a massive process to look at inefficiencies but then we began cutting them. They have significant fixed costs, so as their budgets went down, they had to cannibalize other parts of their org. Though they had gained efficiencies, with the FCI costs going up it was just too much.
- This point differs from ITS but it is sort of related, shouldn't we be looking at the electrical infrastructure as we discuss providing funding. Our power grid is a mess, it ties into our network concerns but also can greatly impact lab research, should we be thinking about investment in the electrical grid?
  - Response (GB): This is definitely a concern, we have a single point of failure in the substation, but we are working with RPU to help with the upgrade as well. We are in the midst of trying to improve reliability, we have 2 feeds (1 that is more modern and covers about 2/3 of the campus) and we are using state funds provided for Deferred Maintenance to fix these issues but it will take time to fully implement.
- The issues with ITS are very serious and we currently have so much risk and open systems. SOM definitely needs to work hand in hand with the campus. When ITS was gutted, SOM had a real concern over ITS' ability to support them. We can't go backwards and nickel and dime the situation due to the risk.
- We need a better model for ITS as it can't always be crisis driven. This proposal seems sensible, but back to the first point, we don't know/understand exactly what they do so though I'm supportive of permanent funds so they can assess their needs and it is not always a budget by crisis, maybe we get help from other UC Campuses for the oversight. My unit spent a lot of time working with ITS during the pandemic and it doesn't seem like they are just spending to spend; however, they do need a better understanding of end-user needs and campus priorities.
  - Response (LW): That's a great point, we could have an external advisory board – maybe include some industry people as well. Also, we need to be clear and encourage people to step up and discuss end-user need so that ITS understands what that is exactly.
  - Added: Maybe we could also include some community members on this oversight committee.
- I am supportive but accountability is crucial. However, at the campus level, we need to have clear guidance on the strategic mission. Doesn't seem like we have had a CIO stay for very long recently, we need to make it possible for them to succeed if we really want to attract a good CIO. Also, infrastructure and staff go hand in hand.
  - Response (GB): The last CIO come in with great hopes and she only stayed a couple of years. If there is a systemic problem on why CIO's aren't staying we need to find out and address it.
- Campus priorities should definitely be made clear but maybe we need to provide them through the lenses that the Instructional Continuity Group looks at it through, like how will it help student success and how does it help reach the campus' short and long-term goals.

## Closing Remarks - Liz

We will soon be in a place to be able to go through a deep dive on what we should strategically invest in for any funds we receive in FY23 and FY24. We also as a committee need to understand how we will handle smaller requests, will we have a budget process for that or what will that look like, and of course the guiding principles need to be consistent.

Overall, the sense is that we are all comfortable with providing this funding and don't need an official vote for what we will call the IT Revival. We will emphasize the importance of oversight, clear campus guidance and expectations. We need to provide the CIO tools for success. ITS has been authorized to have a higher salary for the new CIO in order to be competitive.

- Search Update from Chris – Finalizing the position description. It is very well put together and the firm that was hired is very valuable to the process.

We have also expanded the search committee to include more ITS staff members so there are now 3.

I will let the Chancellor know that we recommend the \$2.4M allocation for ITS. And that this is time sensitive.

## Action Items

List of things to be worked on post-retreat:

- Conversations on re-benching subventions
- Credit weighting
- Student Services Fee – how does it fit into the campus funding portfolio and ensuring we adhere to the guidelines of programs that "should not" (which is not the same as "shall not") for programs that needed to be stabilized during the great recession budget cuts and should have been swapped back to state general funds/tuition over time, so definitely a good discussion for this group.
- Subgroup to discuss perm re-allocation of start-up funding for FY23

Other large-scale topics we may need to cover and the priority in which we should discuss them:

- The long-term enrollment planning
- Cost of doctoral research programs (both for colleges and RED)

## Next Meeting

Thursday, September 23 @ 9am