Finance Forum

Teresa Costantinidis
Vice Chancellor and Chief Financial Officer

March 22, 2018

Finance Forum: Agenda

- Welcome and Overview

- Getting to Know Dr. Renee Navarro, Vice Chancellor – Diversity and Outreach

- CFO Updates

- Introduction of New UCSF Finance Staff

- Spot Award Winners

- Best of UCSF Finance – Fascinating Projects

  - *General Ledger Verification*, Shannon Turner, Controller's Office

  - *Who Are Our Customers?*, Bryce Steslicki and Andrew Clark, Supply Chain Management

  - *Facilities and Administrative Rate Negotiations*, Darryl Lim, Budget and Resource Management

- Announcements and Close

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Getting to Know Dr. Renee Navarro
UCSF Vice Chancellor, Diversity and Outreach

Vice Chancellor Renee Navarro, Pharm D, MD
Professor of Anesthesiology and Perioperative Care
Chief Diversity and Outreach Officer

Office of Diversity and Outreach
March 2018

Diversity is about all of us

Refers to the variety of personal experiences, values and worldviews that arise from differences of culture and circumstance. Such differences include race, ethnicity, gender, age, religion, language, abilities/disabilities, sexual orientation, gender identity, socioeconomic status, and geographic region, and more.

UNIVERSITY OF CALIFORNIA DIVERSITY STATEMENT
Endorsed as Amended by the President of the University of California
August 17, 2010
http://www.universityofcalifornia.edu/diversity/diversity.html

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Diversity and Inclusion

- Diversity encompasses many dimensions – some are visible, most are not

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ODO Mission
founded 2010

- To **build** a broadly diverse faculty, student, staff and trainee community,

- to **nurture** a culture that is welcoming and supportive, and

- to **engage** diverse ideas for the provision of culturally competent education, discovery, patient care and community engagement.

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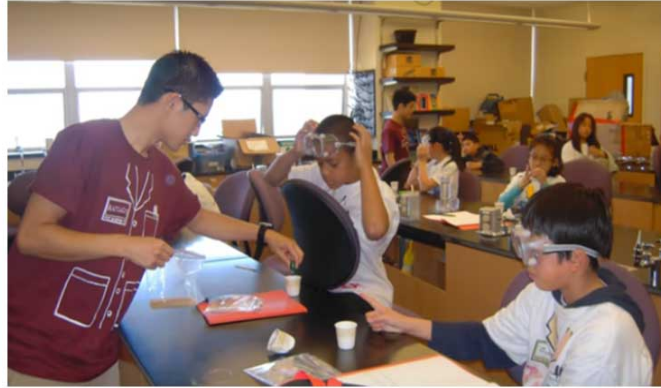
Strategic Plan:
Roadmap to Inclusive Excellence

- Recruitment best practices for students, faculty and staff

- Campus Climate and Culture of Inclusion and Equity

- Compliance Best Practices

- Curriculum and educational environment that reflects our commitment to diversity and inclusion

- Research and scholarship that reflects our commitment to diversity and inclusion

- Unparalleled patient care that is culturally competent

- Community Engagement

- Accountability

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Offices and Key Initiatives

- The Center for Science, Education and Outreach

- The Resource Centers
  - LGBT Resource Center
  - Multicultural Resource Center
  - CARE Advocate

- Equitable and Inclusive Hiring and Promotion
  - Faculty Equity Advisors
  - Equitable Staff hiring and promotions Work Group

- Compliance – Federal/State Statutes and University Policies on non discrimination and harassment (including SH/SV)

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Center for Science, Education & Outreach

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LGBT Resource Center

Office of Diversity and Outreach

March 22, 2018

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Multicultural Resource Center

National Heritage & Awareness Months

THE NATIVE AMERICAN HEALTH ALLIANCE WELCOMES
DR. LANADA WAR JACK
FOR A LECTURE ON INDIGENOUS HERITAGE & SACRED ROOTS
LUNCH PROVIDED   11.21.2017 12:00-1:30PM
MILLBERRY UNION CONFERENCE CENTER CITY LIGHTS ROOMS

Education and Training: Staff Certificate, UB

Visibility Projects

WHITE COATS AGAINST GUN VIOLENCE

WEEK OF ACTION

Tuesday 3/20 6-8 pm N-225
Film Screening: Under The Gun
A documentary film about the state of gun violence and gun control laws in America.
Discussion to follow. Food provided

Wednesday 3/21 12-1 pm HSW-302
Lunch Panel: Breaking The Cycle Of Violence
Learn about the SF Wraparound project, a hospital-based youth violence prevention program
Food provided

Thursday 3/22 6-8 pm N-217
Speaker Panel: The Role of Healthcare Providers in Gun Violence Prevention
Panel discussion with UCSF physicians, nurse practitioner, and community activists, moderated by Dr. Denise Davis
Food provided

Saturday 3/24
March For Our Lives: San Francisco Rally
Civic Center Plaza 12:30 pm
Intersection of Larkin and Fulton St.

Pipeline Development

BNGAP Inc.
Building the Next Generation of Academic Physicians
(www.bngap.org)

Academic Medicine Career Development Conference for Diverse Medical Students and Residents
2016 Regional Conference Series

Support Student RCOs

DREAMERS TO DOCTORS
Undocumented Students' Journeys to Medical School

PHD

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UCSF All Students and Trainees by Race/Ethnicity

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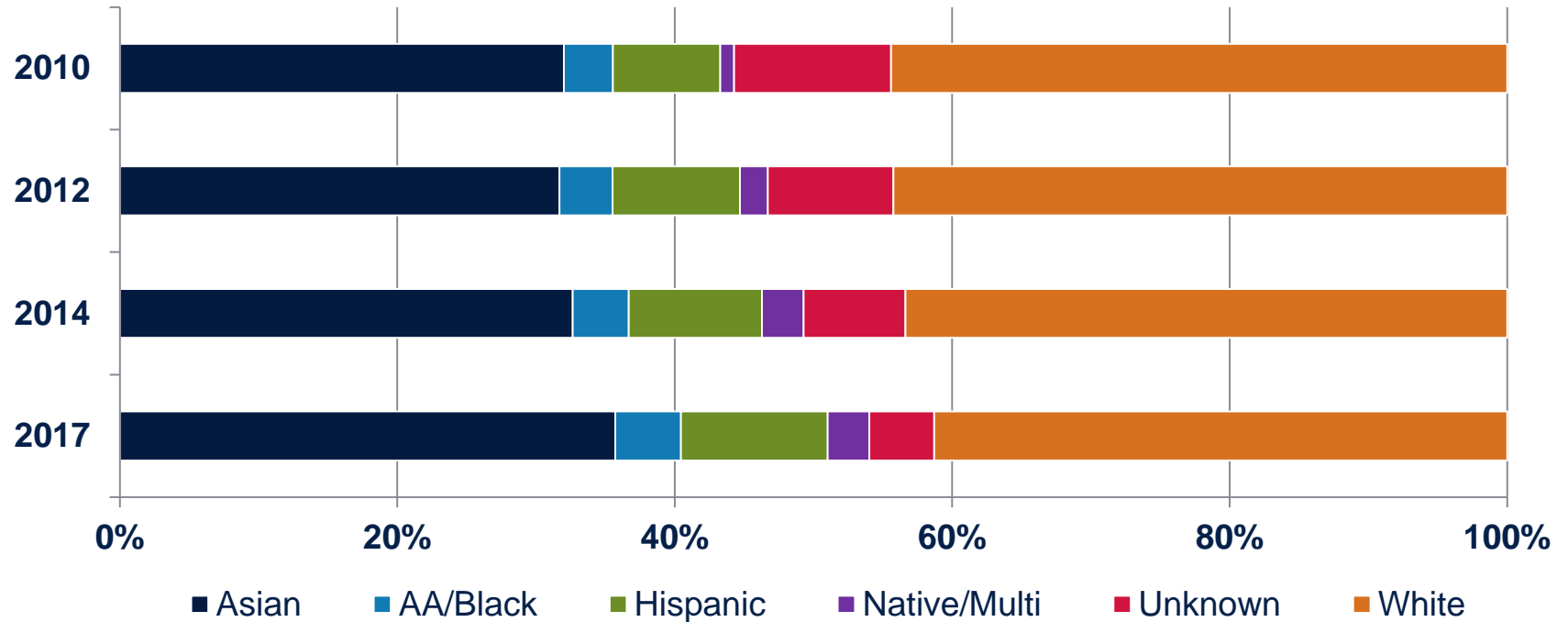
UCSF Faculty Trends, 2010-2017 (%)

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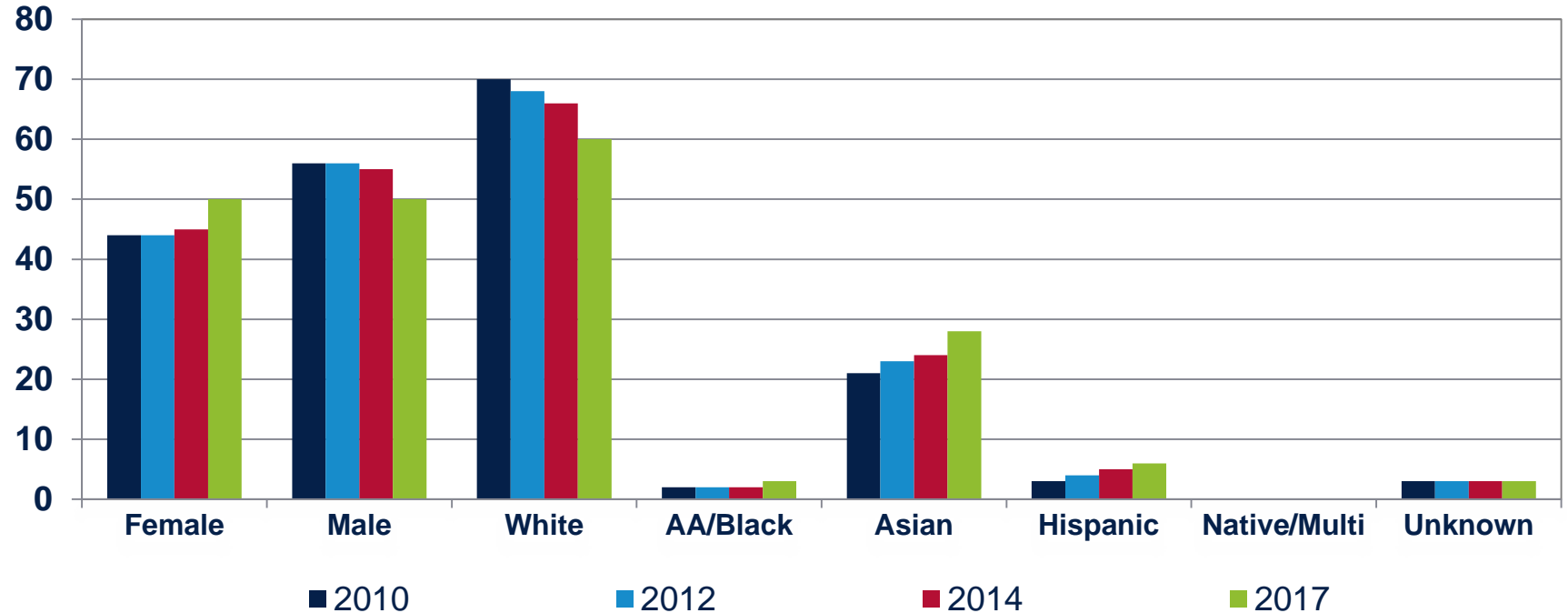
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# UCSF Staff Race/Ethnicity Trend
N = 17818 / 17814 / 17826 / 20587

	2010	2012	2014	2017
African American/Black	7%	7%	7%	8%
American Indian/Alaskan Native	0%	0%	0%	0%
Asian	36%	36%	37%	38%
Hispanic	12%	12%	12%	12%
Native Hawaiian/Other Pacific Islander	0%	0%	0%	0%
Two or More Races				2%
Unknown	3%	2%	2%	3%
White	43%	42%	42%	38%

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# UCSF Staff Gender Trend
N = 17,818 / 17,814 / 17,826 / 20,587

	2010	2012	2014	2017
F	67%	67%	67%	68%
M	33%	33%	33%	32%

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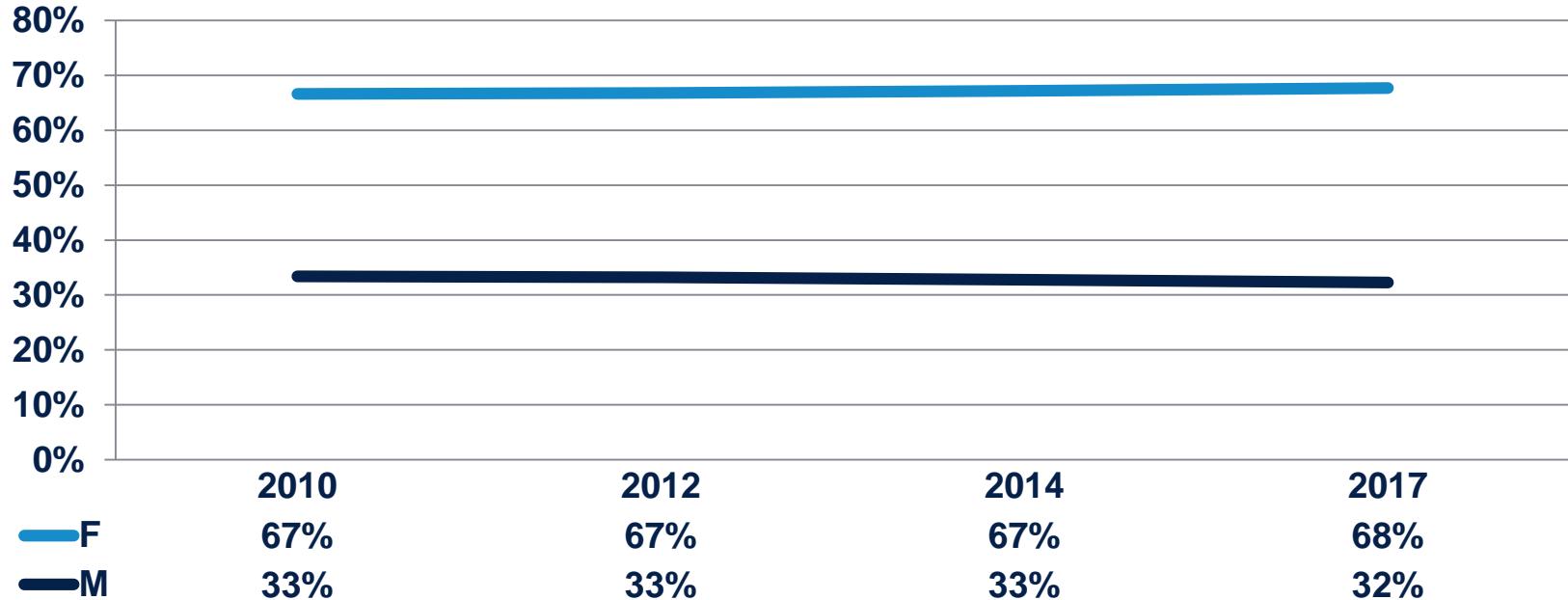
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Campus Staff Diversity Statistics

Total Staff Diversity

N=19,958

- White (7795)
- Asian (7510)
- Hispanic (2362)
- African American/Black (1498)
- American Indian/Alaskan Native (81)
- Native Hawaiian/Other Pacific Islander (64)

M Level Staff Diversity

N=387

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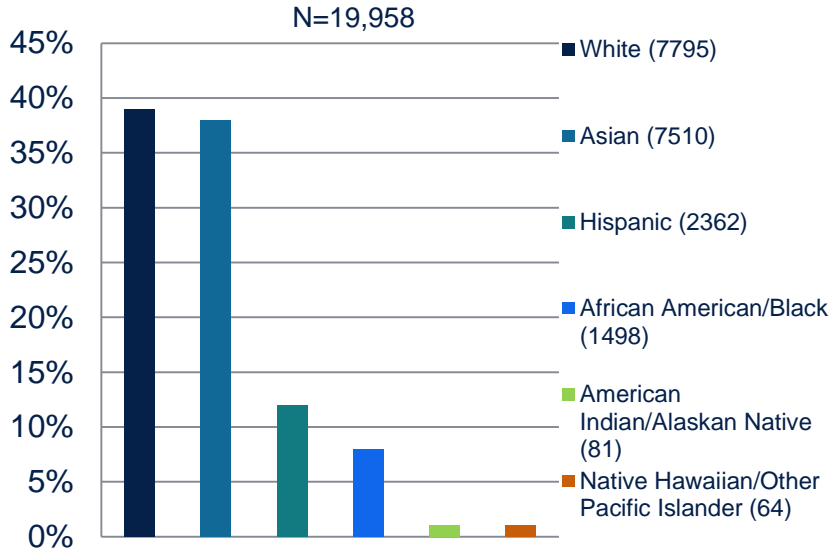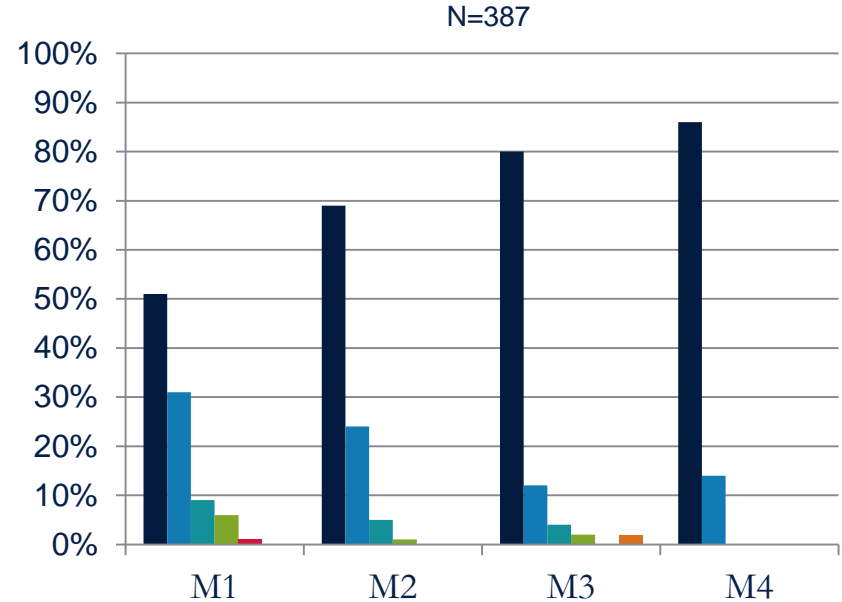
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Climate for Inclusion

- \> 75% view UCSF as respectful of all groups.
- \> 80% believe UCSF values diversity.
- \> 70% agree UCSF supportive of taking leave & flexible work schedules.

Significant Differences

- Gender: Females less comfortable than males;

  Transgendered least comfortable with climate
- Racial/Ethnic: Underrepresented minority

  less comfortable with overall climate
- Disability: less comfortable with climate

2013 Campus Survey

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Unconscious Bias Educational Initiative

What is Unconscious/Implicit Bias?

- Social stereotypes about certain groups of people that individuals form outside their own consciousness

- Patterns based on small bits of information

- Often incompatible with our conscious values

- Impacts daily interactions, hiring, evaluation, promotions, letters of recommendation, etc.

https://diversity.ucsf.edu/resources/unconscious-bias

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Unconscious Bias

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Interrupting Bias: Institution

- Be Intentional and Inclusive in Advertising

- Commit to specific credentials before reviewing applications (Uhlmann & Cohen, 2005)

- Allow sufficient time as bias stronger when under time pressure (Martell,1991; Blair & Banaji,1996; Kirwan Institute, 2014)

- Accountability for decision makers (Foschi, 1996;2000; Foschi et al., 1994)

- Provide training workshops (Blair & Banji, 1996)

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SV/SH and Non Discrimination Policies

Summary of Internal Allegations

N=429 in 2017

Legend: ■ FISCAL 2014-2015 ■ FISCAL 2015-2016 ■ FISCAL 2016-2017

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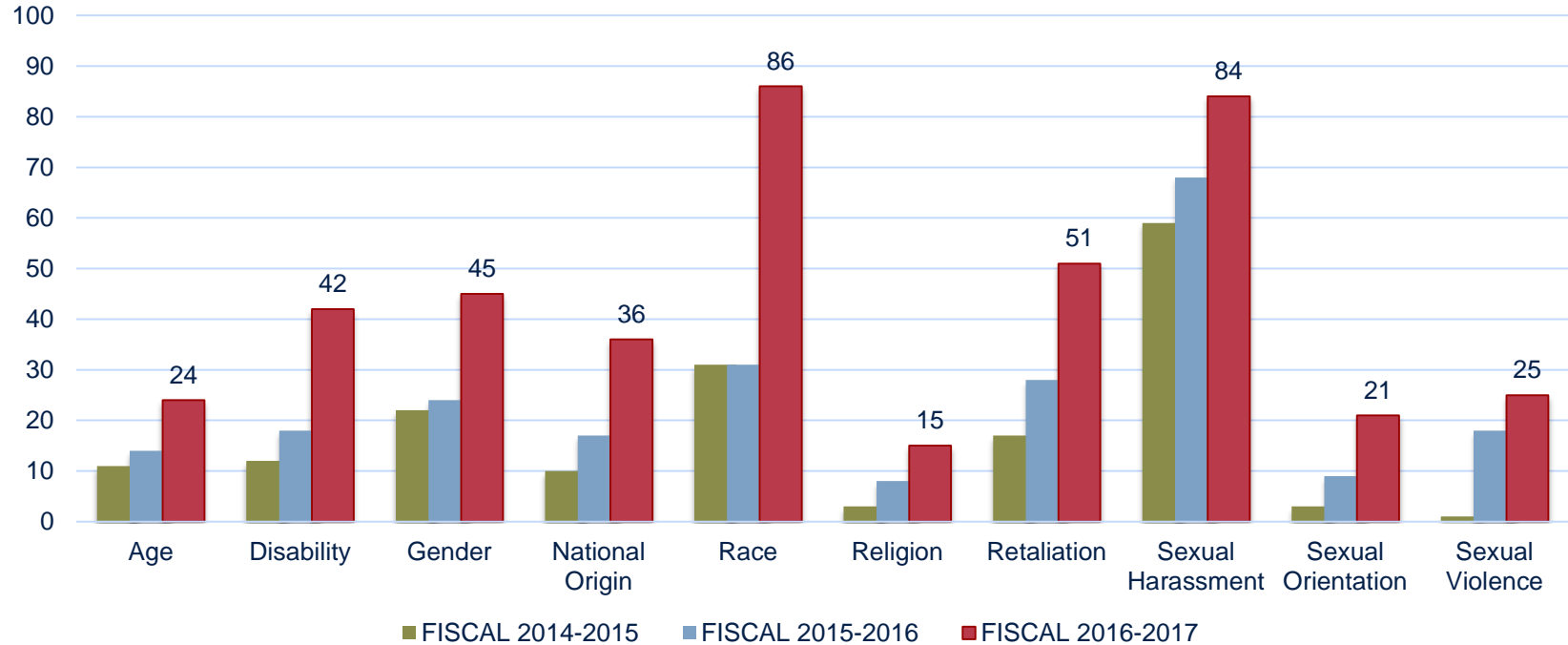
Summary of Internal Claims by Policy 2014-2017

July 2014 thru June 2017

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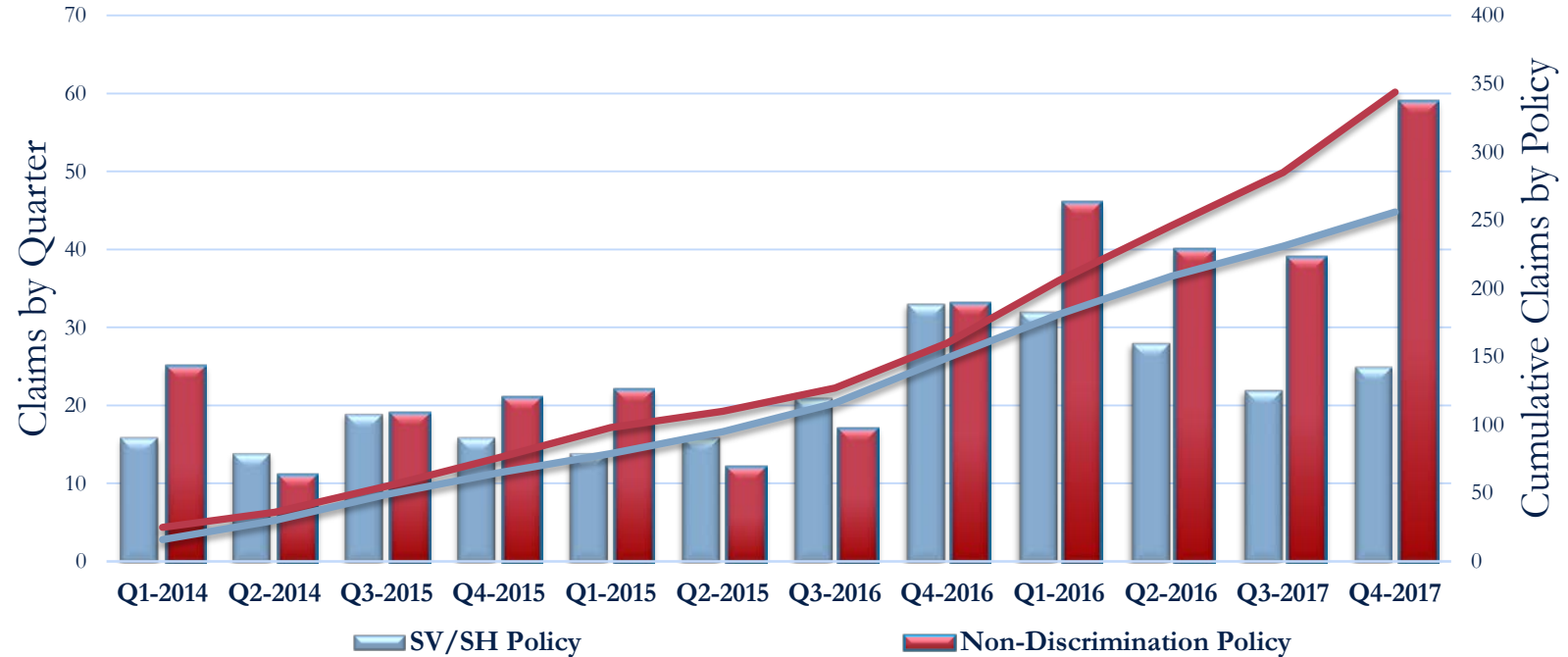
Summary of Complaints Fiscal 2016-2017

n= 429

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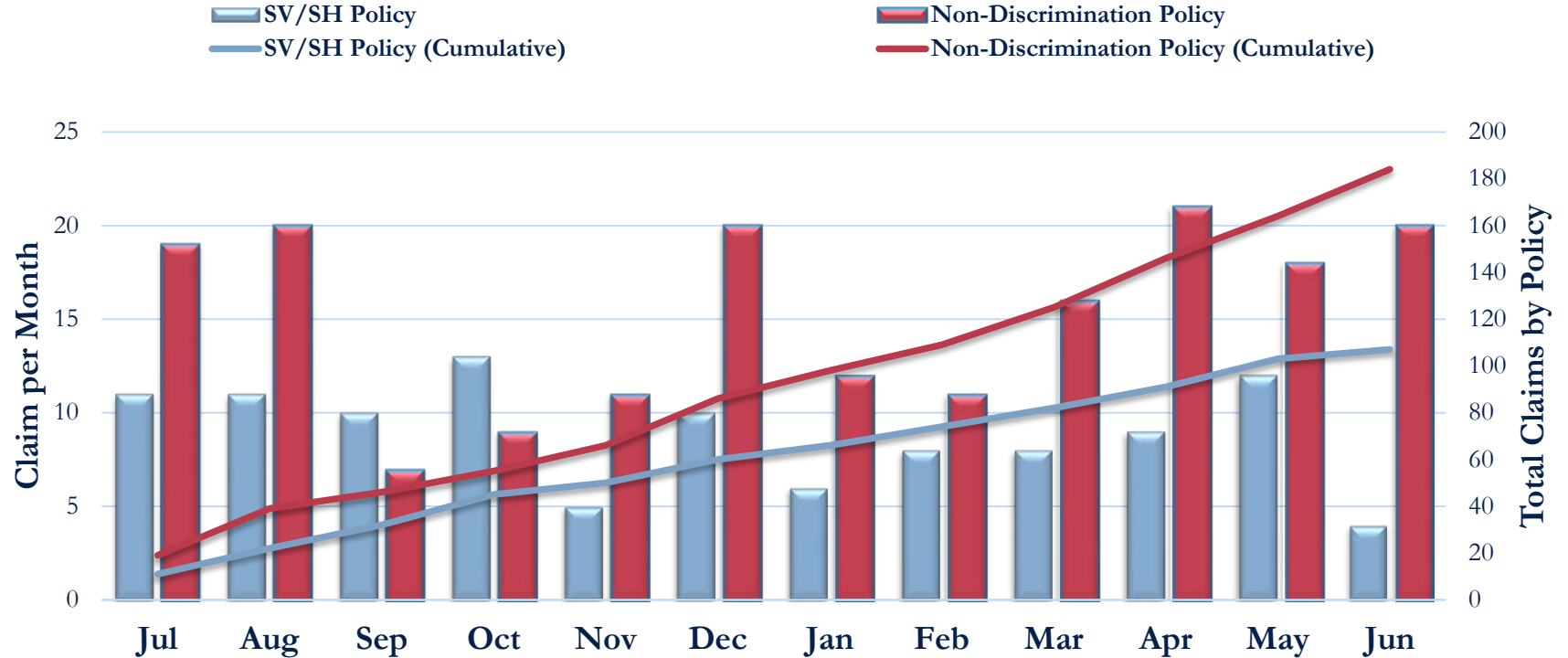
Sexual Violence Sexual Harassment Training

Staff,
Faculty & Supervisors:
**Fulfill Your Mandatory
SVSH Training Requirement**
with *Life Theatre Services!*

Date: Thursday, April 19 at 1pm-3pm
Place: Mission Bay, Rock Hall

Date: Tuesday, May 8 at 1pm-3pm
Place: Toland Hall Auditorium

Office of Diversity and Outreach

11th Annual

Chancellor's Leadership Forum on Diversity and Inclusion

Thursday, April 26
12pm – 1:30pm
Cole Hall

A discussion on issues impacting staff climate and equity.
ASL translators will be available.

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Thank you

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Diversity.ucsf.edu

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March 22, 2018

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Finance Forum: CFO Updates

- UCSF in the News

  - New Major Gift for The Campaign

    - $5 billion goal for The Campaign – $3.7 billion raised to date

    - $500 million commitment from Helen Diller Foundation

    - Will help fund a new, world-class hospital on Parnassus Heights campus

  - UCSF Again Tops Among Public Universities in NIH Research Funds in 2017

    - $594 million for biomedical research continues 7 year trend

    - UCSF is second highest grant recipient among all institutions

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Finance Forum: CFO Updates

- Financial Standards and Practices: The Chancellor's Challenge

- Budget Briefing for UC President Janet Napolitano in April

- Gallup Engagement Survey Returns in April

  - Survey administered April 24 – May 15

  - Details from your supervisors and survey ambassadors

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Finance Forum: CFO Updates

- Revisions to the FAS True North
  - ✓ Simplified the pyramid
  - ✓ Help staff to understand their roles
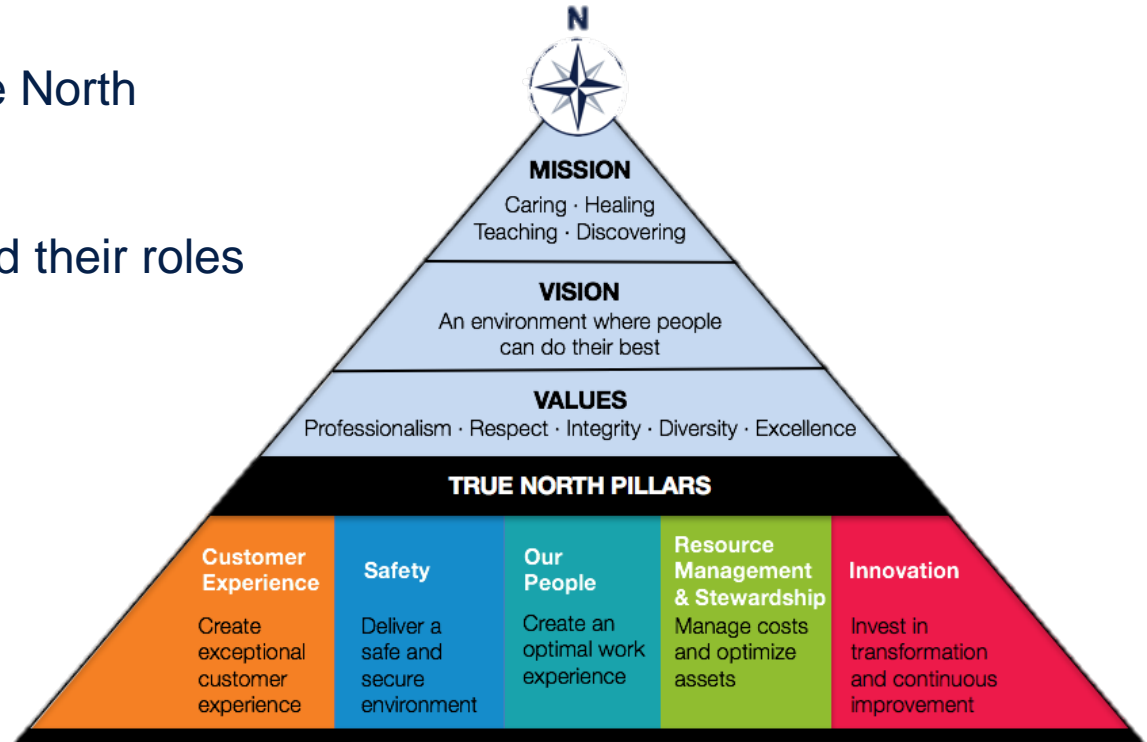
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UCSF Finance: New Employees

from October 2017 to March, 2018

- We welcome:

  - **Kira Kwan**, Audit and Advisory Services

  - **William Sicord**, Audit and Advisory Services

  - **Ryan Tom**, Controller's Office

  - **Jeanette Rodriguez**, Controller's Office

  - **Monica Nguyen**, Controller's Office

  - **Susan Paskowski**, Controller's Office

  - **Blanca Fajardo**, Controller's Office

  - **Carrie Gatlin**, Controller's Office

  - **Sara Chan-Betancourt**, Controller's Office

  - **Roxanne Lee**, Finance Service Center

  - **Miko Thomas**, Finance Service Center

  - **Andrew Alcazar**, Supply Chain Management

  - **Jorge Rivas**, Supply Chain Management

  - **Advait Godse**, Supply Chain Management

UCSF Finance: Spot Awards
from September 2017 through March, 2018

Spot Awards are:

- Designed to recognize significant employee achievements and contributions, as they occur

- For a specific project or task over a relatively short period of time

- Discretionary cash awards

Spot Awards let employees know that someone has noticed their noteworthy contribution

Spot Awards for the current cycle may still be earned through June 1st

UCSF Finance: Spot Awards

from September 2017 through March, 2018

Audit and Advisory Services

- Paul Lapachet
- Bryan McGloin
- Josephyne Quach
- Trenicia Williams

Budget and Resource Management

- Dan Beaman
- Risa Gleichenhaus
- Nilo Mia
- Darryl Lim
- Lief Tsai

FAS Finance Service Center

- Mae Chan
- Catherine Dunne
- Kathy Lum
- Herman Mak
- Korinne Reyes

UCSF Finance: Spot Awards
from September 2017 through March, 2018

Controller's Office

- Michael Burgess

- Paul De Leon

- Stacy Fan

- Larry Gee

- Dennis Ip

- Fatima Kennedy

- Evonne Liu

- Vincent Lieu (two spot awards)

- Gail Miliani

- Tryshy Spranza

- Christine Tran

- Jeffery Uchida

- Howard Wen

- Kevin Wong

- Audrey Yu

- Helen Zhu

UCSF Finance: Spot Awards

from September 2017 through March, 2018

Supply Chain Management

- Tim Alt
- Gaynelle Celestine
- Desheng Chin
- Connie Ching
- Dennis De Claro
- Rosemarie Hughes

- Maria Mazzei
- Keith Muller
- Bob Puerzer
- Dean Shehu
- Lisa Trogdon
- Sonya Valencia
- Byron Wilson

Office of the Vice Chancellor and CFO

- Angie Marinello

Best of UCSF Finance: Fascinating Projects

- ***General Ledger Verification***

  – Shannon Turner, Controller's Office

- ***Who Are Our Customers?***

  – Bryce Steslicki and Andrew Clark, Supply Chain Management

- ***Facilities and Administrative Rates Negotiations***

  – Darryl Lim, Budget and Resource Management

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General Ledger Verification

Shannon Turner
Assistant Controller – Accounting & Reporting
March 22, 2018

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What is General Ledger Verification (GLV)?

A **key departmental internal control** at UCSF

- **Purpose**: ensure that transactions are **recorded appropriately** in the General Ledger

- **Process**: **monthly review** of department results, at both a transactional and summary level

- **Issues** we are trying to solve:
  - GLV is a manual process
  - Performed in an inconsistent manner across Campus
  - Monitoring is manual for departments and central teams

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GLV Solution – Create an Online Tool

Listened to **department feedback**. Determined that a
GLV online tool for the review and approval process was the best solution!

- **Purpose**: **streamline the process** and ensure **overall reasonableness** of department financials

- **Approach**: build a tool to facilitate GLV based on risk

  - **Systematically identify transaction lines** to verify

  - Create signoff for departments at rollup Dept ID levels to **eliminate existing paper process**

  - Provide dashboard display of GLV completion status to allow for **monitoring** by various groups across UCSF

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GLV Online Tool – Challenges

Solution sounded straightforward, but there have been challenges throughout this process

- No existing product in the market can provide what we wanted for this tool and the underlying process

- Partnered with SOM Dean's Office to use "Plus" for what we initially thought would be a quick win

- External developers do not always appreciate the complexities of our business and general ledger data

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GLV Online Tool – Next Steps

We are approaching Campus implementation!

- Departments have tested this new tool and provided feedback on verification rules and functionality

- Final development updates were complete this week

- Campus-wide training to take place in April

- Plan to roll-out to Campus departments in May, with April as the first effective month in the new GLV tool

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Who are Our Customers?

An analytical approach to customer segmentation

Analysis & Findings by: Bryce Steslicki & Andrew Clark

Supply Chain Management

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Project Goal

Identify <u>key customers</u> and develop <u>strategic relationships</u>

Challenges:

- 429 active department codes

- 10 service lines provided by SCM

- Differing opinions of who a "customer" is

No need to guess,
Lets create a model!

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Project Setup

- Group our customers based on their interactions with SCM

- 4 features describing department's relationship with SCM

  - Spend (3rd party and SCM recharge) ($)

  - SCM Resource Dedication ($)

  - Service Usage (# of lines)

  - Frequency of Usage (# of unique weeks/year)

- Look for groups with profiles that make them of interest to us

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Analytic Process Steps
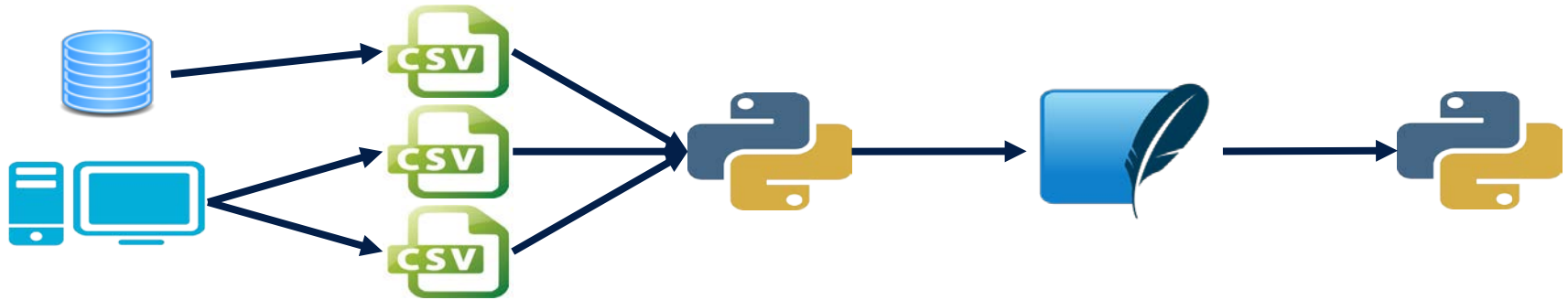
Step 1:

Extract Data

Step 2:

Data Transformation

Step 3:

Create Features

Step 4:

Clustering

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Clustering

UCSF Department Clustering Results
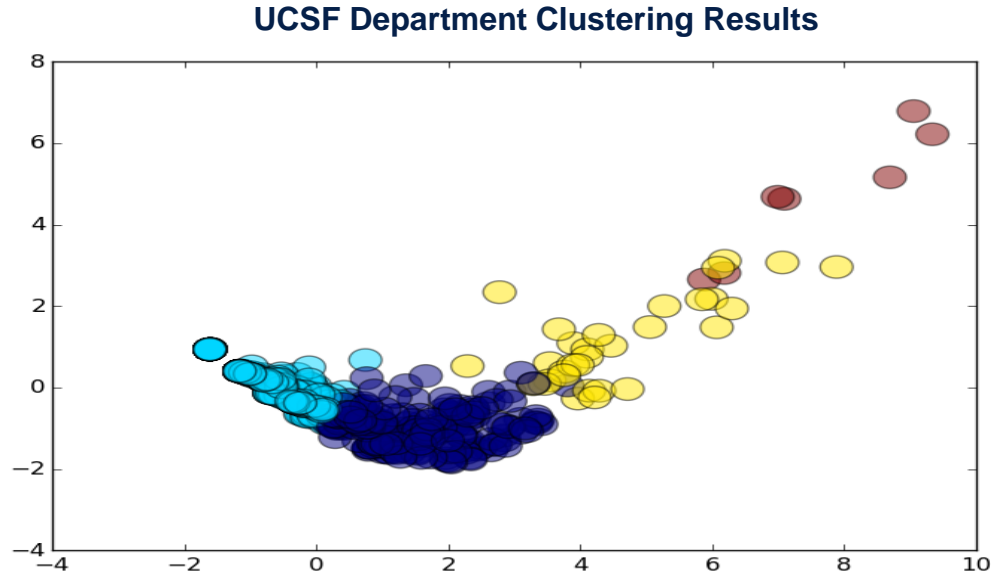
- Frequently utilized in marketing for customer segmentation
- Many methods, models, approaches, algorithms
    - We utilized the K-Means ++ algorithm
- Python provides easy access to many different algorithms and quality tests

Interpreting the Results
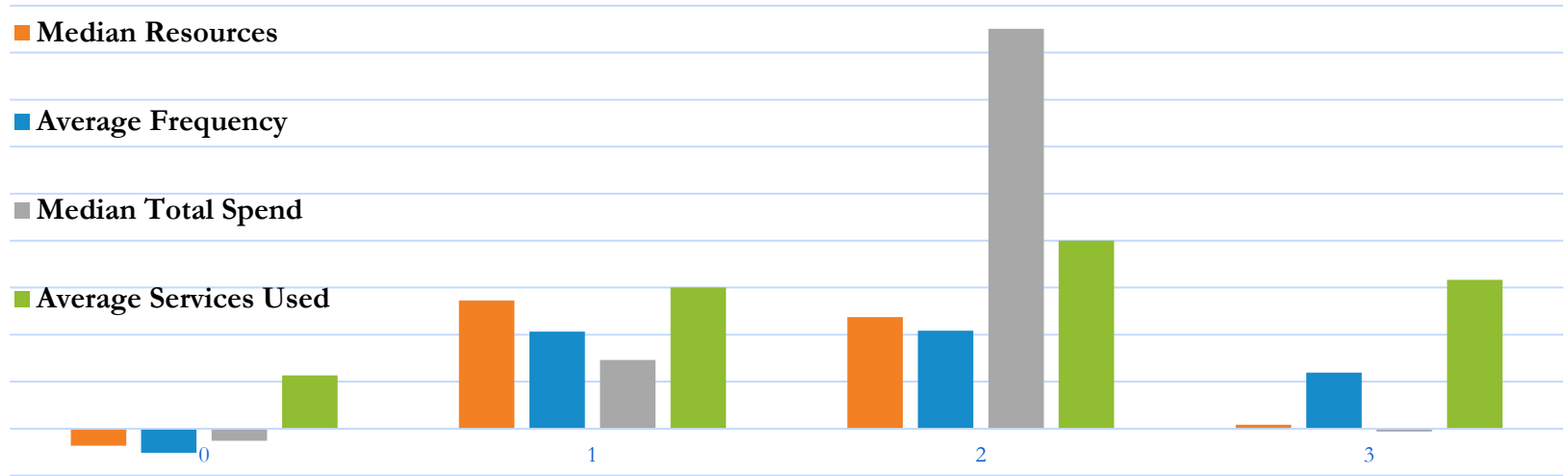
- Standardized comparison of features between the four clusters

- Distinct feature profiles for each indicates unique clusters

- Clusters 2 and 3 have 40 members with profiles that indicate that they are key customers

Improvements, Uses & Next Steps

Improvements

- New features to highlight other characteristics
- Testing and use of Principle Component Analysis to improve outcomes
- More careful use of standardization

Further Uses

- Group customers by behaviors to create targeted training opportunities
- Group catalog items to show complementary products
- Group survey answers to identify improvement opportunities (themes)
- Group transaction attributes to determine risk profiles

Next Steps: Develop an outreach & engagement strategy

- Use algorithm features to personalize message
- Dive into purchasing data to identify opportunities
- Identify additional data sources to help enhance model

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Facilities and Administrative
Rate Negotiations

Darryl Lim
Budget and Resource Management

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"Total cost" recovery provides for the recovery of indirect as well as direct costs from sponsors

Who Needs an F&A Cost Rate?

✓ Educational institutions that wish to be reimbursed for institutional wide administrative and facility (F&A) costs associated with conducting sponsored programs.

Here's your
F&A reimbursement.

UCSF received $252 M Total, $171 M Federal ICR FY 2017

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Negotiated Rates may be set for multiple years

UCSF Organized Research Rate by Component		2016/17	2017/18	2018/19	2019/20	2020/21
Facilities						
Building Depreciation		10.0	10.2	10.5	10.8	11.2
Interest		5.5	5.8	6.0	6.0	6.0
Equipment Depreciation		2.3	2.3	2.3	2.3	2.3
Operations & Maintenance		13.2	13.7	13.7	13.9	14.5
Library		1.5	1.5	1.0	1.5	1.5
Facilities Subtotal:		32.5	33.5	34.0	34.5	35.5
Administration						
General Administration		6.8	6.8	6.8	6.8	6.8
Department Administration		16.7	16.5	16.5	16.5	16.5
Sponsored Projects Administration		2.2	2.4	2.4	2.4	2.4
Student Services Administration		.3	.3	.3	.3	.3
Administration Subtotal (Off Campus Rate):		26.0	26.0	26.0	26.0	26.0
On Campus (All F&A)		**58.5**	**59.5**	**60.0**	**60.5**	**61.5**

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UCSF has the highest F&A rate in the UC System

2017-18 UC Federal Organized Research F&A Rates by Campus

Campus	Rate
Berkeley	57.00%
Davis	57.00%
Irvine	54.50%
Los Angeles	55.00%
Merced	55.50%
Riverside	55.00%
San Diego	56.00%
San Francisco	59.50%
Santa Barbara	53.50%
Santa Cruz	54.00%
UCSF - Future	61.50%
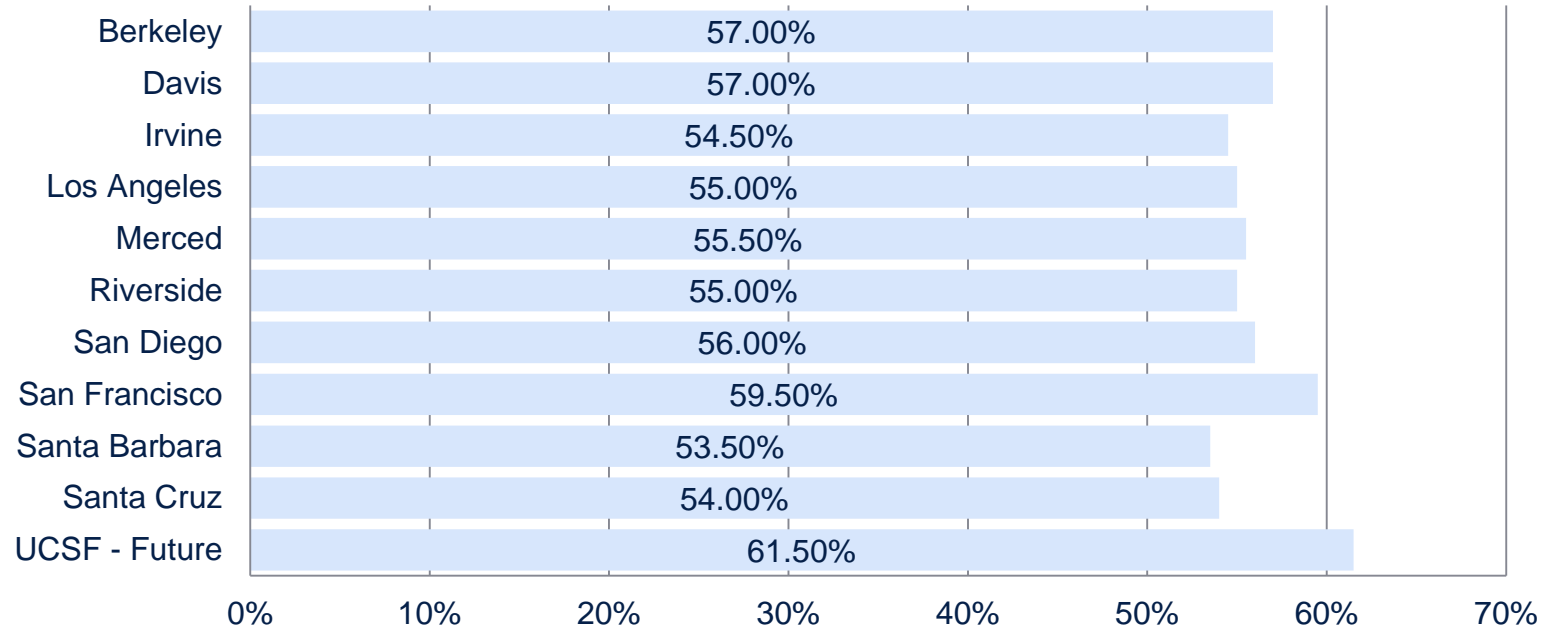
UCSF F&A rates compared to other institutions

2017-18 Federal Organized Research Rates by Institution

Institution	Rate
Johns Hopkins	63.5%
U Penn	61.0%
Washington U, St. Louis	52.5%
MIT	54.7%
Harvard	69.0%
Stanford	57.0%
U of Michigan	55.0%
U of Washington, Seattle	55.0%
UC San Francisco	59.5%
UCSF 2020-21	61.5%

Private: Johns Hopkins, U Penn, Washington U St. Louis, MIT, Harvard, Stanford

Public: U of Michigan, U of Washington Seattle, UC San Francisco, UCSF 2020-21
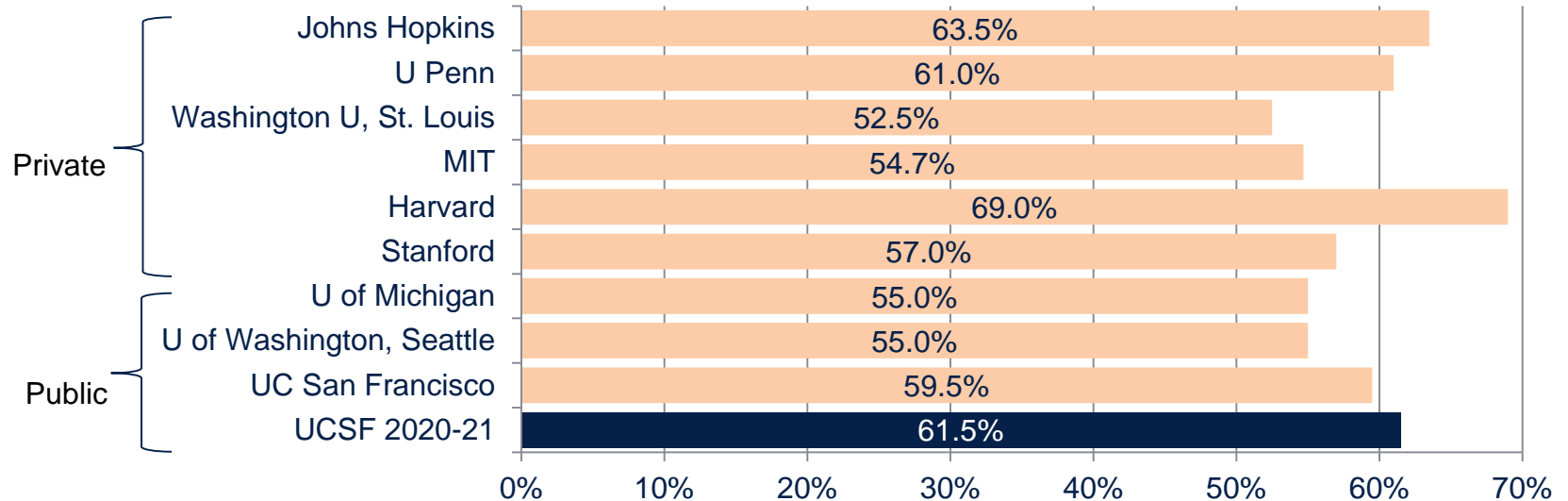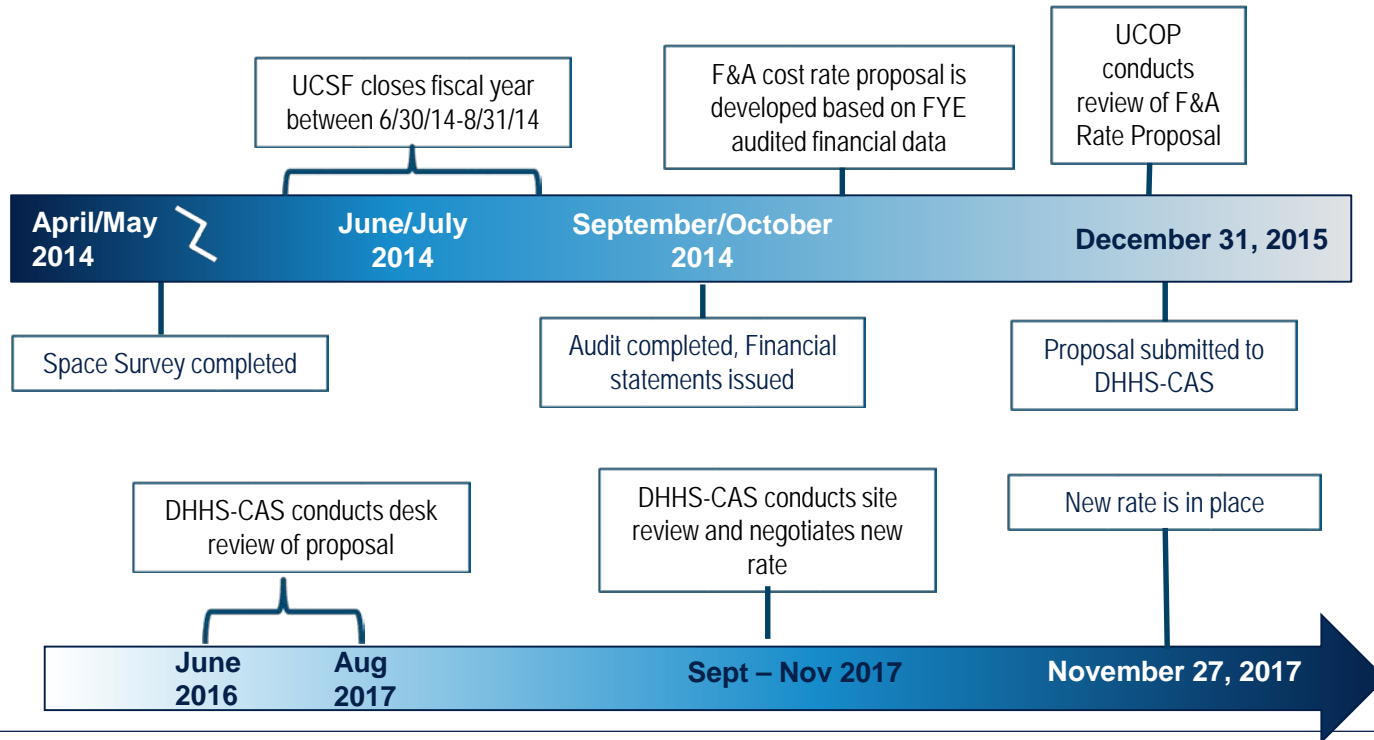
Reasons rates are different:

➢ Public Institutions traditionally have received state support; especially for facilities costs. Notably, as State support has been reduced the rate gap has similarly decreased.

➢ Private institutions have historically built more research intensive, expensive facilities.

F&A Rate Overview

Timeline based on Fiscal Year End of June 30, 2014

UCSF closes fiscal year between 6/30/14-8/31/14

F&A cost rate proposal is developed based on FYE audited financial data

UCOP conducts review of F&A Rate Proposal

| April/May 2014 | June/July 2014 | September/October 2014 | December 31, 2015 |

Space Survey completed

Audit completed, Financial statements issued

Proposal submitted to DHHS-CAS

DHHS-CAS conducts desk review of proposal

DHHS-CAS conducts site review and negotiates new rate

New rate is in place

| June 2016 | Aug 2017 | Sept – Nov 2017 | November 27, 2017 |

March 22, 2018

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Facilities and Administrative Rate Development

- Department: **Budget and Resource Management**
- Unit: **Costing and Cost Recovery Policy and Analysis**
- Who: **Mike Clune, Nilo Mia, Darryl Lim, and Risa Gleichenhaus**

What Units Assisted:

Controller's Office - Accounting & Reporting; Contracts and Grants
BRM - Capital Budgets, Recharges, Operating Budgets
Financial Service Centers – Operations and Maintenance
Capital Projects – Future Buildings Information
Real Estate
Library
Campus Planning
Office of Sponsored Research
Information Technology Services
Laboratory Animal Resource Center (LARC)

UCSF Units Involved

Academic Departments that the Feds interviewed:

Institute for Neurodegenerative Disease (IND)
Cardiovascular Research Institute (CVRI)
Biochemistry & Biophysics
Pharmaceutical Chemistry
Neurology
Helen Diller Family Comprehensive Cancer Center
Radiology
Epidemiology
Obstetrics, Gynecology & Reproductive Sciences (ObGyn)

Project Challenges

- New Presidential Administration
    - Cut NIH Budget
    - 10% Flat Rate
- Long delays and responses from the Feds
- The 60 Barrier and other UCs
- 3 sets of review questions from the Feds over 1.5 years
- Managing Leadership's expectations

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Project Successes

- Cooperation with UCSF Units and Departments – All working together over a 3-year period (True PRIDE)

- UCSF Leadership testifying to Congress and UCSF Government Relations

- UCSF's rate calculation history

- Mission Bay Buildings and Future Buildings

- UCSF's relationship with Federal Cost Allocation Services Unit and the building of trust

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Negotiation Issues:

- 40 years building useful life

- Interest component nearing Double Digits

- FTEs needed more student statistics

- Construction project completion dates are further out

- Mission Hall Building space ownership

- Deferred Maintenance (Higher in Base Year)

- Feds proposed F&A rate started below current rate of 58.5%

Finance Forum: Close

- Next Finance Forum in the Summer

- Thanks for attending and listening

- Thanks for everything you do for UCSF Finance!

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UCSF Finance