Program Management Office

- PMO: Implements campus-wide administrative systems at the request of the Administrative Systems Advisory Committee
  - now Administrative Information Systems Board
- Executive Sponsors:
  - Gene Washington
  - Steve Barclay (now Randy Lopez)
- Reports to: Randy Lopez
- Executive Director: Mara Fellouris
Initial Two Phases

### Phase 1 (FY03-06)

<table>
<thead>
<tr>
<th>Service</th>
<th>Go-Live</th>
<th># Users</th>
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<tbody>
<tr>
<td>On-Line Journals</td>
<td>April 2004</td>
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<td>Asset Management</td>
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<td>Positive Time (Payroll) Reporting</td>
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<td>Proposal Express</td>
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<td>Research Administration</td>
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### Phase 2 (FY06-10)

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<td>e-Procurement</td>
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<td>TAVLA</td>
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<tr>
<td>Web Portal</td>
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<td>TBD</td>
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What is “TAVLA”?

- **Time and Attendance**
  - Implement a campus-wide timekeeping system
  - Use the Medical Center’s system (Huntington Business Systems - HBS)
  - We will be the first campus in the UC system
- **Vacation Leave Assessment**
  - UCOP policy requires all campuses to create a pool of funds for the purpose of funding vacation
  - We will be the last campus in the UC system
- **Why TA and VLA together?**
  - Each benefits from having the other in place
Stakeholder Participation

- Executive Sponsors
- Executive Leadership
- ASAC/sub-Committee
- Business Owners
  - Controller’s Office
  - Human Resources
  - Budget Office
- Several working groups with subject matter experts from departments

- Academics (to date)
  - Academic Affairs Advisory Group
  - Academic Senate Committees
    - Faculty Welfare
    - Planning & Budget

Why TAVLA?

- UCSF needs to pay employees accurately and timely
- UCSF needs to streamline administrative processing, improve access to mgmt information, and reduce paper
- We have the systems needed to do this already:
  - Payroll system vacation leave liability program
  - Medical Center Timekeeping System (HBS)
- UCOP policy mandates vacation leave liability
  - In our UCSF Federal Disclosure Statement (DS-2) we have said we are in the process of becoming compliant
UC VLA Policy (abridged)*

"It is the policy of the University, and a requirement of the federal government, that vacation leave charges must be equitably allocated to all fund sources, and that they be given the same cost accounting treatment regardless of fund source." Process:

- "A monthly assessment is made against each account/fund from which salaries are paid, in order to finance vacation leave costs".
- The assessment is recorded as a charge against each account/fund and a credit against the Vacation Leave Liability Account (VLLA).
- The assessment rates should be designed to accumulate in the VLLA only enough funds to cover the current fiscal year expenditures for vacation leave usage and related benefit payments. **VLLA is not considered a fully-funded reserve.**
- "The assessment rates should be reviewed and adjusted each year with the goal of achieving a zero balance in the VLLA at the end of each fiscal year."

VLA

- VLA does not represent an overall increase to our expenses; VLA recognizes the expenses when and where the liability for them is created

- **Approximate 07-08 Vacation Usage/Terminal Pay**
  - Total Vacation $44 million
  - Total Terminal Vacation $6 million
  - Total $50 million

- VLA eliminates our terminal pay-out problem
- Tentative start date: July 2010

*UC Accounting Manual P-196-13*
VLA Formula

**Assessment** = Eligible Gross Pay x Leave Assessment Rate x Leave Accrual Factor

- **Eligible Gross Pay**: Employee’s “regular” pay for the month
  - Excludes BYA, stipends, overtime, shift differential, etc.
- **Leave Assessment Rate**: Utilization factor x Employee’s annual accrual vacation hours/2080 x Benefits factor
  - Campus chooses the Utilization factor to balance the account to 0
- **Leave Accrual Factor**: Campus can choose not to assess if employee has reached maximum accrual

No VLA compared to VLA

No VLA compared to VLA

All things =, net movement from salary to benefits at no additional cost
Transition Strategy

- Proposed transition strategy
  - VLA is effective the month we start – no retro activity or additional funding of the VLLA needed
  - Keep utilization factor constant as much as possible
  - No change needed to the benefits rates due to VLA

Transition Implication Scenarios

<table>
<thead>
<tr>
<th>First Six Months of VLA</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
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<tr>
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Employees at Max

Under consideration: Set the Leave Accrual Factor to “1” for the first two years (since “at-max” preceded VLA)

- Results
  - Terminal pay for employees at max is not “subsidized” by other employees
  - The utilization factor is lower for everyone rather than higher for employees not at max
  - Departments/campus will have a greater interest in ensuring employees take and report vacation leave usage

Timekeeping

- Phase 1: Assessment Activities (2003-2006)
  - Shadow Med Center implementation
  - HBS system, 8,000+ employees
  - Develop business plan

- Phase 2: Key Strategic Decisions (2007-2008)
  - Confirm business plan assumptions

- Phase 3: Project Implementation (2008-2010)
  - Design, Build, Test, Change Management
  - Monthly Go-Live: Fall 2009
  - Bi-weekly Go-Live: Spring 2010
HBS Scope

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Total</th>
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<tbody>
<tr>
<td>Monthly</td>
<td>6,000</td>
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<tr>
<td>Bi-Weekly</td>
<td>6,100</td>
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<tr>
<td>Out of scope</td>
<td>2,600</td>
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<tr>
<td>Campus Total</td>
<td>14,700</td>
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MONTHLY
- "Exception" Time Reporting
  - Exempt exception staff
  - All Academics

BI-WEEKLY
- "Positive" Time Reporting
  - Exempt variable staff
  - All non-exempt staff
  - No Academics

OUT of Scope until after VLA
- Academics who do not earn leave
  - Residents, Post-docs, Grad Students
  - Recall, emeritus, WOS faculty
  - Other academics not earning leave

Timekeeping Process

1. Collect employee information (new, modify, leave)
2. Set up/Update Employee Timesheet
3. Open Period and Update Timesheets
4. Process and Close Period
5. Process Retro Transactions
6. Update/Maintain Leave Balances
7. Run VLA
Faculty Interaction with HBS

- Minimum requirements for faculty:
  - HBS will be the “office of record” for vacation leave usage, accrual, and balance
    - Report vacation leave usage timely (impacts VLA)
    - Certify your own timesheet
    - If vacation taken > vacation available, then process a pay reduction
  - For faculty who supervise staff:
    - Approve his/her employees' timesheets (direct reports)

- Not required:
  - Reporting other types of leave (FMLA, sabbatical)

Monthly Timesheet (prototype)
Bi-weekly Timekeeping

- Fundamentally different from Monthly
- Mostly non-exempt staff
- All hours are reported ("positive pay")
- HBS calculates pay and sends the data to the payroll system
  - Rules are applied to calculate all overtime, time on call, shifts, etc.

Change Management

- Timekeeping
  - All academics earning vacation and all staff will need to use HBS.
  - Departments will need to clean up months of service and vacation balances
  - 6,000+ staff transitioning to bi-weekly will be difficult for the staff and those who manage them
  - Managing the financials for bi-weekly staff

- VLA
  - Increased emphasis on taking vacation
  - Managing the financials