AGENDA

10:00-10:20  John Wilton – Where we are; where are we going?

10:20-11:00  Laurent Heller -- 2013-2014 VCAF Budget Process

11:00-11:30  Kia Afcari -- We Are Berkeley: Leveraging Operating Principles

11:30-12:00  Lisa McNeilly -- Powerful Change: An Energy Management Update
Continue to pursue our main objectives in support of our mission.
Supported by our new set of Operating Principles.

WE ARE BERKELEY

OPERATING PRINCIPLES

WE INCLUDE AND EXCEL, TOGETHER
We cultivate trust, treat one another with respect and assume good intentions. We actively include different perspectives and work cooperatively within and across departments. We thrive when we celebrate the diversity in our community and our common commitment to equity, inclusion and equal access to all.

WE IMAGINE AND INNOVATE
We develop sustainable solutions that help us meet campus goals. We are willing to take intelligent risks, make mistakes, and learn from our experience.

WE SIMPLIFY
We reduce unnecessary steps and make it easier to get things done. Our solutions are common where they can be, custom when it counts.

WE ARE ACCOUNTABLE TO EACH OTHER
We measure supervisor, individual and team performance, make transparent decisions and follow through on our commitments. We recognize excellence, and give and receive constructive feedback at all levels to help us improve.

WE FOCUS ON SERVICE
We provide timely and excellent service to students, staff, faculty, alumni and other stakeholders. We emphasize service over bureaucracy whenever possible.
Budget projection slides have been taken out because the numbers change constantly.
Preliminary Analysis of Governor’s Budget Proposal for 2014

The governor’s budget is at turns both problematic and encouraging... The system has lost $1B of state funding in recent years. How should we think about 5% growth on that reduced base?

- $125M Fee Buyout for 2013
- +$125M for 2014
- Debt Restructuring
- No Tuition Growth?
- Capital Approvals?
- Unrealistic Savings Mandates?
A New Framework
With a dynamic, iterative, integrated strategic planning process

Campus 8-10 Year Aspirational Plan

Campus
Rolling 2-year plan

Measure & Evaluate
Allocate resources
Make trade-off decisions
Medium term strategy
Overall resource envelope

Units
Rolling 2-year plan

Measure & Evaluate
Allocate resources
Make trade-off decisions
Medium term strategy
Unit resource envelope
“The organizations with the highest successes were those with the management skills necessary to redefine strategy and reconfigure the resources and skills of the organization to fit the new market requirements caused by market discontinuities and shocks.”

-Peter Wilton, Berkeley: Haas Business School
MAKE YOUR REPORT CONSISTENT WITH OUR STRATEGIC PLAN.

WHAT'S OUR STRATEGIC PLAN?

IT'S A SECRET.

ARE YOU SAYING YOU DON'T TRUST ME?

I DON'T THINK IT'S A COINCIDENCE THAT MOST EMPLOYEE SABOTAGE IS DONE BY EMPLOYEES.

HOW CAN I DO MY REPORT IF I DON'T KNOW THE STRATEGY?!

OKAY, OKAY. I'LL LET YOU GLANCE AT IT.

TIME'S UP! THAT'S LONG ENOUGH!

THAT'S THE WARRANTY FOR YOUR CHAIR.

REALLY? I'VE BEEN MANAGING TO THIS FOR YEARS.
AFLG Winter Meeting:
FY14 Budget Process

Laurent Heller
Executive Director, Budget
January 28, 2013
Agenda

1. Update on Berkeley’s Budgetary Evolution

2. FY14 Campus Budget Process (CBO)

3. FY14 Division Budget Process (VCAF)
A lot happened in 2012...

Outreach Workshops & One Hierarchy

FY13 Forecast Adjustment at the Dept ID

UC Berkeley Budget Plan

FY13 BFS Changes

Finance Summit
A three-pronged financial strategy is required to support our mission and objectives

**Access and Excellence**

**Control Expenses**
- Every dollar we save is a dollar that we can redeploy towards the highest needs
- Every unit and every employee can do their part to trim expenses

**Grow Revenues**
- Campus units need to become more engaged in the process of generating and managing revenues
- We need to move towards a world defined by dynamic revenue generation (versus incremental mindset)

**Improve Resource Allocation**
- Ensure that we are doing the best possible job of allocating our scarce resources towards your unit’s top priorities.

**Financial Sustainability**
A New Framework
With a dynamic, iterative, integrated strategic planning process

Campus 8-10 Year Aspirational Plan
guides all rolling plans

Campus
Rolling 2-year plan

Divisions- VCAF
Rolling 2-year plan

Allocate resources
Make trade-off decisions
Medium term strategy
Unit resource envelope
Measure & Evaluate

Departments
Rolling 2-year plans

Allocate resources
Make trade-off decisions
Medium term strategy
Unit resource envelope
Measure & Evaluate

Overall resource envelope
Make trade-off decisions
Allocate resources
Measure & Evaluate

Rolling 2-year plan
Medium term strategy
Unit resource envelope
Make trade-off decisions
Allocate resources
Measure & Evaluate
Phased process of budgeting improvement

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Description</th>
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<tr>
<td>FY12-13 Forecast</td>
<td>Robust local budget processes</td>
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<tr>
<td>FY13-14 Operating Budget: Position Info One Hierarchy [CalPlan, BFS △ 's]</td>
<td>New initiatives [Position Info, One Hierarchy, etc]</td>
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<td>FY14-15</td>
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<td>FY15-16</td>
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Agenda

1. Update on Berkeley’s Budgetary Evolution

2. FY14 Campus Budget Process (CBO)

3. FY14 Division Budget Process (VCAF)
Budgets are developed across multiple layers

- **UCB**
  - Chancellor’s Budget Hearing
  - VCAF Budget Process
  - Departments create budgets aligned to their strategy

**Bottom Up Strategic Budgets**

**Top Down Review & Integration**
VCAF Submission to Campus

- **Narrative**
  - Overall strategic plans
  - Consolidated budget narrative

- **Issues**
  - (not for Public Sharing)

- **Supplemental Budget Requests**
  - (not for Public Sharing)

- **Financial Worksheet**
  - Key data points from SRECNA reports
  - Could be integrated into consolidated budget narrative

= VCAF Budget Submission to Campus
1. Update on Berkeley’s Budgetary Evolution

2. FY14 Campus Budget Process (CBO)

3. FY14 VCAF Division Budget Process (VCAF)
<table>
<thead>
<tr>
<th>Discussion</th>
<th>Date</th>
<th>Department</th>
<th>Budget Owner</th>
<th>Departmental Analyst</th>
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<tr>
<td>D1</td>
<td>April</td>
<td>Athletics</td>
<td>Sandy Barbour</td>
<td>Laura Hazlett</td>
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<td>D2</td>
<td>April</td>
<td>Business and Admin Services</td>
<td>Ron Coley</td>
<td>Denise Cronin</td>
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<td>D3</td>
<td>April</td>
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<td>Erin Gore</td>
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<td>Lyle Nevels</td>
<td>Michelle Kresch</td>
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<td>Jeanine Raymond</td>
<td>Rick Mena</td>
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<td>Thera Kalmijn</td>
<td>Stephanie Metz</td>
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<td>D8</td>
<td>April</td>
<td>Rotation B</td>
<td>Sub-Units on rotation</td>
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<td>Special Project A</td>
<td>Depends on Quarter/Year</td>
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<tr>
<td>D10</td>
<td>April</td>
<td>Special Project B</td>
<td>Depends on Quarter/Year</td>
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VCAF Budget Discussion Process

1. Budget Development
   • Purpose: Develop detailed DeptID budgets aligned to strategic priorities
   • Timing: February through early April

2. VCAF Prep
   • Purpose: Prep VCAF (Wilton) by providing summary of known issues from pre-analysis
   • Duration: Via email
   • Timing: 1 week prior to Budget Discussion

3. Department Prep
   • Purpose: Prep the department by reviewing budget data and identifying key talking points
   • Duration: 1 to 2 hours
   • Timing: Two days prior to Budget Discussion

4. Budget Discussion
   • Purpose: Substantive conversation about the “state of the department”
   • Duration: 1 hour
   • Timing: April

5. Debrief
   • Purpose: Determine and document short and/or long term actions
   • Duration: 15 min
   • Timing: Immediately after Discussion

6. Budget Decisions
   • Purpose: Communicate budget decisions to VCAF Departments
   • Timing: June
### What are the key milestones and dates for the FY14 budget process?

<table>
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<th>Activity</th>
<th>Jan</th>
<th>Feb</th>
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<td>CalPlanning, Phase 3 go-live</td>
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<td>VCAF &amp; Chancellor Budget Hearing</td>
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<td>Unit budgets completed</td>
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<td>FY14 UCB budget plan published</td>
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- **Late Jan. 2013**
- **2/11/2013**
- **3/7/2013**
- **3/11/2013**
- **4/5/2013**
- **TBD**
- **6/28/2013**
Thanks! Go Bears!!
How many of you have goals that are going to be difficult to achieve?
Reminding ourselves why

Meet campus goals

Better place to work

Operating Principles

10,000 VOICES
Culture is about the execution of strategy
Which principle do you personally connect with?

Why?
Switch

• Direct the rider
• Motivate the elephant
• Shape the path
Restlessness + An alternative idea + True believers + Facilitation = A movement
Think different
Year One Activities

1. Engaging leaders to leverage principles

1. Engaging individuals to adopt behaviors

1. Adapting structures, processes and systems
Engaging leaders to leverage principles

- Baseline Assessment
- Tools: 30-minute meeting
- We Are Berkeley Retreats
Year One Activities

Engaging *individuals* to adopt behaviors

- Video Exemplars
- Theme Months
- We Are Berkeley Retreats
Adapting structures, processes & systems

- HR Recruitment and Hiring
- Recognition Programs
- HR Performance Management
What ideas do you have for leveraging the principles to meet our goals?
How do I get started?

1. **Staff meeting**
   Which principles do you personally connect with? Why?

2. Publicly **appreciate** someone who exemplifies a principle
We Are Berkeley

OPERATING PRINCIPLES
Powerful Change: Energy Management
We will permanently reduce the amount of energy the campus uses while empowering faculty, staff, and students to take energy savings steps that reduce our environmental footprint and save money.
**Energy Management Projects**

**Energy Office**
- Instituting a central Energy Office and ensuring *on-going commissioning* in buildings

**Financial Incentives**
- Providing *incentives* for reducing consumption

**Outreach**
- Emphasizing *individual actions* through campus outreach

**Policy**
- Strengthening *campus energy policy*
Welcome to the energy dashboard at UC Berkeley! This dashboard is part of UC Berkeley’s Energy Management program, a comprehensive program aimed at permanently reducing the amount of energy the campus uses. It empowers faculty, staff, and students to take smart, simple energy savings measures that will improve our environmental footprint and save the campus money, returning those funds to teaching and research. Learn more at myPower.berkeley.edu

How is it used?

The dashboard lets you see the real-time effects of your energy savings measures such as turning off the lights at night, lowering heat by a degree, or other similar actions. You will be able to see the cumulative impact of your behavior and that of others in your building, proving that small actions can add up to a large impact. Everyone has a role in the campus energy conservation effort.

How does it work?
Background

This seven-story tower houses Public Health, Environmental Health & Safety, and various administrative units. The building originally housed the UC Office of the President before the headquarters were moved to Oakland.

Energy Projects

A lighting audit was done in University Hall in the spring of 2008. This audit identified over 200 fixtures that needed to be retrofitted. After the audit, auditors recommended light stickers reminding people to turn off lights to be installed. Competitions such as a take the stairs challenge could help spur energy savings. The building is over lit so a general reduction of lamps would help, as well as distributing more energy efficient light bulbs.

In fall of 2009 a green coffee hour was hosted to encourage sustainable behaviors and lifestyles. Continued education about phantom loads

Green Features

Green Buildings

Campus construction projects generally follow the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED™) system for green building. Major projects are LEED™-certified to a minimum of LEED™ Silver. In 2012, the campus has seven LEED™ certified projects, representing...
Doe Memorial Library is the main library on campus. The Beaux Arts building, which features the magnificently restored North Reading Room and the cozy Morrison Library, was the centerpiece of architect John Galen Howard’s classical campus ensemble. It is named for Charles Franklin Doe, who came from Maine in 1857 as a schoolteacher and made his fortune in California. He left a quarter of his estate to the University for the construction of the library. It was added to the National Register of Historic Places in 1982. A four-story underground addition, the Gardner Stacks, opened in 1995 to provide more space for the library’s holdings.

**Energy Projects**

In Fall 2010, BSAC conducted a survey with students and full-time employees at Doe Library. They found that over 90 percent of participants said the three most effective ways to encourage sustainable practices is through education, incentives, and reminders.

**Green Features**

UC Berkeley’s climate action goal is to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2014. The Cal Climate Action Partnership (CalCAP) is a collaboration of faculty, administration, staff, and students working to achieve this goal. CalCAP’s work includes conducting an annual ten-source
Doe Memorial Library is the main library on campus. The Beaux Arts building, which features the magnificently restored North Reading Room and the cozy Morrison Library, was the centerpiece of architect John Galen Howard’s classical campus ensemble. It is named for Charles Franklin Doe, who came from Maine in 1857 as a schoolteacher and made his fortune in California. He left a quarter of his estate to the University for the construction of the library. It was added to the National Register of Historic Places in 1982. A four-story underground addition, the Gardner Stacks, opened in 1995 to provide more space for the library's holdings.

**Energy Projects**

In Fall 2010, BSAC conducted a survey with students and full-time employees at Doe Library. They found that over 90 percent of participants said the three most effective ways to encourage sustainable practices is through education, incentives, and reminders.

**Green Features**

**Power Agents**

A Power Agent is a UC Berkeley campus volunteer committed to helping colleagues reduce energy usage in campus buildings. Power Agents work within their units to encourage behavior change, decrease energy usage, and identify potential energy-saving projects. Power Agents receive
$45,000 in avoided costs
June 2012

**WEEK**

Late night blip repeats M-F.

**DAY**

Investigation of causes after occupant & Energy Office questions. Possibly fans on auto to cool equipment.

**MONTH**

Can you identify when the spring semester ended?

**3 MONTHS**

The end of the semester looks even more dramatic here.

Note the difference in the 'valleys' between May & June.
How many Vice Chancellors does it take to change a lightbulb?

All of Them.

At UC Berkeley, we are striving to permanently reduce the amount of energy the campus uses.

Lighting alone represents as much as 35% of office energy use.

Simple actions like switching to CFLs, using task lamps, and agreeing on lighting routines in communal spaces can help us save energy.

Discover more ways to save energy.

myPower.berkeley.edu

myPower at BERKELEY
saving energy on campus
Each of us has a position to play in saving energy on campus.

Like a scoreboard at a basketball game, the energy dashboard lets us see the effects of our teamwork — in real-time.

Team up to form an energy reduction competition! Get started at bit.ly/energy-competition.

Compete to Save Energy!

myPower.berkeley.edu

It’s Our Power to Check the Stats.

Cal Women’s Basketball
Mikayla Lyles, Avigiel Cohen,
Coach Lindsay Gottlieb, & Reshanda Gray
TO CONSERVE ENERGY
TURN OFF LIGHTS
WHEN NOT IN USE
CONSERVE ENERGY
ELECTRICITY

TURN OFF LIGHTS
WHEN NOT IN USE
CONSERVE ENERGY

TURN ME OFF PLEASE
myPower.berkeley.edu

NOT IN USE...
TURN OFF THE JUICE!

Please conserve energy.
Turn off the light if you're the last to leave. Thanks.
## Summary of Energy Incentive Program for A&F

**Administration & Finance December 2012**

Year to Date Estimated Savings: 73,084 kWh

<table>
<thead>
<tr>
<th>Month</th>
<th>Baseline Year</th>
<th>Current Year</th>
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<td>Jul</td>
<td>123,992</td>
<td>100,841</td>
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<td>Aug</td>
<td>118,247</td>
<td>105,311</td>
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<td>Sep</td>
<td>117,110</td>
<td>106,226</td>
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<td>Oct</td>
<td>117,801</td>
<td>108,181</td>
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<tr>
<td>Nov</td>
<td>109,959</td>
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<tr>
<td>Dec</td>
<td>109,766</td>
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<td>Jan</td>
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<tr>
<td>Feb</td>
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<tr>
<td>Jun</td>
<td>107,073</td>
<td>103,646</td>
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</table>

*If savings continue at this same rate, A&F may be on track to receive a $10-12,000 incentive payment early next fall.*
How to Get Your Staff Involved

• Check out the dashboards
• Have our student team do an energy survey
• Tell staff about Power Agent training (2/28)
• Put up posters and stickers
• Invite us to a staff meeting

How to Use Incentive Payment

• Your ideas?
Visit the NEW myPower Resource Center

192 Barrows
Office Hours: M-F 10-12 & 1-5
The little things, like the bacteria Aaron & Charlotte are studying, could help advance renewable energy technologies. Your actions can also save energy.

Teaching and research labs at UC Berkeley are part of our core mission, yet they consume more energy and water than other campus buildings. In fact, labs are estimated to use over 40% of the total campus electricity demand.

Discover & share energy saving tips for your lab.

myPower.berkeley.edu

It's the little things...

Aaron Boussiba and Charlotte Carlstrom Costas Laboratory
Tune up, Turn off, Save Energy!

Lecturer David Presti studies human behavior and our habits.

Saving energy is a habit we can all adopt. Little things like switching off lights and power strips or dimming your computer monitor can make a big difference.

Make it a Habit to Save Energy.

myPower.berkeley.edu

myPower at BERKELEY
saving energy on campus
We are a campus with a tradition of activism.

Through our collective actions to conserve energy in offices, labs, classrooms, and residence halls — we can permanently reduce the amount of energy we use and improve our environmental footprint.

Energy isn’t free — money saved returns funds to teaching and research.

Together We Can Save Energy.

myPower.berkeley.edu

myPower at BERKELEY
saving energy on campus