CITI Funding Review Report

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December 11, 2007
Status of Funding Review Meetings

- CITI prioritization completed in October 10/9/07

- Review session completed in November 2007
  - #1 Legacy system replacement 11/19/07
  - #6 Financial system upgrades 11/19/07
  - #7 Platform and architecture upgrades 11/19/07
  - #2 CCLE 11/20/07

- Additional review sessions scheduled in January 2008
  - #3 Integrated Web Experience 1/2/08
  - #4 Disaster Recovery 1/10/08
  - #5 Enterprise Directory 1/17/08
## Planning Status

<table>
<thead>
<tr>
<th>Priority</th>
<th>Projects</th>
<th>Planning Status (as of December 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Legacy Replacement</td>
<td>Consultant evaluation. Planning not started. Plan to plan</td>
</tr>
<tr>
<td>#2</td>
<td>CCLE</td>
<td>Two years planned. Based on target adoption. New business</td>
</tr>
<tr>
<td>#3</td>
<td>IWE</td>
<td>Go live SR2. Services architecture directions. Longer range integration plan in progress.</td>
</tr>
<tr>
<td>#4</td>
<td>Disaster Recovery</td>
<td>AIS &amp; core systems planned. Pilots needed. Plan essential campus systems. Campus planning - tier and virtualization</td>
</tr>
<tr>
<td>#5</td>
<td>EDIMI (aka IMUCLA)</td>
<td>New 24/7 service &amp; conversion support planned. Potential clinical overlap. Target adoption TBD.</td>
</tr>
<tr>
<td>#6 &amp; #7</td>
<td>FS &amp; Architecture Upgrades</td>
<td>Suite of upgrade projects defined. Implementation schedule not planned.</td>
</tr>
<tr>
<td>#8</td>
<td>HRIS</td>
<td>Dependent on UCOP. In flux.</td>
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</tbody>
</table>
Project Conclusions

- Four projects require further planning for detailed cost estimates and implementation schedules

- There are four ‘big cost’ items requiring attention in terms of strategic financial planning
  - DR (#3), HRIS (#8) and Legacy System Replacement (#1) are ‘big cost’ items with overall costs still highly speculative
  - In addition, data center planning (not a part of the CITI process) is an unplanned ‘big cost’ item to be considered in capital programs

- EDIMI (#5) and CCLE (#2) depend on uptake for five year horizon cost estimates (because of its opt-in strategy)

- HRIS (#8) in significant flux at OP - need to be prepared but no new information is available at this time
General Funding Principles

- Central funding will be provided at a reasonable level for the top seven projects

- $30 - $35 million central funds will be available over a five year period
  - $15 million Chancellor’s funding
  - Plus additional $15 - $20 million from sources TBD over a five year period

- Initial funding for an 18 month horizon:
  - (1) highest priority,
  - (2) minimum operational viability needs, and/or
  - (3) planning needs

- Continued funding at milestones and/or 18 month reviews
Funding Principles: Escrow

- Top 7 Projects will be funded on an 18 month horizon with one time funds for the remainder of FY 07-08 and FY 08-09

- Funding will be held in a general escrow for further allocation at the end of FY 08-09
  - Not enough funding for all projects at current estimated levels
  - Escrow not sufficient for full legacy system replacement and HRIS costs

- Escrow funds for:
  - Current project and planning costs
  - Estimated DR, legacy system replacement planning and implementation (during horizon)
  - HRIS (during horizon)
  - Contingency or reserve fund for unanticipated institutional IT expenses
Funding Principles: Allocation of Resources

- Cost shifting and reallocation of resources with respect to current estimates will be considered to:
  - Ensure funding remains for highest priority elements of projects
  - Accommodate projects not yet fully planned and cost-estimated
  - Accommodate major revisions/new projects that need to be considered

- Converge scope, project deliverables, total costs and available funding for FY 09-10 decisions and escrowed funding

- Expect to set up a review process of projects, progress, deliverables, support and funding
  - IWE, DR and EDIMI funding reviews in January to focus on measurable milestones and funding schedules
  - Legacy system replacement - initiative organization discussions to be scheduled
  - CCLE and Upgrades - submit deliverables and expectations
# Preliminary Funding Decisions
(One-Time Allocation for Next 18 Months)

## Funding Recommendations (FY 2007-08 & FY 2008-09)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Projects</th>
<th>Funding Principle</th>
<th>FY 2007-08</th>
<th>FY 2008-09</th>
<th>Total</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Legacy Replacement</td>
<td>Plan to plan</td>
<td>$155,500</td>
<td>$544,500</td>
<td>$700,000</td>
<td>Consultant; Project Director; Campus planning; Executive oversight board</td>
</tr>
<tr>
<td>#2</td>
<td>CCLE</td>
<td>New business investment</td>
<td>$311,000</td>
<td>$659,000</td>
<td>$970,000</td>
<td>Research projects; Academic unit uptake</td>
</tr>
<tr>
<td>#3</td>
<td>IWE</td>
<td>Go live SR2; consolidated; architecture directions; functionality integration plan in progress</td>
<td>$700,000</td>
<td>*</td>
<td>$700,000</td>
<td>Meet SR2 objectives. Plan with existing $250,000 * Planning milestones expected with funding implications for FY08-09</td>
</tr>
<tr>
<td>#4</td>
<td>Disaster Recovery</td>
<td>Essential systems &amp; core infrastructure; Campus planning cost vs. tier and virtualization</td>
<td>$445,000</td>
<td>$445,000</td>
<td>$890,000</td>
<td>Core and essential campus systems</td>
</tr>
<tr>
<td>#5</td>
<td>EDIMI</td>
<td>Start-up new 24/7 service; Prepared to support conversions; Potential clinical overlap</td>
<td>$400,000</td>
<td>$400,000</td>
<td>$800,000</td>
<td>Campus service; Uptake of system conversions</td>
</tr>
<tr>
<td>#6 &amp; #7</td>
<td>FS &amp; Architecture Upgrades</td>
<td>Critical functionality in legacy systems; Essential platform upgrades; consolidated reporting</td>
<td>$350,000</td>
<td>$1,400,000</td>
<td>$1,750,000</td>
<td>Essential functionality; Consolidate reporting</td>
</tr>
<tr>
<td>#8</td>
<td>HRIS</td>
<td>Escrow</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Escrow</td>
</tr>
</tbody>
</table>

**Total:** $2,661,500 $3,448,500 $6,110,000

Averaged Investment over two years = $3.055 million per year