Technology Recharge Fee Advisory Committee

November 6, 2012 Meeting #3
Agenda

• Review decision points
• Review rate scenarios
• Identify areas of agreement and areas to explore further
• Define next steps
• Summarize Status for the IT Service Investment Board
TRF Advisory Committee

Charge

• Support the IT Service Investment Board in its annual review and assessment of the Technology Recharge Fee by providing analysis, identifying issues, and making recommendations.
TRF – General Principles

- Provides a stable foundation for UW’s critical technology needs
- Costs will be fully recovered
- Head count will be a proxy for use
- Results will be actionable
- Process will be transparent
- Simplicity should be maintained
- Administration should be easy
## TRF Annual Review Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>TRF Advisory Committee</th>
<th>IT Service Investment Board</th>
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<tbody>
<tr>
<td>September</td>
<td><strong>Meeting 1: September 28</strong>&lt;br&gt;History, current model, identify issues</td>
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<tr>
<td>October</td>
<td><strong>Meeting 2: October 23</strong>&lt;br&gt;Review budget base, services, &amp; discuss methodology issues</td>
<td><strong>Meeting 1: October 9</strong>&lt;br&gt;Charge, Scope, TRF background and context</td>
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<td>November</td>
<td><strong>Meeting 3: November 6</strong>&lt;br&gt;Review preliminary TRF rate and allocation model</td>
<td><strong>Meeting 2: November 13</strong>&lt;br&gt;UW-IT Funding, TRF investments, TRF issues</td>
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<td>December</td>
<td><strong>Meeting 4: December 11</strong>&lt;br&gt;Review and make final TRF rate recommendation to Svc Investment Board</td>
<td><strong>Meeting 3: December 12</strong>&lt;br&gt;Review TRF Advisory Committee rate recommendations</td>
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Review Decision Points
5 Steps and Key Decision Points

1. Identify cost of services
2. Classify services
   A. Reclassify specific Univ Supported Svs?
   B. Bring Info Management into the TRF process?
3. Allocate Basic Services to Per Capita groups
   • Change current allocations?
4. Allocate GOF/DOF to Per Capita groups
   • Cost of students funded with GOF/DOF or spread to units?
5. Determine employee and student headcounts
   • Change how we count employees or students?
Key Decision Points

Large Impact:
Students funded with GOF/DOF or allocated to academic units?
Bring Info Management into the TRF process?

Moderate Impact:
Reclassify specific Univ Supported Svcs?
Change current allocations of Basic Services to Per Capita Groups?

Lower Impact:
Change how we count employees?
Key Decision Point

How GOF/DOF is applied to:

Students?

and

Information Management?
How do we allocate GOF/DOF to Students?

Current GOF/DOF allocation method:

- 1st to University Support
- 2nd to Students
- Balance to Campus Employees
- 0 to Medical Ctrs

Alternative GOF/DOF allocation method:

- 1st to University Support
- Balance to Students and Campus Employees equally
- Use ABB methodology to allocate Students to academic units
- 0 to Medical Ctrs
Impact of Allocating Students to Academic Units

<table>
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<tr>
<th>Apply Students to Units</th>
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<tbody>
<tr>
<td>Admin</td>
<td>(1,274,200)</td>
</tr>
<tr>
<td>Academic</td>
<td>2,914,439</td>
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<tr>
<td>Med School</td>
<td>(1,657,797)</td>
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<td>Med Center</td>
<td>47,531</td>
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Discussion – FOR
Changing Current Method

• Students are major cost drivers of IT
• Over-emphasis of GOF/DOF to instruction and under-emphasis to research
• ABB allocates tuition revenue to academic units
Discussion - AGAINST Changing Current Method

• Overemphasis on impact of students on technology
• Assumes students are responsibility of individual units rather than UW as an institution
• ABB, as currently implemented, may not be structured to support IT cost of students
• Administrative complexity
Should we bring Info Mgmt into the TRF Process?

- Information Management is not included in the TRF model.
- Currently funded by GOF/DOF
- OIM merged with UW Tech in Spring 2010, after WTC cost study
- Modernization projects, funded by Provost would not be included
Information Mgmt - Services

- Finance Program (FIN, EIO, MyFD, BGT)
- HR/Payroll Program (HEPPS, OPAS, OWLS)
- Student Program (SDB)
- Enterprise Information and Integration Svcs (Data Warehouse)
- Facilities Services
- Alumni & Advancement
- Chemical Tracking System (EH&S)

Modernization efforts including HR/Payroll Replacement, eFECS, Kuali Student, Document Imaging, MyPlan are funded separately by the Provost as specific projects.
Impact of Info Mgmt into TRF process

<table>
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<th>IM Added to Model</th>
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<tbody>
<tr>
<td>Admin</td>
<td>(812,300)</td>
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<tr>
<td>Academic</td>
<td>(1,256,147)</td>
</tr>
<tr>
<td>Med School</td>
<td>(1,255,376)</td>
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<tr>
<td>Med Center</td>
<td>3,353,820</td>
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Discussion FOR
Including IM into TRF

• IM integrated into UW-IT after original TRF was created
• All units share in the benefit of the IM systems
• Allocation of cost would be consistent with other IT services in the TRF
• Less administrative complexity
Discussion AGAINST Including TRF into TRF

• Medical Centers utilize Admin Business Systems at different capacity than campus.

• Under current model, Medical Centers already contribute their per capita share of 50% of Admin Business Systems.

• Admin Business Systems do not meet the needs of the Medical Centers.

• Should be treated like University Support.
Review Rate Scenarios
Discussion
Areas of Agreement
Additional data analysis?
Discussion on Moderate and Lower Impact Issues
Key Decision Points

**Large Impact:**
Students funded with GOF/DOF or allocated to academic units?
Bring Info Management into the TRF process?

**Moderate Impact:**
Reclassify specific Univ Supported Svcs?
Change current allocations of Basic Services to Per Capita Groups?

**Lower Impact:**
Change how we count employees?
Summarize Status for the IT Service Investment Board

• Key points to convey?
• What input from Service Investment Board would we like?
TRF Advisory Committee

Next Meeting

• Discussion and review of issues
• Finalize Recommendation

Next Meeting – December 11th