TRF Advisory Committee

December 11, 2012
Agenda

1. Update from the Service Investment Board

2. Review of 2 Major Issues
   A. Whether to Include IM
   B. Whether to Allocate Student Costs per ABB

3. Review of Specific TRF Options to be presented to the Service Investment Board

4. Document Feedback for the Service Investment Board (which meets on 11/12/12)
Technology Recharge Fee
TRF Principles Established by Working Group

- 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
Outcome from Today’s Meeting

- Document Feedback for the Service Investment Board
2 Key Issues

- Should Information Management be included in the TRF model?
  - Currently GOF/DOF funds Information Management and it is not included in the TRF model, and as a result, Medical Centers do not contribute.

- Should Cost of students be allocated to Academic Units via ABB?
  - Currently GOF/DOF is applied to the cost of students, with balance applied toward employees.
## Current Allocation of GOF/DOF

<table>
<thead>
<tr>
<th></th>
<th>IM</th>
<th>University Support</th>
<th>TRF (Basic Services)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Med</td>
</tr>
<tr>
<td>FY14 Budget</td>
<td>$10M</td>
<td>$8.7M</td>
<td>$6.2M</td>
</tr>
<tr>
<td>Less GOF DOF</td>
<td>-$10M</td>
<td>-$8.7M</td>
<td>0</td>
</tr>
<tr>
<td>TRF Balance</td>
<td>0</td>
<td>0</td>
<td>$6.2M</td>
</tr>
</tbody>
</table>

| Head Count          |      |                    | 9,575 | 42,454 | 19,386 |

| Monthly TRF         |      |                    | $53.84 | $52.60 |

* Does not include Temp, Self Sustaining, or IM Project Budgets
Information Management
Information Management - Services

Not currently included in the TRF – funded with GOF/DOF

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

Modernization efforts including HR/Payroll Replacement, eFECS, Kuali Student, Document Imaging, and MyPlan, are funded separately by the Provost as specific projects
Should Information Management be Included in the TRF?

FOR:

- All units, including Medical Centers, share in the benefit of IM systems
- Medical Centers utilize Payroll, Financial Accounting, Purchasing, eTravel, ProCard, etc.
- Allocation of cost would be consistent with other IT services in the TRF
- Less administrative complexity (reorganizations within UW-IT, overhead allocations, etc.)
Should Information Management be Included in the TRF?

AGAINST:

- IM systems are an institutional responsibility and should be funded with GOF/DOF
- IM was not included in the original TRF
- Medical Centers only utilize the Admin Business Systems (and IM) because it is an institutional requirement
- Medical Centers invest heavily in their own accounting system (McKesson GL, Kronos Timekeeping, and other systems to meet their business & regulatory requirements)
Alternative 1: Includes IM
No Change to Students

<table>
<thead>
<tr>
<th>Per Capita Group</th>
<th>TRF Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Rate</td>
<td>$42.74</td>
</tr>
<tr>
<td>Medical Center Rate</td>
<td>$73.82</td>
</tr>
<tr>
<td>Student Rate</td>
<td>$0.00</td>
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<table>
<thead>
<tr>
<th>Category</th>
<th>Annual TRF Increase / (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Units</td>
<td>($565,094)</td>
</tr>
<tr>
<td>Academic Units</td>
<td>($873,866)</td>
</tr>
<tr>
<td>School of Medicine</td>
<td>($873,329)</td>
</tr>
<tr>
<td>Medical Center</td>
<td>$2,342,299</td>
</tr>
</tbody>
</table>
Allocation of Student Costs
Should Cost of Students be Allocated to Academic Units via ABB?

FOR:

- Students are major cost drivers of IT
- ABB Principle:
  - Revenue from tuition allocated to units
  - Costs related to students should be allocated to units
- Current methodology unfair to units with few or no students
- ABB tuition allocation methodology provides way to allocate costs
Should Cost of Students be Allocated to Academic Units via ABB?

AGAINST:

- Students should be considered an institutional responsibility, not allocated to specific academic units
- ABB revenue to be used for cost of instruction, not cost of UW-IT infrastructure/services for students
- One source of UW-IT GOF/DOF is the ABB Tax (30% of tuition)
- Administrative complexity for units
### Alternative 2: Students to Units (ABB) IM Not Included

#### Per Capita Group

<table>
<thead>
<tr>
<th>Per Capita Group</th>
<th>TRF Monthly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Rate</td>
<td>$27.54</td>
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<tr>
<td>Medical Center Rate</td>
<td>$50.02</td>
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<td>Student Rate</td>
<td>$12.31</td>
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#### Category

<table>
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<th>Category</th>
<th>Annual TRF Increase / (Decrease)</th>
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<tr>
<td>Administrative Units</td>
<td>($1,429,534)</td>
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<td>Academic Units</td>
<td>$3,684,749</td>
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<tr>
<td>School of Medicine</td>
<td>($1,833,435)</td>
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<tr>
<td>Medical Center</td>
<td>($391,816)</td>
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2 Key Issues

Should Information Management be included in the TRF?
- Yes:
  - These costs are no different than other IT costs in the TRF model and there is no rationale for excluding
- No:
  - These costs are an institutional responsibility and should be paid from GOF/DOF

Should Students be allocated to academic units via ABB?
- Yes:
  - ABB Principle – Units receive tuition revenue and should bear responsibility of costs
- No:
  - Students should be treated as an institutional responsibility. These are outside the cost of instruction and should be paid by GOF/DOF

Should these two issues be discussed concurrently?
Alternative 3: IM Included & Students to Units (ABB)

<table>
<thead>
<tr>
<th>Per Capita Group</th>
<th>TRF Monthly Rate</th>
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<tbody>
<tr>
<td>Employee Rate</td>
<td>$23.85</td>
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<td>Student Rate</td>
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<table>
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<th>Category</th>
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<td>Administrative Units</td>
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<td>Academic Units</td>
<td>$1,596,812</td>
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<tr>
<td>School of Medicine</td>
<td>($2,269,938)</td>
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<td>Medical Center</td>
<td>$2,342,299</td>
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</table>
All Alternatives Include These Basic Assumptions:

- Reclassify specific Univ Supported Svs (CISO, Data Centers, Student Labs) as part of Basic Services
- No change of current allocations of Basic Services to Per Capita Groups
  - Exempt Medical Centers for support of cost of SDB (Student Data Systems)
- No change in how we count employees
Should We Consider Other Alternatives?
GOF Allocation to Medical Centers?

- If we allocate IM costs to Medical Centers, should we also consider also allocating GOF?
  - Currently – no GOF/DOF is allocated to Medical Centers

FOR:
- Fair to allocate part of our GOF - “state appropriation” to Medical Centers

AGAINST:
- Medical Centers are Self-Sustaining
- Inconsistent with current policy and precedent
UW-IT GOF/DOF Funding
Proposed Allocation to Med Centers

**UW-IT GOF/DOF**
- $36M
  - Net of Commitments*
    - GOF $27M
    - DOF $9M

**GOF Sources**
- Allocation Basis: FY13 UW Operating Budget
  - State $7.8M
  - Tuition $19.2M

**State Appropriation**
- Allocation Basis: Per Capita Head Count
  - Campus $5.2M
  - Med Center $2.6M

*Commitments: PNWGP, UWTV, KEXP, Admin, & IM Modernization
Draft: Alternative 4: Include IM, Incremental ABB, & GOF to Medical Center

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<tr>
<th>Per Capita Group</th>
<th>TRF Monthly Rate</th>
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<tbody>
<tr>
<td>Employee Rate</td>
<td>$47.28</td>
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<td>Medical Center Rate</td>
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<tr>
<th>Category</th>
<th>Annual TRF Increase / (Decrease)</th>
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<tbody>
<tr>
<td>Administrative Units</td>
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<tr>
<td>Academic Units</td>
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<tr>
<td>School of Medicine</td>
<td>($383,551)</td>
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<tr>
<td>Medical Center</td>
<td>($227,508)</td>
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</table>
Alternative 5: Includes IM & GOF to Medical Centers

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<thead>
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<th>Per Capita Group</th>
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<tr>
<td>Employee Rate</td>
<td>$53.79</td>
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<tr>
<td>Med Center Rate</td>
<td>$51.45</td>
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<td>Student Rate</td>
<td>$0.00</td>
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<tr>
<th>Category</th>
<th>Annual TRF Increase / (Decrease)</th>
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<tr>
<td>Admin Units</td>
<td>$97,334</td>
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<td>Academic Units</td>
<td>$62,942</td>
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<tr>
<td>School of Med.</td>
<td>$97,275</td>
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<tr>
<td>Med Center</td>
<td>($227,508)</td>
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Discussion/Recommendation

- Discussion on issues
- Discuss alternatives
- Recommendation
Investment Opportunities
Fiscal Year 2014

Presented to the Service Investment Board
Investment Opportunities for FY 14

Proposing additional investments for inclusion in the FY 2014 Technology Recharge Fee

- Information Security & Privacy
- 40G Campus Research and Science Network
- Cyber-Infrastructure Support
Information Security & Privacy
$1M Investment

How money would be spent
- Salaries, wages, and benefits for 5 FTE
- Minimal Training
- Equipment

Benefits
- Develop new tools and services to help identify gaps in information security
- Consult with UW colleges, schools, and departments on information security and privacy risks and potential impacts
- Assist units in developing strategies for managing risks
$500K Investment

How money would be spent

- Salaries, wages, and benefits for 4 FTE
- Equipment

Benefits

- Develop minimum set of resources for use at the University; departments would develop their own strategies for information security, privacy risks, and threats
- Minimal equipment to perform job duties
40G Campus Research and Science Network

- Design, implement and support a dedicated 40G Research and Science network
- Provide dedicated 10G bandwidth to 15 research locations, including Hyak and data storage
- Connect the campus 40G network to the advanced 100G Pacific Northwest Gigapop and Internet2
- Leverage $800K in NSF grants
- Invest $1.4M for FY 14 and $1.4M for FY 15
Cyber-Infrastructure Support for Research

Develop a new service for Cyber-Infrastructure support of research computing

- Consulting - Provide subsidized, fee-for-service assistance in the tools and techniques of scalable storage.

- Storage - Provide lower cost, enterprise-class storage for research data by changing the storage cost model to be on-par with “departmental” storage.

- Collaboration - Offer partnership opportunities and easy access to services and communities to improve research.

- $280K year
# Impact of Investment on the TRF*

<table>
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<tr>
<th>Investment</th>
<th>Increase to Campus Employee</th>
<th>Increase to Medical Center</th>
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<tbody>
<tr>
<td>Info Security $1M</td>
<td>$3.73 (7.1%)</td>
<td>$1.17 (2.2%)</td>
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<tr>
<td>Research Network $1.4M**</td>
<td>$6.02 (11.5%)</td>
<td>$0.00 (0%)</td>
</tr>
<tr>
<td>Cyber Research $280K</td>
<td>$1.05 (2.0%)</td>
<td>$0.33 (0.6%)</td>
</tr>
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*Impact on TRF varies for ABB alternatives.

**Research Network investment is not applicable to Medical Centers.
Questions & Discussion
Appendix
Information Technology (IT) Governance

IT Strategy Board
- Refer Issues; Provide Input
- Guidance on Strategic Direction

IT Service Investment Board
- Refer Issues; Provide Input
- Direction on Changes to Services

IT Service Management Board

TRF Advisory
- Prioritize Projects; Recommend Funding Levels; TRF Review
- Service and Process Improvement Recommendations
- Provide Analysis; Identify Issues; Recommendations

President Provost

Vice President for UW-IT and CIO
- Service and Process Improvement Recommendations

Updated: October 26, 2013
## IT Governance Membership

### IT Strategy Board
- **Thomas Baillie**
  - School of Pharmacy
  - Chair
- **Gerald Baldasty**
  - Academic and Student Affairs
- **Thomas Daniel**
  - Biology
- **James Fine**
  - UW Medicine
- **Paul Jenny**
  - Office of Planning & Budgeting
- **Edward Lazowska**
  - Computer Science & Engineering
- **Mary Lidstrom**
  - Office of Research
- **John Slattery**
  - School of Medicine
- **Kellye Testy**
  - School of Law
- **Kelli Trosvig**
  - UW Information Technology
- **V’Ella Warren**
  - Finance & Facilities

### IT Service Investment Board
- **Kellye Testy**
  - School of Law
  - Chair
- **David Anderson**
  - Health Sciences Administration
- **Susan Astley**
  - Epidemiology & Pediatrics
- **Susan Camber**
  - Financial Management
- **Walt Dryfoos**
  - University Advancement
- **Vikram Jandhyala**
  - College of Engineering
- **Mary Fran Joseph**
  - UW School of Medicine
- **Stephen Majeski**
  - College of Arts & Sciences
- **Harlan Patterson**
  - UW Tacoma
- **Liz Shirley**
  - UW Medicine
- **Gary Quarfoth**
  - Office of Planning & Budgeting
- **Kelli Trosvig**
  - UW Information Technology
- **Bill Ferris**, Ex-Officio
  - UW Information Technology

### TRF Advisory Committee
- **Bill Ferris**
  - UW Information Technology
  - Co-Chair
- **Tom Sparks**
  - College of Engineering
  - Co-Chair
- **Cristi Chapman**
  - Management Accounting & Analysis
- **David Green**
  - School of Medicine
- **Amy Floit**
  - Office of Planning & Budgeting
- **Jonathan Franklin**
  - School of Law
- **Paul Ishizuka**
  - UW Medicine
- **Linda Rose Nelson**
  - College of Arts & Sciences

### IT Service Management Board
- **Scott Barker**
  - Information School
  - Chair
- **Mark Baratta**
  - College of Built Environments
- **Kate Bouchard**
  - Foster School of Business
- **John Drew**
  - The Graduate School
- **Jean Garber**
  - School of Dentistry
- **Brad Greer**
  - UW Information Technology
- **Paul Henderson**
  - UW Medicine IT Services
- **Erik Lundberg**
  - UW Information Technology
- **Linda Rose Nelson**
  - College of Arts & Sciences
- **Gary Pedersen**
  - Chemistry
- **Barb Prentiss**
  - School of Medicine
- **Roland Rivera**
  - UW Information Technology
- **Bill Shirey**
  - UW Information Technology
- **Tom Sparks**
  - College of Engineering
- **Tammy Stockton**
  - UW Information Technology
- **Betsy Tippens**
  - UW Bothell
- **Mary Mulvihill**, Ex-Officio
  - UW Information Technology

*Updated 11.16.12*