Service Management Board Briefing on the Technology Recharge Fee

November 17, 2014
Agenda

• Governance Background
• TRF Advisory Committee – Charge & Scope
• TRF – Background
• UW-IT Budget & Cost Model
• Current TRF Process
• FY 2016 TRF Recommendation
UW Information Technology

Governance – IT Oversight/Investments

- **Jun 08 - Sep 08**
  - **Working Group I**
  - Recommendations

- **Oct 08 - Jun 10**
  - **Working Group II**
  - Implement Recommendations
  - Institutional & UW Tech Improvements

- **Jul 10 - Jun 12**
  - **IT Costing Oversight Group**
  - Information Management Cost Study
  - All Campus Cost Study
  - Technology Recharge Fee

- **Jul 12 - ?**
  - **New IT Governance**
    - IT Strategy Board
    - IT Service Investment Board
    - Service Management Board

- **2001-2008**
  - U-TAC
  - A-TAC
  - I-TAC

- **2001 2008 Jun 2008**
  - UWTV to External Relations

- **Jan 09**
  - Jan 10
  - Jan 11
  - Jan 12
  - Jan 2013

  - **Oct 09**
    - UWTV to External Relations

  - **May 10**
    - Info Mgmt Merges with UW-IT

  - **Mar 12**
    - Permanent VP for UW-IT Appointed
Governance Background

• 2008-2009
  – Working Groups I and II oversee IT cost study by consultant
  – Endorse new funding model including Technology Recharge Fee allocated on an employee per capita basis

• 2010
  – UW Technology and OIM merge to become UW-IT
  – Criteria/methodology for Technology Recharge fee established by Rate Implementation Team
  – Technology Recharge Fee implemented
  – New rates for self-sustaining services established

• 2010-2012
  – IT Costing Oversight structure formed, oversees IM Cost Study, All Campus Cost Study, and TRF review
Information Technology (IT) Governance

IT Strategy Board
- Prioritize Projects
- Recommend Funding Levels
- TRF Review

IT Service Investment Board
- Provide Analysis
- Identify Issues
- Recommendations

TRF Advisory
- Prioritize Projects
- Recommend Funding Levels
- TRF Review

President
- Provost

Vice President for UW-IT and CIO
- Provide Analysis
- Identify Issues
- Recommendations

Service Management Oversight Group
- Reporting and Analytics (Priorities for Campus Users)

Finance Program Steering Committee

Student Information Systems Steering Committee

Teaching & Learning Technology Oversight Committee

Portfolio Review Board
- Enterprise Architecture Steering Group

Hyak Governance Board

Data Management Committee

Major IT Projects
- (HR/P, EPIC Roll-out, EDMS, etc.)

IT Boards supported by the Office of the Vice President for UW-IT and CIO

Updated: May 6, 2013
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 Advisory Committee
Scope

• Provide analysis, identify issues, and make recommendations on all components of the TRF
  – Evaluation of the services to be covered
  – Costs to provide those services
  – Allocation methodology
TRF Background

Working Group II: Development of a Sustainable Service and Business Model

• Provides a stable foundation to support UW’s critical technology needs
• A per capita fee based on critical services
• Rational, transparent and sustainable

Replaced a model

• Primarily based on monthly phone line charges
• Became unsustainable as technology evolved
TRF Background

• Implementation Committee (TRIM) - 2011
  – Developed current TRF model – which services to include & per capita allocation methodology

• TRF Implemented – July 1, 2011
  – $52.68 mo – UW Academic & Administrative Units
  – $53.43 mo – UW Medical Centers
UW Information Technology

Budget & Cost Model
**Step 1:** Costs are assigned to Direct or Indirect Cost Pools (BPSEs).

**Step 2:** Indirect costs are applied using labor as the allocation basis.

**Example:** Finance & HR expenses are spread across all services.

**Step 3:** BPSEs are allocated to LOBs.

**Example:** Server support and storage costs are allocated to the MS Exchange Line of Business

**Step 4:** LOBs are consolidated into Service Categories.

**Example:** Exchange & Deskmail are rolled up into Collaboration tools.
Current Technology Recharge Fee Process
Foundation of Current Process

- Established general principles
- Confirmed three funding profiles
- Determined who and how to count
- Formed criteria of how to treat auxiliaries
- Developed GOF/DOF allocation methodology
Foundation of Current Process

**General Principles**

- 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
Methodology – Funding Profiles

1. Basic Service Bundle
   – A charge for common services based on per capita

2. University Supported Services
   – Services paid by the University

3. Self Sustaining Services
   – A charge for services based on usage
Methodology – Per Capita

1. Employee Headcount –
   — Monthly/Salaried (Full & Part Time)
   — Exclude Hourly, Grad Students, & Stipendees
   — 4 Qtr Average taken at Quarter mid-point
   — Use HEPPS “Home Department” to allocate

2. Three Capita Classifications
   — Campus Employees (All except Medical Centers)
   — Students
   — Medical Center Employees
Methodology - GOF/DOF Funds

1. Fund University Supported Services
2. Fund Basic Services for Students
3. Remaining Funds Subsidize Basic Services for Campus Employees
4. Do not apply GOF/DOF to Medical Centers
5. Information Management not included
Basic Bundle of Services

- Accessible Technologies
- Accounts & Passwords
- Admin Systems Infrastructure
- Backup & Storage
- Campus Software Licensing
- CISO – Information Security & Privacy
- Data Center
- Data Networks
- Email, Calendaring, & Productivity Tools
- Emergency Preparedness & Business Continuity
- Enterprise Portal
- Teaching & Learning Tools
- Telecom Infrastructure
- Web Publishing
University Supported Services
Excluded from Service Bundle

• Information Management

• UW Technology Administration
  – Specific Exclusions per MAA

• Pacific Northwest Gigapop
  – State Appropriation for Regional Networking

• Support for KEXP (to be phased out)
Self Sustaining Services
Optional Fee Based Services
Excluded from Service Bundle

- Cable TV
- Call Centers
- Computer Repair
- Consulting
- Data Centers
- Data Network*
- Email*
- Long Distance
- Managed Desktop
- Managed Servers
- Media Amp

- Off Campus Connectivity
  - Pager
- Server Co-Location
- SharePoint
  - Smartphone Support
  - Storage*
- Teleconferencing
- Telephones
  - Videoconference Facilities
- Voice & Data Installations

*For service options outside the basic bundle
FY 2016
Technology Recharge Fee Recommendation
Technology Recharge Fee – FY 2016

**Background**

- TRF is a per capita rate applied to all UW to support a basic bundle of services
- Review & recommendation by the TRF Advisory Committee

**Service Investment Board Recommendation for FY 2016**

- Maintain fundamental cost allocation methodology used for prior TRF
- Use FY 2015 Budget as cost base
- Increase the TRF by under 2% for FY 2016 to help offset rising cost of operations
## TRF Recommendation for FY 2016

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The TRF supplements GOF/DOF resources to provide Basic Services. Reduction of Dial Tone rate resulted in $6M savings to campus.

* Rate change for FY 14 reflects adjustment in methodology (shift in allocation of Student Admin Sys)
** Excluded from GOF/DOF Subsidy, Network, & Telecom billed separately. Effective Rate: $83.69
TRF for FY 2016

Handout:
Basic Services
& Total Cost
Questions & Discussion