

# Service Management Board Briefing on the Technology Recharge Fee

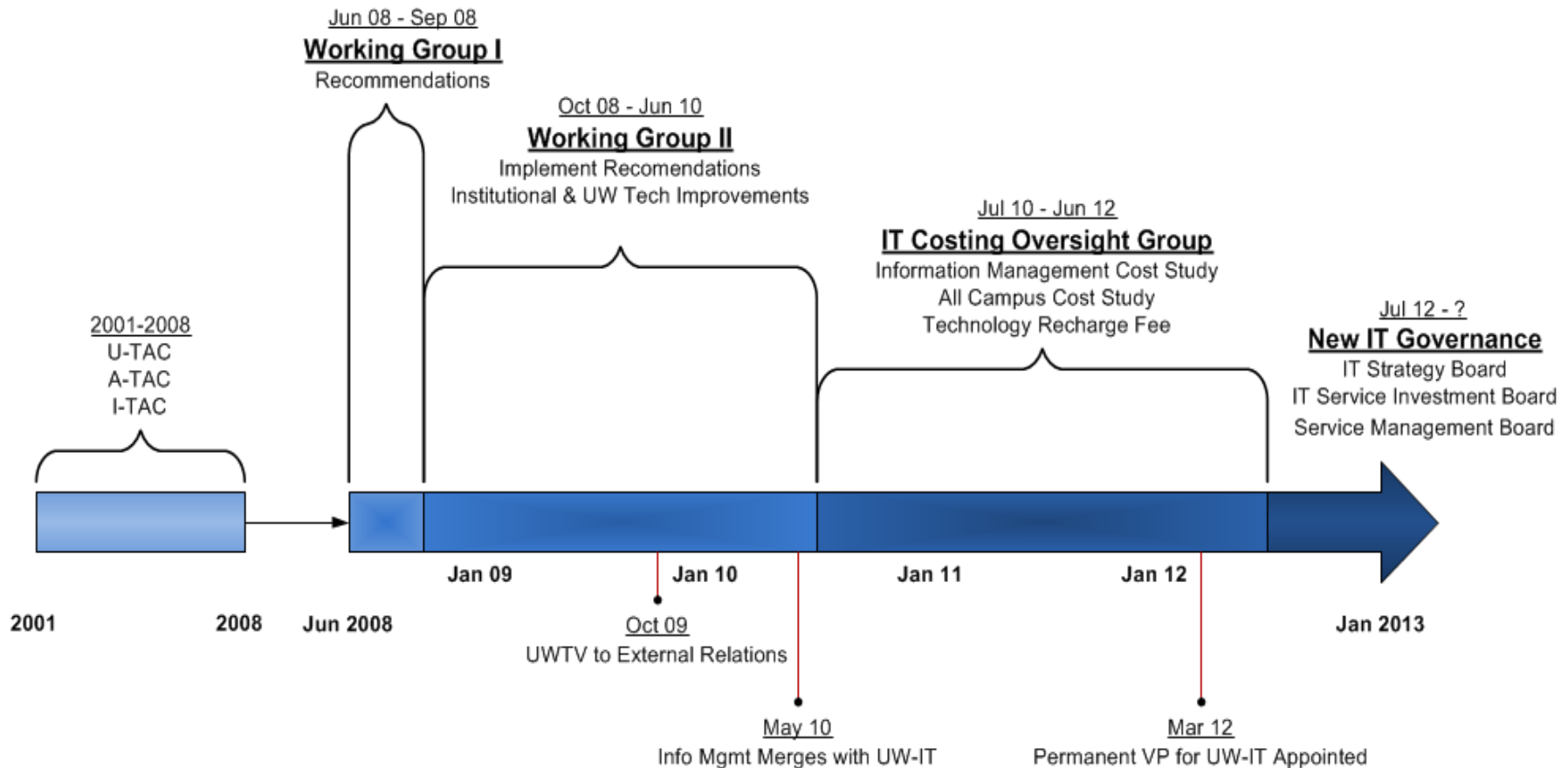
November 17, 2014

# 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

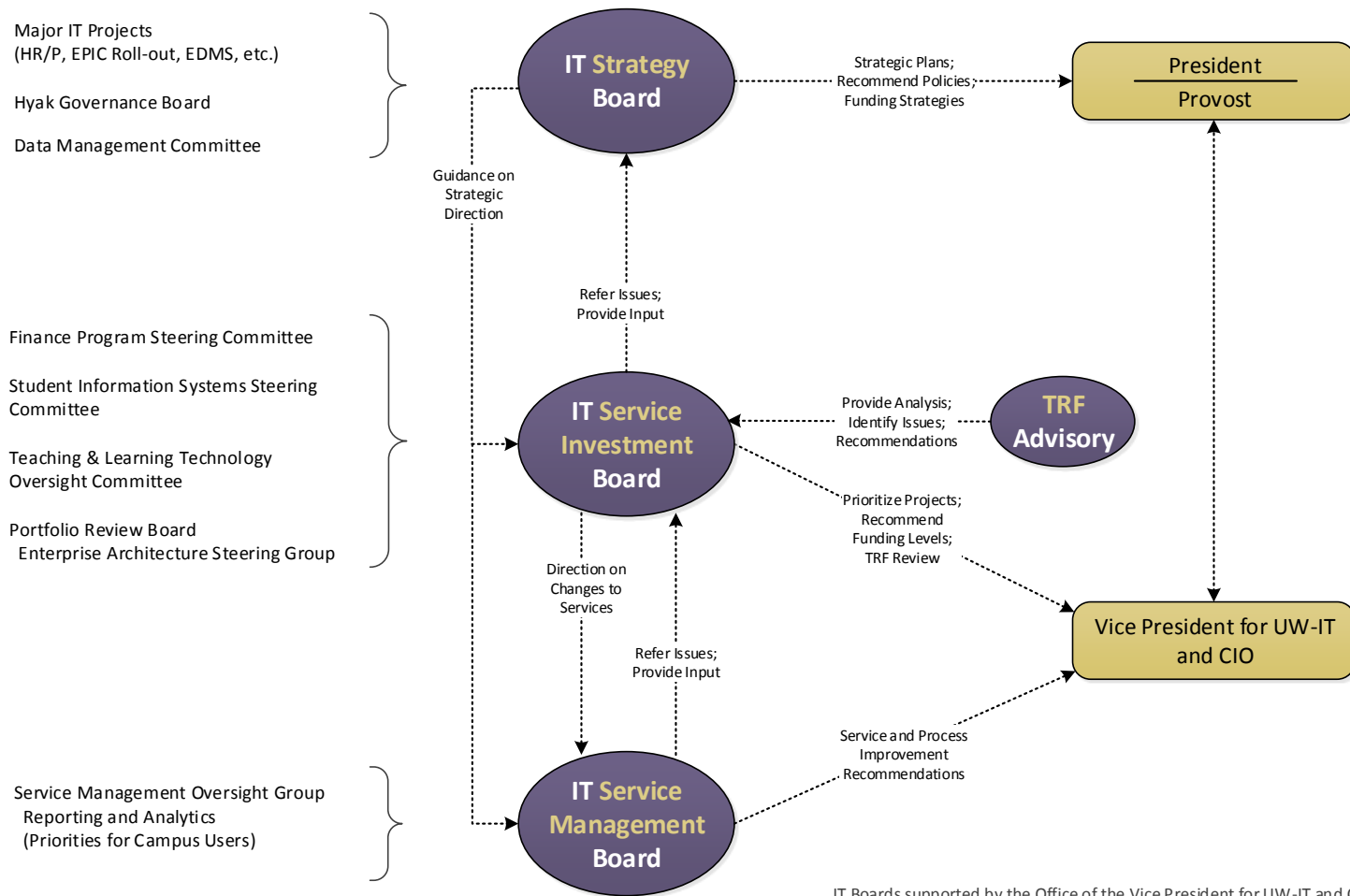
Governance – IT Oversight/Investments



# 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 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

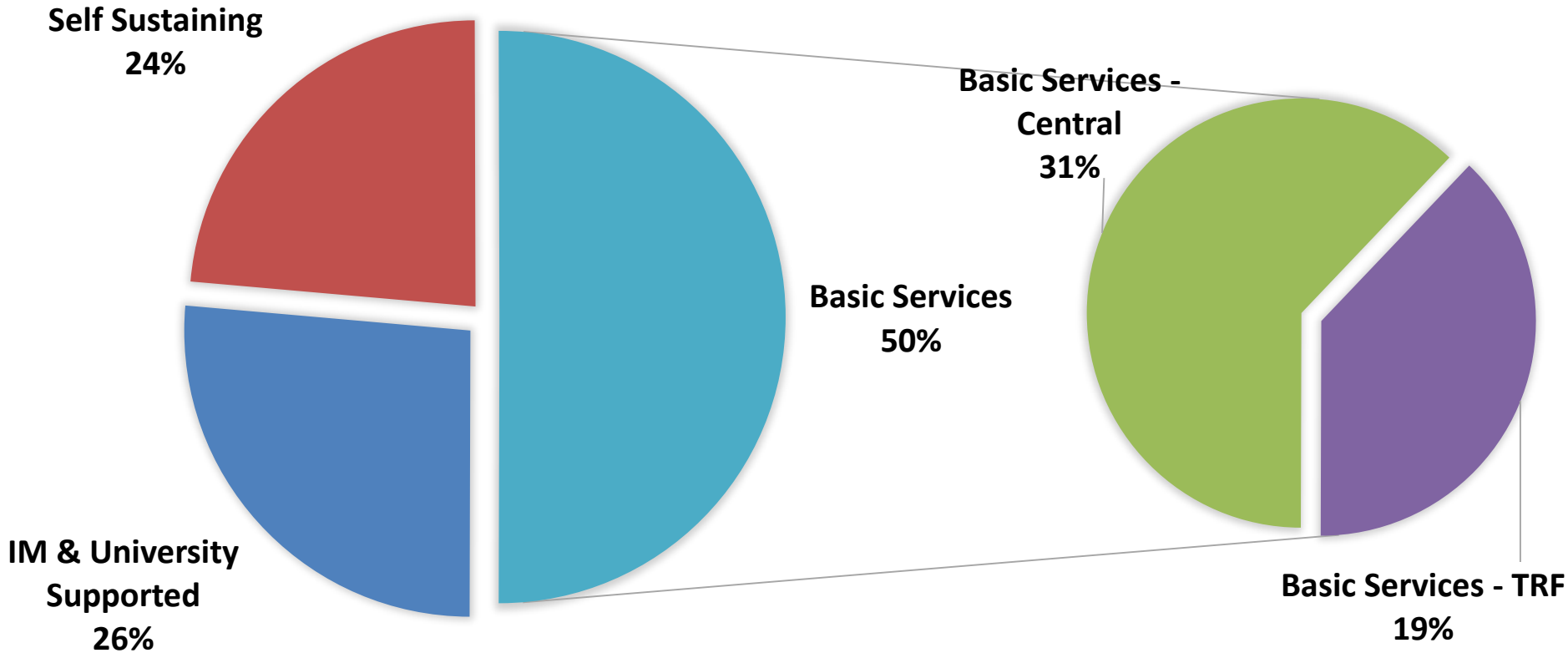
# UW Information Technology

## Budget & Cost Model

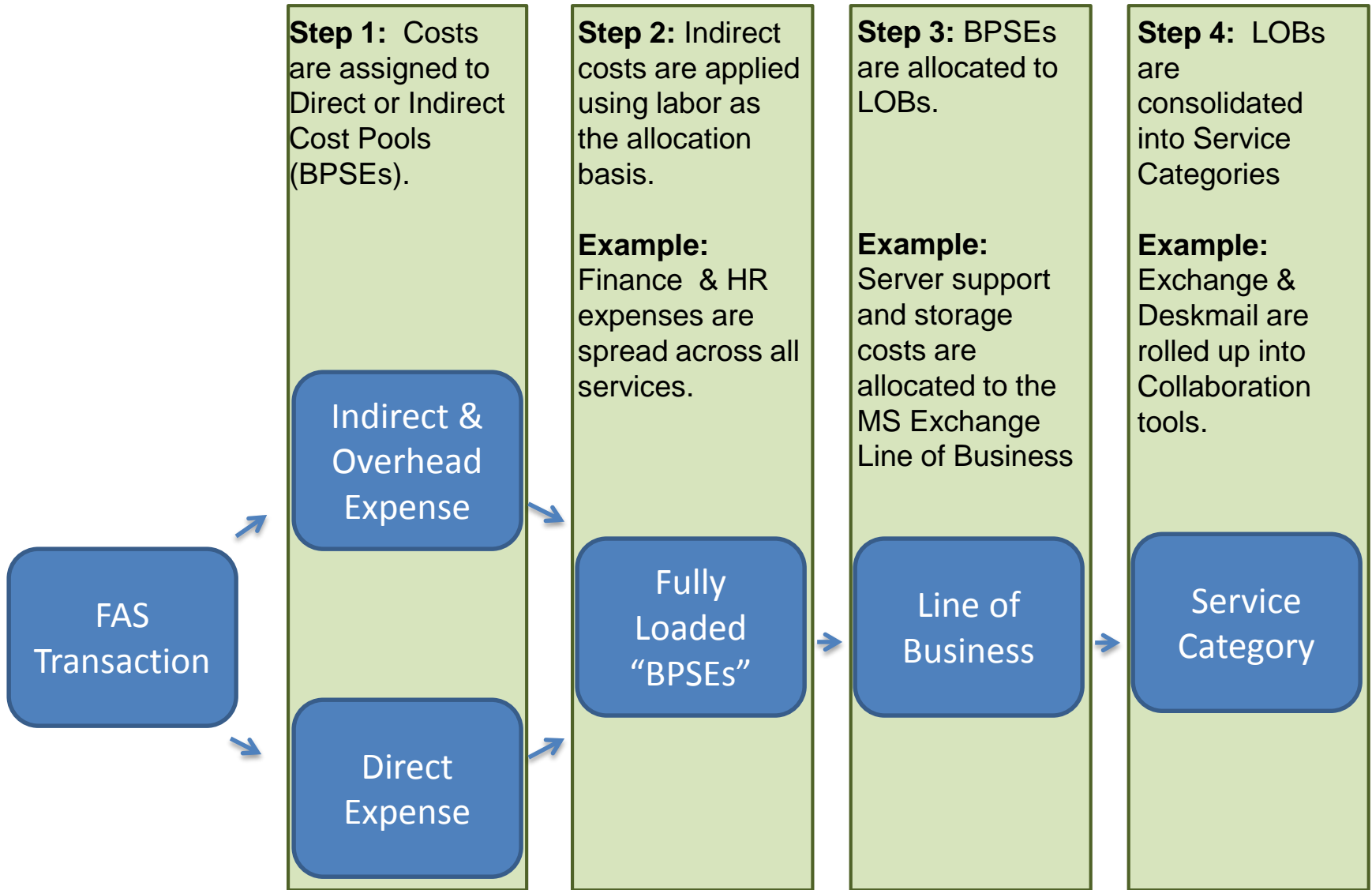
# UW-IT Funding

**\$102M**  
**UW-IT Operating Budget**

**\$51M**  
**Basic Services**



# UW-IT Cost Allocation Methodology



# 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

	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14*</b>	<b>FY15</b>	<b>FY16</b>	<b>Chg</b>
Campus	\$52.68	\$52.68	\$52.68	\$54.50	\$54.50	<b>\$55.51</b>	1.90%
Medical Ctr**	\$53.43	\$53.43	\$53.43	\$50.00	\$50.00	<b>\$50.91</b>	1.80%

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