

Date: February 12, 2013

Subject: FY 2014 Technology Recharge Fee

To: Deans, Chancellors, Directors, and Chairs

Dear Colleagues:

I am writing to update you on the rates and methodology for the Technology Recharge Fee (TRF), which provides critical information technology services delivered by UW Information Technology (UW-IT). The IT Service Investment Board, a new governance board comprised of representatives from academic and administrative units, recently completed an annual review and evaluation of the TRF, according to its charge. Based upon recommendations made by the Board and approved by the Provost, the TRF rates for FY 2014 will be:

- **\$54.50 per month per capita for all academic and administrative units**
(this represents a 3.5 percent increase over the current rate of \$52.68)
- **\$50.00 per month per capita for the Medical Centers**
(this represents a 7.1 percent decrease over the current rate of \$53.43)

The slight adjustment in the TRF rates for FY 2014 reflects minor modifications to the TRF methodology, as recommended by the IT Service Investment Board, to respond to a changing business model, including how costs are allocated to UW Medical Centers. **The adjustment does not include any budget increases for UW-IT, but only a recalibration of how costs are aggregated and allocated to UW units.** The new rates are effective July 1, 2013.

In making its recommendation, the Board acknowledged that there is still a need to consider the current TRF model in light of the implementation of Activity Based Budgeting (ABB). The Board recommended that the issue of the TRF be included in upcoming discussions of University policy regarding ABB, specifically whether the costs now covered by the TRF should be included as part of ABB.

The Board's recommendation reflects the advice of the Technology Recharge Fee Advisory Committee, comprised of financial directors representing academic and administrative units and UW Medical Centers, and charged with supporting the Board in its annual TRF review by providing in-depth analysis and counsel.

The Board will conduct a review of the FY 2015 TRF rate next year to provide due diligence in reviewing costs and to accommodate any changes in service levels.

The TRF was established three years ago as the foundation of a new funding model for critical information technology services. The model was established after an in-depth costing analysis by an external firm and extensive outreach to the UW community. It replaced an outdated recharge model based upon phone lines, which did not cover the cost of services

and was not sustainable. The TRF covers a basic bundle of IT services identified as critical by a group of representatives from across the UW community. The TRF also covers campus site licensing agreements that provide popular software from Microsoft and Apple. More information about the TRF, including details on what is included and how the per capita rate is calculated, can be found at <http://uw.edu/uwit/recharge.html>

Funding from this new model has enabled UW-IT to maintain a consistent level of basic service to the University, while making essential IT investments in core infrastructure and services. These investments include important upgrades in networking, telephony, and other critical computing services; a major Wi-Fi refresh to deliver enhanced speed, performance, and coverage; and launching key initiatives to improve the student experience.

In addition, through good stewardship of resources and careful strategic planning, UW-IT has been able to provide these essential services to the UW community without recommending an increase to the TRF base (the amount of funds received by UW-IT), which has remained at the same level as its initial implementation in Fiscal Year 2011.

We recognize this funding model represents a significant cost for each of your units, particularly as we continue to face economic challenges. UW-IT strives to use these resources as cost-effectively as possible, while delivering services that enhance the productivity and effectiveness of students, faculty, and staff.

Thank you for your continued support.

Sincerely,

Kelli Trosvig
Vice President for UW Information Technology and CIO

cc: Michael Young, President
Ana Mari Cauce, Provost and Executive Vice President
Kellye Y. Testy, Dean, School of Law, Chair, IT Service Investment Board