



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

	IM	University Support	TRF (Basic Services)			Total
			Med	Students	Campus	
FY14 Budget*	\$10M	\$8.7M	\$6.2M	\$14.3M	\$19.2M	\$58.4M
Less GOF DOF	-\$10M	-\$8.7M	0	-\$14.3M	-\$7.0M	-\$40.0M
TRF Balance	0	0	\$6.2M	0	\$12.2M	\$18.4M

Head Count			9,575	42,454	19,386	
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Monthly TRF			\$53.84		\$52.60	
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* 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

Per Capita Group	TRF Monthly Rate
Employee Rate	\$42.74
Medical Center Rate	\$73.82
Student Rate	\$0.00

Category	Annual TRF Increase / (Decrease)
Administrative Units	(\$565,094)
Academic Units	(\$873,866)
School of Medicine	(\$873,329)
Medical Center	\$2,342,299

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	TRF Monthly Rate
Employee Rate	\$27.54
Medical Center Rate	\$50.02
Student Rate	\$12.31

Category	Annual TRF Increase / (Decrease)
Administrative Units	(\$1,429,534)
Academic Units	\$3,684,749
School of Medicine	(\$1,833,435)
Medical Center	(\$391,816)

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)

Per Capita Group	TRF Monthly Rate
Employee Rate	\$23.85
Medical Center Rate	\$73.82
Student Rate	\$8.63

Category	Annual TRF Increase / (Decrease)
Administrative Units	(\$1,639,221)
Academic Units	\$1,596,812
School of Medicine	(\$2,269,938)
Medical Center	\$2,342,299

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:

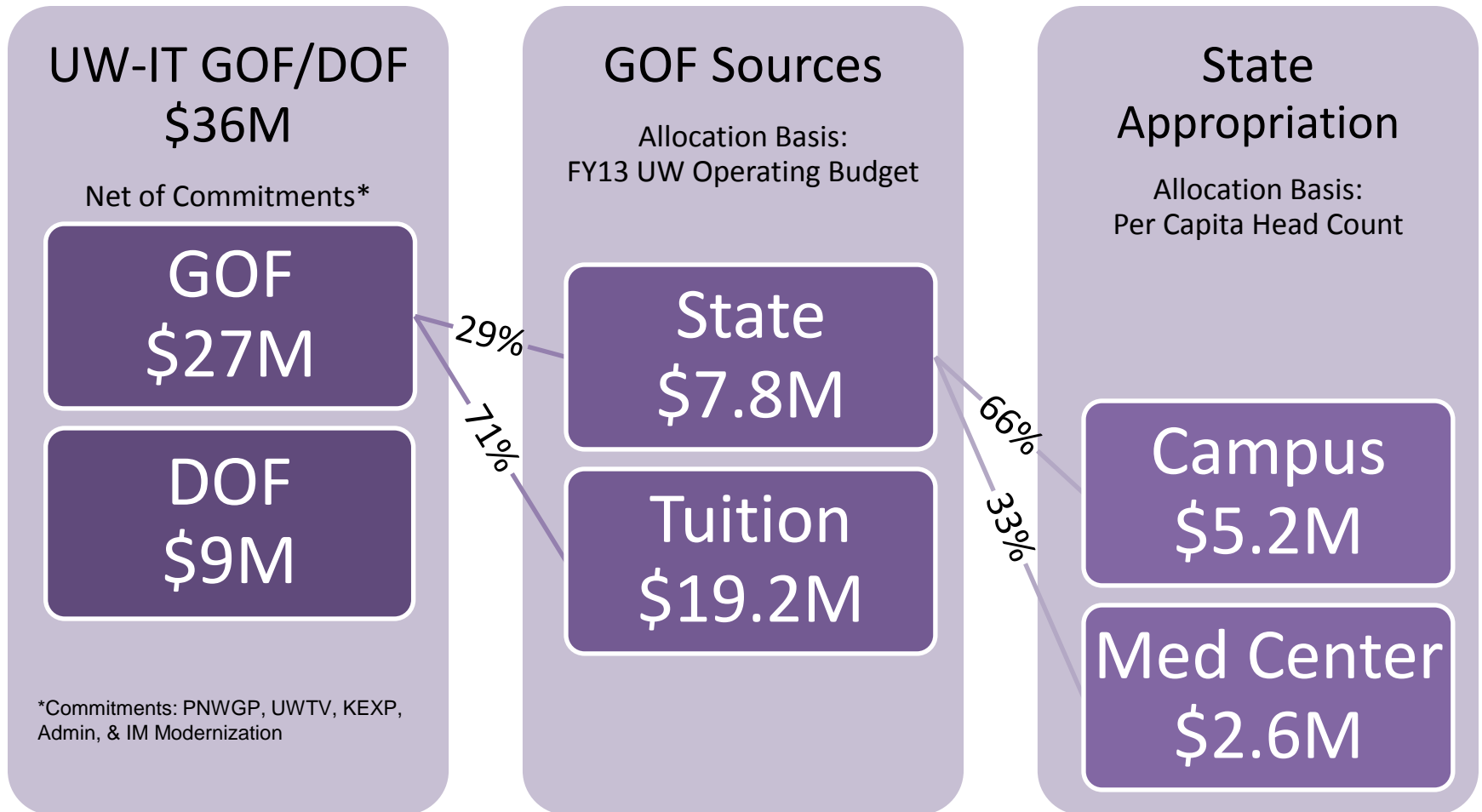
- Fair to allocate part of our GOF - “state appropriation” to Medical Centers

AGAINST:

- Medical Centers are Self-Sustaining
- Inconsistent with current policy and precedent

UW-IT GOF/DOF Funding

Proposed Allocation to Med Centers



Draft: Alternative 4: Include IM, Incremental ABB, & GOF to Medical Center

Per Capita Group	TRF Monthly Rate
Employee Rate	\$47.28
Medical Center Rate	\$51.45
Student Rate	\$2.97

Category	Annual TRF Increase / (Decrease)
Administrative Units	(\$306,859)
Academic Units	\$947,942
School of Medicine	(\$383,551)
Medical Center	(\$227,508)

Alternative 5: Includes IM & GOF to Medical Centers

Per Capita Group	TRF Monthly Rate
Employee Rate	\$53.79
Med Center Rate	\$51.45
Student Rate	\$0.00

Category	Annual TRF Increase / (Decrease)
Admin Units	\$97,334
Academic Units	\$62,942
School of Med.	\$97,275
Med Center	(\$227,508)

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 - Provide lower cost, enterprise-class storage for research data by changing the lolo 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*

Investment	Increase to Campus Employee	Increase to Medical Center
Info Security \$1M	\$3.73 (7.1%)	\$1.17 (2.2%)
Research Network \$1.4M**	\$6.02 (11.5%)	\$0.00 (0%)
Cyber Research \$280K	\$1.05 (2.0%)	\$0.33 (0.6%)

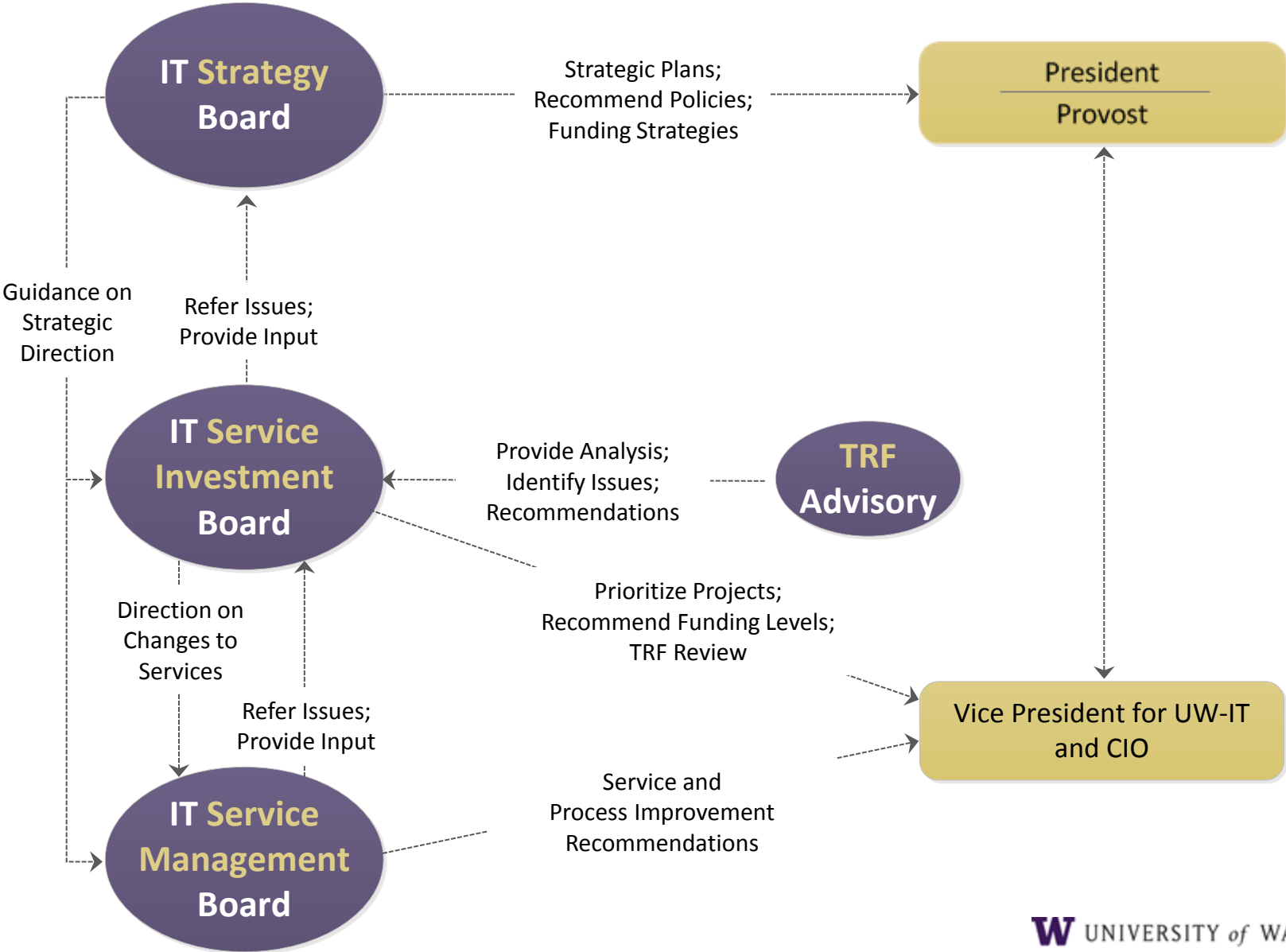
**Impact on TRF varies for ABB alternatives.*

***Research Network investment is not applicable to Medical Centers.*

Questions & Discussion

Appendix

Information Technology (IT) Governance



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

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Susan Astley Epidemiology & Pediatrics
Susan Camber Financial Management
Walt Dryfoos University Advancement
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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

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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
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Tom Sparks College of Engineering
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Betsy Tippens UW Bothell
Mary Mulvihill, Ex-Officio UW Information Technology