

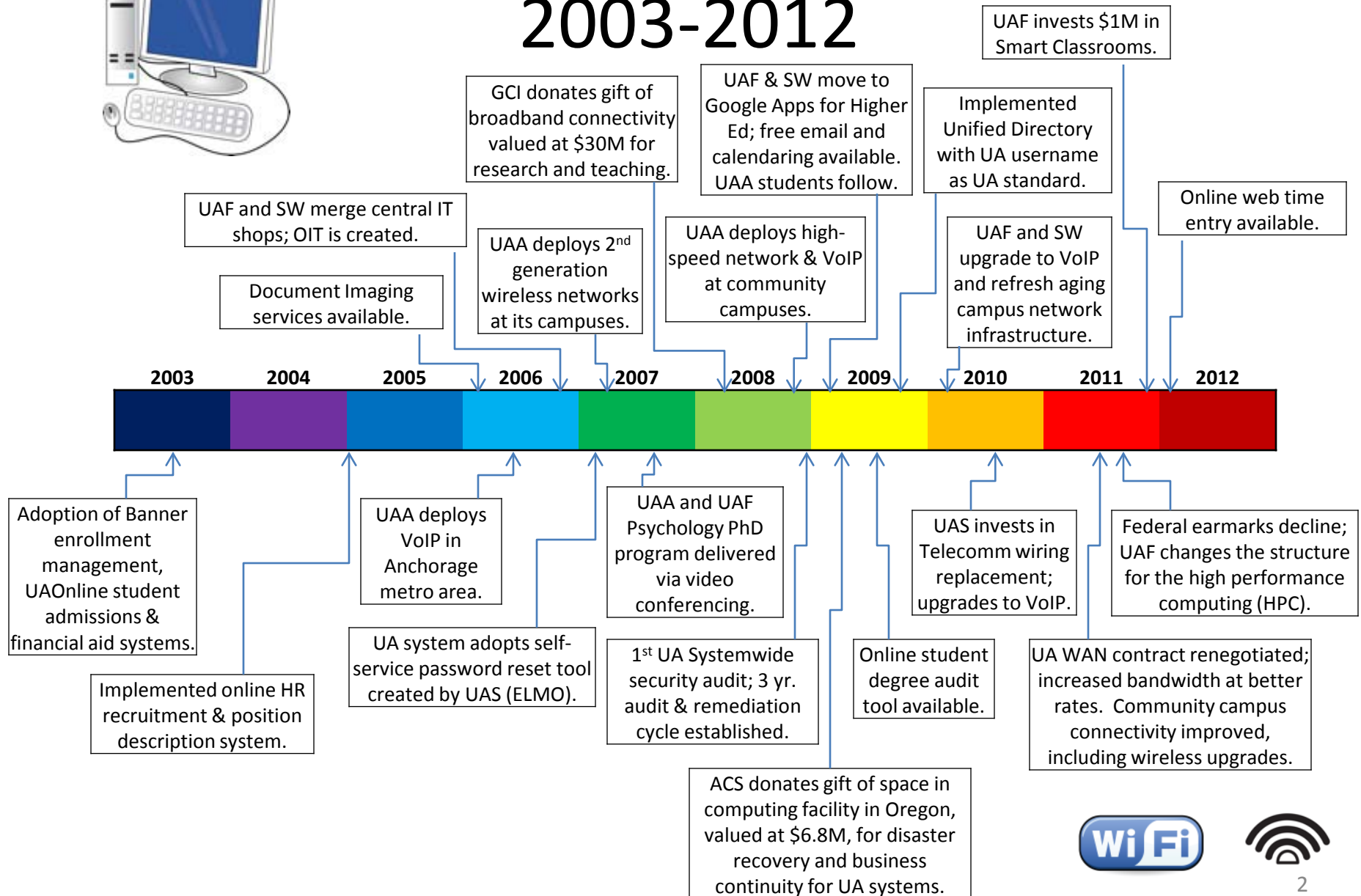
IT Executive Council (ITEC) UA IT Expenditure Summary FY01-FY11



Presented by: Karl Kowalski, CITO
February 2012 (FY12)

UA Techy Timeline

2003-2012

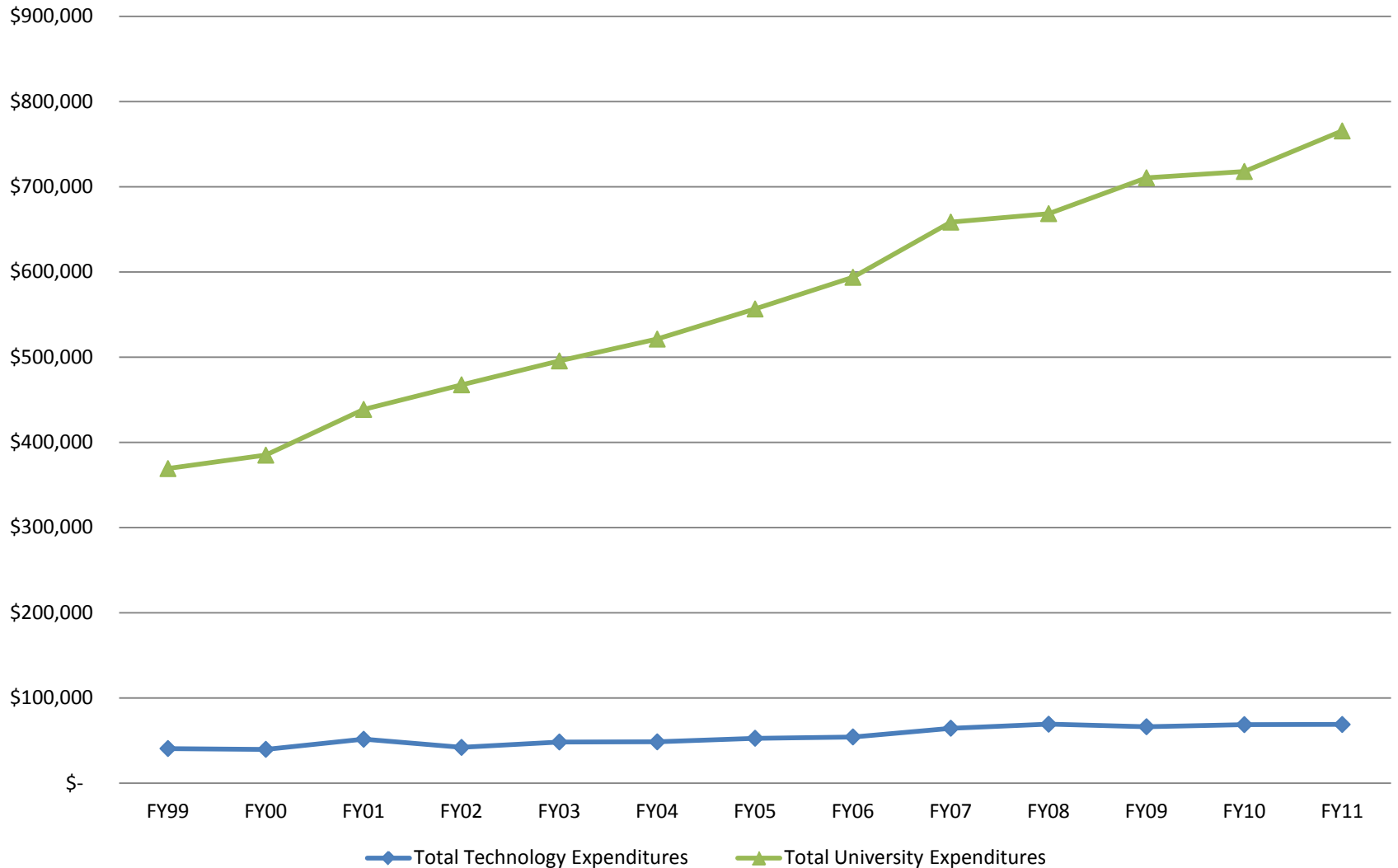


Assumptions

- The first budget year post OIT merger is FY07. This change significantly altered service delivery and organizational structures at UAF and SW.
- Recharge center activities are expenses where the service is provided, for example Video Conferencing Services are provided by SW so the service expense is captured at SW. This is consistent in the data for all IT Recharge Center expenditure tracking.
- Community Campus expenditure data is included as part of the MAU total data.
- This UA Total IT Expenditure Report is produced annually with data from each MAU.
- This information is for FY01-FY11 to show a ten year trend.



Total UA Technology Expenditure Trend FY01-FY11 (\$'000) as a % of Total UA Expenditures

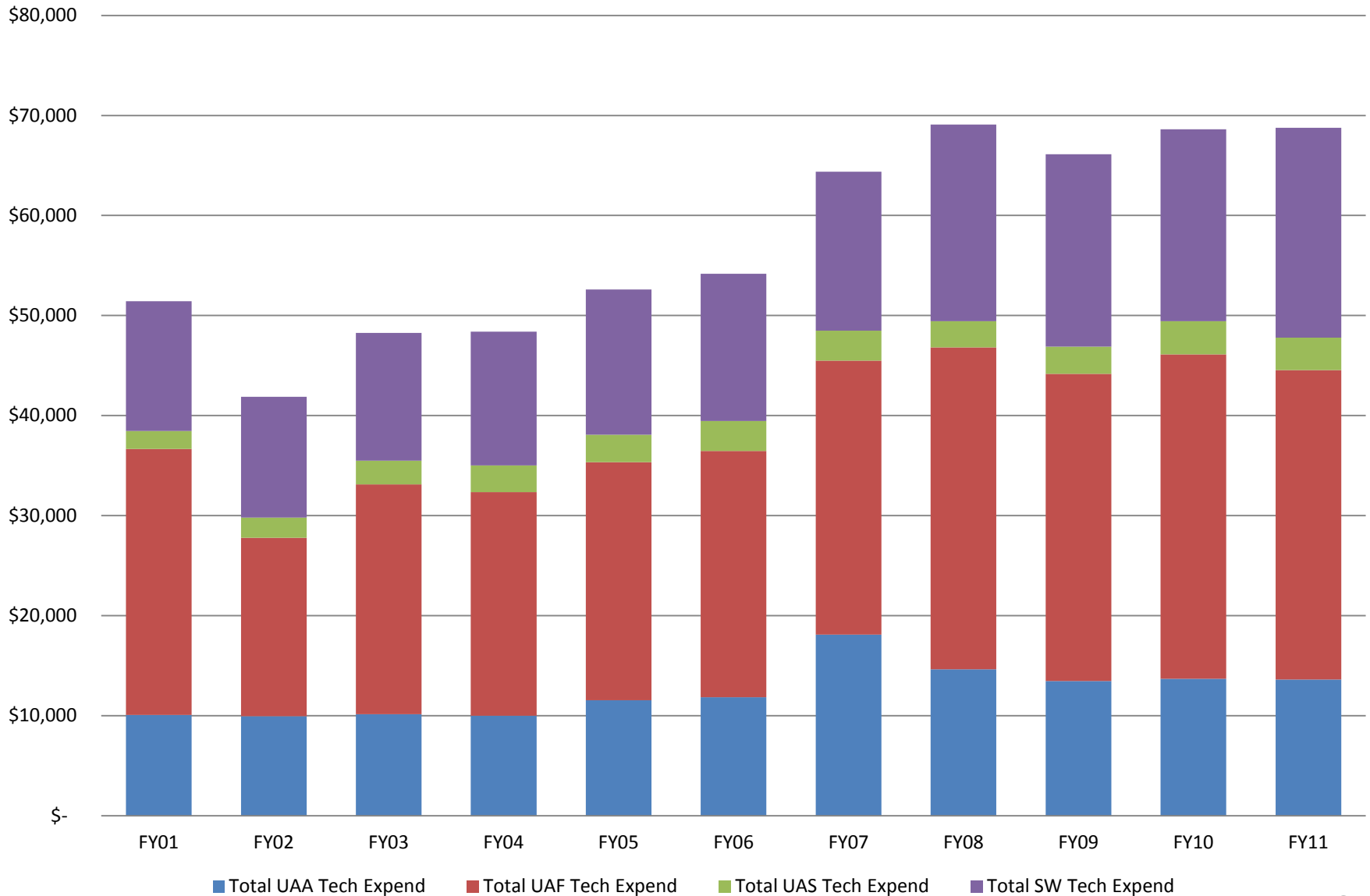


UA IT Expenditure Overview FY01-11

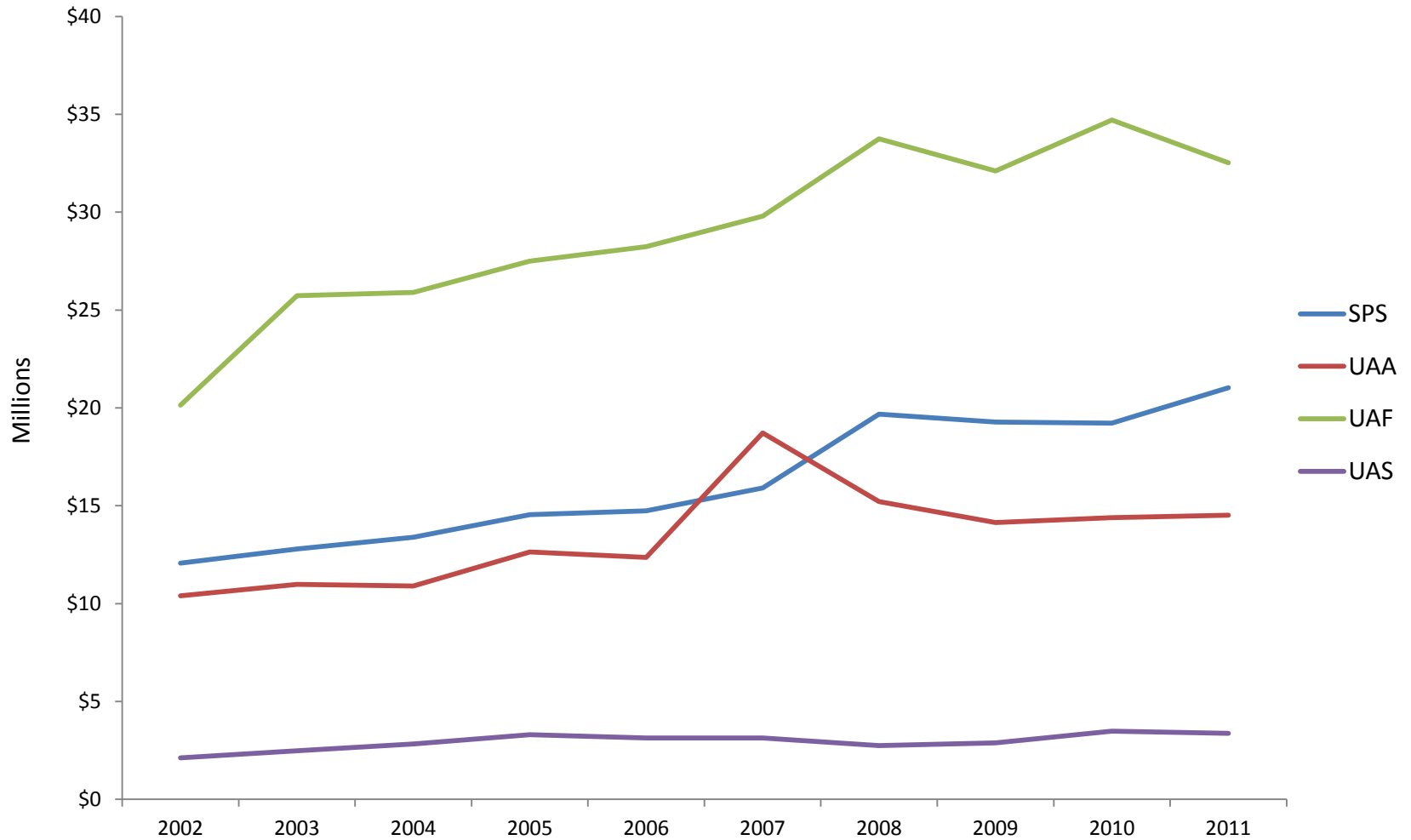
- \$68.7M was spent for IT across the system in FY11; this is 9.0% of total UA expenditures, a decrease compared to the Total UA IT Expenditures in FY10.
- Expenditures for IT have been consistently 9-11% of the UA total, over time.
- Approximately half of this total was spent in departments outside of the central IT units at each MAU. Efficiencies may exist in reducing this distributed model.
- Spend was lower in FY11 than FY10 across the UA system with the exception of SW personnel and operations due to higher investment in the UA Disaster Recovery facility in Oregon, network bandwidth upgrades, increased video conferencing services.
- Several gifted services for bandwidth and disaster recovery have helped UA move forward and contain costs; however, these gifts may not be sustainable if gifts “end” without renewal. Transition plans may be necessary. This can be concerning if technology infrastructure is not keeping pace with program growth, student access needs, mobility and e-learning.



Total UA Technology Expenditures MAU as Proportion of Total (\$000)

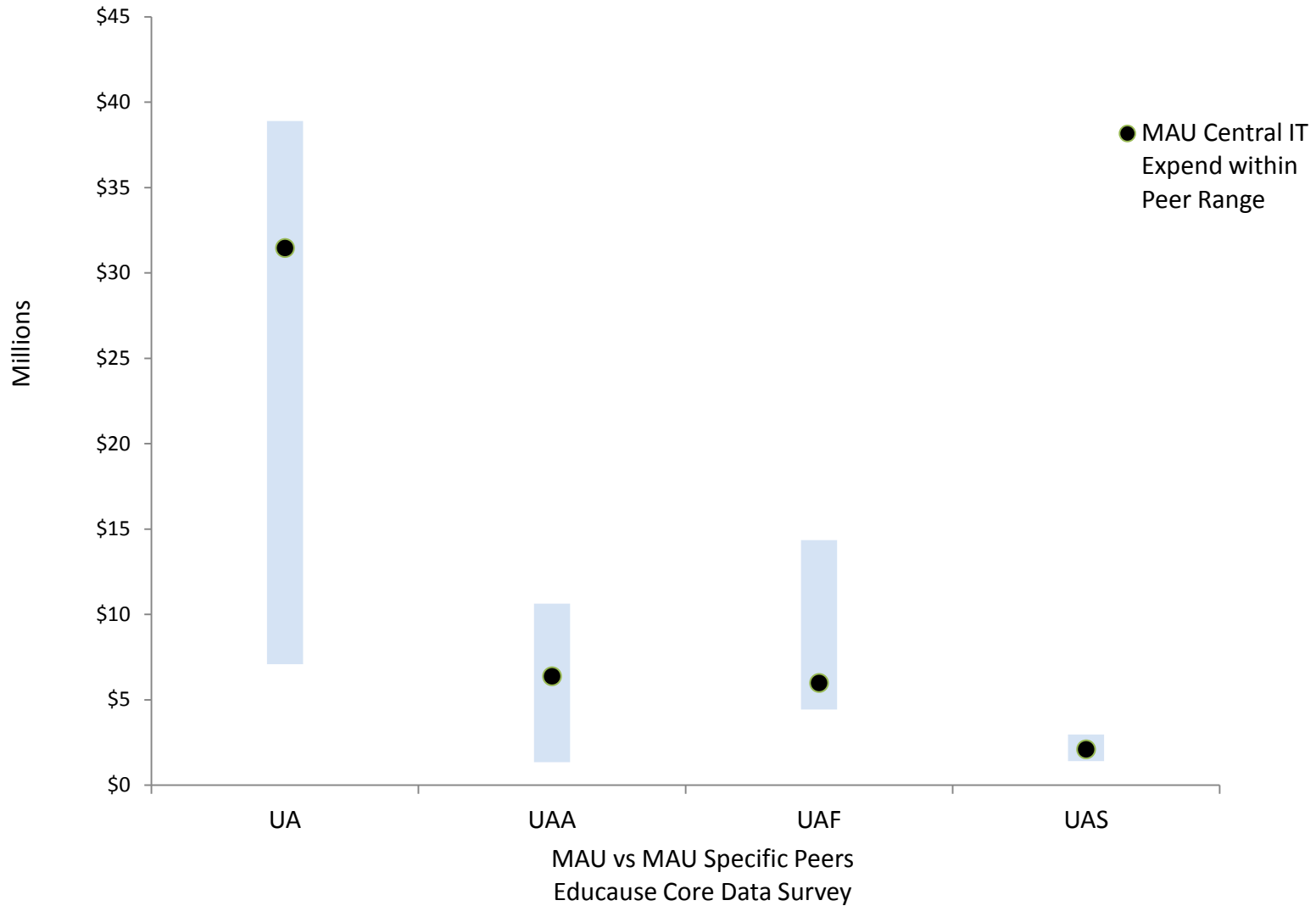


UA Technology Expenditures Trends by MAU FY01-FY11

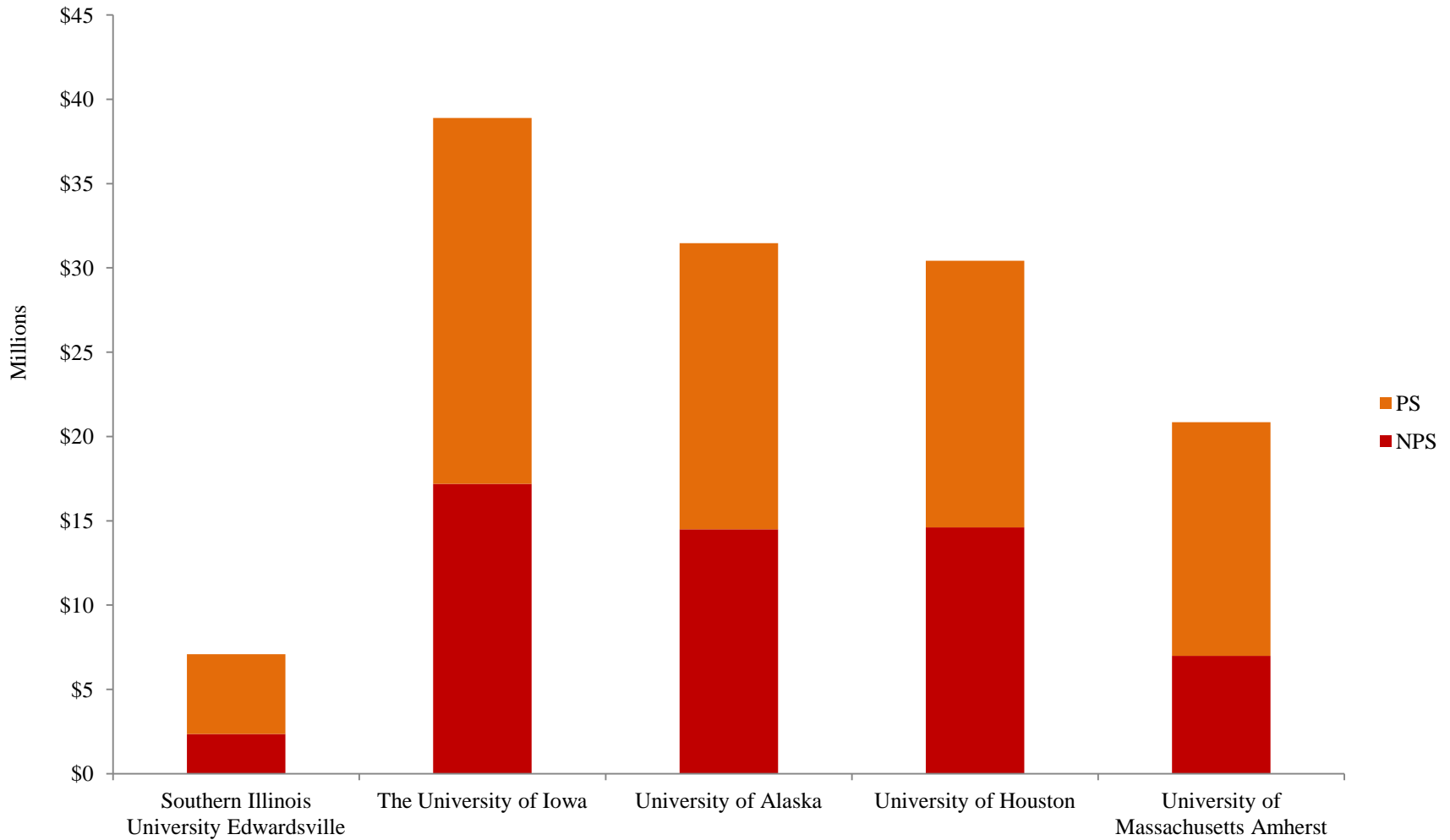


Note: SPS is Statewide Programs & Services

Central IT Expenditures vs MAU Peer Central IT Expenditures



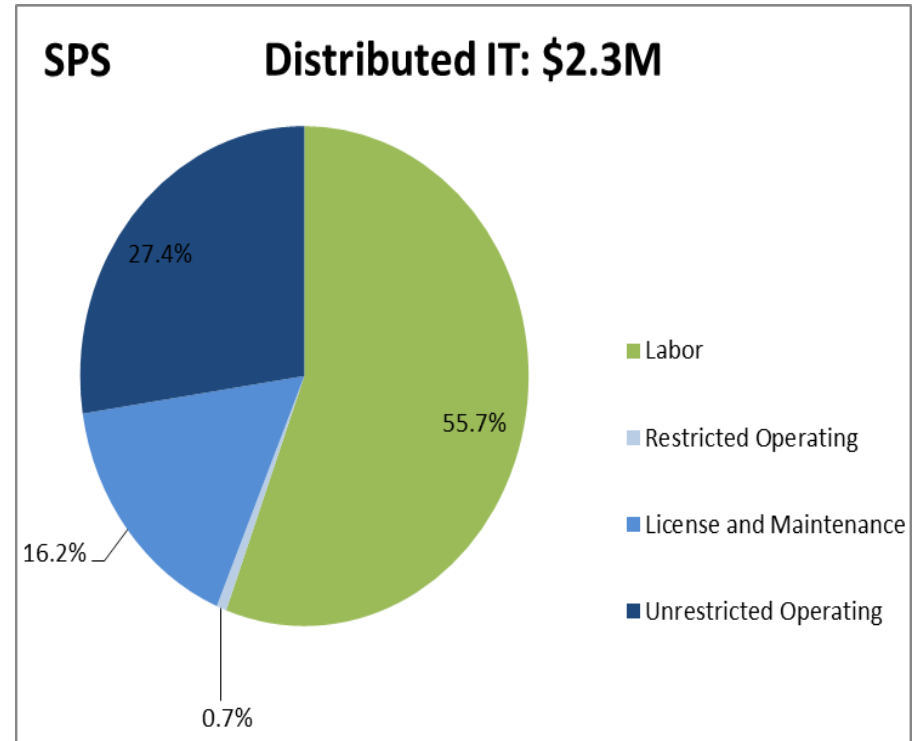
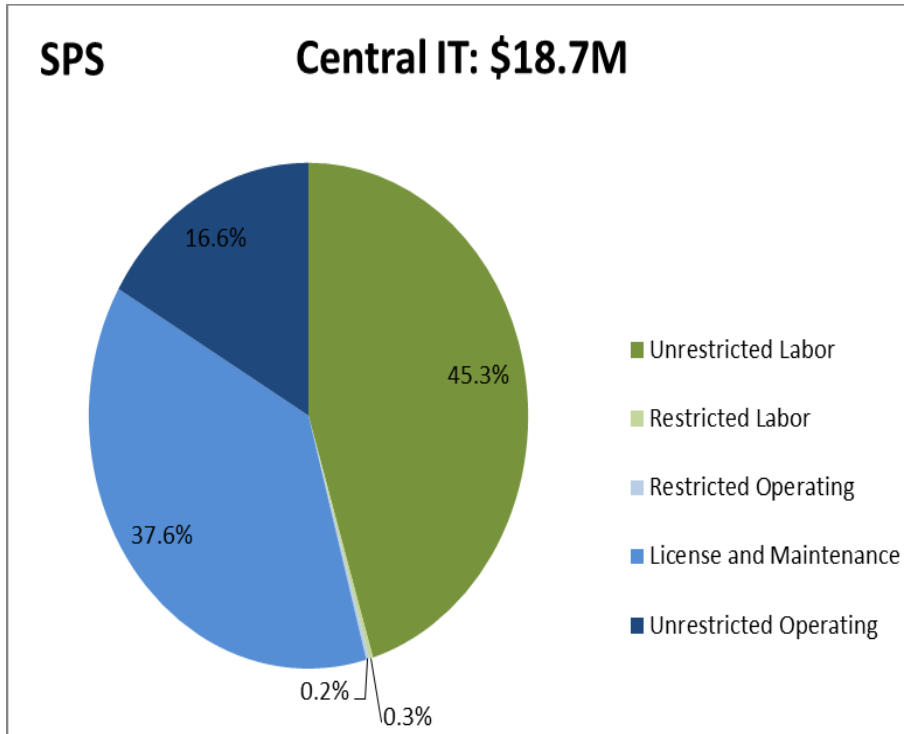
**Total Central IT Expenditures
FY10 UA System vs System Peers
Personal Services & Non-Personal Services
Educause Core Data Survey FY10**



UA System Trends & FY10 Peer Analysis

- Understanding the 10 year trend is relatively flat for IT expenditures proportional to total UA expenditures, between 9-11% consistently over time.
- FY07 marks a VoIP infrastructure investment at UAA, and is also the first year post merger combining UAF and SW technology services into OIT.
- With the decline of federal funding, UAF IT trends may shrink over time as tech services may be consolidated.
- Bandwidth and disaster recovery gifts from GCI and ACS in 2008 and 2009 respectively, allowed SW to invest in hardware and software to implement use of these gifts.
- Compared to MAU peers (self reported via FY10 Educause Core Data Survey) IT expenditures are in the higher quarter of expenditures vs other similar systems; this may be due to geographic variance and other technology challenges specific to Alaska, in addition to high service distribution across the state.
- As a doctoral research institution UAF is low within its peer group; however, UAA, baccalaureate focused, and UAS, distance education focused, fall directly in the mid-range compared to respective peers.

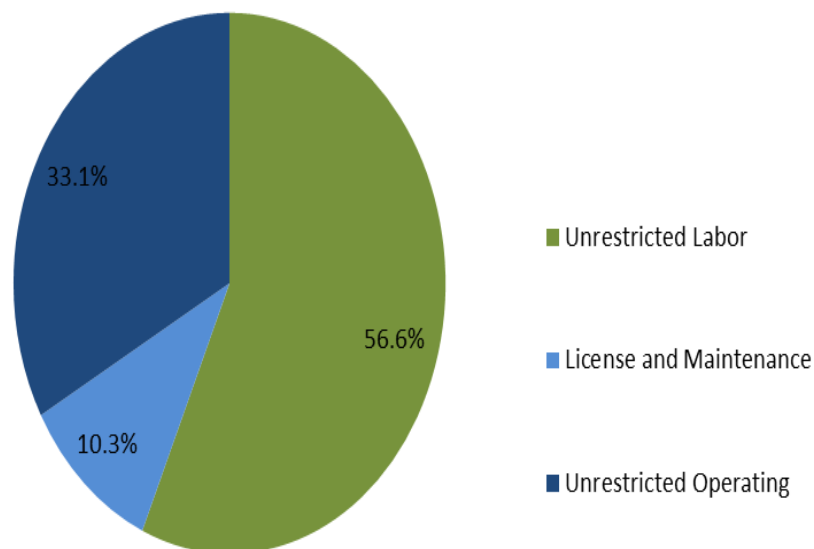
Statewide Programs & Services (SPS) FY11 Snapshot



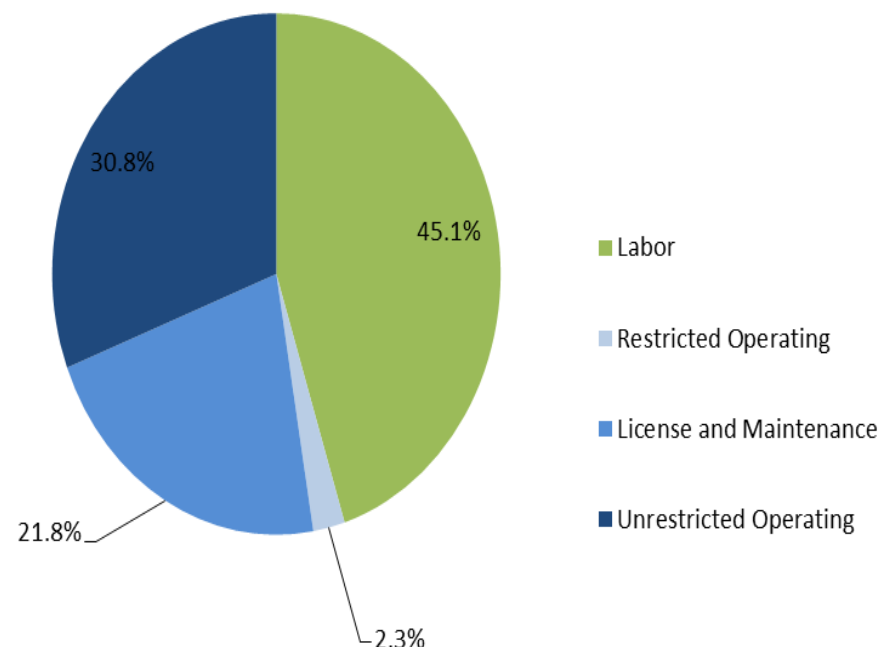
- Central IT within SPS is OIT. In addition to OIT labor costs (nearly half of the total budget) OIT manages many of the central technology contracts for the UA system in order to leverage bulk deals or share costs, where possible.
- Distributed IT is counted as other IT based jobs within Student, HR or Finance areas. It is interesting to note the large proportion of other IT-type distributed labor at SPS, as well as the contracts managed outside of the central pools (~\$373K). This may be an area where efficiencies can be identified.

UAA FY11 Snapshot

UAA Central IT: \$6.4M



UAA Distributed IT: \$8.1M

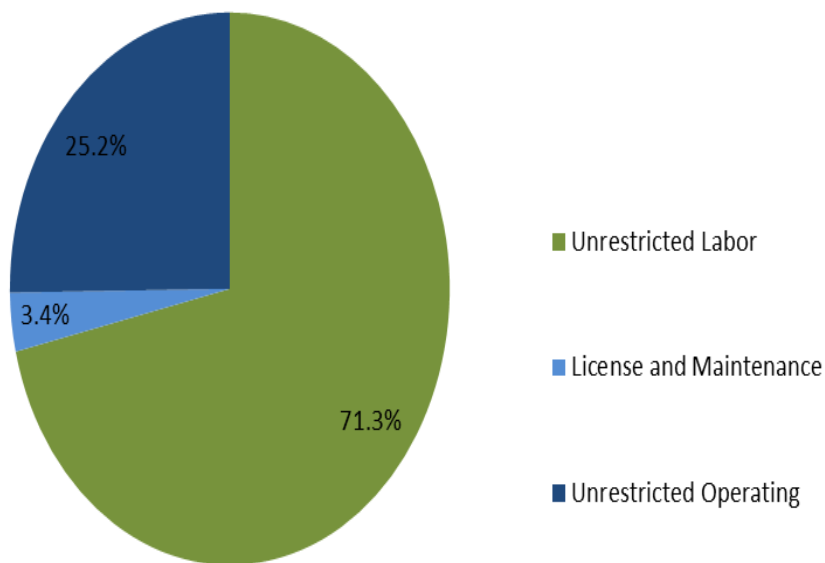


- Central IT within UAA is the Vice Provost and Office of the Chief Information Officer (CIO) and IT Services group responsible for telecommunications, network infrastructure, and academic technology support services. UAA also utilizes charge-back centers for services to UAA customers, such as desktop support.
- Distributed IT is counted as IT based jobs within academic or other administrative UAA departments. Although labor expenditures are similar for both central and distributed departments, distributed units manage approx. \$1.76M in contracts, which may indicate an area where efficiencies can be identified.
- On a high note, the unrestricted operating (innovation) budget at UAA is higher which indicates UAA may find opportunities to find creative solutions to technical challenges via purchase/upgrade of tools. 12

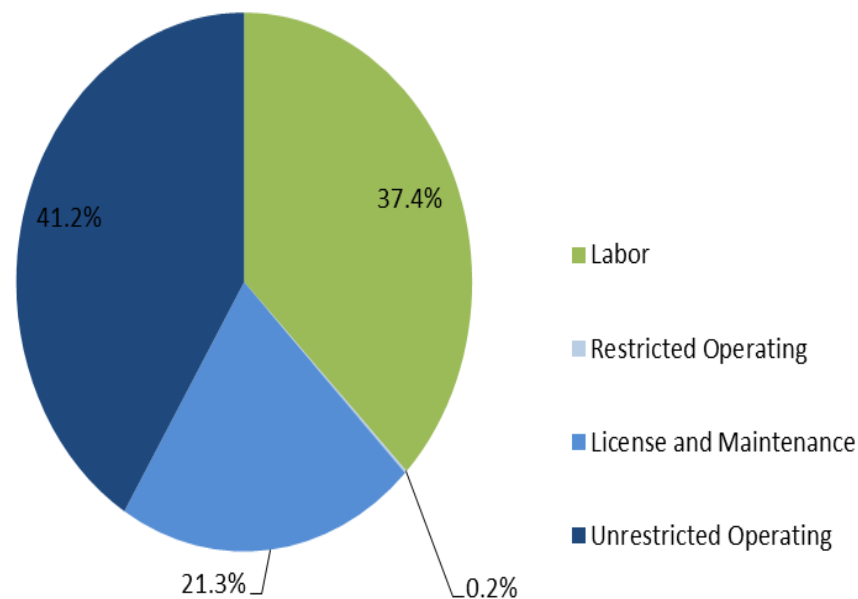
UAS FY11 Snapshot



UAS Central IT: \$2.1M

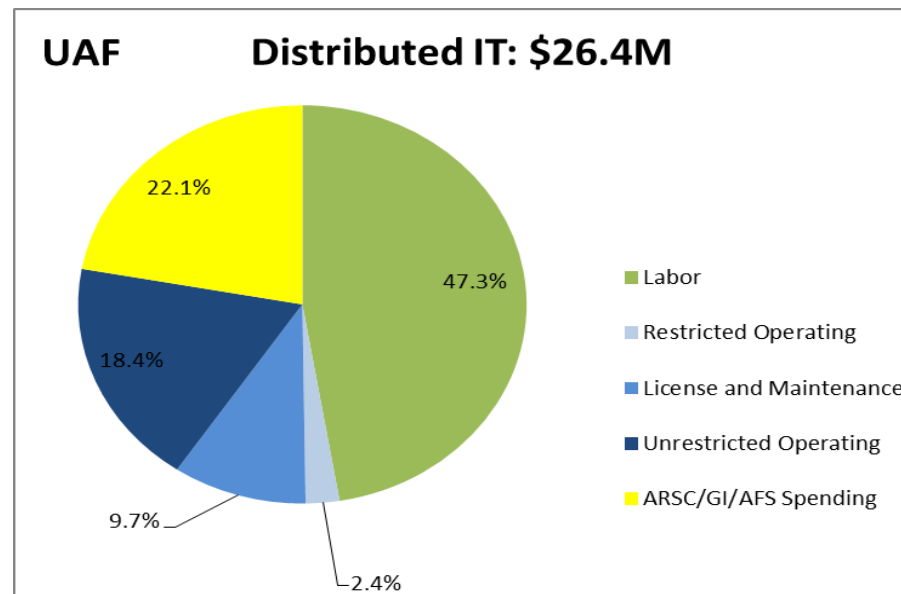
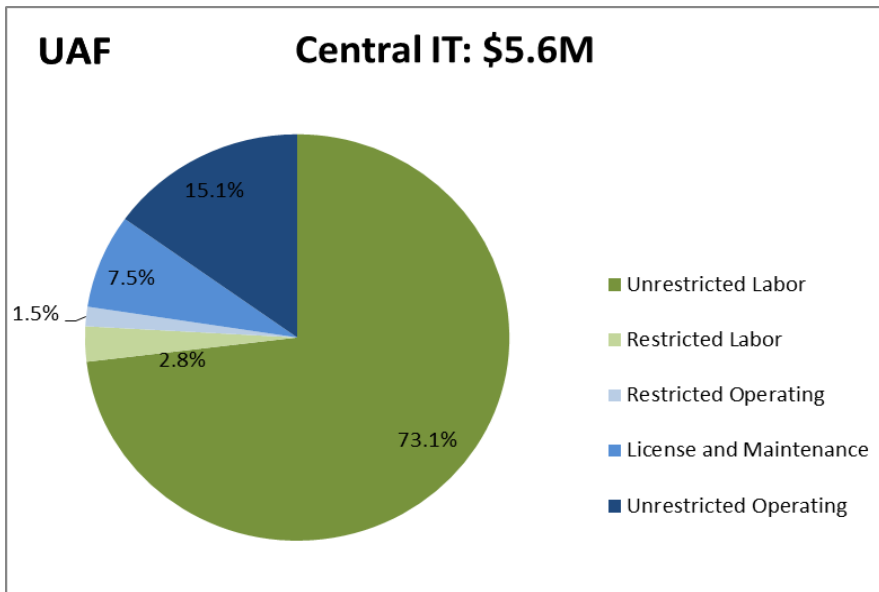


UAS Distributed IT: \$1.3M

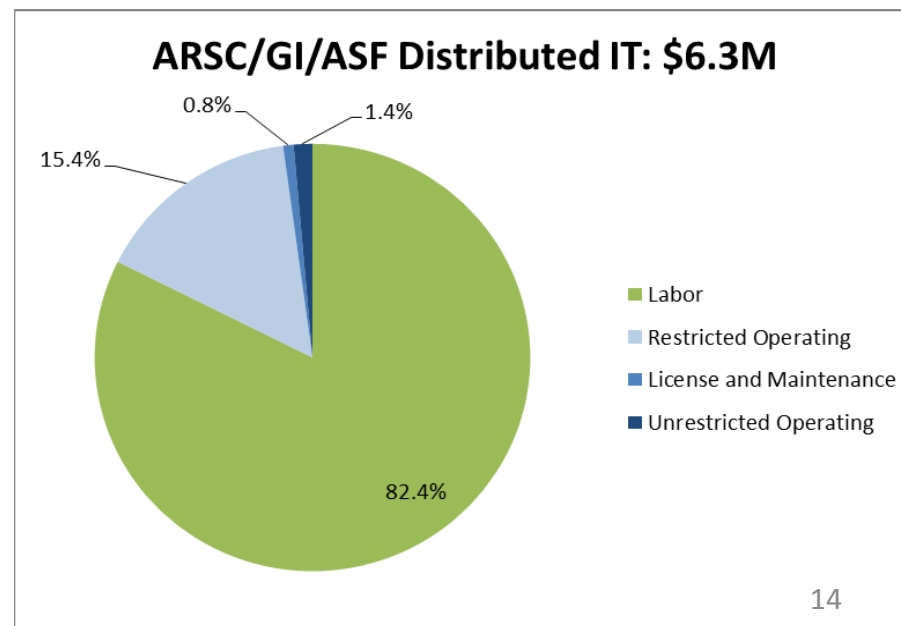


- Central IT within UAS is the Director of Information Technology and IT Services group responsible for academic and distance technology support services. UAS typically has the nimble advantage of creating and testing technology solutions that are often utilized across the UA system. With heavy labor expenditures (~\$1.5M) UAS often partners with UAA or OIT for shared services.
- Distributed IT is counted as IT based jobs within academic or other administrative UAS departments. Although labor is more centralized at UAS, a higher proportion of contracts and a larger budget for operating needs exists outside of the central IT unit.
- Further analysis to validate or identify an optimally sustainable model may be needed for future planning.

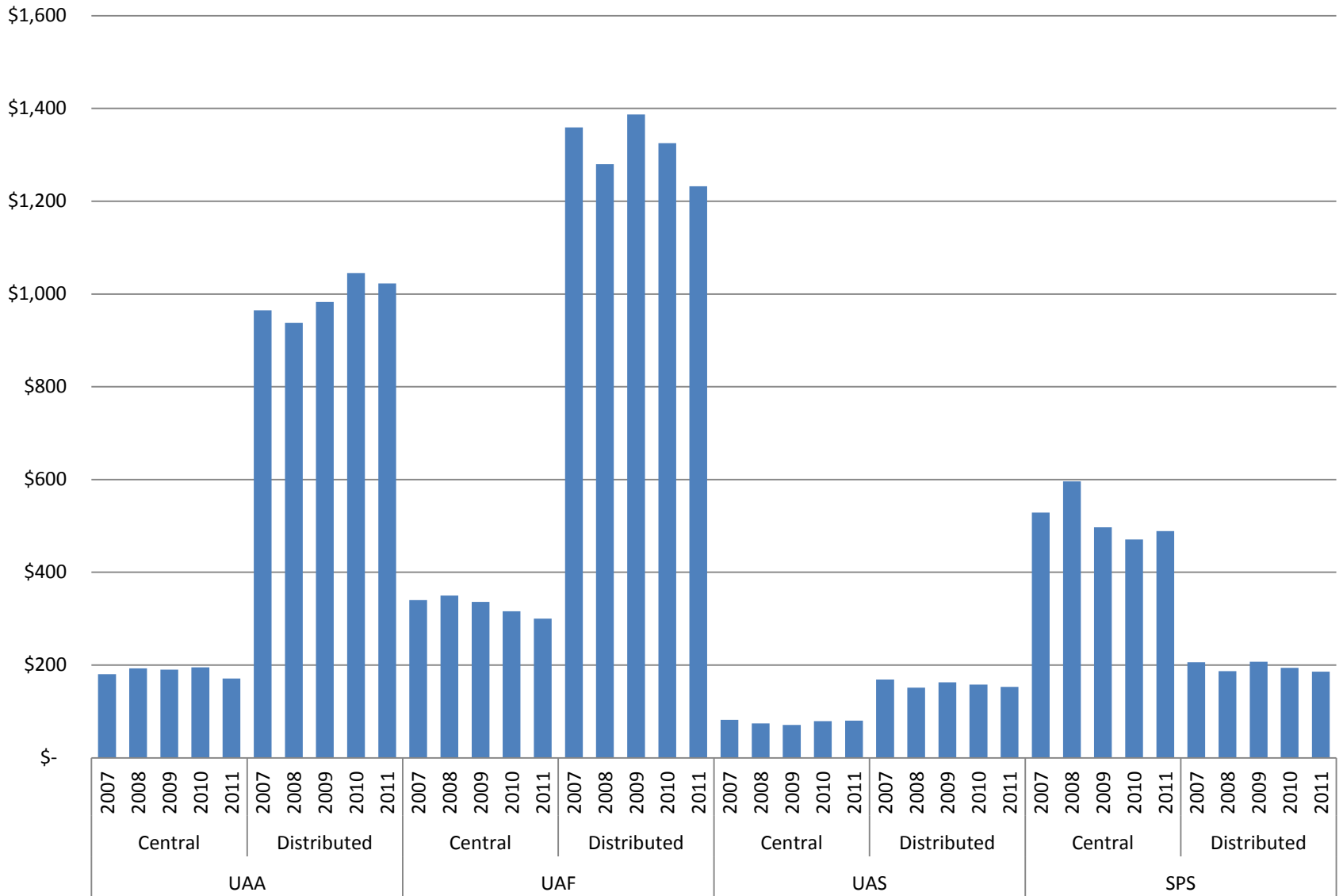
UAF FY11 Snapshot



- The UAF Central IT unit is OIT, with the addition of academic support.
- Many higher priced campus contracts at UAF are centralized within Administrative Services, a smaller subset is managed within OIT.
- As a research institution, typically, a high volume of IT expenditures are distributed; however only ~\$6M is due to ARSC/GI/ASF activity which is commonly restricted.
- Improving the coordination of innovation budget type expenditures, for example the ~\$5M in unrestricted operating and ~\$2.5M in contracts, may allow for leveraged gains.



Total UA Expenditures by MAU Central v. Distributed FY07-FY11



MAU Trend Analysis FY01-FY11

Central vs. Distributed

- Identifying activities that can be provided more efficiently centrally may free up funds for other priority needs within a campus or across the UA system.
- At SW, most technology service needs are met by OIT; OIT collaborates where possible with the distributed IT units in Finance, HR, and Student Services for systemwide automation projects or enterprise application (Banner) support.
- MAUs want increased process efficiency for IT Automation Projects with faster successful project output. OIT is currently proposing options for reorganization to meet these needs and encourages use of the Business Analyst and Project Manager positions in Technology Oversight Services.
- At UAF, IT support is highly distributed but is changing as the federal research funding climate changes. UAF may benefit from exploring greater centrally leveraged services.
- Trends at UAA indicate a growth in distributed spend while central spend remains flat; this may be program based, due to new facility construction, or may highlight a shift to specialized services.



MAU Trend Analysis FY01-FY11

Central vs. Distributed Cont.

- Trends at UAF indicate a decline in distributed spend in both central and decentralized areas; as R&R and infrastructure are a priority at UAF, the campus must work to maintain or increase IT infrastructure and student mobility access needs.
- Trends at UAS indicate a relatively flat central funding model with declining distributed spend; IT priority areas are typically distance delivery and refresh of aging computing labs or equipment. This may also highlight a reliance on centrally provided system services.
- Trends at SW show a leveling-off of the OIT budget post organizational change in 2007/2008. There is a slight decline in distributed spend at SW which may indicate a shift to greater collaboration, organizational change, or leveraged services.



Conclusions and Recommendations

- UA has done a fair job at keeping up with technology changes given steady IT expenditure percentages.
- Fixed costs (personnel, contracts, network) gradually reduce flexibility in spending for innovation.
- Further analysis is needed to identify efficiencies and duplication of effort within MAUs and across the UA system.
- What do we stop doing to take on newer more innovative technologies to enhance education?

