



UNIVERSITY of ALASKA ANCHORAGE
INFORMATION TECHNOLOGY SERVICES

Memorandum

To: Mike Driscoll, Provost
From: Dr. Richard Whitney, CIO/Vice Provost for Information Technology
Date: 11 April 2008

Subject: FY-09 IT Services Department Operating Budget Request

Please find attached the operating budget request for IT Services. The request is comprised of the following set of documents:

1. Cover memo
2. Attachment IV – Current Base Operating Budget Status
3. Incremental Budget Requests
 - a. Attachment V – Fixed operating cost increase relief
 - b. Attachment V – Campus Exchange™ expansion
 - c. Attachment V – AV Services technician resource
 - d. Attachment V – System and security engineering resource
 - e. Attachment V – General use classroom lifecycle replacement
4. Attachment VI – Guidance with Respect to Possible Decrements

Current base operating budget status is shown in Attachment IV (Item #2). A net surplus of \$202,549 shows as of February 28, 2008. This amount corresponds to unexpended project funds for projects that will be completed by year-end resulting in a net breakeven.

There are five (5) incremental budget request (Items #3a – e). Requests follow the approved template. Finally, Attachment VI (Item #4) explains the general process that IT Services' would take in determining how to apply a budget decrement in FY-09.

Please let me know if you require additional detail on this request. Thanks for your consideration of funds requested to support UAA's core infrastructure technology needs.

RAW:
Attach.

**University of Alaska Anchorage
Current Base Operating Budget Status
As Of 2/28/08**

Attachment IV

Major Budget Unit: Information Technology

Expenditures:		Adjusted Budget	Year to Date Activity	Projected Exp to Year End	Total YTD and Projections	Budget Variance
1000	Salaries/Ben	2,640,596	1,520,108	1,017,853	2,537,961	102,635
2000	Travel	49,000	20,486	21,409	41,895	7,105
3000	Contr Svcs	1,368,476	693,970	234,615	928,585	439,891
4000	Commnty	668,306	440,551	83,354	523,905	144,401
4500	Resale				-	-
5000	Equipment	458,155	167,691	676,327	844,018	(385,863)
6000	Fin Aid				-	-
7000	Overhead				-	-
8000	Misc	421,366	222,353	771,526	993,879	(572,513)
	Total Expenditures	5,605,899	3,065,159	2,805,084	5,870,243	(264,344)

Revenues:		Adjusted Budget	Year to Date Activity	Projected Exp to Year End	Total YTD and Projections	Budget Variance
9100	Tuition				-	-
9150	Lab Fees	1,099,258	1,626,730	33,136	1,659,866	(560,608)
9210	Gen Fund	3,616,814	3,616,814		3,616,814	-
9700	Aux Receipts				-	-
9801	Interest Income				-	-
9802	Overhead	160,000	62,809	17,191	80,000	80,000
9900	Intra Agency Rcpt	21,755	11,254		11,254	10,501
9960	CIP Receipts				-	-
	Other 93/94/95/98	708,072	704,858		704,858	3,214
	Total Revenues	5,605,899	6,022,465	50,327	6,072,792	(466,893)

Net Surplus/(Deficit)	202,549
------------------------------	----------------

ATTACHMENT V

FY-09 BUDGET INCREMENTAL REQUEST Information Technology (IT) Services

Title: AV Services technician resource

Program Description

The primary mission of the IT Services Department's AV Services group is to support the operation and maintenance of technology in UAA's classroom facilities (general use and smart classrooms). A key element of this mission is to design and install technology and subsequently provide break/fix support. AV Services also provides consulting technical support to academic programs in selection of new technologies and to administrative programs in selection and implementation of campus video surveillance systems.

In the past year, the single AV Services technician has maintained all AV check-out equipment on the Anchorage campus and completed 49 departmental projects for twenty-two departments while maintaining 58 general use classrooms and 16 smart classrooms. This workload, coupled with expected equipment lifecycle replacement efforts due in the coming year will exhaust the existing technician, push projects beyond deliverable dates and create service disruptions in classrooms.

This request would permit IT Services to hire a second AV Services technician to supplement the existing technician. Lack of support for this request will result in inability to take on future projects and may extend service outages in general use or smart classrooms and availability of check-out equipment.

Strategic Priority

UAA 2017

Priority D. Ensure that plant and equipment infrastructure are stable, secure and provide a dynamic, state-of-the-art environment for high quality teaching, research, engagement and creative expression.

Performance Measures

This request addresses important information technology infrastructure that reflect UAA 2017 priorities as shown in "Strategic Priority" above.

Demonstrate how the program optimizes existing capacity and expertise throughout the system

This request addresses current critical resource shortages which will permit IT Services to balance workload, build depth in available resources and address critical security issues that incumbent staff do not have time to deal with.

Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU

Within the IT Department, this request will dramatically improve the balance of workload and resource depth. Efficiency will be improved and productivity of the systems engineering team will be increased by 50%.

What investments, if any, is the department prepared to make in this initiative in addition to the funds requested from outside the present department budget?

IT Services has no way to re-allocate operating funds for a new position. Past re-allocation funds due to short-term cost avoidance (e.g., position vacancies) has for the most part evaporated.

FY09 GF and NGF Request

IT Services is requesting an operating budget increment in Contractual Services and Equipment amounting to \$90,000 beginning in FY-09.

Priority Ranking

This is a single request item with #1 priority.

Operating Expense

All funds will be spent on the described systems engineer position.

ATTACHMENT V

FY-09 BUDGET INCREMENTAL REQUEST Information Technology (IT) Services

Title: Campus Exchange™ expansion

Program Description

In 2003, IT Services installed Microsoft Exchange™ at UAA's Anchorage campus as an important upgrade to existing gateway electronic mail service. Exchange™ provides rich messaging, Personal Information Management (PIM) capabilities, calendaring with meeting management capabilities and other collaborative functions requested by administrative staff. Over the past four years, Exchange™ has grown in use by both administrative and academic employees. It has not been a service provided to students. Annual growth measured in users through this period has averaged 24% year-over-year.

Today, the existing Anchorage campus Exchange™ system is at capacity in terms of users supported by current hardware/software. Increased interest by academic organizations desiring to join the service for shared calendar capabilities, added collaboration features and to escape costs associated with college/departmental services has developed. Reliance on Exchange has also dramatically increased with little tolerance for interruption in service due to catastrophic hardware or software failure.

This request would permit IT Services to establish lifecycle replacement of existing Exchange™ computer hardware and add software and hardware capacity badly needed immediately. Lack of funding for this request will increase the risk of catastrophic service loss and will result in an immediate cessation of adding new users to the popular service.

Strategic Priority

UAA 2017

Priority A. Provide infrastructure to improve academic and administrative program success and sustainability.

Priority D. Provide technology infrastructure that faculty need in order to teach electronically and collaborate with their colleagues.

Priority E. Share and exchange information with University patrons and colleagues within the UA system, state and world.

Performance Measures

This request addresses important information technology infrastructure that reflect UAA 2017 priorities as shown in "Strategic Priority" above.

Demonstrate how the program optimizes existing capacity and expertise throughout the system

This request improves the ability of faculty and staff to communicate, share information rapidly and efficiently and manage complex calendaring, meeting management and scheduling tasks.

Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU

Time spent by faculty and staff interacting with others via electronic communications is increasingly significant. Challenges in managing calendars, schedules and arranging meetings requires significant effort in a diverse and distributed enterprise like the University of Alaska. Use of the Anchorage campus Exchange™ service provides users with tremendous efficiencies that contribute to improved productivity. Loss of these services, for even minutes, can frustrate busy faculty and staff, interrupt critical business processes and impact daily academic operations.

What investments, if any, is the department prepared to make in this initiative in addition to the funds requested from outside the present department budget?

IT Services has invested re-allocation funding from position vacancies and cost avoidance over the past four years to build the current Anchorage campus Exchange™ environment. With increased operational demand on slim human resources, opportunities for re-allocation have evaporated. The existing infrastructure must be maintained (lifecycle equipment replacement) and added capacity supported that are completely beyond current operating budget parameters.

FY09 GF and NGF Request

IT Services is requesting an operating budget increment in Contractual Services and Equipment amounting to \$95,000 in FY-09. A one-time capital request of \$130,000 to provide 'seed' infrastructure is also being requested separately.

Priority Ranking

This is a single request item with #1 priority.

Operating Expense

All funds will be spent on equipment and associated maintenance contracts. No personnel costs are included.

ATTACHMENT V

FY-09 BUDGET INCREMENTAL REQUEST Information Technology (IT) Services

Title: Fixed operating cost increase relief

Program Description

IT Services' operating budget contains a sizeable component which is reserved for annually renewing hardware, software and service contracts. While we aggressively attempt to negotiate favorable annual costs, vendors typically seek to increase contract costs by 3-9% annually. In FY-08, our increase in maintenance costs as a percentage of FY-07 costs was 6% which represented approximately \$27,000. This did not include new software and hardware acquired in FY-08 which require maintenance in FY-09 and beyond.

Selectively eliminating maintenance contracts in order to absorb these increases may not be possible in some cases (e.g., Microsoft, Sun Microsystems, Blackboard, Elluminate) and will always increase risk to service delivery. Services which are supported by these maintenance contracts are enterprise services that are used by all of UAA's students and employees and therefore support UAA's core business elements.

It is essential to note the dependency that UAA's academic and business programs have to the technology associated with these maintenance contracts. Reliance on services such as Blackboard and Elluminate Live! by literally every course taught at UAA is a reality today. The potential for significant interruptions caused by poorly maintained systems (e.g., Microsoft Exchange, Sun Microsystems) is also a reality. All systems (that require them) should have fully operational maintenance contracts to guarantee rapid response to hardware failures, access to vendor Technical Assistance Centers and access to software and firmware upgrades.

This request will permit IT Services to absorb anticipated annual maintenance cost increases in major enterprise information technology systems hardware, software and service contracts. Lack of support for this request will result in selective elimination of maintenance contracts increasing risk to UAA business operations and/or elimination of funding for other current operating services in order to pay contract increases.

Strategic Priority

UAA 2017

Priority A. Maintain dependable technology infrastructure.

Priority D. Build and maintain institutional technology infrastructure services that support high-quality academic programs and contribute to the reputation of the university.

Performance Measures

This request addresses important information technology infrastructure that reflect UAA 2017 priorities as shown in "Strategic Priority" above.

Demonstrate how the program optimizes existing capacity and expertise throughout the system

IT Services works hard to collaborate with UAF, UAS and Statewide to leverage economies of scale with regard to selection of technology, consolidation of services and bundling of contracts with vendors. Examples include prior negotiations with Microsoft,

Symantec, Blackboard and Elluminate. We continue to work with our system colleagues to rationalize total maintenance contract costs. The increment recommended here reflects this effort.

Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU

Funding this increment request will permit IT Services to maintain existing contract maintenance services at FY-08 service levels despite anticipated increases in both student and employee demand for enterprise information technology services.

What investments, if any, is the department prepared to make in this initiative in addition to the funds requested from outside the present department budget?

The department continuously attempts to re-allocate operating funds from temporarily vacant funded positions to address operating shortfalls. Our chronic shortage of personnel has forced us to take strong measures to minimize any vacancies in positions due to resource demand. Aside from this, IT Services has no ability to re-allocate in other areas without substantially impacting service delivery to UAA.

FY09 GF and NGF Request

IT Services is requesting an operating budget increment in Contractual Services of \$52,000 in FY-09.

Priority Ranking

This is a single request item with #1 priority.

Operating Expense

All funds will be spent on current maintenance contracts. No personnel costs are included.

ATTACHMENT V

FY-09 BUDGET INCREMENTAL REQUEST Information Technology (IT) Services

Title: General use classroom lifecycle replacement

Program Description

UAA has equipped all 58 general use classrooms with instructional technology. Typical installations include a data video projector, VCR/DVD, sound reinforcement, a jack for laptop presentations and wireless network service. Twelve of these classrooms are "Tier II smart classrooms" with additional equipment including a resident computer, document camera and enhanced presentation capabilities. Based on monitored lamp hours of classroom projectors, this equipment is used extensively by instructors teaching UAA classes.

All of the above equipment was purchased with one-time re-allocation funding. Support for operating costs and maintenance were not funded. Lifecycle replacement was not funded although anticipated at the time of original purchase.

This request would add sufficient operating funds to permit phased replacement of all of the above equipment and maintenance of all equipment during its lifetime. Lack of support for this request will result in increasingly obsolete equipment with ever-lower availability due to unplanned outages.

Strategic Priority

UAA 2017

Priority D. Ensure that plant and equipment infrastructure are stable, secure and provide a dynamic, state-of-the-art environment for high quality teaching, research, engagement and creative expression.

Performance Measures

This request addresses important information technology infrastructure that reflect UAA 2017 priorities as shown in "Strategic Priority" above.

Demonstrate how the program optimizes existing capacity and expertise throughout the system

This request will result in improvement and continued service of instructional technology equipment that directly benefits the 2,630 students who use these 58 classrooms on a daily basis along with their instructors.

Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU

This request will dramatically improve availability of classrooms which will improve productivity of the overall academic programs using them.

What investments, if any, is the department prepared to make in this initiative in addition to the funds requested from outside the present department budget?

IT Services has routinely re-allocated available funds from temporarily vacant positions to fund operational costs. This practice no longer generates sufficient funding to keep all equipment operational. It also does not generate sufficient funding to support lifecycle replacement.

FY09 GF and NGF Request

IT Services is requesting an operating budget increment in Contractual Services and Equipment amounting to \$35,000 beginning in FY-09.

Priority Ranking

This is a single request item with #1 priority.

Operating Expense

All funds will be spent Contractual Services and Equipment purchases.

ATTACHMENT V

FY-09 BUDGET INCREMENTAL REQUEST Information Technology (IT) Services

Title: System and security engineering resource

Program Description

Over the course of eight years, IT Services has maintained flat staffing levels. In spite of this, campus infrastructure and service delivery have grown dramatically. Today, UAA's IT Services organization consists of 48 full-time professional staff providing 41 technology services to 60% of the students and 40% of the faculty and staff in the University of Alaska system.

Systems and computer security engineering resources have been stretched to the breaking point. IT Services' systems engineering team consists of two full-time engineering positions to support over 175 major infrastructure computer systems. On top of this workload, UAA faces dramatically increasing attempts by outside forces to compromise computer systems with the intention of espionage, identity theft and control of computer systems. Existing security technology in place records over 140,000 intrusion attempts daily on UAA-owned enterprise servers and equipment.

A new systems engineer position is critically needed to absorb demand from over-worked incumbent staff and to provide focus on computer security demands. Lack of funding for this request will result in increased workload for existing staff, recruiting and retention problems due to unrealistic expectations, and increased potential for significant computer security breaches.

Strategic Priority

UAA 2017

Priority A. Increase depth and sustainability of critical systems that support UAA's instructional programs.

Priority D. Ensure that plant and equipment infrastructure are stable, secure and provide a dynamic, state-of-the-art environment for high quality teaching, research, engagement and creative expression.

Priority E. Promote use of UAA's information resources within the larger UAA community in secure and operationally stable fashion.

Performance Measures

This request addresses important information technology infrastructure that reflect UAA 2017 priorities as shown in "Strategic Priority" above.

Demonstrate how the program optimizes existing capacity and expertise throughout the system

This request addresses current critical resource shortages which will permit IT Services to balance workload, build depth in available resources and address critical security issues that incumbent staff do not have time to deal with.

Demonstrate quantifiably the impact this program will have on efficiency and productivity ratios within the department, campus and MAU

Within the IT Department, this request will dramatically improve the balance of workload and resource depth. Efficiency will be improved and productivity of the systems engineering team will be increased by 33%.

What investments, if any, is the department prepared to make in this initiative in addition to the funds requested from outside the present department budget?

IT Services has no way to re-allocate operating funds for a new position. Past re-allocation funds due to short-term cost avoidance (e.g., position vacancies) has for the most part evaporated.

FY09 GF and NGF Request

IT Services is requesting an operating budget increment in Contractual Services and Equipment amounting to \$110,000 beginning in FY-09.

Priority Ranking

This is a single request item with #1 priority.

Operating Expense

All funds will be spent on the described systems engineer position.

ATTACHMENT VI

FY-09 GUIDANCE WITH RESPECT TO POSSIBLE DECREMENTS Information Technology (IT) Services

Given the nature of operational services provided by IT Services, across-the-board budget cutting is ill-advised. In the event of a budget cut, the following methodology would apply:

1. Review of all forecasted costs, identifying maintenance and operational costs (e.g., contracts, supplies, etc.). Prioritize the resulting list in terms of customer-impact or business risk.
2. Identify all non-infrastructure costs (e.g., Technology Fellows, WICHE ICE coordination, customer training and professional development). Prioritize the resulting list in terms of customer-impact or business risk.
3. Prepare a candidate list of potential budget cuts from lists in #1 and #2 above. If the entire cut can be funded from the candidate list, proceed to #5 below.
4. Assemble a list of potential infrastructure service cutbacks. Include all costs (e.g., personnel and non-labor costs) associated with each service. Prioritize the resulting list in terms of customer-impact or business risk. Prepare a candidate list of potential budget cuts from lists in #1, #2 and #4.
5. Prepare a final candidate list of recommended budget cuts for presentation to the University Technology Council. Upon review and input from the Council, forward approved candidate list to Chancellor's Cabinet for approval and implementation.