



Statement of Principles UW–Madison IT Funding Model

November 14, 2017

Basic Data

IT Spend: FY15 Summary

IT Salary & Fringe Expense	\$119.4 million
IT Non-Salary Expense	\$69.8 million
Total IT Expense	\$174.0 million
Total DoIT Expenses	\$47.4 million *
Total All Other IT Expenses	\$126.6 million

* Represents de-duplicated count.

Actual DoIT expenses were \$98.7 million when considering serving both UW-Madison and UW System, of which \$27.6 million is spent serving UW System.

DoIT Spending: 27%

All other units: 73%



DoIT Cost Recovery Model

DoIT cost-recovery is mandated by campus policy. It includes:

- a. **Fees** for DoIT IT services provided to campus units.
Hourly rates (examples): \$67, \$78, \$87, \$94, \$97.
- b. **Chargeback assessments** to campus units:
 - For campus IT licenses and shared campus IT systems.
 - For Common System Operations such as Service Center, Shared Financial Systems (SFS), etc.
 - For Network Services.

There are also chargebacks/fees for IT services that DoIT provides to UW-System/other UW Schools.



FY15 Campus Assessments

Common System Assessments

\$13.9 million

Campus Network Fees

\$5.3 million

Telephone Systems

\$5.55 million



Questions

Is the current IT funding model an effective mechanism for:

(a) Strategic prioritization of IT services across campus?

(b) Creating:

a. A rational/optimal campus IT service portfolio?

b. A service-centric culture?

c. Alignment with the mission and objectives of the university as a whole?

(c) Equitable IT services across all campus units?

(d) Providing the right incentives for promoting decisions that are effective and optimal from the point of view of the campus as a whole?

(e) Promoting transparency? Collaboration? Partnerships? Innovation?

