Common Good Fee FAQ
Last updated: 9/3/2014

This document will be updated periodically as the Common Good Fee evolves.

Background

1. What is the purpose of the fee? What does it fund?

   The purpose of this fee is to fund a specific set of enterprise technology projects and programs, including:
   • Existing Enterprise Technology Services operations
   • The Timekeeping (Kronos), Financial System and UCPath projects
   • New Enterprise Technology Services programs

2. Why is UCSB implementing a new fee for these common good IT services & projects?

   The campus needs to make major investments in enterprise technology. Prior to FY 2014/2015, there was no funding plan for the projects the campus had committed to.

3. Who approved the funding model?

   The Chancellor’s Committee on Budget Strategy (CCBS) reviewed the funding model at their February 19, 2014 meeting (CBS #64) and approved the funding model at their June 3, 2014 meeting (CBS #66).

4. What is the consultation process for the fee?

   ETS will present its budget to the IT Board in Fall 2014 to determine the final rate amount.

5. Will research grants be charged for this fee?

   No.

6. Is this funding model equitable?

   Yes, each Control Point is assessed the same Common Good Fee Assessment Percentage.

7. Why aren’t charges based on the actual use of IT services?

   There are four downsides to usage-based fees: 1) the fee may discourage use of the resource, and we want to encourage the use of technology on campus; 2) tying the billing to a particular technology could make it more difficult to move to a newer technology; 3) service costs may vary greatly beyond a department’s notice and control, and 4) measuring and billing based on usage requires a high amount of administrative effort to maintain.

8. Were other funding methods considered?
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In the past several years, UCSB had implemented two different models for funding IT services, the FTE-based Technology Infrastructure Fee (TIF) and the 5 year historical IT spend-based Control Point recharge for the North Hall Data Center. Most recently, UCSB implemented an overall spend-based methodology to fund the UCOP assessment. The Common Good Fee uses the same methodology as the UCOP assessment fee.

9. Why aren’t these services and projects 100% centrally funded?

This model allows for both core and non-core sources to fund these services.

10. What fees are eliminated by the Common Good Fee?

The monthly TIF, annual North Hall Data Center recharge, monthly ResNET Internet connectivity recharge, and UMail recharges are being eliminated.

11. How will the campus centrally fund the core fund share of this fee?

Core funds currently used to support the existing operations will be returned to a central provision account and supplemented by new core resources taken off the top of any new funds coming to the campus.

12. What happens next?

Control Points should plan for a 1.91% assessment. Meanwhile, ETS will continue to refine its budget and submit it for review by both the IT Board and the Chancellor’s Committee on Budget Strategy (CCBS) in the Fall.

Fee

13. What is the proposed rate?

The current planning figure for the rate is 1.91%.

14. How is the fee calculated:

In the following example, Control Point A has a high percentage of Core Funds and Control Point B has a low percentage of Core Funds:

<table>
<thead>
<tr>
<th></th>
<th>Control Point A</th>
<th>Control Point B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>FY 2012-13 Expenditures</td>
<td>421,506,292</td>
</tr>
<tr>
<td>B</td>
<td>Less Financial Aid &amp; Campus-based Student Fees</td>
<td>25,505,457</td>
</tr>
<tr>
<td></td>
<td></td>
<td>93,269</td>
</tr>
<tr>
<td>C</td>
<td>Net Expenditure Base</td>
<td>395,907,565</td>
</tr>
<tr>
<td>D</td>
<td>CGF Assessment Percentage</td>
<td>1.91%</td>
</tr>
<tr>
<td>E</td>
<td>CGF Gross Assessment</td>
<td>7,561,835</td>
</tr>
<tr>
<td>F</td>
<td>Less Total Credits</td>
<td>6,468,942</td>
</tr>
<tr>
<td>G</td>
<td>CGF Net Assessment</td>
<td>1,092,893</td>
</tr>
</tbody>
</table>
• The Common Good Fee for FY 2014-15 is based on campus expenditures in FY 2012-13 (A).
• Control Point expenditures are reduced by Financial Aid Funds (78 Fn) and by Campus Based Student Fees (B).
• All Control Points will be assessed the same CGF assessment percentage (D) on their net expenditure base (C) to calculate their CGF Gross Assessment (E).
• Each Control Point will receive credits (F) based on the fund sources of their net expenditure base (C). Expenditures made with the following funds will generate credits: General Funds, Mandatory Student Fees, State Contracts & Grants, Local Contracts & Grants, Federal Contracts & Grants, and Private Contracts & Grants. These credits are calculated on a percentage basis, i.e., if 85% of their FY 2012-13 Expenditures (A) is general funds, their credit is equal to 85% of the Common Good Fee Gross Assessment (E).
• The CGF Net Assessment (G) is the amount that each control point is required to return to a central account in order to fully fund the Common Good Fee.

15. Will contracts and grants be charged this fee?

No. However, the Vice Chancellor of Research Control Point will be assessed this fee like all the other Control Points.

16. Will students be charged this fee?

No.

17. From a budget perspective, how do I calculate the impact of the Common Good Fee?

Check with your control point to determine how they will be funding their non-core share of their assessment.

18. My unit already invests in its own IT services. Will my unit be subject to the new fee?

All Control Points will be assessed this fee, regardless if they choose to fund similar IT services within their units.

19. Are administrative units charged differently than academic units?

Each Control Point is assessed at the same rate. The credits used to offset the assessment are based on the amount of Core Funds allocated to that Control Point.

Services

20. What services does the proposed fee fund?

• Existing Enterprise Technology Services operations, including, but not exclusively:
  o Application Support & Maintenance
  o Mainframe Legacy System Support
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- Non-Mainframe Legacy System Support
- Data Network
- Data Warehouse & Business Intelligence
- Distributed Systems
- Mainframe Services
- North Hall Data Center
- Student Email Service
- Connect Email & Calendar Service
- Mailing Lists
- Identity & Directory Services
- Website Hosting & Analytics
- Library Proxy Service
- Information Security
- Supercomputing Consulting Services
- Business Relationship Management
- Timekeeping (Kronos), Financial System and UC Path projects
- New Enterprise Technology Services programs
  - Enterprise Technology Service Center with Service Now

21. What enterprise IT costs are covered by other sources of funds?

- Some UCPath costs are reimbursed by UCOP.
- The Financial Systems Implementation Project costs are currently covered by a loan. Loan repayment will be included in the ETS budget request.

Implementation

22. How often is the fee assessed?

The fee will be assessed once a year. The plan is to charge the initial fee in March 2015.

23. What expenses do the current fiscal year’s fees cover?

The FY 2014/2015 fee will cover FY 2014/2015 expenses.

24. When does the fee take effect?

This funding model took effect on July 1, 2014.

25. Who is responsible for the mechanics of the recharge?

Budget & Planning.

Benefits Impact

At the direction of the UCSB Budget Office, ETS should include the full benefit expense in all operations and projects.
26. What operations and projects are impacted by this change?

ETS non-recharge operations staff that were formerly 19900-funded as ASIT, OIT, and OIST staff will now have an associated benefits charge for their operations.

ETS recharge operations staff that provide the Workstation Support, Thin Client Support and Windows Server Support will now have associated benefits costs that need to be recovered in their recharge rate.

27. What operations and projects are not impacted by this change?

ETS recharge operations staff involved in Communications Services and TIF activities already had their benefits included in their recharge rates. PMO projects also already had benefits included in their project costs.

28. What does this mean to campus departments?

For non-recharge operations the additional cost will be recovered through the Common Good Fee.

For Workstation Support, Thin Client Support and Windows Server Support recharge customers only 25% of the benefits cost needs to be recovered by the recharge rate in FY 2014-15.

For FY 2014-15 we plan to keep rates comparable to FY 2013-14 rates by increasing the Workstation Support ratios, subsidizing management overhead, and using salary savings. Any changes in overall cost of service will be the result of customer organic growth or reduction in the use of technical resources.

29. What is the plan for FY 2015-16 for the subsidized benefits?

The intention is to phase in the full benefits cost over four years (i.e., 25% in FY 2014-15, 50% in FY 2015-16 etc). ETS will monitor how these services are delivered this fiscal year to determine if there are ways to achieve cost savings and reduce the impact of cost increases.

**Governance**

30. How do you assure quality of service and control costs?

The role of the Information Technology Board is to control costs and to ensure that the range of services funded by the fee is aligned with the campuses strategic goals.

31. Can I expect new services from ETS?

Yes, per the new governance process.

32. Who can I contact with questions?

Elise Meyer
33. Who can I contact to get more information about the impacts to my division?

<table>
<thead>
<tr>
<th>Division</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>Lisa Sedgwick</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>Bob Silsbee</td>
</tr>
<tr>
<td>Chancellor</td>
<td>TBD</td>
</tr>
<tr>
<td>Institutional Advancement</td>
<td>TBD</td>
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<tr>
<td>Research</td>
<td>TBD</td>
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<tr>
<td>Student Affairs</td>
<td>TBD</td>
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</table>

34. Does this model take into account inflation?

The costs must be reviewed on an annual basis. If there is a significant increase or decrease in costs, the rate will be adjusted accordingly for the following year.

35. Does this cover expansion of UCSB Campus Wireless or UNet?

No. Both UCSB Campus Wireless and UNet expansions are currently funded by departments or building projects that want that service.