Recommendation

Technology Infrastructure Fee (TIF) Model
Principles and Formulation

Disaggregating the Telephone Bill

1. Upon separation of phone and IT infrastructure service charges, voice service costs (i.e. the phone bill) will be charged back to the user in four components: (1) dial tone together with all features except voicemail on a single per line charge; (2) phone instrument through individual purchase and not charged back; (3) voicemail on a single per line charge; and (4) long distance on a line usage basis.

2. Upon separation of phone and IT infrastructure service charges, the FRAMEWORK for funding campus IT infrastructure services will be a Technology Infrastructure Fee, TIF, (model to be determined) charged to campus units. The principle for the TIF is campus ‘common good’ infrastructure services.

3. There is not support at this time for charging a TIF to students. Student usage (non staff student usage) of infrastructure services will be embedded in the TIF charges to the campus units. TIF charges will be calculated by taking the total costs to provision specified ‘common good’ services to the campus and dividing the total cost by the basis specified by the TIF model. Student usage will be allocated uniformly across the campus according to the TIF model basis.

4. The TIF will be INITIALIZED based on the suite of ‘common good’ services that are CURRENTLY covered in the augmented phone bill, e.g. Internet connection costs, network backbone, BOL, campus wireless, connect funds, 800 MHz system, etc.

Tying TIF to the Repositioning IT Initiative

5. Over time, the Repositioning IT Initiative will redefine some of the current ‘common good’ services and will define some new, as yet unspecified ‘common good' services. The TIF will be the funding mechanism for the ‘common good’ services that emerge from the Repositioning IT Initiative.

6. There will need to be a campus process by which ‘common good’ services in the TIF can be reviewed and can be added or changed.

7. Based on point (4) above, there is agreement that the TIF will initially include a SPECTRUM of kinds of ‘common good’ services. As the Repositioning IT Initiative progresses, it is understood that the TIF will CONTINUE to include a SPECTRUM of ‘common good’ infrastructure services even though the spectrum may be redefined, e.g. network and connectivity, communication, data center, security, some associated support services, etc.
8. The Repositioning IT Initiative leaves open the possibility of centralization AND regionalization of ‘common good’ services. If it is determined that some ‘common good’ services should be provisioned through a set of regions, the TIF will be applicable, i.e. the TIF can be applied to centralized or regionalized service delivery models.

The TIF Model

9. A TIF that covers a SPECTRUM of ‘common good’ services argues for ‘USER-BASED’ allocation models (FTE, Headcount, FTE Knowledge worker) and against ‘TECHNOLOGY-BASED’ allocation models (IP address, networking port, email mailbox). Technology-based models are specific to kinds of technology services. User-based models aggregate multiple kinds of services. Also, user-based models are more stable from a management standpoint. By narrowing the TIF models under consideration to ‘USER-BASED’ models, the possible outcomes of the Repositioning IT Initiative are accounted for.

10. Within the possible user-based models, FTE and FTE Knowledge Worker models emerge over Headcount. Headcount is a disincentive to units with more partial FTE, in particular student staff.

11. FTE and FTE Knowledge worker can both work for a TIF now and for the future as Repositioning proceeds

The arguments that (1) it is a difficult task to define knowledge worker, (2) the gap between FTE and FTE Knowledge worker is likely small, and (3) the gap will grow smaller over time, all push toward an FTE model. However, there are considerations associated with government contracts and grants. It is the opinion of UCOP staff that knowledge worker may be a more defensible algorithm.