Research, Teaching and Learning Technologies Committee Kickoff Meeting

February 6, 2015
Why IT Governance Now?

• Over the last five years, the campus has faced, and continues to face, unprecedented fiscal challenges.

• Each domain area – research, teaching and learning, administration/operational excellence – faces unique external pressures and internal needs, many of which require technology to address.

• Demand for new or expanded IT services has exceeded the campus’ capacity (both financially and in terms of human resource/SME bandwidth) to deliver all that is desired or even needed – making tradeoffs essential.

• The rate of evolution and democratization of technology impacts business/IT strategy and policy.

• The ubiquitous digitization of assets, and the growing risks associated with the storage of electronic data, requires careful management.

• UC Berkeley is significantly technologically behind on a number of fronts compared to our peers, requiring the ongoing prioritization of the things we are currently doing against the things we could do to ensure we keep pace with our competitors.
What is IT Governance?

IT Governance is a set of committees and processes intended to facilitate collaboration among campus leadership in the prioritization, funding, design and use of IT to ensure cost effective support of UC Berkeley’s teaching, learning, research and administrative strategic priorities.
IT Governance will not…

• Make IT investment decisions about unique departmental needs;

• Make decisions about IT issues and investments that don’t meet the criteria approved by the ITSC; or

• Include the management of IT.
How we will work
What we will do: Examples

• Explore IT needs in the Research and Teaching and Learning areas (e.g., review the results of the RAE benchmarking analysis).

• Review proposals for new systems or services (e.g., a new Travel and Entertainment system) and prioritize funding recommendations.

• Make recommendations about services to retire (e.g., review IST services portfolio to help decide how to address deficit situation) or to fund.

• Provide input on proposed new campus IT-related policies (e.g., a new Project Management policy).
A successful IT Governance model will:

- Align IT strategy with campus strategic priorities.
- Ensure IT infrastructure supports critical campus needs.
- Transform business processes by leveraging effective IT solutions.
- Scale IT solutions where appropriate.
- Differentiate IT solutions, as needed.
- Balance business and IT related risks.
- Reduce duplication of IT services across the campus.
- Enable effective decision-making that optimizes IT investments campus-wide.
- Establish appropriate policies to support desired behavior and outcomes in the use of IT.
- Encourage the development of the IT workforce (e.g., training standards)
- Regulate the pace of change related to introduction of new technologies and systems.

**Items in blue represent additions by the IT Strategy Committee**
A successful IT Governance model will: (cont’d)

- Enable campus to manage administrative operations more efficiently and effectively.
- Support the effective and secure use of data, including access, integration and management.
- Evaluate and quantify the results of IT governance decisions through effective portfolio management.

** Items in green represent additions by the Enterprise Applications and Data Committee

** Items in orange represent additions by the IT Architecture and Infrastructure Committee
What is needed from you?

- Understanding of your own IT portfolio and needs, and a willingness to learn about the portfolios/needs of others.

- Commitment to a strategic, campus-wide perspective.

- Active participation through collaboration and understanding of campus challenges and opportunities.

- Willingness to work with others on the benefits and tradeoffs that will be necessary to make as part of prioritizing needs at an institutional level in a resource constrained environment.
Topics/Criteria for Committee Review

Project / Service Proposals: Review/prioritize/recommend new initiatives or projects meeting the following criteria (*proposed*):

- **Impact**: more than one control unit/division/college
- **Expense**:
  - **Project**: $300k or higher
  - **Operational (ongoing)**: $200K/year or higher
  - **Five year TCO**: $1,000,000 or higher
- **Reputational risk**: Significant potential for damaging campus reputation
- **External mandate**: Required to comply with laws and/or system-wide policies or directives (e.g., UCPath)
- **Reduction of duplication**: Opportunities to significantly reduce duplication of systems, data and/or expense.
- **Potential for broader benefit**: Projects initiated by one department that could also benefit many, or the entire campus.

**Items in blue** represent additions by the IT Strategy Committee; **in green** represent additions by the Enterprise Applications and Data Committee.
Topics/Criteria for Committee Review
(cont’d)

Strategies and Goals: Review/approve campus IT goals/plans in the area of Administration, Research, Teaching & Learning, and IT Infrastructure.

Emerging Issues: Inform/discuss new issues (e.g., strategic needs, campus security risks, infrastructure challenges, service duplication, etc.).

Policies: Review and provide input to new policies or amendments to existing ones.

Service Abatement: Review/prioritize/recommend services to be retired or decremented under the following conditions (*proposed*):

- **Impact**: more than one control unit/division/college
- **Abatement project expense**: $300k or higher
- **Abatement project timeline**: 6 months or more
- **Abatement savings**: $200,000 or higher
- **NOTE**: EADC members expressed interest in seeing anything that we could stop doing, regardless of cost.

** Items in blue represent additions by the IT Strategy Committee; green represents EADC
IST expenses have risen in response to increased cost of employee salary and benefits, service expansion and implementation of new systems.

- Increase in Benefits expense of approximately $5.1M due to Benefits rates increases from an average of 27% pre-CBR to 40.1% with CBR.
- Increase in Salary expense of approximately $2.5M due to campus merit and other salary increases.
- Increase in Computer Services expense of $4.3M as a result of a rise in infrastructure costs primarily due to OE projects becoming ongoing IST operational services.
- Increase in the number of other projects that became IST services with ongoing operational costs such as Enterprise Application Virtualization, IT Monitoring, and the Info Security Risk Assessment program.

*The $84.8M is offset by $34M in recharge income, resulting in a net expense of $50.8M.*
Current IST Financial Position (December updated FY15 Forecast)

- IST’s FY15 forecasted run rate is $84.8M.
- IST receives a $33M annual central allocation.
- IST receives an additional ~$44M through other funding sources, including Recharge Income and Revenue, IT Bank funding, Productivity Suite Assessment, etc.
- This leaves IST with an anticipated FY16 structural deficit between $10.5M and $12.8M.**

**NOTE: This range takes into account the recently announced additional cuts to be taken and new unfunded expenses anticipated for FY16.