Information Services

Report to the Strategic Alignment/Budget Reduction Review Committee

November 20, 2009

Overview:

The past eight/nine months have featured change in Information Services. Beginning in the spring the administrative support unit providing accounting and personnel support to IS and to the Library, commenced the transition to the UABC [Business Center #2]. As we moved into the late summer, major reviews were implemented to look at the provision of Information Technology services to the campus, with the hope of finding changes that would save significant funds, and improve efficiencies.

Every operating unit within IS was impacted or is being impacted by one or more of the change points noted in the previous paragraph. As of today, there are still areas of study, and depending on design and implementation, the IS fiscal model may be further changed.

The initial Education and General Fund Budget is distorted by the inclusion of $2,893,863 of Fifth Site Operations funding for FY09, reduced to $2,480,744 for our current fiscal year. This creates an apparent budget reduction of $413,119, which had to be moved for E & G operations to the Fifth Site Operations, an IS Service Center.

The goal is to continue to work on budget planning and to reduce the actual carryover use by an additional $100,000 by the end of the fiscal year.

Budget Reductions Perspective

$115,724 - FY09 – November 2008; Reduction in Base Budget [Recurring]

$133,240 - FY09 – March 2009; Reduction in Base Budget [Recurring]

$156,500 - FY09 – March 2009; Reduction in Fund Balance [Non-Recurring]

$248,964 - FY10 – Reduction in Recurring Budget [A]

$343,488 – FY09 – IS Reserve Funds/Carryover Used to Balance FY09 Operating Budget [B]

$ 90,672 – FY10 – Additional IS Reserve Funds Needed to Balance FY10 Operating Budget [C]

$683,124 – FY10 – Total Shortfall, Funding From IS Reserves/Carryover [Total A + B + C] [See Notes Below]

FY10 Budget: Information Services - Footnotes / Comments / Observations

[1] Unit budgets in Information Services adjusted expenditure plans from prior years based on detailed evaluation of tasks and functions that are provided to the university, and projects were prioritized. The end result is that some units increased expenditures over FY09, while others did not.

[2] The transfer of the accounting and human resources component created challenges in presenting year-to-year comparisons. There is an unexpected impact, resulting in a $123,718 increase in budget requirements over FY09.
The accounting and personnel staff billed Services Centers and Designated Operations for services provided, as required by federal regulations, namely budget document A-21. This was $133,271 for FY09. That revenue will not appear in FY10. This is a net gain for the UABC as they received 100% of salary and OPE, plus the revenue as the staff charge for services to the self-sustaining units.

Student labor was added to cover functions that remain in the department, as they did not transfer with the accounting and personnel staff to the UABC.

8% of Jim Corbett's salary and OPE was transferred to the UABC, so IS has to backfill the $11,000 to keep Jim Corbett at 1.0 FTE in IS

Special allocations for Drupal in Central Web Services and Nolij in Enterprise Computing inflated expenses in these two areas as we compare to FY09.

The requested draw on IS Reserves is $683,124, which compares to a draw of $343,488 in FY09. If we were to factor in the loss of revenue from the administrative support of self-sustaining units, the FY10 draw would be $549,853. Continued review is planned to reduce this during the course of the year.

Strategies Employed to Manage Budget Reductions:

- Open faculty, staff, and management positions were left vacant
- Services and Supplies budgets were closely reviewed and analyzed, and expenses were reduced to an “essential purchase only” methodology
- Large projects, such as Building Rewiring, were reviewed and prioritized; cancelled/deferred as needed
- Equipment Replacement Schedules were reviewed, and where possible, replacement cycle extended one to two years
- Development Projects in Central Web Services were reviewed, and prioritized; lower priority projects delayed or cancelled

Planning for Further Biennial Budget Reductions:

- Additional personnel reductions
- Continued review of IS services to determine service value to the OSU campus. Review may result in termination of services, realignment of services in a consolidated format, to note two possibilities
- In FY11, the ATLAS Service Center will be terminated as the IS contractual arrangement with OUS will cease. This will release a fund balance of almost $80K in the service center to move to IS operations
- In reviewing the Target Reductions in IT, it is possible that additional campus savings will occur as a result of standardization of IT services and possible centralization of IT services