# CollegeNet

## Ohio's Higher Education IT Funding Model


Fred Siff
VP&CIO
University of Cincinnati

Rich Petrick
Vice Chancellor (Finance)
Ohio Board of Regents

Deborah Gavlik
Associate Vice Chancellor
Ohio Board of Regents

It’s not about money. There is none in these lean times.

But there is a story to be told, a common understanding to be achieved.

This was accomplished in Ohio, to the point that IT funding was included in the group of five breakthrough initiatives as funding priorities for the 02-03 biennium (04-05 currently in conference), endorsed by

- *All 38 college and university presidents*

*and*

- *The Ohio Board of Regents*

# Purpose of the Model

- To establish a common understanding & appreciation of the issues involved with IT support to higher education.
- To fix on some funding parameters.
- To generate support.
  - *first with college & university CEO's*
  - *then the Regents*
  - *then the political process: Governor and legislators*

# Principles

- The complex issue of IT funding needs to be identified, characterized and communicated.
  - *It is not enough to say "IT costs, we need more money." What will come of it? What are the deliverables, the products, the benefits? In terms understandable to non-IT folks. Measurable terms.*
- Even if there is no funding, the problem exists and cannot be dismissed.
  - *It is like deferred maintenance – but more significant, more real-time.*

# Principles

- The importance/centrality/criticality of IT is an institutional decision, based on the institution's strategic plan and culture -- and funding.
- IT funding is operational/ongoing, not capital, funding.
- Most often, there is no new funding identified for the new phenomenon of IT, rather it is funded through "reallocation" – which has limits.

# The model

Designed to answer the questions:

*What do dollars spent on IT buy? What can I measure/touch/see?*
*How can accountability/performance measures be generated?*

*Consists of only 3 components:*

- *Classrooms*
- *Faculty/staff workstations*
- *Student lab workstations & access*

Producing a clear allocation based on need for all of the state's colleges and universities.

# What is left out?

- Support?

  *No, covered via inclusion in cost of workstations and classrooms.*

  *The cost associated may be defined by an institution, based on its values.*
- Research?

  *No, covered via the associated support costs of faculty workstations.*
- Same with networking, software, etc.: included in the cost of a workstation.
- Software systems, especially administrative?

  *Can be included via amortization/depreciation as part of support costs, otherwise may be left out, treated as distinct issue. We left it out.*

# Component 1: Classrooms

Axiom: Classrooms in higher education institutions should be Internet ready.

*Defined as having Internet access, data projector and screen so that instructor can connect to and demonstrate material in cyberspace.*

Further refinements are institutionally-specific levels, such as instructor's workstation/podium, dimmable lights, etc.

The inventory of classrooms is measurable and one can monitor outcomes of funding – and thus measure need, progress and goal attainment.

# Application

Ohio is the 7th largest state in the country.

Nearly 8,000 classrooms and labs in the higher education inventory.

Develop a cost per Internet-ready classroom:

- *annual cost of equipment, connectivity and* support*.*

At a state level, generic ballpark figures are sufficient; the number becomes large enough to make the point. Here, the annual cost of an Internet-ready classroom is $4,000, and the total is $72.5 million annually.

Institutions could modify, self-define/differentiate/distinguish.

# Component 2: Workstations

Faculty need (depend on, are connected by) workstations (to communicate with their students, to prepare their teaching and research), as part of their office suite.

*(One can add staff also, depending on institutional perspective. We did.)*

But the workstation is just a measurable and physical entity – a metaphor for a set of IT services.

*It* represents *costs for the networking and support infrastructure as well.*

*It* could *include administrative support systems amortized and ongoing costs.*

*It has a 3 (or 4 or more) year lifetime, and the cost can be annualized, as an ongoing operating cost.*

# Application

There are over 40,000 FTE faculty *and direct support staff* in Ohio's public post secondary schools.

We used a three year replacement model (could well be four during these times), with annual cost (including infrastructure and support) of $1600.

The total annual cost was $106.2 million.

# Component 3: Student access

Computer labs serve as an easily understood metaphor/vehicle for student access

*While institution-specific and of debatable need/merit now, they are still present, still needed.*

- What is the target ratio of students to open access lab workstations?
  - *Certainly institution-specific. We used 15:1*
- Ancillary services are critical, and can be tied to the "labs" vehicle:
  - *support costs, software, modem access, helpdesk, etc.*

# Application

There are over 306,000 student FTE's in Ohio's public post secondary schools.

*Could differentiate by 2 yr, baccalaureate and graduate.*

*Could differentiate by discipline.*

*We did not, preferring to keep it both simple and ballpark, and used a ratio of 1 lab seat per 15 students.*

The annual cost per lab (open access) workstation was $1,600, generating a total annual cost of access of $53.1 million.

# The result

The total annual statewide IT support need is nearly $231 million annually.

*Staggering, but we knew it. It must be identified, recognized as a reality of the 21st century. Maybe after recognition and assessment will come dealing with it.*

The “ask” was first set at $100 million dollars per year; then reduced to $50 million – considered reasonable in light of the total need and the state budget situation in 2000. The situation is worse now.

# The result

The $50 million figure was endorsed for inclusion in the breakthrough initiatives for funding to the Governor by all 38 presidents of Ohio's post secondary schools – 2 year, 4 year and research universities – and the Ohio Board of Regents.

The $50 million is apportioned to each of the schools by a clear formula based on each school's classroom, workstation and computer lab inventory. For the University of Cincinnati, it would result in over $3.6 million annually – a significant increase to a tight $28 million central IT budget. Other CIO's were "delighted" at the prospect of their allocations (e.g., Central State: $358K; Columbus State:$1.6 m.)

# So? What next? What now?

This is a tough period for state budgets  and, hence, state funded higher education.

*IT folk can hardly expect more funding.*

But we can't ignore the need – and we can't let others be oblivious to it. It is much like deferred maintenance.

So, at least in Ohio, we continue to press the issue, treating it in this impossible biennial budget cycle as an educational/informational item -- more for responsible dialog than as a funding request.