

April 23, 2007

ASSISTANT DEAN CALOSS
DIRECTOR HALL
ASSISTANT VICE CHANCELLOR HERRERA-MAHONEY
INTERIM DIRECTOR WILLATS

Dear Colleagues,

We are writing to request your participation on a campus advisory group that is being formed to provide oversight and feedback on the development of an IT funding model for the campus.

Another team, comprised of ITS and Planning and Budget staff, will form a work group which is developing the details and formal implementation plan for funding services provided by the Information Technology Services (ITS) Division to the entire campus. You will meet regularly with the work group to review a range of policy issues, ask questions, and receive updates on progress. The work of both groups will be assisted by a dedicated project manager.

We have committed to the EVC that a proposed implementation will be ready for review and consultation no later than November 2007, allowing a final decision by March 1, 2008 and implementation effective July 1, 2008.

As part of your role, we expect you will communicate progress and next steps to key groups of which you are members, including the Assistant Deans and Campus Academic Support (CAS) groups. This would allow for broad discussion and input as the details are worked out.

As discussed with Principal Officers, the proposed longer-term funding model for IT is based on the following principles:

- An open and collaborative process to establish priorities for IT investment and support for the campus.
- Predictability to the campus about what IT costs will look like going forward.
- Increased accountability and linkage between funding and service requirements.
- Access to a variety of funding sources including central funds, one-time funds, and recharge income).

Funding Proposal for 2008-09 and Beyond

Consistent with campus discussions, the work group will be developing the details associated with a longer-term funding model as follows:

- The amount of funding for ITS, in the future, would not be pegged to a specific dollar amount (although previous commitments regarding increases in central funds would be honored). All increases in investments would be based on proposals for specific adjustments in services.

- A user-based metric would be one of the primary means to fund universally required infrastructure and direct user IT services. This rate would encompass and supersede the Networking port and Telecommunications line rate, and would go further to encompass many activities currently funded by core funds. The concept is to use, to the extent feasible, one mechanism to fund the services that support nearly every UCSC employee uses when they sit down at their desks to start work in the morning.

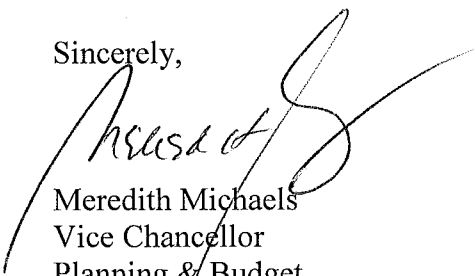
While ITS would set minimum standards, and processes to enforce campus wide standards, individual units would be responsible for costs associated with the acquisition, maintenance and replacement of the unit's local specific local IT equipment and software/license needs. Further, ITS would work with units on unique local IT needs, with the expectation that units would be charged separately for service needs outside the general IT catalog and/or significantly greater than what is provided to the campus at large.

The work group is charged with a number of specific tasks related to the user-based model, including:

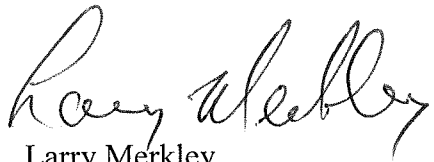
- Defining the entire range of services to be covered by the user-based metric—what is included, what is not.
- Identifying the associated cost of those services.
- Working out details of the user-based metric, building upon the initial work done to implement a user-based model on an interim basis in 2007-08.
- Establishing a planned reserve.
- Calculating the base budget dollars that might be released as a result of the new funding model, and recommending the deployment of these dollars.

We look forward to collaborating with you on this important campus effort, and thank you, in advance for the time you will be dedicating to this activity.

Sincerely,



Meredith Michaels
Vice Chancellor
Planning & Budget



Larry Merkley
Vice Provost
Information Technology Services

Cc: Campus Provost/EVC Kliger
Deans
Vice Chancellors
Vice Provosts
Campus Librarian
Assistant Vice Chancellor Eckert
Principal Analyst Lawson
Divisional Business Director McCue
Director Cianca