

# UCI Electronic Communication Service Funding

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## Where are we?

- Face significant challenges with current electronic communication funding model
- Operating budget becoming more impacted, no steady stream of upgrade money, cannot upgrade the telephone system
- Time to adopt a FTE-based campus-wide fee to cover bundled telephone, network, and other service costs?

## Background

- Current model based on telephone recharge, which initially funded network operation costs
- 1997 Electronic Communications Services Recharge Review Committee
- Resulted in fixed \$1.2m network funding allocation initially distributed to departments based on FTE, now an allocation
- Received additional allocations through other budget requests; one-time and recurring

## Background

- Current network funding:
  - \$1.2m former network surcharge
  - \$300k UCInet augmentation (+\$70k benefits)
  - \$250k “campus connectivity” funding
  - \$650k (approximate) from various special permanent fund allocations
- Total of \$2.4m funding, network costs \$3.5m or more to operate
- \$1m annual shortfall covered by telephone revenue

## Issues

- Cannot advance the telephone system
- Limitations of using telephone recharge
- Insufficient network operation funds
- Lack of an ongoing source of network refresh funding to keep the campus network state of the art and provide consistent service throughout campus

## Issues

- Cannot advance the telephone system
  - Deployed telephones 11 to 22 years old
  - Cannot move to modern VoIP phones (\$8m implementation cost)
  - Two telephone systems to support
  - Continuing to invest in the Ericsson system that we want to phase out
  - Will need to invest \$300-600k more into Ericsson system over coming years if we keep it

## Issues

- Limitations of using telephone recharge
  - Not all network users contribute to funding base (only telephone users)
  - “Brittle” source of funds as people use campus telephone services less
  - No funding to cover increasing salary costs, which are the largest component of communication expenses (\$188k additional cost last year)
  - Recharge centers typically raise rates to cover additional costs, is it appropriate to increase telephone rates to cover increasing network costs?

## Issues

- Insufficient Network Operation Funds
  - No mechanism to address expanding network (27,000 active ports)
  - New building projects add 100s of ports each year
  - Operation costs have grown to absorb money previously available for upgrades
  - Layered services increasingly important but add to operation costs (alumni, spam mitigation, Webauth, etc)
  - Compromises are made that will eventually impact service

## Issues

- Insufficient Network Refresh Funding
  - Using small cap request mechanism to seek network upgrade money
  - No consistent stream of upgrade money to fund service evolution plan
  - Equipment will need to be replaced every 5 to 7 years
  - We make compromises: incomplete wireless & 100mbps coverage; outdated cable; unsupported building switches; no redundant border router

## Funding Options

- Direct network budget allocations
  - Need to replace \$1m phone revenue, increase operation funding, create refresh stream
- Raising telephone rates
  - A few dollars/month can produce \$250k/yr
  - Not enough to meet phone+network needs
- A usage based recharge scheme
  - Charge based on number of devices department or research group has on the network, or ??
- FTE-based infrastructure fee

## Technology Infrastructure Fee

- Every faculty and staff member depends on electronic communication services
- Bundle telephone, network and other communication services together in a comprehensive fee
- Determine operation costs, refresh costs over a multiple year period, divide by number of FTEs to determine rate
- Review every 3 years, adjust rate as needed
- UCSD as example