

**NORTHERN ILLINOIS UNIVERSITY  
DIVISION OF INFORMATION TECHNOLOGY**

**FISCAL 2019 BUDGET SUBMISSION: MARCH 26, 2018**

**EXECUTIVE SUMMARY**

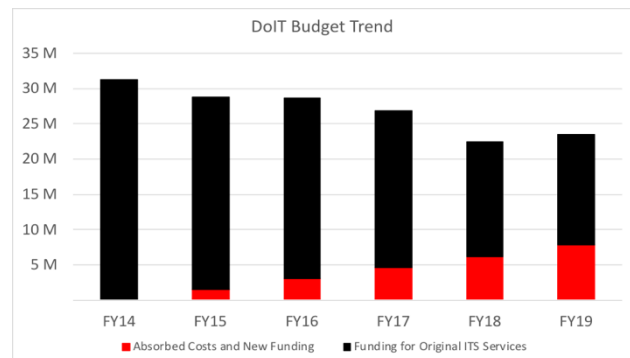
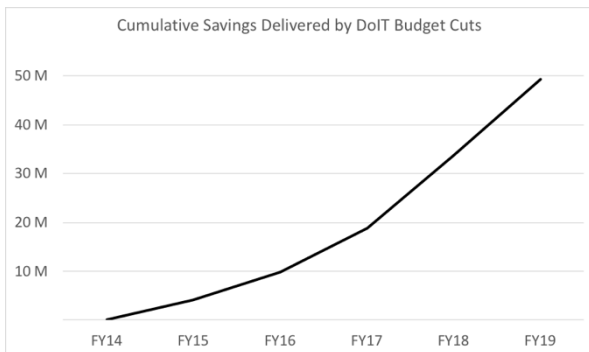
The completion of the Division of Information Technology's (DoIT's) FY19 budget submission fulfills its four-year effort to repair and redress any and all remaining structural issues with the central IT budget at NIU. Over time, the Division of Information Technology (DoIT) has worked to reduce its total expenditure through seven distinct budget cutting exercises; identify all knowable funding defects; make each DoIT manager accountable for the financial performance of their services; lower the total cost of service; and bend its financial model in the direction of the university's overall funding preferences as identified in the Program Prioritization Administrative and Academic task force reports. With one minor exception, each of those goals is now fulfilled.

Work toward these goals began by creating full and complete cost models for each of DoIT's services, functions, and support areas. These cost models fully account for salaries, travel, training, computer refresh, telecom costs, software licensing, network bandwidth, server and storage fees, and all other relevant factors. These cost models account not only for current year costs but also project into the future all relevant capital equipment refresh schedules for each of the thousands of pieces of equipment under management by central IT.

With full and rational costing information available for the first time, it became possible to identify millions of dollars of structural budget issues in the form of unfunded or externalized costs that had existed for years. These presented as staff costs paid out of customer cost centers, unfunded long-term refresh, a complete lack of DoIT staff training, critical software with no or partial funding plans, and other similar flaws. Compounding these issues, fully one-third of the campus network was past its end of life, making it impossible to implement network software upgrades and adding deferred maintenance to the list of difficult financial management issues that needed to be addressed. DoIT's funding model also included recharge rates that were inconsistently implemented across campus, resented by departments, failed to fully fund necessary refresh, and led to inequitable access to key resources like printing, WiFi, and desktop support.

Over a period of three years, DoIT has worked with central Finance and other units to eliminate recharges for data center services, Blackboard Community organizations, wireless networking, telephone service (including long distance charges), and document management. DoIT has also brought \$1.67M of externalized staff funding back into its budget, absorbed 27 IT staff from other departments into its budget, remedied a \$500k/year structural deficit in multimedia production, fixed a multi-hundred thousand dollar structural deficit in high speed printing while reducing total printing costs, and saved millions in unified communications costs by migrating student and employee email to Microsoft Office365. During that same time period, DoIT has repeatedly absorbed the unfunded costs of the university's emergency notification system, desktop management software, enterprise training packages, and digital signage.

As shown in the graph at the right, DoIT's long-term trend has reduced the overall cost of IT even after taking on nearly \$8M in new recurring funding to correct inherited structural budget defects.



And as shown in the graph on the left, all the benefits described above plus the new achievements provided in DoIT's FY19 budget have occurred while returning nearly **\$50M** cumulative in savings to the university as compared to the FY14 baseline.

Whereas most of the university selected between 5.0%, 6.5%, and 8.0% budget reductions, Information Technology was assigned an 11.0% (\$1.5M) cost cutting target. DoIT has exceeded this target even after absorbing \$2.8M in new UFR funding. For FY19, DoIT's expenses will be **down \$1.67M** year over year for a total expense budget of \$23.3M.

In addition to merely cutting costs by lowering staff levels or cutting training, DoIT is delivering the following campus benefits:

- Reduction in storage rates of up to 95%;
- Reductions in networking rates worth over \$150k/year to non-DoIT divisions;
- Reductions in campus printing costs by over \$107k/year (proposed);
- Reductions in video production costs by \$105k/year;
- Expansion of virtual server performance at lower cost;
- Expansion of wireless networking footprint at no additional cost;
- Expansion of wired networking speeds (up to 10x);
- Centralization of server and storage for campus, improving security at no additional cost;
- Elimination of one-time set up charges for virtual servers and SQL servers;
- Elimination of SLA charging mechanisms for desktop support including:
  - Reduction of desktop support costs for Student Affairs;
  - Absorption of desktop support costs for customers who are not being charged;
  - Free expansion of desktop support to make use of expanding productivity.

Of special note this year is the continued excellent performance of NIU's broadband networking program. Just three years ago iFiber was within months of bankruptcy, operational downtime was a problem, and the university was subsidizing overall broadband networking operations from its reserves at a rate of several hundred thousand dollars per year.

Each of those trends has been reversed and the FY19 budget includes – indeed, it relies upon – a contribution and net subsidy from broadband to the university of nearly \$1M per year. This major success is perhaps the largest single reason why DoIT has been able to make faster-than-expected progress toward closing its funding gap in the wired network and has been able to shield the university from bearing any cost as our Internet access costs continue to rise year after year.

Of course, major successes also exist in the area of printing and some indications of the value of recent but difficult projects are provided later in this report and elsewhere. There are major changes underway in storage and desktop support that also have special sections later in this report and describe in more detail the successes outlined in the bullets above.

This year also marks the end of an era for DoIT. The university should little note nor long remember the changeover of the CIO that is now about to occur. Instead, it is for those who remain to be dedicated to the unfinished work of advancing the operation and function of individual offices throughout the university by working with applications. Future business value cannot come from the DoIT budget. Meaningful cuts there unlikely to be found and unlikely to be created. Most central IT problems are solved. Value now must be created inside other budgets by enabling better business practices. Much depends, then, on the ability and the will of those offices to make change and that will be the hallmark of the next era of IT at NIU.

Sincerely,



Brett Coryell  
Vice President for Information Technology