REVAMPING RECHARGE
TOWARD A COMMON GOOD APPROACH

SEPTEMBER 17, 2015

ANISSA NACHMAN
DIRECTOR, BUDGET OFFICE
OBJECTIVES:

- **Improve efficiency**: Remove recharge-related transaction costs and redirect resources to tasks that add value.

- **Simplicity over Specificity**: Reduce frustrations and barriers associated with the practice of recharging between campus departments for common good services.

- **Increase overall campus safety**: Remove cost-based disincentives to using public safety services
BACKGROUND:

- Identified as a priority by the Administrative Reorganization and Transformation Initiative (Prasant Mohapatra/Hampton Sublett)

- **Executive Sponsors:** VC-CFO Dave Lawlor, Assoc. Chancellor Prasant Mohapatra, VP Viji Murali

- **Project Team:** Kelly Ratliff, Diane Davies-Conley, Bob Loessberg-Zahl, Jeremiah Maher, Hampton Sublett, Anissa Nachman, Charlie Baker
PROPOSAL:

- For appropriate services, replace the monthly recharge mechanism with a Common Good Assessment (CGA) based on historical costs of the services.

- Govern quality of service through service partner agreements that set customer expectations and are monitored and tracked for effectiveness.
PHASE 1 SERVICES - CRITERIA

What’s In:
• Services that are broadly used and are essential to work getting done.
• Public Safety services

What’s Out:
• Services that risk being over-consumed
• Services supported by at least 25% from Contracts and Grants
# Phase 1 Services - Proposed Services

<table>
<thead>
<tr>
<th>Service</th>
<th>2015-16 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voice and Data</strong></td>
<td>$8,116</td>
</tr>
<tr>
<td><strong>Other Phase I Services</strong></td>
<td></td>
</tr>
<tr>
<td>Background Checks</td>
<td>$192</td>
</tr>
<tr>
<td>Live Scan</td>
<td>$109</td>
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<tr>
<td>Aggie Host</td>
<td>$305</td>
</tr>
<tr>
<td>Building Alarm Monitoring</td>
<td>$83</td>
</tr>
<tr>
<td>Signs</td>
<td>$61</td>
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<tr>
<td>EMT Services</td>
<td>$10</td>
</tr>
<tr>
<td>Police Cash Escort</td>
<td>$3</td>
</tr>
<tr>
<td>CES Room Reservation</td>
<td>$221</td>
</tr>
<tr>
<td>Food Safety</td>
<td>$20</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>$1,004</strong></td>
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<tr>
<td><strong>Sub-total, Voice &amp; Data and Other</strong></td>
<td><strong>$9,120</strong></td>
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<tr>
<td><strong>Overhead</strong></td>
<td></td>
</tr>
<tr>
<td>BMS - Small Projects Overhead</td>
<td>$844</td>
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<tr>
<td>Custodial Overhead</td>
<td>$186</td>
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<tr>
<td>Minor Cap Overhead</td>
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<td><strong>Sub-total</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$11,175</strong></td>
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</table>
COMMON GOOD ASSESSMENT MECHANISM

Narrowed down assessment mechanism to two options:

1. Additive to OP Tax
   - Assessed against all funds; Dean/VC’s Office determines how to allocate.
   - Assessed once a year.

2. Payroll Assessment (e.g., GAEL)
   - Excludes Contracts and Grants and Recharge.
   - Assessed on all other accounts on a monthly basis.

Note: Recharge team is working closely with Assistant Deans and Chief Operating Officers to determine appropriate mechanism.
COMMON GOOD ASSESSMENT MECHANISM (CON’T)

- Emphasis on simplicity, but...
- Separate rates for Voice & Data, Other, and Overhead due to differences in usage.
- Keep rate bands to 2-3 rates per category.
- Fewer rates means more impact to the units.
- CGA will include $1.4 million in Voice and Data costs that are currently supported with General Fund. These General Funds will then be redistributed to hold all units harmless at the Dean/VC level.
MANAGING SERVICE PROVIDERS

• Moving from recharge to CGA will likely cause changes in demand for certain services.

• BIA to work closely with service providers to monitor situation closely.

• Budget increases would need to be approved through the annual budget process. No automatic funding of fixed cost increases.
IMPLEMENTATION TIMELINE

September/October:
  • Continue to work with stakeholders to:
    • finalize which services will be included in Phase I;
    • determine which assessment mechanism to use.

October/November:
  • Start work to implement assessment mechanism (if payroll assessment is used, it will require programming changes).
  • Finalize service partner agreements.

January:
  • January 1st: recharges end for Phase 1 Services; CGA implemented.

March:
  • BIA check-in with service providers and stakeholders.
DISCUSSION

- Questions?