

+  
**Higher Education and Employment Advancement Committee**

**March 3, 2011**

**Public Hearing**

**Testimony**

**By**

**Barry Feldman  
Chief Operating Officer and Vice-President of Administration  
University of Connecticut**

Co-Chairs, Ranking Members, and Members of the Higher Education and Employment Advancement Committee, thank you for allowing me to submit written testimony on Raised Bill 288, *An Act Requiring a Study of the Delivery of Information Technology Services to Public Institutions of Higher Education*. As currently drafted, this legislation would require the Department of Information Technology (DOIT) to study the delivery of information technology services at the University of Connecticut, the Connecticut State University System and the Community Colleges and recommend efficiencies or improvements.

The University is committed to identifying efficiencies and improvements in the delivery of information technology services at UConn. In fact, the University has already begun this process by retaining the services of a leading consulting firm that possesses the specialized experience in the field of higher education to assess many of our core business areas, including our IT operations. The firm will provide a report to the Board of Trustees that will outline the steps the University should take over the next several years to create efficiencies, realize savings, and improve services. In this context, the University and its Health Center is confident that the proper steps are being taken to study UConn IT and make recommendations for improvements. This study will ensure that we are providing our students, faculty, patients, and staff with the IT services they need as cost-effectively as possible. We recognize information technology is a key factor in maintaining our status as a leading national university and vital resource for economic development in the State.

**Since the University has already taken the initiative by securing the services of a firm with the needed expertise, assigning this task to DOIT, an agency without higher education experience, is not appropriate. Additionally, at a time when state resources are diminishing, it is not cost effective for a duplicative effort to be made in this area. Therefore, we urge the Committee to remove the University of Connecticut from the legislation.**

The Committee should also be aware that UConn supports the Governor's initiative to transition the State, as the University already has, to Generally Accepted Accounting Principles (GAAP). This effort will entail that the State have more access to financial information regarding the University and the other public colleges and universities and will likely require that the constituent units participate more fully in CORE-CT, the state's financial accounting system. UConn has long been committed to transparency, and believe that we have made significant strides in that direction, including posting the University's operating and capital budgets, financial statements and a range of other financial information on our website (<http://www.cfo.uconn.edu/BOT/BOT.html>). The University has pledged that it will work with the Administration to comprehensively identify the technical barriers

that to date have impeded full implementation of CORE-CT and once identified develop a plan to resolve them. Legislation (Raised Bill 1000, *An Act Reforming the State Budget Process*) is currently pending in the Appropriations Committee that addresses this issue and may also eliminate the need for the study recommended in Raised Bill 288.

The following description of UConn's IT services may be helpful in providing you with a context of the breadth and depth of the IT needs of a public research university. The information helps explain why a study of UConn's IT delivery should be undertaken by an entity with experience assessing public higher education institutions, particularly research universities, is critical to this type of effort.

### **Overview**

UConn, like other public research universities, exists in a highly competitive environment, vying for students, patients, faculty, philanthropic support and sponsored research. In order for UConn to maintain its competitiveness and fulfill its mission of education, research, patient care and outreach, it is imperative that the University have IT systems in place that support these activities. Delivering of IT services in this highly fluid, competitive and complex environment requires a specialized knowledge of higher education, research, and health care. Even administrative functions performed by the University are supported by information technology that is specifically designed to support complex business processes that are not similar to processes implemented in more traditional elements of State Government. For example, the University is required to provide technology that connects, enhances, and enables a large number of diverse affiliates to collaborate, share information, and learn. These affiliates are comprised of students, faculty, staff, national and international collaborators, parents and community members who are integral to a modern public University. The University of Connecticut and its Health Center must also comply with a wide range of regulatory and legal constraints in the area of research, students, patient protected health information (HIPAA), and financial accounting that clearly introduce IT challenges and require IT solutions that are designed to support a tier-1 research university and academic medical center.

### **Teaching and Research**

Information technology enables the delivery of a critical educational and research services to students and faculty. UConn's course scheduling, grading system, and a wide-array of teaching, research and learning tools are made possible through the University's IT infrastructure. Databases, periodicals, educational software, research equipment are available to students and faculty through this infrastructure. Given the comprehensive number of degrees and academic and professional programs offered at the University, the amount of IT support for those programs is quite extensive. For example, numerous professional programs require that students be trained on certain software packages in order for accreditation standards to be maintained. Faculty, undergraduates, graduate and doctoral students must also have access to a variety of databases, on-line resources and research equipment in order to publish, compete for research grants, or simply complete their studies at the University. UConn's IT infrastructure also supports two supercomputers, nanotechnology microscopes, clean rooms, digital animation equipment, which are available to many disciplines for teaching and research purposes. Our IT delivery system enables the University to attract and account for \$233 million in federal research dollars in just the past year. Many of these activities are not replicated elsewhere in state government.

### **Patient Care**

The Health Center maintains a twenty-four hour a day, seven-day per week integrated collection of clinical systems that require IT support and services to enable the clinical operations for example, Health Information Management (medical records), Electronic Medical Record, patient

billing, accounts receivable systems, radiology/imaging systems etc. The Health Center annually bills and processes nearly 1 million patient encounters. Billing rules for payors varies between Medicare, Medicaid and commercial payors. Currently these transactions are processed through the Health Center's patient accounting system, IDX, which currently interfaces with over 30 subsystems within the Health Center's clinical operations.

### Enabling Student Services

Our 30,000 enrolled students use IT services to fulfill a range of functions. These include paying their bills, applying for and receiving financial aid, registering for classes, receiving their grades, participating in dormitory room selection, e-mailing, accessing the internet and other resources and completing coursework.

### Operational Needs

The University's main campus in Storrs is a twenty-four hour a day, seven-day per week operation requiring IT services that support a broad range of administrative activities around the clock. Managing the Storrs campus is the equivalent of running a mid-sized Connecticut city. As a result of its rural location, UConn is responsible for providing the array of services that cities typically provide along with some that are atypical, including police and fire protection, water collection and distribution, energy generation and dissemination, and waste collection, treatment and disposal. In addition, UConn maintains five regional campuses and the Law School. All of these critical functions have IT needs that must be met.

The human resources and financial information technology systems of a public research institution do not readily fit the standard state government model. As a result, the University developed [r1] IT systems that are flexible enough to meet our needs.

In terms of human resources, for example, our systems must be able to accommodate a range of employee positions necessary to operate the University while still accommodating the various funding sources that support all of these positions. While UConn does have a number of regular state employees (classified service) who routinely work on a full- or part-time basis, much more prevalent are the full and part-time faculty members, professional staff and durational employees, many of whom are hired on varying schedules unique to higher education. In addition, UConn compensate more than 8,000 student workers and graduate assistants. Only 32% of University's employees are funded by state appropriations, leaving the majority of employees funded from grants, endowments, clinical revenues and other revenue sources.

The University's financial management system is defined by its numerous revenues streams, bond indenture requirements and federal, state and private rules governing the administration of more than \$233 [r2] million in grants and contracts awards annually. For example, the University bills more than 30,000 [r3] students each semester and requires a financial system that can support that effort. It is critically important that proper web-based access is provided to all students, parents and other designated and approved users while being mindful of federal privacy law requirements. Also, many of our programs receive non-state funds and often need separate accounting to ensure their long-term viability. As a result, UConn requires a financial system that can meet a variety of reporting requirements.

## Privacy and Oversight Requirements

The University is obligated to meet a variety of federal privacy and oversight requirements that our IT systems must accommodate. For example:

- The Federal Educational Rights and Privacy Act (FERPA) to protect student information. Our current IT systems have the necessary firewalls, encryption, and other required protections in place.
- UConn must comply with a series of compliance regulations governing the receipt of federal grants, commonly known as OMB A-133. The annual A-133 audit requires the University to demonstrate compliance with cash management, equipment and real property management, eligibility, matching funds, procurement and level of effort provisions. Our financial and information technology systems must be able to accommodate the data and verifications needed for A-133 or we risk losing more than \$210 million in grants and contracts and more than \$21 million in federal financial aid funding annually.
- Grant accounting is different from what most other governmental agencies face. A significant number of grant accounts are required to track the activity of grant awards, disbursements, and related activity. Federal OMB Circular A-21 dictates cost accounting principles applied to this accounting; strict adherence is required to ensure compliance and continued awards from these federal granting agencies. Our current IT systems ensures compliance.

The University of Connecticut shares the Committee's interest in making certain that UConn provides efficient and effective IT services to meet the specialized needs of a public research university. My testimony was intended to provide some information about those specialized needs and to inform you of the effort already underway to achieve our shared objectives both at UConn and with the State's efforts on expanding the CORE-CT system. Therefore, we respectfully request that UConn's not be included in the study contemplated in SB 288.