



THE OHIO STATE UNIVERSITY

**SENATE FISCAL
COMMITTEE ANNUAL
REPORT
2019/2020**

Committee Members

Brian Turner, Chair – Education & Human Ecology, Faculty Council
Michele Basso, Chair Elect – Health and Rehab Sciences, Faculty Council
Morag Boyd – University Libraries, Faculty Council
Stephanie Hoffer – Law, Faculty Council
Eric MacGilvray – Political Science, Faculty Council
Crichton Ogle – Mathematics, Faculty Council
Heather Tubbs Cooley – Nursing, President Faculty Appointee
Harald Vaessin – Molecular Genetics, Faculty Council
Valarie Williams – Dance, Faculty Council
Alexandra Hensley – John Glenn College of Public Affairs, Undergraduate Student Government
Eric Koepsel – Business, Undergraduate Student Government
Noah Reisdorff – Business, Undergraduate Student Government
Seth Williamson - Business, Undergraduate Student Government
Stephen Post – John Glenn College of Public Affairs, Council of Graduate Students
TJ Beavers – Law, Inter-Professional Council
Eric Bode – FAES, SFO, Executive Dean Staff Appointee
Gerhard Raimann – Chemistry and Biochemistry, USAC
David Wiseley – Office of Student Life, SFO, Presidential Staff Appointee
Gretchen Ritter – Executive Dean for Arts and Sciences
Gregory Rose – Executive Dean for Regional Campuses; Dean of Marion Campus
Trevor Brown – Executive Dean for Professional Schools; Dean of the John Glenn College of Public Affairs
Karla Zadnik – Executive Dean for Health Sciences; Dean of College of Optometry
Mike Papadakis – Sr. Vice-President & CFO, Office of Business and Finance
Kris Devine – Office of Business and Finance, Central Administration Presidential Appointment
Damon Jaggars – Dean of University Libraries, Central Administration Presidential Appointment
Kay Wolf – Office of Academic Affairs, Provost's Designee

Senate Fiscal Committee

Activities Report

September 10, 2019 – April 21, 2020

Senate Fiscal Committee is one of the largest committees in the shared governance model of the University Senate. The committee also has the largest set of duties and responsibilities, including reviewing budget and financial matters through subcommittee work and making recommendations to University administration.

Support Office Finance Subcommittee (SOFS) Annual Report

The subcommittee focused on reviewing and rank ordering FY21 Support Office Budget.

College Finance Subcommittee (CFS) Annual Report

The subcommittee focused on several areas of review:

- FY21 Composite Benefit Rates – Part of Budget
- FY21 Overhead Rates– Part of Budget
- FY21 Regional Campus Service Charge Rates – Part of Budget
- FY21 POM Rates– Part of Budget

Student Fee Review Subcommittee (SFRS) Annual Report

The subcommittee focused on two areas of review:

- Veterinary Medicine and Optometry Non-Resident Fee Requests
- FY21 Differential Fee Requests

Senate Fiscal Committee Recommendations

All recommendations are sent to the Provost and the CFO.

Retirement Compliance Staffing Proposal (October 22, 2019)

- Julie Hovance and Pam Doseck from Human Resources gave a presentation and requested three new staff members (two that would focus on retirement compliance and vendor management and one to cover additional work generated by new processes required through Workday and ServiceNow implementations). This is an off-cycle request that would generally be part of the review of composite benefit rates, but we understand the urgency for hiring these positions as soon as possible. The Senate Fiscal Committee recommended approval of the requested positions.
- **Recommendation:** The request from Human Resources to hire three new staff members should be approved.

Veterinary Medicine and Optometry Non-Resident Fee Requests (December 3, 2019)

- The Student Fee Review Subcommittee (SFRS) met with Renne Komula, Assistant Dean of Administration and Finance for the College of Veterinary Medicine (VetMed) on October 29, 2019, to discuss VetMed's request to reduce the non-resident surcharge for ranks 2 through 4. Subsequently, on November 12, 2019, SFRS met with Jim Woods, Assistant Dean of Administration and Finance for the College of Optometry to discuss a similar request. The SFRS brought their recommendations to the full Senate Fiscal Committee (SFC) at their December 3, 2019 meeting where they were discussed. The SFC approved the recommendation for VetMed and the Optometry non-resident surcharge.
- **Recommendations:**
 1. Reduce the current non-resident surcharge of \$19,668 per semester to \$5 per semester for Ranks 2 through 4 out-of-state students in the College of Veterinary Medicine.
 2. Reduce the current non-resident surcharge of \$10,528 per semester to \$5 per semester for Rank 2 out-of-state students in the College of Optometry and reduce the current non-resident surcharge of \$8,912 per semester to \$5 per semester for Ranks 3 and 4 out-of-state students in the College of Optometry.

FY21 Plant Operations and Maintenance (POM) Rates (January 28, 2020)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the methodology for determination of Plant Operations and Maintenance (POM) Rates at their regular meetings on January 7 and 21. CFS voted in support of the proposed FY2021 POM rates. The CFS brought their recommendations to the full SFC at their January 28 meeting where they were discussed. The committee expressed concerns that the current model for POM is not sustainable. The need to address a backlog of maintenance issues is real, however the default method of addressing funding concerns by increasing POM charged to colleges and other units hinders the colleges' ability to meet their academic and research missions, particularly with the sustained pressure of utility rate increases in POM. The SFC unanimously approved the recommendation on POM rates.
- **Recommendations:**
 1. Approve the request from Facilities Operations and Development (FOD) for a \$0.04/ASF increase in the custodial rate.
 2. Approve the request from FOD for no change in the preventative maintenance rate.
 3. Decrease the rate by \$0.25/ASF for the contribution to the deferred maintenance endowment fund.
 4. Increase the rate by \$0.37/ASF for maintenance.
 5. Approve an overall increase in the non-utilities POM rate of \$0.16/ASF to \$8.28/ASF, or 2%.

6. As requested by FOD, approve a change to allow the deferred maintenance endowment fund additional flexibility, to be able to fund any deferred maintenance need in facilities contributing to POM, not just facilities added after FY2000.
7. Request further study of the contributions to maintenance costs by non-general fund sources. In particular, study the policy and practice of charging earnings funds to identify current policy, see where current allocations do or do not follow that policy, and propose any changes to ensure consistent and fair practices. Also focus on funding sources for maintaining infrastructure supporting multiple areas of campus, including academics, medical center, athletics, etc. FOD reported that about two thirds of all OSU facility square footage is maintained outside of the POM model.

FY21 Composite Benefit Rates (February 25, 2020)

- The College Finance Subcommittee (CFS) of Senate Fiscal reviewed the Composite Benefit Rates for September 1, 2020 through August 31, 2021 at its February 4, 2020 and February 18, 2020 meetings. The CFS brought their recommendations to the full Senate Fiscal Committee at their February 11, 2020 meeting, and a revised recommendation at their February 25, 2020 meeting where they were discussed. The Senate Fiscal Committee approved the recommendation unanimously for the FY 2021 Composite Benefit Rates at that meeting.
- **Recommendations:**
 1. Approve the request for changes in the benefit rates including a 25.9% rate for faculty, 33.6% rate for combined staff, 15.9% for specials, 0.4% for students, and 11.1% for graduate associates in the General University; 34.8% for faculty, 32.7% for combined staff, 16.2% for specials, 0.7% for students, and 11.4% for graduate associates in the OSU Health System; and 4.5% for clinical appointments in the Faculty Group Practice.
 2. Approve the request to change the past practice of responding to over-collection of benefit charges that result in a cash surplus. Instead of responding by lowering the following year's composite benefit rate, excess collections will be returned to departments as cash via budget/fund transfers, and to employees via reductions in employee premiums. In FY21, the estimate of cash to be returned to colleges and other units via budget/fund transfer is \$17,054,753, and the cash to be returned through employee premiums is \$4,263,688.
 3. Approve the request to eliminate the separate composite benefit rate for Post-Doctoral Fellows to reflect the changes to those positions which are now eligible for retirement, health and other benefits. The Post-Doctoral Fellows will be in the "combined staff" rate. We recommend that OAA continue to study the financial implications of this change for units with Post-Doctoral Fellows and communicate the findings to the units.

FY21 Differential Fee Requests (February 11, 2020)

- The Student Fee Review Subcommittee (SFRS) of the Senate Fiscal Committee (SFC) reviewed requests for changes in Graduate/Professional Schools Differential, Clinic, and Tuition Deposits for FY 2021 at its meetings on January 7, 2020, January 21, 2020, and February 4, 2020. The report and final recommendations were prepared and reviewed by SFRS. The SFRS brought their recommendations to the full SFC at its February 11, 2020, meeting, where they were discussed and approved unanimously.
- **Recommendations:**
 1. Approve the requested 11 Graduate/Professional Schools differential fee requests: Dentistry – Rank 1; Dentistry – Ranks 2-4; Engineering – Master of Engineering Management (new fee); FCOB – Master of Human Resource Management; Graduate School Research – Professional Science Master's Degree in Translational Data Analytics (new fee); Law – JD; Law – Master in Study of Law (MSL); Medicine – Master of Dietetics and Nutrition (new fee); Pharmacy – Ranks 1-4; Veterinary Medicine – Rank 1; & Veterinary Medicine – Ranks 2-4.

2. Approve the requested 2 clinic fee requests: Dentistry – Rank 1 & Dentistry – Ranks 2-4.
3. Approve the requested tuition deposit request: Arts and Sciences – Master of Actuarial and Quantitative Risk Management.

FY21 Support Office Budget Requests (February 25, 2020)

- The Support Office Finance Subcommittee (SOFS) of the Senate Fiscal Committee (SFC) reviewed the budget requests for the university support offices. This was the topic of the subcommittee meetings throughout November 2019 and January and February 2020. Although the amount of funds in either PBA and cash that would be available at the university level in FY21 to distribute to support units had not been determined at the time of their report submittal, the course of action by SOFS was to move forward with the solicitation, review, discussion, and prioritization of the requests pending finalization of the budget. The report and final recommendations were prepared and reviewed at several meetings by SOFS, with the final review on February 18, 2020. The SOFS brought their recommendations to the full SFC at its February 25, 2020 meeting, where they were discussed and unanimously approved.
- **Recommendations:**
 1. SFC recommends the funding of specific requests, as found in the attached report (listed by levels of priority, from structural deficits to low priority), as central funds are available. These 22 requests total \$29.2M in PBA and \$16.5M in cash.
 2. Additionally, SFC recommends the following changes to the support office funding request process going forward: a) upon receipt of a continuing funding request, FP&A should undertake a review of the support office's existing services and their associated budgets to determine what budgetary tradeoffs might be made; this information should be forwarded to SOFS along with the funding request; b) upon receipt of a cash request, FP&A should examine the equity position of the requesting unit to determine if the request could be funded with existing cash reserves; only requests that cannot be funded in this way should be forwarded to SOFS; and c) ongoing funding commitments should not be supported with cash unless the unit or central administration is able to identify a long-term funding source.

FY21 Earnings Overhead Rates (February 25, 2020)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Earnings Overhead Rates for FY 2020 at its February 18, 2020 meeting. CFS voted in support of the proposed Earnings Overhead Rates. The CFS brought their recommendation to the full SFC at its February 25, 2020 meeting where it was discussed and approved unanimously.
- **Recommendation:** Approve the request for earnings overhead rates as follows: a change from 5.7% to 5.8% in the "all other earnings units" rate, keep the rate for regional auxiliaries at 3.3%, keep the rate for instructional clinics at 4.4%, and increase the contribution of the health system from \$61.9M to \$66.9M.

FY21 Regional Campus Service Charge Rate (February 25, 2020)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Regional Campus Service Charge (RCSC) Rate for FY 2020 at its February 18, 2020 meeting. CFS voted in support of the proposed RCSC rates. The CFS brought their recommendation to the full SFC at its February 25, 2020 meeting where it was discussed and approved unanimously.
- **Recommendation:** Approve the proposed Regional Campus Service Charge Rate of 5.02% for FY 2021.

Budget-Driven Topics Presented/Discussed

Summer Activity Debrief (September 10, 2019 – Kris Devine)

- Prior Year Recommendations
 - When discussing the POM Utility Rate there was concern about the increase in FY20, FY21 & FY22 from what was recommended. Mike Papadakis confirmed that FY21 & FY22 Utility rate increases are set at 5% and considered final. All buildings will be metered by FY23.
 - For the POM Rates and other rates Mike Papadakis suggested we should be setting three-year rate to better enable planning
 - When recapping the Differentials and Graduate fees it was noted the EHE program fee for specialization in Couple and Family Therapy did not go through this committee due to extenuating circumstance
 - When discussing the Support Unit request that were funding, Kris noted that there will be limited amount of continuing funds available in FY21 (\$3-\$4M) and we should expect requests from the OCIO, Public Safety, University Libraries, as well as the Office of Institutional Equity
 - There will be a support office review of OCIO's / ODEE's by SOFS this year
 - CFS will review the Allocation Model recommendations from last year and look at how and when they may be implemented
- Highlight of State Budget
 - Tuition Guarantee cap was raised to 2% from 0%, CPI went from a 60-month average to 36-month average
 - All public universities are now in a Tuition Guarantee (Cincinnati and Central State were the two remaining)
 - State Share of Instruction (SSI) funding was increased by 2%, however OSU chose for the FY20 Financial Plan to remain flat to FY19 because we are not guaranteed how much our share will change, as we know Cincinnati enrolled a larger than normal class this fall semester
 - There is an IUC task force evaluating the impact of using an employment weighting but there are many challenges with getting this data
 - Items that were in the preliminary budget but were later removed were undergraduate differentials, VetMed & Akron Podiatry appropriation lines
- Tuition, Fees and Other charges
 - BoT deck was provided so that the committee can see how the work that they do fits into what is presented to Leadership and BoT
- Summer Enrollment Trend
 - Summer semester is now in the 2nd year of a 25% discount for all credit hours for undergraduate students
 - When comparing FY18 Actual to FY19 Actual, there has be an increase in credit hours mainly due to undergraduate course offerings and Graduate On-line offerings

FY 2019 University Financial Overview (September 10, 2019 – Mike Papadakis)

- Overview
 - Financial trends since 2009 in five-year increments, comparing FY18 & FY19, show continuous growth in revenue, expenses (in our efforts to provide more student services/supports), and positive trends in cash & investments and ending equity
 - The significant growth in cash & investments occurred with the energy deal
- Balance Sheet
 - Overall, the balance sheet demonstrates the university's stability and growth
 - Assets: Of the \$5.4 billion in net capital assets, \$584 million of the capital projects, net of (\$337) million depreciation
 - Liabilities: The increase in debt is primarily due to a \$40 million increase in the Concessionaire payable to OSEP for capital improvements in the utility system
 - Drivers of change are Wexner Medical Center growth, and the adjustments made for

- pensions/OPEB
- Pensions and OPEB effects on net position: Pensions and OPEB has (\$485 million) impact on net position
 - The OPERS net pension liability increased \$1.17 billion due to a reduction in the assumed rate of return on pension plan investments and a negative 2.99% return on OPERS pension investments
 - OPERS also had a \$266 million increase in net OPEB liabilities, due to a negative 5.76% return on OPERS health plan investments
 - The increase in OPERS net OPEB liability was offset by a reduction in STRS-Ohio net OPEB liabilities
 - The swing in pension and OPEB expense from negative \$241 million to positive \$485 million is due to a combination of factors, including positive investment returns reported in FY18 for both OPERS and STRS-Ohio and STRS-Ohio's reduction of cost-of-living adjustments to 0%, which reduced their total pension liability in FY18
- Income Statement
 - The preliminary, unaudited data is projecting a net margin of \$234 million for the fiscal year, which is impacted by the \$721 million increase in pension/OPEB expense
- Operational Excellence
 - Our efficiency campaign/programs exceeded the targets for our Operational Excellence goals, totaling \$155 million
 - Noteworthy progress has been made to address administrative costs on both the academic side of campus and in the health system
 - These efficiencies have afforded the University more than \$150 million to fund Strategic Plan initiatives:
 - Dramatically impacting affordability and access by increasing financial aid packages and reducing textbook costs
- New Resources
 - The University significantly surpassed our 5-year, \$200 million goal for innovative funding with the unprecedented Comprehensive Energy Management partnership
 - Additionally, we are continuing our focus on how we can drive the optimal value out of our current affinity partnerships:
 - The Coca-Cola and NIKE extensions are examples of this expansion of the partnerships
- Capital Plan
 - In FY19 we invested approximately \$600 million in capital split between Health Systems (39%) and the University (61%)
 - We continue to invest in capital projects that align with goals of Framework 2.0 that we identified in 2017
 - Promote student success
 - Support academics, research and outreach
 - Strengthen access and connectivity
- Investments
 - LTIP market value has grown to \$5.4 billion
 - \$217 million distributed for access, affordability and excellence
 - Challenging year for Long Term Investment Pool
 - Legacy investments in illiquid assets weakened performance
 - Historic drop in interest rates had a significant impact on overall returns
 - Absolute return portfolio also underperformed
 - Solid performance for short and intermediate investment pools

FY 2020 Financial Plan (September 24, 2019 – Kris Devine)

- Global Message – Not all dollars are fungible
- Financial Plan Highlights focusing on Strategic Pillar and their Highlights were discussed
 - Teaching and Learning
 - Access Affordability and Excellence
 - Research and Creative Expression

- Academic Health Care
- Operational Excellence and Resource Stewardship
- Consolidated budget broken down, including Medical Center
 - Patient Care
- Assumptions and Explanations for the University were discussed
 - Tuition – In-state and Out of State
 - Applications are strong
 - 35% of students are from Ohio per Land Grant
 - State Share of Instruction
 - Exchange Grants and Contracts
 - Sales and Services
 - Advancement Receipts
 - Investment Income
 - Salaries and Benefits
 - Student Aid
 - Supplies and Services
 - Interest Expense
 - Depreciation
- Assumptions and Explanations for Medical
 - Macro rates go up, or adjustments are made on expense side
- Consolidated Financial Overview – Modified Cash Flow
 - The Health System and OSUP account for 50% of consolidated revenue
 - Total Sources, Total Uses and Sources Less Uses discussed
 - Information based on FY18 Actuals, FY19 Forecast and FY20 Plan
- FY2020 Financial Plan by Fund Group Breakdown
 - Unrestricted Funds – Mainly used for operating reserves and strategic investments
 - What is received gets spent, which creates issues for FOD funding building repairs, etc.
 - Earning Funds – Funds are directed toward capital and debt service reserves
 - Restricted Endowment and Development Funds – Generate funds mainly due to timing differences between gift receipt and spend
 - Restricted Grants and Contracts – Funds generated due to timing of reimbursements on research projects
 - Plant Funds – Used to pay principal and interest on debt service
 - Primarily funded from other Operating Fund groups and non-operating cash sources
 - University-only Sources and Uses were presented

Capital Process Overview (September 24, 2019 – Amy Burgess and Jake Wozniak)

- The Capital Plan was submitted to the Board of Trustees and approved in August
- Annual Capital planning cycle reviewed:
 - Planning process
 - Inclusion of spend on facility projects >\$200K
 - Capital plan components
 - Financial Considerations
- FY2020-24 Capital Investment Plan is the largest capital plan the university has put forth - \$2.373 Billion
- Big Five Projects:
 - Arts District
 - Interdisciplinary Research
 - Interdisciplinary Health Sciences
 - Inpatient hospital
 - Outpatient/Ambulatory facilities
- The annual capital planning cycle timelines were explained
- Roll up of small projects on prior commitments are projects under \$4 million
- Financial Oversight and due Diligence process discussed
 - All projects have initial funding agreement by B&F and the Office of Administration &

- Planning prior to inclusion in Capital Plan
- 10% of anticipated project costs must be available and committed before being presented to the Board
- 100% of funding must be identified, validated and any anticipated funding sources must have been adequately solidified in a fully executed and finalized funding agreement prior to being presented to the Board
- Senior VP for Advancement must sign off on any project with a fundraising component
- Gap funding is required – an MOU or evidence of another acceptable guarantee must be in place
- Board oversight and project approval schedule - depends on the project cost
- Conversation ensued on the process for simplifying the business process with eBuilder and interface with Workday – currently designing a program
 - Currently the process is done manually

Workday Update (October 22, 2019 – Holly Ross)

- Holly presented a status update on the Finance and Supply Chain portion of the Enterprise Project
- New system will replace reporting tools that are outdated, and all will be in one location on Workday after using Duo to log in
 - HR Requests and Personal Information
 - Time and tracking & absences
 - Health System staff will continue to use Kronos for timekeeping and request for time off
 - Staff will use Workday for leave of absence (Parental Leave, FML)
 - Grants management, Purchasing and Travel
 - Real time reporting
 - Managers will have access to reports in Workday on their teams
- The overall project status is “Yellow”; however, Budget Resources and Readiness are on track
 - HR & Payroll deployment planned for June 2020
 - Finance deployment planned for the first week of July 2020
- Workday Student work has paused for two years:
 - Will allow Workday to address the functionality gaps currently identified
 - Small team will remain engaged with Workday to continue to enhance their product
 - Student tentatively planned to rollout Summer 2023
- Timelines of staff involvement was outlined
- Change Coordinators for each department/college can be found on the website: enterprise-project.osu.edu
- Questions ensued on disaster recovery if everything goes down
 - Workday’s Business Model is very low downtime probability – if so, would not be for very long since it would be impacting 2,500 other customers

Human Resources Service Delivery Update (November 5, 2019 – Kim Shumate)

- The OHR strategy is a transformative redesign of the HR services in support of the institution through Talent Management, HR Excellence and Total Rewards
 - Change Management
 - Communication
 - Compliance/management of risk
 - Culture
 - Diversity and inclusion
- Changes due to inconsistency across the university and medical center
 - Inconsistent structures
 - Highly transactional work
 - There are a number of hands in the HR work
 - Time to hire (take too long and good candidates are lost)

- Unclear HR career pathway – no clear/consistent opportunities for development
 - Currently around 500 HR support staff
- Financial risks – University is paying large sums toward litigation and settlements
- Objective of the shared services is to optimize the delivery of cost-effective, flexible, and quality service to all HR customers across the institution
- Pilot and Service Now was initiated this summer
 - Achieved early wins with team consolidation, improved case management and achieved high customer satisfaction
- Funding Task Force (collaborative members throughout the university) – Meets bi-weekly to design the future funding model for HR shared services.
 - PeopleSoft vs. Workday will reduce HR staff
 - Currently, there are 500 staff that will be reduced to 200 over time
 - Will unwind the budget model and determine how much will go back to units
 - Workday license will cost more, but is more efficient than PeopleSoft
- Project will go live June 20th, 2020
- Grad student inconsistencies in salaries conversation ensued
- HR transition with managers – inconsistencies across the university
 - Management training requirement for talent development

Career Roadmap Update (November 5, 2019 – Rob Prisbrey)

- OSU's current state is not sustainable and outdated – designed in the 1970s
 - 2000+ internal jobs classifications with wide use of working titles and title inflation
 - Lack of internal equity within similar jobs across the university
 - Lack of standardization in relation to market
 - Inconsistent market pricing causes us to under pay (lose talent) or overpay due to stewardship
 - Employees want transparent career paths and growth opportunities
 - Critical tools in managing employee pay – Job Clarity, Job Valuation, Salary Ranges, Annual Review, Pay Actions, Budget Recommendations and Merit Matrix
 - Market Pricing
 - Benchmarking against relevant competitors
 - Market reference value
 - Board approved compensation philosophy includes “competitive salaries as a component of a competitive total rewards framework”
 - Questions on NIH funding and college salary discrepancies ensued

Energy LifeCycle Expansion and ECM Update (November 19, 2019 – Tom Wood)

- The Energy Partnership summary was presented
 - Smart meter deployment is more than 60% completed
 - 4% reduction in campus EUI (Energy Use Intensity)
- FY18-2020 Utility capital improvements were discussed – were approved by the Board
 - Lifecycle/replacement - \$21.8M
 - Large projects:
 - Oval Tunnel
 - McCracken projects
 - Campus Gas Pipeline upgrades
 - Expansion/Modernization of existing buildings - \$70.6M
 - Large Projects:
 - Arts District (College Road)
 - Canon Drive Phase I & II
 - Postle Hall – Dentistry
 - Health Sciences – Medicine, Optometry, Nursing and Health and Rehabilitation Sciences
 - Energy Conservation measures - \$55.1M

- Large projects:
 - Building Energy System Optimization – Phase I & II
- Campus Lighting to interior to LED – Phase III

Discovery Theme Update (November 19, 2019 – Gretchen Gombos and Brad Harris)

- Original funding start up sources was PBA from Colleges, Parking Endowment and Central/OAA
- 50% of salaries came from Central and 50% from Colleges
- Currently 174 Discovery Theme faculty hires – 187 total positions were authorized to hire
 - If DT faculty leave, the position doesn't automatically get filled without going through the original approval process
 - It was noted that most hires are junior faculty
- Startups currently stop in FY23
- Investment of startup funds will sustain overtime – rather than use \$500,000 for 5 years will scale down to \$250,000 to allow for strategic investments
- Funds that are not used will be returned to the Provost for other strategic projects
- Tracking research information and how research dollars are used was discussed.
- Brad confirmed that DT faculty can submit grant applications
- Expectations of DT faculty were discussed
- Total direct cost to be reported to the Committee

Fall Semester Enrollment Update (December 3, 2019 – Randy Wachtel)

- Projected Enrollment for Columbus Campus Undergrads and findings
 - Enrollment is going down in the future even though the starting class is going up from the past
 - Projected enrollment of 7,600 new first year students in Autumn 2020
- New First Year UG student facts
 - Taking one semester less to graduate
 - Percentage of students getting degrees in less than four years has climbed from 57 to 67%
 - Students are coming in as sophomores with 30 credit hours from AP, IB high school or community colleges at a lower rate i.e., Columbus State
 - Average credit hours per student coming into Arts & Sciences has approximately 20 credit hours
- Discussion ensued regarding why students that come in as sophomores still stay four years
 - Double majors or a minor
 - Activity driven – and want to stay

Workday Update II (April 7, 2020 – Holly Ross)

- Workday release has been extended by six months due to the COVID-19 pandemic
 - Targeted Go Live dates are December 2020 and January 2021
 - Workday Student is not affected and maintains their timeline of 2023
 - Currently developing a revised project plan to accommodate targeted deployment dates
- Virtual testing is going well
- Select on-demand training will be gradually released over the next few weeks
- Finance and HR professional training will be delivered virtually in the fall
- More information on key transaction activities will be published later this summer/fall
- Cost - \$240 million
 - Paid through FY19
 - Balance for people/consultants and Student

Special Topics / Reports

2019 Health Plan Results/Utilization & Health Plan Results; 2020 Benefit Design (October 22, 2019 – Kelly Hamilton, Rob Cooper, Arrick Forrest, & Pam Doseck)

- 2018 Health Plan Results
 - Per member per year cost trends were discussed – OSU Health Plan, OHR and OSUWMC collaborated in managing the costs and outcomes of our health benefit
 - Have beaten the national trends of growth per member per year over the past 3 years
 - Resulted in taking approximately \$52M out of the run rate of benefit costs
 - Key Drivers for the trend include
 - Design changes, moving to consumerism
 - Decrease of inpatient/outpatient utilization from medical management processes
 - Pricing remained flat for facilities and OSUP
 - Renegotiation of pharmacy contracts and rebates
 - Tightening controls over CoreSource related to benefit administration and auditing
 - High Cost Conditions – Cancer, Neonatal and Gastrointestinal are the topmost costly conditions
- Utilization Management
 - Medical staff reviews Prime Care, Hospital stays, and have eight nurses that follow up with patients
 - Pharmacy is driving the cost per day higher, especially on specialty drugs; i.e. cancer drugs
 - Increase of 40% utilization of University Health Connection – no out of pocket to employee (OSU only)
 - Looking for opportunities to expand services
 - Looking for other locations on campus to expand services
 - Video visit option is in discussion
 - EAP OSU Help line discussion ensued
 - Five medical professional face to face visits at no cost
 - Tele help is run through the Primary Care Provider
 - Ohio Health is not in our network; however we have a contract for a discounted cost for emergencies, however it is still a big cost differential
 - Price Access Initiative – Holds slots for OSU employee members
 - Specialty appointments within a week, depending on the specialty
- 2020 Benefit Changes
 - No change to medical, dental or vision annual deductibles or out-of-pocket maximums
 - Tiered network in the medical plan implementation
 - Premier Network – lower member cost share
 - 100% coverage for PCP visits
 - No longer deductible for specialist visits
 - Other services generally covered at 80% after meeting overall network deductible
 - Standard Network
 - 100% preventive care coverage; all other PCP visits subject to deductible/coinsurance
 - Other services generally covered at 0% after meeting deductibles
 - The benefit changes do not affect student insurance

Parking Concession Update (January 28, 2020 – Jay Kasey)

- Parking Concession in its 7th year
- FY19 Market value is \$553.4M
 - Long Term Investment Pool
 - Faculty & Research
 - Recruitment of Discovery Theme faculty
 - Hired 174 faculty members – 10-12 active searches authorized
 - Student Scholarships
 - Provided 206 students financial aid in the past year

- 197 Eminence Fellowships
 - 309 Student Research Grants
- Arts District Development
- Transportation & Sustainability
 - Maintenance of CABS transportation system
- Transportation & Parking Projects
 - Permit price difference
 - Parking space outages
 - Snow removal
- Customer Satisfaction
 - Overall satisfaction declined slightly in 2019 – more customers are having to spend more time to find parking
- The Board of Trustees has approved building three new garages
 - CampusParc agreed to pay for their share of the new spots
- Actions to address concerns
 - TTM and CampusParc have partnered on a Comprehensive Transportation and Parking Plan study to identify short- and long-term mobility strategies
 - Training on customer service for CampusParc staff on being professional, friendly and helpful
 - CampusParc is piloting technology to support customer requests for occupancy notifications, finding available parking and utilizing alternative modes of travel
 - Safety 8' aluminum fencing on the top level of garages has been implemented.
 - A decision was made not to screen all levels of garages
- Parking Advisory Committee
 - Membership consisting of faculty, staff and student meet every other month (a representative from CampusParc attend as well)
 - Different issues affect the four areas of campus (Academic Core, Athletics, Medical Center, and West Campus).
 - All areas should have student participation.
 - Suggestion of having subcommittees for each area to address their respective areas and meet with full committee for resolution

Financial Aid & Enrollment Plan Update (January 28, 2020 – Stephanie Sanders & Amy Wheeler)

- Enrollment Priorities – Focusing on Access, Affordability and Excellence
 - Increase affordability – land grant program
 - Reduce debt
 - Increase retention
- Enrollment Goals
 - Maintain Columbus Campus freshmen enrollment
 - Maintain Columbus transfer enrollment
 - Fewer due to community college
 - Maintain Regional campus freshmen enrollment – Most transfers from Newark and Marion Campus
 - Increase first generation at all campuses
 - Increase percentage of Pell recipients at all campuses
 - Increase minority students
 - Increase non-Ohio percentage
 - Maintain average ACT
 - Maintain top 10 percent class rank
 - Improve first-year retention
 - Improve four-year graduation
 - Improve six-year graduation
- OSU Affordability Initiatives
 - President's Affordability Grant – Need-based grants for Columbus Campus and Regionals
 - Land Grant Opportunity Scholarship – Scholarship was increased to a full cost of

- attendance for one student from all 88 counties
 - All counties may not be represented in some Appalachian communities due to lack of education. This would provide more than one scholarship in a county
- Tuition Guarantee – Maintain tuition, mandatory fees, housing and dining rates flat for four years for each first-year undergraduate student from Ohio on all campuses
- Buckeye Opportunity Program – Full cost of tuition and mandatory fees for all Pell-eligible students for Columbus and Regional campuses.

Energy Concession Update (April 7, 2020 – Scott Potter)

- The Ohio State Energy Partners have met or exceeded all Key Performance Indicators
- Commenced 18 new capital projects
- Continuing work on 11 projects started last year
- OSEP is ahead of schedule on deployment of smart utility meters on Columbus campus resulting in more energy efficiency
- FY19 Capital budget for the following categories have been approved
 - Life-cycle Projects i.e. McCracken Roof
 - Expansion i.e. Newton Hall
 - Energy Conservation i.e. Campus lighting and partnering with OCIO for wireless antennas
- Q&A Discussion
 - Concerns for last minute notification of building temperature changes leaves Research at risk (i.e., plants and animals that require controlled temperatures was expressed)
 - Notification to building managers were to be sent in advance
 - Energy savings during this time would be approximately \$1-3 million (people-only buildings – not Research)
 - Delaying projects to save the University financially during the Pandemic
 - Considering pushing back Lifecycle projects
 - ECM were pushed back from Senate Fiscal last year, which may impact costs
 - Discussions are on-going for delays in new projects i.e., 15th & High, Arts etc.
 - Project to update AC to all resident halls has been pulled – initial bids have doubled
 - Possible reduction in market price will go down due to COVID-19

COVID-19 Update (April 7, 2020 – Kris Devine)

- Kris gave a review on what was presented to the Academic Leadership Program on Friday
- She emphasized the proactive actions by President Drake and Governor DeWine that put OSU and the State of Ohio ahead of the country by initiating safety guidelines to prevent the spread of COVID-19
 - Due to their actions, Ohio is getting national and worldwide recognition
- The Board of Trustees are meeting every Friday at 3:00 and are making fast decisions that can change by the day
- No official notification has been approved or sent to the colleges
- Continually Align to Core Principles
 - Treat students and employees as your North Star
 - Health and safety first
 - Both short and long-term financial impact need considered in decision making
 - Protect the brand
 - Small liberal arts colleges most likely won't make it; they were already declining
 - Adjusting enrollment to over enroll Ohio students to fill the expected decline in International and out of state students
 - Grad school enrollment will take a big hit due to decline in international students
- Challenges (examples)
 - Bending the rules to address urgent needs (i.e., using suppliers not on the approved university purchasing vendor list to get urgently needed items quicker)
 - Going on-line and working from home – this initiation went quickly, smoothly and a big win to keep the business going
 - Summer classes going to 100% on-line will be a \$10 million loss
 - Major loss of revenue for event cancellations at The Blackwell, Ohio Union, Schottenstein

- will have extreme implications
 - The Blackwell may be used for essential medical staff to come and rest between shifts
- Resourcefulness at OSU has helped Battelle with safety mask sterilization and Abbot Labs
- Cost implications
 - \$9 million savings from the hiring freeze and travel bans
 - Governor's decision of a 20% reduction in SSI amounts to \$100 million
 - Compensation Benefit rates will be impacted due to unemployment, and COVID treatment costs, and elective surgeries have been postponed
 - Worse case loss of Fall FY21 would be approximately \$700 million
 - Lack of Housing and Dining
 - LTIP distribution will be underwater
 - Worst case of 30% decrease in fund raising
 - No new Federal Grants
 - 20% decrease in State funding
 - 20% decrease in Local funding
 - Industry grants will be on a case by case basis

COVID-19 Update II (April 21, 2020 – Kris Devine)

- FP&A sent out Instructions to the various department fiscal officers for budget cut scenarios of 5%, 10% and 20% off the FY21 projections
- A standardized spreadsheet will be compiled at the center to alleviate as much extra work as possible
- Until we know if students will be back on campus in the fall, everything is up in the air
- Federal Cares Act relief for OSU will be approximately \$41 million, with ½ required to be spent on students to help them through the COVID-19 financial constraints and ½ to the university; constraints for the university are unclear
 - Lobbyists and Government Affairs are working with the IRS to urge this relief to be non-taxable
- Only mission-critical hires will be approved
- Only essential business purpose procurement activity will be approved
 - Review is underway to review purchase orders to determine if they can be closed
- More students have been admitted than have been historically
- May 1st is the solid deadline for enrollment
- Regional campus enrollment is down
 - Every other state funded Ohio colleges have pushed back enrollment until June 1st
- Urbana University is closing their campus at the end of this term
- No decisions have been made for Higher Ed in regards to the Governor closing K-12 for the year
 - A special committee is looking at various scenarios on how it would look bringing students back
 - Can we secure enough thermometers, hand sanitizer, and PPE for everyone on campus?
 - How do we keep social distancing, how many people can be in a lab, etc.?
- Because of the variability of uncertainty, no decision has been made for AMCP
- Enrollment credit hours for summer were approximately a 5.8% reduction
- Housing for students in the fall is unknown – can we put them in a small room?
- Student Life feels good that there are some expansive properties with master leases off campus and have put delays on some other projects that were planned for demolition
 - With the new apartment buildings going up, that may be a consideration
 - The Provost is concerned on who is leasing and how it effects the person wanting to lease a place based on whether we will be going on-line or not
- The conversion of classes from in-person to on-line is a concern at the last minute (i.e., accreditation, etc.)
 - Randy Smith is working with Mike Hoffer on approvals for transitioning courses to online for the fall