



THE OHIO STATE UNIVERSITY

**SENATE FISCAL  
COMMITTEE ANNUAL  
REPORT  
2021/2022**

## Committee Members

Crichton Ogle, Chair – Mathematics, Faculty Council  
Harald Vaessin, Chair Elect – Molecular Genetics, Faculty Council  
Michele Basso – Health and Rehab Sciences, Faculty Council  
Belinda Gimbert – Education and Human Ecology, Faculty Council  
William Kelly – College of Medicine, Faculty Council  
Justin Kieffer – CFAES, Faculty Council  
Melvin Pascal – CFAES, Faculty Council  
Heather Tubbs Cooley – College of Nursing, Faculty Council  
Valarie Williams – Dance, Faculty Council  
Jacob Chang – Political Science, Psychology, USG/Univ. Senate  
Emily Johnson – Sociology, USG/Univ. Senate  
Dylan Page – Political Science, USG/Univ. Senate  
Javonte Lipsey – CEHE, Graduate Student  
Melissa Hammer – Law, Professional Student  
Terry Snoddy – CFAES, SFO, Executive Deans/Staff  
Gretchen Gombos – Fischer Coll. Of Business/SFO/Pres. Appt./Staff  
Ashley Bersani – Int. Affairs – Global One Health/USAC/Staff  
David Horn – Interim Executive Dean for Arts and Sciences  
William MacDonald – Executive Dean for Regional Campuses; Dean of Newark 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 14, 2021 – April 12, 2022

The Senate Fiscal Committee (SFC) 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.

The standing subcommittees of SFC:

#### **Support Office Finance Subcommittee (SOFS) [Chair FY2022: Justin Kieffer]**

##### **FY2022 Annual Report**

The subcommittee focused on three items:

- reviewing and rank ordering FY2023 Support Office Budget Requests
- a separate recommendation regarding the creation of a full-time Electronic Data Management (EDM) position, to be shared with OIOC and Univ. Libraries
- a separate recommendation regarding a late-in-the-year request from HR for addressing an unexpected shortfall in their Service Delivery budget

#### **Student Fee Review Subcommittee (SFRS) [Chair FY2022: William MacDonald]**

##### **FY2022 Annual Report**

The subcommittee focused on FY2023 Differential Fee Requests.

#### **College Finance Subcommittee (CFS) [Chair FY2022: Valarie Williams]**

##### **FY2022 Annual Report**

The subcommittee focused on four areas of review:

- FY2023 Composite Benefit Rates – Part of Budget
- FY2023 Overhead Rates– Part of Budget
- FY2023 Regional Campus Service Charge Rates – Part of Budget
- FY2023 Plant, Operations, and Maintenance (POM) Rates– Part of Budget.
  - Added: This year the POM report includes a statement of concern regarding OSU's continuing difficulties in comprehensively addressing its deferred maintenance costs

## **Senate Fiscal Committee Recommendations**

All recommendations are sent to the Provost and the CFO.

### **FY2023 Plant Operations and Maintenance (POM) Rates (February 1, 2022)**

**Process** The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the distribution of funding for Plant Operations and Maintenance (POM) Rates at two meetings held on Jan.11th and Jan.25th, 2022. Discussions with the CFS of POM rate projections exclusive of utility rates, were led by: Kevin King, Peter Calamari, and Dan Brearley (Administration and Planning), together with Brett Garrett and Mark Conselyea (Facilities, Operation, and Development).

As a consequence of last year's work in both CFS and SFC, the utility (OSEP) component of POM is now on a 20-year plan in which the increase is fixed at 3.5%/year. For this reason, CFS's POM recommendations involve only the remaining 4 components. In addition to these recommendations, the report this year includes a statement of concern regarding the continuous growth of POM costs generally, and more specifically the chronically unaddressed issue of deferred maintenance.

The CFS presented their POM report to the full SFC on Feb.1, 2022 where it was discussed. At that meeting the SFC approved without dissent both the recommendations and the statement of concern contained within.

#### **Recommendations:**

1. Approve the request for an increase of \$0.18/ASF in the custodial rate
2. Approve the request for an increase of \$0.22/ASF for maintenance
3. Approve the request for an increase of \$0.10/ASF for preventative maintenance
4. The CFS recommends no increase in the deferred maintenance rate

#### **Statement of concern (from the report)**

*With each year the proposed rates are increased. The conversation of the components of how maintenance is funded need to take place at another level – one of the university leadership and Board of Trustees. The Deferred Maintenance is a crucial and critical need that must be addressed strategically and purposefully.*

*In addition, with the proposed trajectory of increased POM rate every year, the colleges note a concern that while the ideas of the raises in POM are “symbolic” they are real money to the colleges that equate to, in some cases, multiple faculty positions, fulfillment of initiatives of the Provost and President, and strategic disciplinary projects.*

### **FY2023 Composite Benefit Rates (February 1, 2022)**

**Process** The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the Composite Benefit Rates (for September 1, 2022 through August 31, 2023) at a meeting held on January 25, 2022 with Tom Ewing, Pam Doseck, and Ken Gast of the Controller's Office.

In contrast with recent previous years, current high market volatility has inhibited OSU's ability to offer performance projections with any degree of confidence. That same volatility also suggested taking a conservative approach to the remaining surplus of \$11,650,239. The medical plan rate calculation for the upcoming fiscal year was based on a 6% rate increase (slightly below the 6.4% trend computed last year), and assumes a 3% AMCP.

The CFS presented their report to the (SFC) on Feb.1, 2022 where it was discussed. At that meeting the SFC approved without dissent the CFS recommendations for the FY2023 Composite Benefit Rate.

**Recommendations:**

1. Approve the request for changes in the benefit including a
  - 27.1% rate for faculty
  - 35.4% for Combined Staff
  - 15.9% for Specials (unchanged)
  - 0.4% for Students (unchanged)
  - 11.5% for Graduate Associates in the general University.
2. Approve the benefit for the OSU Health System that includes
  - 35.7% for Faculty,
  - 34.3% for Combined Staff,
  - 16.1% for Specials,
  - 0.6% for Students,
  - 11.8% for Graduate Associates.
3. Approve the Faculty Group Practice benefit of 4.4% for clinical appointments
4. Approve the request for maintaining the \$11,650,239 surplus going forward.

**FY2023 Differential Fee Requests (February 15, 2022)**

**Process** The Student Fee Review Subcommittee (SFRS) of the Senate Fiscal Committee (SFC) reviewed requests for changes in differential educational support fees for graduate and professional programs (for Sept. 1, 2022 through Aug. 31, 2023) at its meetings held on January 11, 2022, January 24, 2022, and February 8, 2022. The report and final recommendations were prepared and reviewed by SFRS, who brought their recommendations to the full SFC at its February 15, 2022 meeting, where they were discussed and approved unanimously.

**Recommendations:**

1. Approve the requested 28 Graduate/Professional Schools differential fee requests. Summarized by the # of requests by School/College, they are: Dentistry (5); EHE (2); Engineering (1); FCOB (1); Medicine (4), Moritz College of Law (4), Optometry (3), Pharmacy (2), Public Health (1), Social Work (1), Vet. Med. (2)
2. Approve two clinic fees as requested by the College of Dentistry

**FY2023 Earnings Overhead Rates (February 15, 2022)**

**Process** The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Earnings Overhead Rates for FY2023 at its February 8, 2022 meeting. CFS voted in support of the proposed Earnings Overhead Rates. The CFS brought their recommendations to the full SFC at its February 15, 2022 meeting where they were discussed and approved unanimously.

**Recommendation:** Approve the request for changes in the earnings overhead rates as follows:

1. An increase in the contribution of the Health System from \$54M to \$56.1M
2. An increase from 2.4% to 2.5% for Regional Auxiliaries
3. An increase from 3.7% to 3.8% for Instructional Clinics
4. An increase from 5.0% to 5.2% for All Other Earnings Units

**FY2023 Regional Campus Service Charge Rate (March 1, 2022)**

**Process** The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Regional Campus Service Charge (RCSC) at its meeting held on Feb. 8, 2022 with Tom Ewing and Mary Wehner of the Controller's Office. CFS voted to recommend the

rate and brought their recommendation to the full SFC on March 1, 2022. The rate was discussed and approved unanimously by SFC.

The CFS presented their report to the SFC on March 1, 2022 where it was discussed. At that meeting the SFC approved without dissent the CFS recommendation for the FY2023 RCSC.

**Recommendation:** Approve the Regional Campus Service Charge of 4.20% for FY2023.

## **FY2023 Support Office Budget Requests (February 15, 2022 & April 12, 2022)**

**Process** There were three different items presented by the Support Office Finance Subcommittee (SOFS) of the Senate Fiscal Committee (SFC) on two different dates. For this reason we list them separately.

SOFS reviewed the budget requests for 7 units at their subcommittee meetings held on Jan. 11 and Jan. 25, 2022. At their Feb. 8th meeting they discussed and prioritized those requests. The SOFS recommendations were presented in the full SFC meeting held on Feb. 15, 2022. At that meeting the SOFS prioritizations were discussed and approved without dissent by the SFC.

On Mar. 8, 2022, SOFS considered in subcommittee a proposed 100% FTE Enterprise Data Management (EDM) position to be shared between OCIO and Univ. Libraries. The plan was to have the position move from 1/3 to full cost share for Univ. units, and funded via an increase in the charge back to be covered by other units. This proposal was presented and discussed in the full SFC at its Apr. 12, 2022 meeting where it was approved without dissent.

At their subcommittee meeting held on Mar. 22, Jeff Risinger, Katie Hall, and Julie Grubb (all HR) presented their review of HR Service Delivery. Discussion on this topic continued during the next subcommittee meeting, held on Apr. 5, 2022, where SVP Risinger gave an HR Fiscal update. At that meeting it was reported the anticipated savings HRSD was supposed to incur from the reduction in FTE during FY20-21 had evolved into a \$6M budget shortfall, due in part to misassumptions regarding HR AMCP and benefit costs in the new central service model. At the Apr. 12th meeting of the SFC, SOFC presented a motion for HRSD to revisit and revise their budget model so that it captures the realities of where the needed funding will come from for the next two years, and that HR should return to SOFS during SU2022 to present their updated plan. The motion was approved by SFC without dissent.

### **Recommendations:**

1. Fund the specific requests (as detailed in the SOFS Report and Appendix) according to the availability of central funds. The 7 support offices had 13 budget requests which totaled \$9.4M in continuing funds and approximately \$3M in cash
2. Approve the creation of a 100% FTE EDM position to be shared by OCIO and Univ. Libraries, and funded through an increase in the charge back rates to other units
3. That any final decision as to how best to address the current HRSD budget shortfall be made following the upcoming SU2022 presentation of their revised budget plan to SOFC, as discussed above

## **Budget-Driven Topics Presented/Discussed**

### **Summer Activity Debrief (September 14, 2021 – Kris Devine, Scott Klute)**

#### **Prior Year Recommendations**

##### **Rate Summary**

- POM Rate
  - Utilities, Maintenance, Custodial and Preventative Maintenance were accepted as presented
  - Deferred maintenance recommendation differed and was to restore to FY2020 rate
- Earnings Overhead Rates
  - Health System, Instructional Clinics, and Regional/Auxiliary recommendations were approved, however there was an uptick to cover the increase of Software Maintenance and Office of Institutional Equity
- Regional Campus Service Charge
  - Central tax – affirmed as recommended
- Composite Benefit Rate
  - Overall, 5.7% increase and return of \$36M were affirmed as recommended

##### **Differential Tuition & Fees Summary**

- Graduate School/Professional
  - All fee recommendations were affirmed as recommended

##### **Support Office Budget Requests**

- Continuing funds for Research recommendations were approved as presented
- Continuing funds for Institutional Equity new staffing was approved as presented
- Recommendation for OCIO recommendation for a onetime cash was approved as presented for Campus Wi-Fi, (including continuing funds), Managed IT Services, Cloud Infrastructure, Enterprise Security for EDR (including continuing funds) and Mount Hall.
- University Libraries, Legal Affairs, Government Affairs recommended continuing funds were approved as presented
- Administration and Planning was approved to receive a one-time cash increase for Community Safety. Note: in case of an urgent emergency, safety budget requests will be made by Senior Administration and will not go through Senate Fiscal.
- Discussion ensued regarding working from home/hybrid schedule and the cost-saving impacts going forward:
  - Creating “Hoteling Concepts” (sharing space)
  - Less construction needed
  - Less renovations needed

#### **FY2022 Discussion**

##### **FY22 Tuition and Fee Changes**

- We are in the fifth year of tuition guarantee
- Allowable increases for the incoming cohort are defined by the state cap plus the 36-month average CPI. The state cap is 2.0%
- New in-state tuition raised 3.8% (Cap – 2.0% plus 36-month average CPI – 1.8%)
- Non-resident surcharge raised 5.0%
- Non-resident surcharge for when a student takes all of their courses for a semester online went from \$1,795 to the same level as in-person tuition
- Housing/dining up 2.5%
- OSU is in the middle of our Big 10 peers

**FY22 Financial Plan**

- o General Funds (Academic Teaching)
  - Attrition fees
  - IDC and State Subsidies
- o Earning Funds (Med Center, Teaching Clinics, Athletics, Student Life, Conferences, Core Labs)
  - Should be able support itself or break even
  - No teaching supported by Earning Funds
- o Restricted Funds (Endowment (Investment Earnings & Principal)
  - Revenues are budgeted to be spent in compliance with the underlying restriction of the donor/grantor

**University Budget Process**

- o University and Health System's budgets are combined
  - Health System – Bottoms-up by hospital, OSUP Clinical
    - Charged overhead to the university for shared services
  - University – FP&A consolidates all Unit/College plans and incorporates central revenue/expenses to create an overall university operating budget

**FY22 Strategic Investment Highlights (Office of the President)**

- o Academic Excellence
  - Increase tenure track faculty by 350 in next 10 years
  - Incremental investments of \$8.2M for salary & benefits and startup packages across numerous colleges (Engineering, Medicine, Nursing, Vet Med, Public Health and Social Work)
- o Research Excellence
  - Double research funding over the next ten years
- o Student Financial Aid
  - New student scholarships, Land Grant Opportunity Scholarships, and student emergency funding from Federal stimulus

**Current Enrollment Outlook**

- o Tuition and Fees (Summer)
  - 87% of undergraduate non-resident students took all on-line courses for the semester at the \$1,795 price point
  - Budget 58% undergraduate non-resident students would take all on-line courses for the semester
  - Total \$10.2M loss (included a drop in students)
  - Some increases other levels of students helped to offset the loss, resulting in a total \$8.7M shortfall
- o Tuition and Fees (Autumn)
  - Columbus NFYS were 8,300 compared to a budget of 7,750 and the NFYS saw a slight increase in the non-resident mix which is helping to close the Summer semester shortfall
- o There is concern how the COVID vaccine mandate will affect students and if we will see students drop, especially in the regionals. Nursing and College of Medicine students taking a break from COVID fatigue
- o Vet Med \$5.00 non-resident surcharge fee has helped fill vacated student spots with transfer students.

**FY2021 University Financial Overview**

- o The overall financial position remains strong. OSU's size, diversity of operations and discipline enabled us to retain fiscal strength during this unprecedented disruption



## Efficiencies

o Discussion on significant budget reductions and cost-cutting measures Admin and Planning can take on capital projects. Jay Kasey will be scheduled to make a presentation to the committee.

## Deferred Maintenance Update (September 28, 2021 – Mark Conselyea, Pete Calamari, Brett Garrett)

- o Evaluating building and opportunities for better information and prioritizing spending
- o Maintenance endowment created to fund scheduled renewal of space added after FY00 has changed in FY21 to include any deferred maintenance need.
- o All infrastructures are considered, not just Columbus campus
  - 1,000 structures across all campuses
  - Underground utilities – chilled water supply, sewer, etc.
  - Roadways
- o Years of building construction – 3-time frames considerations for deferred maintenance
  - Historical
  - First Wave
  - Second Wave
- o University is spending a lot of resources on big construction now which will require a lot of deferred maintenance
  - Part of POM covers this work
  - Overtime there is approximately \$50M for deferred maintenance
- o Preventative Maintenance is partially funded by POM and is performed regularly on equipment to lessen the likelihood of it failing, which does allow chiller and emergency generators
- o Current process – look at 64 different points – calculate what it would take to replace the building and to establish the replacement value of a building (raw calculation)
  - Process is used for all assets, not just buildings
- Question:** *What is different from assessment done a few years ago?*
- Answer:** Still doing assessments every five years. Estimates on deferred maintenance is more precise.
- Question:** *Can this program prioritize which buildings should be demolished?*
- Answer:** Yes – Cost of deferred maintenance may indicate it doesn't make sense to update
- o Progress
  - Software specification have been developed
  - Assessed 39 of 1,058 buildings
  - Software for more accurate estimated costs
  - Meet with energy and other partners to identify available utility assessment information
  - Work with B&F finance team to identify current and potential funding
  - Assembled an internal group to identify and prioritize buildings that are eligible for retirement/divestment
  - Negotiated contract amendment for software development and assessments
- o Building Retirement – Strategy
  - Preservation Significant (Architectural/Historical)
  - Programmatic Suitability and Adaptability
  - Strategic Review
- o Other consideration is workplace of the future and what footprint do we need in the future. What does a hybrid work environment look like for some employees of OSU and how much space will be necessary in the future? Would sharing space vs full time space vs hoteling or meeting space in the future are a critical piece of this conversation.

**Workday Current State/Adaptive Insights Update** (September 28, 2021 – Holly Ross, Kathy Robson, Jeff Allen, Scott Klute)

**Workday Update by the Numbers as of 8/31/2021 presentation**

- o EBS (Enterprise Business Solutions)
- o Workday Usage (July)
- o HR
- o Supply Chain
- o Finance
- o Payroll

**Top Workday Challenges**

- o Human Resources
  - Recruit to hire general processes
  - Graduate student processing
  - Lecturer processing
- o Business & Finance
  - Procure to pay processes
- o Payroll
  - Period activity pay
  - Salary over cap
  - Payroll accounting adjustments
- o Reporting
  - Research needs
  - Managerial
  - General data issues
  - Interpreting reports
- o Change Management
  - Lack of training and resources

**Actions taken by EBS & Business & Finance**

- o Research taskforce
- o Top critical gap list created
- o Deep dive sessions with OSU personnel and Workday
- o Other college feedback consolidated into one master list
- o B&F and HR sessions to assess business processes for improvement opportunities
  - Q&A ensued on the ongoing challenges and steps underway to address the issues

**Adaptive Planning Timeline**

- o Workday bought a company called Adaptive Insights
  - Kicked off in early June to try and move modules from BuckeyePlan
  - An advisory group was established
  - Goal to get development completed and user acceptance testing in Nov/Dec
  - End user training to begin in January
  - Adaptive planning to launch in February

**Adaptive Planning Scope**

- o Central planning & allocation models
- o College/unit planning & allocation models/approval process
- o Integrations between Workday and Adaptive
- o Adaptive reporting

### Strategic Outcomes

- o Adaptive reporting will be a step up from BuckeyePlan
- o Will build long-range planning – top down and at college level
- o Spreadsheet orientation – easier to use
  - Cost center level
  - Spend category or ledger account monitoring
- o Integration will be great – reporting will be able to drill back into Workday and expecting good reporting

### Out of Scope

- o Health System using Strata
  - OSUP is involved in the project, so we don't box ourselves in
  - OSUP wants to replace their planning system

## Energy Projects Update (October 12, 2021 – Scott Potter, T.J. Woods)

### Breakdown of Capital Expenditures (CAPEX) approved for FY2022

- o Forecast versus Actuals were delayed expenditures largely due to some OSU projects that were taking longer to complete and ENGIE spends were slower, as well
- o Smart Meter deployment is complete – process was more complex than expected
  - All campus buildings are completed, but one
  - Gas, electric, steam, chilled water, heating water
  - Soon releasing energy dashboard (under review by President Johnson) which will give real-time access into any building
- o Year 4 of the concession agreement resulted efficiency on campus of 3.5% of EUI.
  - Goal is to reduce by 25% or more; projecting to hit the 25% improvement in a few weeks – well ahead of schedule and efficiency gains
  - On pace to get to 30 to 35% improvement by the 10-year deadline of June 2028
- o Capital Projects Update – Highlights
  - Lifecycle (LFC) – in response to a State of Ohio yearly safety audit, OSU was given a warning of non-compliance of upgrading systems
    - ENGIE took over to conduct audits for every building's natural gas valve to determine compliance upgrades
    - Tunnel system repaid
  - Expansion (EXP)
    - \$14M in new FY22 approvals
    - Hospital tower
    - Biomedical and Materials Engineering Complex (Phase II)
    - Equine Performance Arena
  - Energy Conservation Measures
    - \$51M in new FY22 approvals
    - Building Energy System Optimization (Phase four of five)
- o CHP Plant Update
  - Operations date scheduled for November 2022
  - Board approved \$292.4M for CAPEX
    - CHP/DHC - \$289.9M
    - Treated Water - \$2.5M (estimate) Work is east of river and is delayed until Cannon Drive Phase II

## Treasury Update (October 12, 2021 – Jake Wozniak, Kurt Kaufman)

### University Debt, Strategic Capital, and Rating Agencies

- o Update on Direct Debt
  - Under the multiyear Debt Issuance Program II, the Board of Trustees authorized \$800M in new debt through June 2025, of which the university has issued \$600M (Series 2021A closed September 30, 2021)
  - University has a total of \$3.44B of outstanding debt across 19 bond series. Due to the issuance of the Series 2021A bonds, average cost of capital was reduced to 3.13% from 3.27%
  - University has entered into two interest rate swaps in connection with a future refunding of the Series 2023A bonds of a notional amount of \$328M
  - Tax Status – ½ tax exempt, ½ taxable
  - FY2021 debt service on university direct debt totaled \$179M
  - University will pay down an average of \$67M of principal annually over the next five fiscal years
  - Approximately \$2.0B of the university's outstanding principal is structured as a long-dated bullet maturity obligations
  - University is following a schedule to pre-fund its bullet maturity obligations, as of June 30, 2021, the university has an invested balance of \$236M for this purpose
- o University Debt and Long-Term Obligations Pro-Forma
  - The debt and long-term pro-forma reflect the impact of current and future strategic capital projects and continuing OSEP capital investments – including long-term obligations shows significant growth over the next five years
  - Pro-forma bond issuance schedule projects future issuances in FY2024 for the in-patient hospital followed by future strategic projects
- o Capital Projects Update
  - Arts District
    - Music to open in March 2022
    - Theatre to open in 2023
  - Interdisciplinary Research Facility
    - Scheduled opening second quarter 2023
  - Four Outpatient Ambulatory Facilities
    - Three approved to date
    - Final approvals in 2022
    - Scheduled openings 2021-2023, 2025
  - Inpatient Hospital, Parking and CSS (Central Sterile Supply)
    - Scheduled opening first quarter 2026
  - Interdisciplinary Health Sciences
    - Scheduled opening 2022-2024
- o Credit Ratings
  - Three credit rating agencies – Moody's, S&P Global, and Fitch
    - Ratings are based on Strengths, Challenges and Rating Outlook
    - Updates are done on an annual basis
    - Current OSU rating is Aa1 compared to peer institutions (Big10, and public universities with academic medical centers)

### Long-Term Investment Pool (LTIP) Overview (October 12, 2021 – Vishnu Srinivasan)

- o LTIP Market Value
  - FY2021 saw an increased value from \$5.29B to \$6.81B
  - Generated \$1.54B in investment income
  - LTIP is a combination of private gifts and university funds
  - Total LTIP is up from policy benchmark

- o Key Macro Topics – Risks
  - COVID variants and impact on timing and sustainability of global economic recovery (travel/leisure)
  - Extended valuations across asset classes i.e., bonds, stocks
  - Poor prospective yields in Treasuries and traditional fixed income
  - Geopolitical tensions between the US and China
  - Risk of persistent vs transitory inflations i.e., cars, food, gas, lumber
- o Medium-term Investment Goals
  - Legacy oil & gas holdings continue to depress overall LTIP growth; OSU slowly making progress in retiring them
  - Plan is to grow Venture Capital component of LTIP from its current 6% to about 10%, at roughly 1% per year

## **Workday Process Re-engineering Update (October 26, 2021 – Brad Harris, Lisa Plaga)**

### **Workday for Research**

- o Brad Harris discussed the Research Task Force established to address sustainable solutions for the benefit of the research and creative expression community.
- o Membership includes subject matter experts and business leads in the Office of the CIO Enterprise Business Solutions, Office of Human Resources, Office of Business & Finance (including Supply Chain representatives) and Office of Research
- o Task Force is organized by six functional groups
  - Post-award Contracts and Grants – Holly Ross and Kari Uhi, leads
  - Procurement/Supply Chain/Accounts Payable – Nathan Andridge and Drew Jasin, leads
  - HR/Hiring/Salaries – Marty Smith and Brian Newcomb, leads
  - Financials and Reporting – Holly Ross and James Duade, leads
  - Community – Dawn Larzelere, lead
  - Change Management & Supplemental Training – Eileen Lehmann and James Duade, leads
- o Groups determine the disposition of each issue:
  - Workday system / gap; if it is a Workday gap, where is it on Workday's project roadmap
  - Business process
  - Communication
  - Training / education
  - Are these issues on other business unit's list
- o The Office of Research provides a brief update on the Task Force in the monthly newsletter and have provided a link to the Workday Feedback Progress list. The Office of the CIO publishes additional details on Workday updates in the bi-weekly NewsLink.
- o The Task Force's end goal is to incorporate the updates on their progress into the enterprise-wide Workday communication strategy currently under development
- o The Task Force will disband at the end of the year

### **Workday for Business and Finance**

- o Lisa Plaga, University Controller gave a presentation on the work that is underway to identify areas for improvement with Workday for Business and Finance, which addresses research impacts:
  - College Finance
  - Payroll Accounting
  - Supply Chain Functions
- o Deliverables
  - Fully documented process flow, including roles and responsibilities
  - Suggestions for improvement, with assigned responsibility and timeline
  - Reporting inventory
  - Data definitions
  - Updates to manual documents, trainings, Practice aids and Policy

- o Create Teams folder for all participants
- o Report outs to:
  - CCA/CCM/CCD/SFO at monthly Finance office hours
  - Service Center monthly office hours
  - Senior Business Officer's quarterly meetings
  - Finance and Supply Chain Leadership
  - B&F Retreat Review Committee
  - Senate Fiscal Committee
    - Any feedback is appreciated
- o Questions ensued on who to contact to resolve issues and lack of communication for resources
  - Who is the point person to address HR and Fiscal issues for each college?
  - Administrative Resource Center is very frustrating
- o Discussion regarding grants getting caught in PeopleSoft prior to Workday ensued.
  - A project is to work with the colleges to re-open them, make the journal entries to clean up balances, then re-close them.
  - Request to keep PeopleSoft access open to run reports to check expenditures balances and reconcile. PeopleSoft and Workday amounts don't match.
    - It was noted someone from the Reporting side of Workday will address this issue
- o The Finance and Supply Chain Business Processes delegation should go into production this Friday. This gives the ability to delegate work to other individuals up to 180 days
  - Delegation for HR and Payroll is on the worklist, but not ready currently
  - Kris will elevate this issue so they can come up a plan to fill the HR/Payroll gap until the delegation done and educate

### **Peer Benchmark Update (October 26, 2021 – Kim Meyer, Mandy Stowers)**

- o OSU partnered with HelioCampus to benchmark administrative labor spend
  - Membership includes 46 higher education institutions
  - Standard process used to allocate administrative spend
  - Mapped position descriptions for all administrative FTEs
  - Applies activity-based normalization to compare schools
  - Ability to analyze data by organizational classifications
- o Nine Standard Activity Model used by all institutions
  - Communications
  - Development
  - Facilities
  - Finance
  - General Administration
  - Human Resources
  - Information Technology
  - Research Administration
  - Student Services
- o Peer set used for the FY20 Benchmarking study, chosen based on their availability of FY20 data and consortium membership
  - University of Arizona
  - University of Utah
  - University of Illinois
  - University of Wisconsin
  - UC Davis
  - University of North Carolina at Chapel Hill
- o OSU is more efficient than peers after the FY21 budget reductions
- o FY21 data will be mapped to platform in Winter of 2021
- o Peer review and comparisons in Spring 2022
- o Continue to explore new areas of opportunity is ongoing
- o Standardized benchmarks are not in higher ed – currently this is the best tool for mapping in aggravate

### **Career Roadmap Update (October 26, 2021 – Rob Prisbrey, Kalkidan Tefera)**

- o Ohio State is creating a compensation and talent framework that is consistent, transparent and sustainable to attract, develop and retain employees. This initiative covering predominantly staff positions – not faculty or union employees. The benefits are:
  - Market and Internal Alignment
  - Talent Development
  - Risk Mitigation
- o Four tools used were Career Framework, Job Catalog, Salary Structure, Compensation Policy and Annual Review Process
  - 30,000 positions have been mapped to the newly established framework
  - Priced all identified jobs (~ 3,800 job profiles) have been identified as part of Career Roadmap – have been market priced and assigned a grade to our range
    - How many salaries are outside of range - above or below
  - Managers with at least one in-scope staff member have been trained
  - Few iterations of mapping remaining
  - Initiative's focus now shifting to change management and financial planning
- o Financial Plan
  - Units to bring individuals up to range minimum as needed. Targeting September 2022 after AMCP
  - Will continue to evaluate special cases (e.g., grant funded positions, county funded positions, etc.)
- o Upcoming Phase
  - Fall 2021: Managers view mapping data and ranges
  - Early 2022: Staff review position mapping

### **HR Service Delivery Update (November 09, 2021 – Jeff Risinger)**

Jeff Risinger, new Sr. VP for Talent, Culture and Human Resources, held a discussion on HR Service Delivery and Workday. He was previously with Texas A&M before joining OSU. He has been with the university for 2.5 months.

- o He recognized the lack of hands-on training and the roll-out timing for Workday and the HR Service Delivery model during COVID has been very problematic. He has worked with Workday and has the opinion it is a good product, however the right training is necessary
- o Segregation of duties discussion ensued – too many steps and process confusion
- o Discussion on solving Research problems and timing on how to correct ensued
  - Expecting a year with steady improvements
- o Job Aids resources not being clear and not helpful
- o Career Roadmap timing and the financial impacts on departments was discussed
  - Outside labor market indicates OSU needs to adjust or risk losing good employees
  - Process rollout timing will not be too fast
- o Faculty equity compensation concerns is growing around the university
- o The Staff and Management Self Service with HR and fiscal issues without staff assistance in the new Workday system is very complex and affects every employee
  - Travel
  - Understand reports
  - Gaps in on-boarding new employees
    - Self-service on managers is pulling back
    - Training is opening up for staff
- o Service level commitments/agreement concerns was expressed
  - HR will work to build a process to have service level agreements around every HR process
- o Recommendation/concerns were made regarding the market analyses used in Career Roadmap and the inequities at regional campuses. Newark Campus and Central Ohio Technical College (COTC) share faculty. Information sharing about data bases and market analysis would be helpful. Impacts are:
  - Newark staff/advisors are leaving to go to Columbus Campus due to salary discrepancies
  - COTC staff applying for Ohio State and Newark jobs



- o 2020 Trend Review
  - -6.1% (with Rx rebates) and driven primarily by reduction in medical services as a result of COVID-19
  - Costs incurred from COVID (over \$5M) were more than offset by deferred or eliminated care
  - Member's out of pocket spend was down due to lower medical utilization and the SaveOn SP pharmacy program
  - High-cost patients decreased -1.8%, which contributed to the decrease of overall dollars
  - High-cost children decreased which is a key driver in the decrease in Net Pay
  - Specialty drugs are a key driver of the increase in Net Pay Rx.
  - Outpatient prescription drug spend saw \$5.1M net savings from the SaveOn SP program
- o CY2021 YTD Trend Summary
  - Utilization of medical services has increased January – June 2021 as compared to the same period in 2020 which was negatively impacted by the pandemic
  - Impact of COVID inpatient, testing and vaccinations approximately \$4 million
  - High-cost cases in 2021 are more consistent with 2019
  - Rx trend increase has reduced from previous years due to SaveOn SP program
- o COVID-19 and Utilization
  - Biggest driver of growth in spend is in Outpatient Services
  - Outpatient services and Physician office visits increase as compared to 2020 as members returned to care in 2021 along with services missed in 2020
  - COVID testing and vaccinations added to the increase in outpatient services
  - Increases in Outpatient spend is due to a rise in cancer drug treatment and surgeries in 2021
  - Moving surgeries to outpatient settings was accelerated with COVID
  - YTD vaccines paid is over \$2.2 million
  - Inpatient numbers are going down
  - Telehealth utilization has increased significantly due to COVID
    - Largest utilizers are Primary Care and Behavioral Health
    - Outpatient Behavioral Health has increased in 2021 with telehealth being a beneficial tool to serve member's behavior health needs
      - Concerns were expressed about the availability and getting immediate behavior health care
        - Harding is starting immediate care, however there is a staff shortage
  - OSUHP is focused on a number of initiatives to improve the member experience and maintain competitive costs, quality and access to care
  - Focus groups goals is identify challenges and opportunities related to OSU Health Plan members
  - Understand the decision making when choosing providers and scheduling appointments and understanding attitudes toward services such as telehealth
- o FY2022 Health Care and Wellness Updates
  - Overall Ohio State's medical/Rx designs and costs are in line with industry comparators
  - Total employee costs for Ohio State are among the lowest of the comparator groups
  - An evaluation of our population health data revealed areas of significant physical and mental health concerns in our population – exasperated by COVID-19
- o FY2022 Health Care and Your Plan for Health Updates
  - No changes to medical plan design
  - Additional dental buy-up dental plan options
  - Addition of "transform" program to YP4H i.e., overweight/obese, prediabetic hypertension
  - Addition of "myStrength" program to YP4H i.e., expanding emotional wellbeing
  - Expansion of current "While" program through YP4H
  - Enhance YP4H incentive program with ability to achieve a "bonus" HRA credit incentive
- o FY2022 Employee Medical Contributions
  - Overall medical plan rates increased an average of 3.9%
  - Employee only contribution increase for Prim Care Advantage held to 2.5%
  - PCA employee contribution increase for coverage tiers with dependents 3.1% - 3.4%
  - All employee contributions for Prime Care Choice decreased



## Spring 2022 Enrollment Outlook (December 07, 2021 – Scott Klute)

### o Summary

- More students went on-line than was anticipated
- 87% of Columbus UG Non-Residents took all of their courses online versus budget of 58%
- Anticipated to make it up in Autumn
  - Columbus is holding true
  - Softness in Regionals – Revenue negatively impacted by COVID
  - 3% drop at Newark
  - 5% drop other Regional campuses
- FY22 Tuition and Fees – Anticipate the larger UG NFYS cohort in Autumn on Columbus Campus and conversion to Spring will make up the Summer gap

### o **Question:** *How are Regionals dealing with the shortfall?*

### o **Answer:** They are reacting where possible

- Reduce courses
- Other strategic ways to find efficiencies

### o **Question:** *What is the 5-year plan for Regionals?*

### o **Answer:**

- Maintain with some growth and adding new programs, i.e. Engineering
- Demographics vary regarding enrollment for Regionals
  - Drop in high school students
  - Need for additional housing to keep students at Regionals rather than transferring to Columbus Campuses

### o **Question:** *Is Columbus State the main competitor with Regionals?*

### o **Answer:** Other 4-year programs/schools are the biggest competitors i.e., Kent State, Bowling Green, etc.

## University Furlough Policy and the Role of the Fiscal Committee (December 07, 2021 – Crichton Ogle)

### o Discussion on Ohio Laws and Administrative Rules regarding Financial Exigency ensued. Motivating questions:

- *Is it the Fiscal Committee responsible for evaluating the financial state of the university and recommend to the President if furloughs are being considered or warranted?*
- *If not, should it be?*

### o The Board of Trustees established an Interim Furlough Policy which is currently under revision by the University's Furlough Policy Writing Group (organized by HR) tasked with drafting a permanent policy

- The current Fiscal Chair (Ogle) is the only Fiscal Committee member of the Writing Group (volunteered himself); and is advocating for the preservation of faculty rights
- Recommends a well-defined set of metrics for evaluation of the University's financial health by the Fiscal Committee (comparable to the Exigency procedure) prior to any decision to implement a university-wide furlough
- Steering's evaluation was requested from Michele Basso and will be sent to the Senate Fiscal Committee

### o It was noted the Exigency rule has been reviewed in the past; however a State of Emergency i.e., Pandemic didn't follow the Exigency Policy

- Questions and discussion on how furloughs can be implemented during a state of emergency and who makes those decisions ensued
  - Can individual departments make furlough decisions?

### o It was noted Senate Bill 6 ratios are monitored by ODHE annually from the financials reported from the Controller's office – historically have been in good shape.

- Suggestion was made to add the Senate Bill 6 information to the annual financial overview

### o It was noted that clarification of the guidelines on guaranteeing staff's jobs after being furloughed should be reviewed and included when writing the rules

### o It was suggested that if staff or faculty are furloughed, administrative bonuses be suspended

### **Update on Student Workday (December 07, 2021 – Scott Klute)**

- o Ohio State and Workday will not be a development partner for Student Workday at the current point in time
- o Workforce will be redirected to other Workday modules

### **USG Recommendations for Student Workday (December 07, 2021 – Dylan Page)**

- o USG's recommendations submitted prior to the cancellation of the Student Workday system
  - Contact with the Workday staff to bring the student perspective to their knowledge and understanding
  - Implement a plan for Student Workday Sandbox to be online and ready to run alongside status quo processes by SP2022 Graduation
  - Initiate student outreach programs coordinated between Workday staff, OSU administrators, and USG
  - Dialogue between our committee and administration/Workday on how the rollout timeline can be adjusted to maximize efficiency of transition
  - Increase transparency between our committee and the Workday staff along with the goals that they have set
- o Jeff Allen stated the UGS recommendations will be used when making evaluations to improve a Student system in the future
  - Jeff and Kathy plan to return with an update in January or February

### **Financial Aid and Enrollment Plan Update (January 18, 2022 – Beth Wisner, Amy Wheeler)**

- o There is currently a search underway to fill the Associate VP for Enrollment role. Damon Jaggars is interim during the search
- o Three paths to targets through autumn 2022 were discussed
  - First Year Undergraduate
    - Enrollment Numbers
    - Academic Preparedness
    - Diversity
- o Graduate and Professional comprehensive plan
- o Regionals goals and targets
- o Columbus campus retention and graduation rates
- o Proposed Autumn 2022 goals for enrollment of first year students closely aligns prior to 2020-2021
  - Target range is 7600-7900
- o Applications for Columbus Campus are on track for record numbers
- o Graduate and Professional applications are down given the current state of the economy and job market
- o OSU Affordability Initiatives 2021-2022 have continued to support students for the academic year
  - President's Affordability Grants
    - Awarded to mid to low-income students
    - Extended to Regional campuses
  - Tuition Guarantee
    - First year student's fees remain flat for four years
  - Land Grant Opportunity Scholarships
    - Two need-based students from all 88 counties receive full cost of attendance for four years
  - Buckeye Opportunity Programs
    - Pell eligible Ohio students at the Columbus campus

- o Federal Emergency Grant Funds (HEERF I, HEERF II, HEERF III)
  - CARES Act and Higher Education Emergency Relief Funds
  - \$100.7M was allocated for students in the form of emergency grants
  - Grants may be used for component of cost of attendance or emergency costs that arise due to COVID-19 i.e., food, housing, healthcare, including mental health or childcare
- o Scholarship Universe
  - Scholarship matching tool was implemented in 2020-2021 that simplifies the process of finding and applying for many OSU and external scholarships
  - Term employees will be hired to ensure funds be spent to help grow the expansion of the process

**Question:** *When will Regional Campus students be eligible for Buckeye Grants prior to their first semester be implemented?*

**Answer:** No decision has been made.

It was noted that cost of attendance is higher for Regional students even though the tuition is lower i.e., housing, food, and travel.

**Question:** *Are there plans to include graduate students in Scholarship Universe?*

**Answer:** Scholarship notifications are sent to all students, including graduate students. Send any questions to Amy Wheeler for any other questions, as well as Scott Klute. He will coordinate and bring back the information to the committee

## **Capital Funding and Fundraising Policy (January 18, 2022 – Kurt Kaufman, Amy Burgess)**

### **Revisions to Debt and Facilities Improvement and Real Estate policies requirements for large capital projects was presented**

- o Key lessons learned was to set appropriate achievable fundraising goals
- o Provide adequate time to achieve the funds prior to materialize
  - Many of the current projects have not met targets and are relying on other sources
- o The Board of Trustees has asked for a review of current policies of practices related to capital fundraising
- o A peer review and internal assessment was conducted which includes a formal scoping process and to provide a higher level of transparency in decision making around fundraising targets for each project
  - Ensure a reasonable and viable fundraising target for the project
  - By the time a project is moved forward to construction, most, if not fundraising or loans be secure before taking it to the Board for approval
- o Changes to Debt Policy
  - Prior to design approval – 75% of fundraising be pledged in an executed agreement and 100% of other funding (loans, State) be in hand prior to design approval
  - Construction approval – 100% fundraising be pledged and 100% of other funding be in hand
  - Exceptions can be made by the President on a project-by-project basis
- o Changes in Processes
  - Annually Capital Planning process will review requested projects over and entered in Adapted Insights and capture project over a 1-to-6-year horizon
  - Evaluative projects to determine fundraising targets
- o Project Scoping and Fundraising Process
  - 2 to 5 major strategic projects will be selected for Scoping
  - Decision on costs, funding viability and project timing
  - More formalized planning – earlier conversation with donors
    - Pre-design – 75% pledged funding and 100% other funding sources in hand
    - Pre-construction – 100% pledged funding and 100% other funding sources in hand
  - Approved projects are managed through PARE

**Question:** *Is there a plan to include a margin for deferred maintenance as part of the initial capital outlay for a project, going forward?*

**Answer:** Currently not on the new policy changes but is under review and assessment. It is considered at the start of new projects

**Question:** *What is the plan for an increase in transparency?*

**Answer:** Have a more formal process for long-range capital plan and selecting projects for scoping. The results are known and shared

**Question:** *How much do you anticipate the timeframe from planning to execution?*

**Answer:** Need more time for fundraising to materialize. This will add time for projects that have fundraising requirements.

**Question:** *What is the fraction of projects that have not met fundraising?*

**Answer:** Very few of our projects would have met fundraising targets, but Advancement is actively working to meet the goals. The message from Advancement is that the further along a project is in implementation, the harder it is to secure major gifts on projects that are already underway.

**Question:** *How to rescue a project?*

**Answer:** Look at project scope or other funding sources

**Question:** *How are non-critical projects regarding faculty and students heard should fundraising lag?*

**Answer:** All college and business unit enter their capital needs from 1-6 years and are vetted and how they align with their strategic goals and overall university goals. Agreement on fundraising would need to be secured or through other funding sources i.e., cash.

**Question:** [To Deans] – *How are dorms paid for/funded and prioritized?*

**Answer:** [Bill MacDonald]: Newark campus used cash reserves. Another way would be internal line of credit or private partnership i.e., Fisher Commons

### **Workday Update – Enterprise Business Solutions (EBS)** (February 01, 2022 – Jeff Allen, Kathy Robson, Marty Smith, Lisa Plaga)

- o Background on why the university moved from PeopleSoft to Workday
  - PeopleSoft was outdated and unsupported for Finance and Supply Chain.
  - Market indicated Workday as the leader at that time
  - University decided to move to a cloud-based solution where there are frequent updates to keep current with continuous improvements – all customers are on the same version and receive updates at the same time
    - Greater visibility into transactions and processes
    - Common reporting across campus and Medical Center
- o Since implementation to go-live, there is ongoing work happening to deal with the significant changes that were pushed through Ohio State's business processes
  - Make improvements in process and roles
- o Jeff Allen has joined a focus group to represent higher education and the complexity and perspective on core administrative systems
  - Does not include Student Workday – decision was made not to move forward at this time
- o Workday's Challenges and making it work for OSU
  - Customers can configure, but not customize or make changes in the base application
  - Workday customers may ask for "new" functionality by creating Workday Brainstorms (EBS support and other key business areas throughout the university have this ability). Workday will see if other customers are asking for the same or similar "new" functionality and prioritize that work for future releases
  - Currently working with the groups and active counterparts on gaps (Supply Chain, Invalid Research funds)
  - Top Tier gaps – i.e., Supply Chain, Finance, specifically Research, Spend Authorization to Expense Report.
    - We follow a process on a quarterly basis to identify priorities
- o Annual requirements OSU drives
  - Open Enrollment
  - Fiscal Year Close
  - Payroll Close
  - Fall Semester Hiring
  - AMCP

### **Composite Benefit Rate Recommendation** (February 01, 2022 – Valarie Williams, Chair CFS)

- o The College Finance Subcommittee (CFS) has recommended the composite benefit rates for 2022-2023, based on the annual calculation of rates charged to university departments for faculty/staff benefits i.e., health care, tuition benefits, etc.
- o The rate calculation for this year is based on a 6% medical trend rate increase and 3% AMCP
- o Because of the uncertainty and volatility during the pandemic, the previous projections of 4.5% medical trend, and 2% AMCP have increased
- o STRS and OPERS rate is driven by salary and head count contributions
- o CFS has requested assessment information on the Wellness Program (\$365K) and YP4H (\$1.181M)
- o The full committee approved the recommendation from the subcommittee without abstentions. The SFC Chair will create a report to the Provost on the recommendation from CFS.

### **P.O.M. Rate Recommendation** (February 01, 2022 – Valarie Williams)

- o The College Finance Subcommittee met with FOD to discuss their need to increase POM rates for FY23. After analyzing their proposal, CFS recommends an increase of \$.50/ASF, broken down as follows:
  - Maintenance Funding to \$1.5M; an increase of \$0.22 ASF
  - Custodial Funding to \$1.15M; an increase of \$0.18/ASF
  - Deferred Maintenance Funding – No change
  - Preventative Maintenance to \$675K; an increase of \$0.10/ASF
- o It was noted that the Provost and the involved Sr. VPs must engage in strategic planning and discussion with the Board of Trustees about the comprehensive analysis of Deferred Maintenance
  - Where do you find funding to fill the gaps?
  - What other things suffer as you deflect this money away from it?
  - What are plans to ensure this won't happen again?
  - Where does the "working from home" adopted during the pandemic fit into the deferred discussion?
- o The full committee approved the recommendation from the subcommittee without abstentions. The SFC Chair will create a report to the Provost on the recommendation from CFS

### **Faculty Compensation: Market-based Faculty Salaries** (February 15, 2022 – John Opfer)

#### **Presented Mercer Report from January 2021**

- o OSU average non-medical faculty pay is 2% below market value (referring to the average, not the median). However, there is wide variation; some far below market value, some far above
- o Assistant Professors are paid, on average, at market value, and 90% of them are paid at least 85% of market value. Most are paid between 85% and 115% of market value
- o Cost of bringing tenured non-medical faculty pay to at least 85% of 2020 market value (comparable to Asst. Prof.s) is \$18.4M (in FY2020 dollars)
- o Cost of bringing all tenured and tenure-track faculty to at least 85% of 2020 market value is \$24.6M (in FY2020 dollars)
  - This would only get to the 2020 market value – not 2022 - and would only be the bare minimum
  - Bill MacDonald believes that if other institutions are not including regional campuses in the Mercer Report, then the comparisons of salary would not be accurate because it is missing a large portion of faculty. His comparison was the Flint campus of U. Mich. John Opfer pointed out that the number of tenured faculty at Flint is too small to substantially affect the U. Mich. Numbers
  - 2021 OSU numbers are referring to FY22 after the 1% equity adjustments

o A salary file was presented by Crichton Ogle for OSU compared to University of Michigan-Ann Arbor from 2013 to 2021:

- The file reinforces the report that was presented by John Opfer
- Salary variances have a large impact on university rankings
- OSU has dropped 60 places in Shanghai rankings, a decrease that John Opfer showed is positively correlated with loss of tenured faculty
- Leadership would like to make OSU the premium leadership research institution; if so they will need to increase faculty salaries to better retain faculty and reach the compensation levels that the University of Michigan-Ann Arbor faculty have
- OSU has around 40% of the amount of Federal Research Grants that University of Michigan-Ann Arbor has
- Kris Devine mentioned that OSU also has only 40% of endowment that University of Michigan-Ann Arbor has

### **Overhead Rates for FY2023 (February 15, 2022 – Harald Vaessin)**

#### **Presented proposed overhead rates for FY23**

o Overhead rates are non-general funds for services such as purchasing, auditing, insurance, campus safety, etc.

- Total overhead costs to be recovered increased \$7.5 million, to \$85.5 million, compared to the prior year due to increases in the allocations of OCIO central support

o Proposed rates approved without abstention

### **Support Office Budget Requests for FY2023 (February 15, 2022 – Justin Kieffer)**

#### **Presented all the Support Office budget requests**

o Requested \$9.4M of continuing funds and \$3M of one-time cash with a total of 14 requests • Presented a list of all requests, the amount being requested, and the priority of the request

- There is an additional increment for Health Sciences Library and Law library of \$138,224 that is not in the file, making the total \$628,290
- Dylan asked about the Graduate school and why they are asking for so much money while sitting on so much cash
  - Michelle Basso answered that it was presented to her from the Graduate school that the money is committed to students over a long period of time
  - Gretchen Gombos mentioned that the trends show the ending equity only increasing every year and requested a projection of commitments from the Graduate school

o Michelle Basso asked if anyone would like to discuss the priority ratings

- Michelle Basso explains that Office of Academic Affairs support offices put together their requests and they go to the Provost (Melissa Gilliam), and she decides the priority ranking and if there were any items that she would like to cut completely. The Provost then puts a list together of requests and sends them to the Support Office Committee.
- Harald Vaessin suggested that each request should not be numbered since it has no meaning

o Michelle Basso requested to amend the file to include the additional \$138,224

- Amendment was voted on and carries

o Now that the committee has amended the \$138,224, Justin Kieffer asked for a vote on the budget request

- Motion approved without abstention



## Differential Fee Requests for FY2023 (February 15, 2022 – Bill MacDonald)

### Presented a list of Differential Fee Requests

- o Motion approved with abstention from Karla Zadnik on the Optometry request.

## Parking Concession Annual Report (March 1, 2022 – Jay Casey, Susan Boiarski-Markle)

### Presented Parking Lease Transparency and Accountability Report

- o This is the annual presentation in response to the request for this committee to monitor how the parking concession funds are being used
- o It is the 9th annual presentation
- o The original Parking concession agreement transacted \$483M into endowments. Today's value of those funds is \$658.8M
  - The initial balance of the endowment was allocated as follows
    - Faculty & Research \$200M
    - Student Scholarships \$83M
    - Arts District Development \$50M
    - Transportation & Sustainability \$150M – Maintenance of CABS transportation
      - This is a problem area, we have used reserves and beginning in FY23 the distribution will not be enough to support the operations
      - Working with Kris Devine to find a solution
    - Transportation & Parking \$0 (\$6M subsequent transfer from Trans & sustainability fund in 2017)
      - Money was set aside for uncovered mandates for unanticipated parking expenses
  - The annual distribution is based on a 7yr MV average (anticipating the Board to pass a change to 5yr MV average in May)
- o Citation revenue does not go to CampusParc. It goes to the University but the revenue generated does not cover the cost to enforce
  - This arrangement prevents the appearance of CampusParc citing for the purpose of revenue
  - Citation and corresponding enforcement are important to enforce proper parking behavior rather than for financial benefit (no financial benefit to the University)
- o Customer Satisfaction
  - Could not do normal March/April survey in FY20, FY21 due to COVID but plan to get back to that process
    - They used an alternative method. Surveyed anyone that called and that they had an email for they sent the survey to
  - Reduction in numbers of calls could be in part due to COVID and believe to also be the result of enhanced communication through the website and targeted emails
    - Notable increase in Website hits, new website launch award
  - Citations – Reduced
    - First violation for permit-related offenses results in \$0, just a warning to educate
  - New web app provides tool for permit holders to see where they can park
  - Survey of calls to customer care center results; 68% Good, 12% Moderate, 20% Needs improvement
  - CampusParc Stakeholder survey; 87% good/trustworthy partner, 53% believe it adds value.
  - Student satisfaction is probably lower, would like to see results segregated out by faculty/staff and student population
- o Positive Partnership
  - Buckeye lots is an example, they worked with us to provide free parking for those that came in for testing and vaccine services
  - Created new permit options in response to COVID/new work environment

- o Permits
  - Counts are going down (no surprise with current working environment)
  - Discussion around the existing parking that is available in certain areas
    - This crosses safety
- o Parking Advisory Committee
  - Includes faculty, staff, and students and CampusParc representatives
  - Meet Bi-Monthly
  - Role – input about parking operations and receives requests for fee changes and designation of parking spaces and permit classes

### **Questions/Other Discussion**

- o Capital Expenditures
  - It is a complicated formula. For OSU we have to invest in garages because it impacts our students/employees. CampusParc needs to see ROI and if they do not they do not have to do it. This is always a negotiation
  - If we build a garage then they should pay but if they cannot/do not they do not get the fees. We would have a management agreement with them to manage instead. This will need to be addressed as we anticipate more new garages coming on
- o Location of parking and how that intersects with safety
  - This is a campus wide issue of what parking is available and how safe if that to faculty/staff
    - What resources are available (no longer have campus escorts)
  - This issue should be elevated to COPE to get feedback

## **Benchmarking Data Analysis (March 1, 2022 – Kris Devine, Kimberly Meyer)**

### **Overview (Kris Devine)**

- o This presentation is FY20 data to begin socializing. We are chasing down FY21 and hope to have that data in the next few weeks. We will come back next year with FY21 data
- o All Big 10 CFOs would all say/agree that this is directional benchmark data

### **Presentation (Kimberly Meyer)**

#### **HelioCampus**

- o OSU partnered with HelioCampus (formerly ABC) to map administrative spend to benchmark
- o Uses a standardized Activity Model (SAM)
  - 9 key areas of focus
- o Different analysis factors are used based on the activity being evaluated
- o Position Description mapping – to distribute FTEs across activities. One FTE can be distributed across multiple sub-activities
- o Peers that were used for benchmarking were chosen based on availability of their FY20 data and comparable operations spend
  - The University of Arizona, The University of Utah, University of Illinois, Wisconsin, UC Davis, The University of North Carolina
  - Additional Schools will be available later
- o The platform provides the ability to select different peer groups on multiple factors to normalize
  - Who is the available peer group?
    - Must be a member of Helio and have data mapped which takes some time
- o We are working the HRIS to provide HelioCampus with our FY21 data

#### **IPEDS**

- o Different purpose and approach from HelioCampus
- o IPEDS data only includes FTE



### Questions/Other Discussion

Discussion around what this is really showing

- o Terminology that is being used is not defined
- o Questionable on initial results regarding opportunity areas and what the reclassification of positions means/shows. Is service being captured/considered? How are we grouping? Example, It does not seem appropriate to group Arts and Sciences and Athletics together
- o Who is being defined as admin?
  - Main Campus, All non-instructional non-medical staff
  - Research Staff is included
  - Student Support is included
    - Damon clarified to the group that OSAS did not ask and/or receive any additional funding support for FY23

**Response** (Kris). The intention was to give a view in the benchmarking realm. To look at areas that are directionally correct to see if there is opportunity. There are a ton of things under the covers. It is complicated, it is a place to start and it is a benchmarking. It is going to be a journey

- We will need to deep dive and engage with HR to really understand what is going on
- o Crichton Ogle presented an IPEDS-based spreadsheet to illustrate the increase in admin costs and will send the analysis out to the group
- o A primary point/concern is in regard to faculty compensation: What resources does OSU plan to use for bringing faculty salaries in line with the market?

## Energy Concession Annual Report (March 29, 2022 – Scott Potter, T.J. Wood)

### Presented Energy Concession Annual Report

- o This is the annual update on the Ohio State Energy Partnership (OSEP)
- o Utility Service Reliability – Outage Events and Utility reliability exceed targets in all categories
- o Energy Use – This was the biggest milestone set for OSEP.
  - We are 5 years in of the 10-year target; we are ahead of schedule.
  - Across campus we are 13% more efficient
    - Optimization of Utility plants
    - Entire building efficiencies (we have optimized over 100 buildings now, the last 50 are up for approval this year). In 3 years', time we will have completed building improvement on all buildings on campus
    - Prior to the concession agreement the University was only averaging 2.5 buildings / year
- o Approved Capital Projects – Summary of projects by Project Type (Lifecycle, Expansion, ECM)
  - Next year we should see Expansion increase as more of the big projects come on board
  - ECM are projects designed to conserve some type of energy
  - Most projects are still under construction
- o Utility Fee – Related to the projects we just reviewed. Summary of fees for FY18-21
  - Costs/fees are ramping up because of all the projects. We should see this level off in FY25 and then come back down with energy conservation measures

### Questions/Other Discussion

o **Question** [Harald Vaessin]: *Benefits from low hanging fruit, do we expect a linear improvement or are we going to level off?*

o **Response** [Scott Potter]: Not linear, up and down. Low hanging fruit was done in first and second year. Big equipment is a higher cost but much bigger impact. The whole building improvements are where the real impact comes from so we expect to see another big jump next year and the year following. Then it will level off a bit. Note: EUI = Energy Use Intensity

- o **Question** [Crichton Ogle]: *Is there coordination with FOD?*
- o **Response** [Scott Potter]: Yes, we work with them to compare with the list of demolitions to verify that we are not putting investment into a building that is slated for demolition or renovation. Side note: we have found newer buildings are on our list to improve (does not make sense), we are trying to do a better job of making sure we are energy efficient up front.
- o **Question** [Crichton Ogle]: *What is the final CHP cost?*
- o **Response** [Scott Potter]: \$290M
- o **Question** [Crichton Ogle]: *Do the projects/costs we reviewed include all of the research innovation?*
- o **Response** [Scott Potter]: Yes
- o **Question** [Crichton Ogle]: *Are we on track, including the President's initiative to reduce carbon footprint?*
- o **Response** [Scott Potter]: Yes. Plus some projects are much faster. Unfortunately CHP is not one of those; it is behind. It was supposed to be operating last year and now best case is late 2023.
  - Carbon footprint goal moving from 2050 to 2040: Challenging but Scott believes we can get there. The next steps to reduce carbon will be big-ticket items.
- o **Question** [Dylan Page]: *Are there any plans to supplement the CHP plant in terms of storage?*
- o **Response** [Scott Potter]: When we first turn CHP on it will have some excess but we will still need to buy some power from the grid. Transmission is the problem. Scott is a fan of nuclear and so is President Johnson.

## Byrd Polar and Climate Research Center (March 29, 2022 – Alex Poling, Scott Schricker)

### Byrd Polar and Climate Research Maintenance Concerns and Resolution

- o Purpose – Presentation of Resolution to address these concerns
- o Introduction/Overview of Byrd Polar
- o Overview of the funding that Byrd Polar has
  - Infrastructure Issues – the building is 30+ years old
  - Current funds are not enough to fix the corroding infrastructure
- o Review of Preferred plan - \$~9M
- o Alternative plans - ~\$1.2M (presenter feels this is still a band-aid plan)

### Questions/Other Discussion

- o **Question** [Harald Vaessin]: *How is this impacting energy efficiency? Appears so old that it may not be energy efficient. Maybe you should reach out to ENGIE project team.*
- o **Response** The thought from the group is that the ENGIE team may be able to provide direction. They (OSEP, supported by ENGIE) have an annual grant that can be used for this type of research/facility support. They fund things from the arts to libraries to medical center initiatives.
- o **Question** [Michele Basso]: *Could some of the NFS grants (56%) cover this? May be something to look into further.*
- o **Response** [Alex Poling]: Does not believe they could get \$9M but has not investigated fully the potential of what we could recoup from grant indirects.
- o **Response** [Scott Schricker]: Feels that they could do some more investigation on alternative sources of funding
- o Overall discussion of why this would be brought to senate fiscal. Does not seem like the right place. Why doesn't the office of research feel like this is a priority? It is very unusual for senate fiscal to approve/recommend a one-off unit request.
- o Alex Poling replies that resolution was regarding the uniqueness of Byrd Polar. If we let this go the ice will melt, the samples are irreplaceable. Many of the ice samples are from glaciers that are gone. This is not just an Ohio State University issue.
- o Discussion ensues on how we should proceed. Michele Basso motioned to take the next step forward. The motion passed with a vote of 17 yes and 1 no. Approved next steps:
  - Take this to faculty cabinet to show support.
  - Take to Senate Fiscal sub-committees
  - Get more information on financials

## Support Office Finance Subcommittee Reviews (April 12, 2022 – Justin Kieffer)

- o HR Service Delivery
  - How do they fill the gap for now and how do they plan for the future?
  - The model was built on cutting positions to cover AMCP, but they have already cut as many as they can (44 FTE)
  - They're short money and wanting to add more FTEs now
  - No cash reserves and could not yet identify where the funds were going to come from
  - Recommended to have HRSD return to SOFS in the Summer once they've had time to further research potential sources of funding
    - SOFS believes the model is broken and would like it to be fixed to provide better data
- o Motion from SOFS for HRSD to revisit the model and develop a new model that captures the realities of where the necessary funding will come from for the next two years and come back in the Summer to present to SOFS
  - Motion approved by Senate Fiscal
  - Document to be sent to the Provost and SVP
- o OCIO and University Libraries cost share
  - Libraries is currently using a termed position and they would like to extend it and do a full cost share
  - SOFS recommendation is to increase the chargeback to be covered by other units
    - Approved by Senate Fiscal without dissent