Annual Report
Fiscal Committee
2022 -2023

Committee Members

Harald Vaessin, Chair – ASC, Faculty Council

Michele Basso – Chair-Elect - COM, Faculty Council

Jennifer Garvin – Faculty Council – COM, Faculty Council

Belinda Gimbert – EHE, Faculty Council

William Kelly – COM, Faculty Council
Justin Kieffer – CFAES, Faculty Council
Melvin Pascal – CFAES, Faculty Council
Lingying Zhao – CFAES, Faculty Council
Birsel Pirim – Fisher College, Presidential
Andrew Pierce, USG/Univ. Senate
Jacob Chang – USG/Univ. Senate
Anthony Altalo – USG/Univ. Senate
Garrett Tatum – CGS, Senate
Melissa Hammer – IPC, Senate
Steven Mentz – FC/USAC
Terry Snoddy – CFAES, SFO, Executive Deans/Staff
David Horn –Dean for Arts and Sciences

Gregory Rose – Dean for Regional Campuses; Dean of Marion Campus

Anil Makhija – Dean for Professional Schools; Dean of the Fisher College of Business

Karla Zadnik – 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

Brad Harris – Vice-President for Budget and Resource Management, Provost’s Designee

SENATE FISCAL COMMITTEE
ACTIVITIES REPORT
5/15/2022 – 5/30/2023

The Senate Fiscal Committee (SFC) is one of the largest committees in the shared governance model ofthe 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.

Senate Fiscal Committee Recommendations

The standing subcommittees of SFC:

1. Support Office Finance Subcommittee (SOFS) [Chair FY2023: Michelle Basso]

FY24 SUPPORT OFFICE BUDGET REQUEST RECOMMENDATIONS

Support Office Finance Subcommittee of the Senate Fiscal Committee

Review Process

University Senate asks that Senate Fiscal Committee review and recommend budget requests from the support offices at the university each year. This report summarizes the FY24 Budget Request that were evaluated by the Support Office Finance Subcommittee (SOFS). Three units were reviewed – ERIK, Administration and Planning – Safety and OTDI.

The review process was as follows:

1. FP&A disseminated a budget request template to support units and were scheduled for presentations to SOFS. SOFS prepared a template/list of things to address in the presentation in order to ensure that the information we needed to complete the review were met by the time of the presentation.
2. SOFS reviewed all request presentations between Jan 24 – Feb 21, 2023. The leadership and fiscal officers from each support office requesting funds attended their presentation to add detail and answer questions from SOFS members. If further clarity or information was needed after the meeting, the committee sought responses in writing.
3. SOFS met Feb 28, 2023 to review all available information and make our recommendations. Because SOFS did not know the total amount of GFA and cash available for distribution in FY24, we prioritized the FY24 budget requests into three categories: High Priority, Medium Priority, and Low Priority. In some cases, SOFS also recommended that a request be partially funded, and/or that a continuing funds request be converted to cash, as explained below.
4. The general recommendations were reviewed with Senate Fiscal Committee (SFC) for input on March 28, 2023. Discussions in SFC centered on the likelihood of limited or lack of budget surplus available for the budget requests. SOFS was asked to further prioritize the requests with the understanding that assessments back to units and colleges may be required.
5. SOFS held two additional meetings on April 4, 2023 and April 18, 2023 regarding the final ranking. SOFS prioritized 5 requests deemed critical to mitigating digital and student risk at OSU. The Safe Ride Program was strongly endorsed by students for student safety and SOFS recommends that unspent funds in A&P/Safety & Security be used to support the program.

A&P	Safety & Security	Surveillance Video Storage	$500,000 Continuing Funds
A&P	Safety & Security	Surveillance License Plate Recognition	$157,000 Cash
OAA/ OTDI	Digital Security (Enterprise Security)	Splunk Enterprise Licenses	$1,167,250 Continuing Funds

OAA/ OTDI	Digital Security (Enterprise Security)	Email Security Gateway	$149,200 Continuing Funds
A&P	Safety & Security	Safe Ride Program	$3,000,000 Cash

TOTAL CONTINUING FUNDS: $1,816,450
TOTAL ONE-TIME CASH: $3,157,000

Summary of budget requests and recommendations
The total budget request was $5,486,529 in continuing funds and $4,657,400 in cash. None of the Support Offices sought funds to overcome structural deficits so they were not considered in as a distinct prioritization category as it has been in the past.

Table 1. Summary of All Requests Alphabetized

Units	# of Requests	Continuing Funds	Cash
A&P-Safety	5	500,000	4,157,0000
ERIK - OoR	3	508,379	0
OTDI	7	4,478,150	500,400
TOTAL	**15**	**$5,486,529**	**$4,657,400**

Table 2. Summary of FY22 SOFS Budget Request Recommendations

Priority Rating	# of Requests	Continuing Funds	Cash
High Priority	7	1,816,450	4,104,004
Medium Priority	2	0	2,059,325
Low Priority	6	1,413,750	750,400
TOTAL	**15**	**$3,230,200**	**$6,913,729**

Detailed Recommendations in Alphabetical Order
Determination of high priority was based on SOFS understanding of the critical contribution of the service provided to the academic mission, research enterprise and reputation of OSU. Removing structural deficits continues to be viewed as critically important but none occurred this year.

Highest Priority For Funding - FUND FIRST____

(1 & 2) **A&P - Safety** Cameras and video storage - Requests $500,000 in continuing funds for video storage to cover a 900% increase in data collected from newly added cameras through University safety initiatives on and off campus. License Plate Recognition Cameras: Requests $157,000 in cash to pay the annual software cost. The storage costs represent the lowest available. The costs of using OTD server storage is lower than 3rd party vendors. The impact of new safety programs at OSU has dropped serious crimes by at least half. SOFS endorsed the importance of the license plate reader cameras to reduce active crimes and perhaps future crimes. The committee also viewed the value of any camera surveillance to be critically linked to storing the video that is captured.

(3) **A&P - Safety** SafeRide Program - Requests $3,000,000 in cash to cover projected Lyft costs for FY24 based on projected use in FY23. Ridership use has increased enough to warrant a current study to determine the right balance for cost/benefit. Continuing funds will be requested for FY25 after the study is completed. OSU contribution to the program is lower than other universities. Metrics of risk reduction may be/will be sought from Lyft for a better understanding of the magnitude of risk prevention it may accomplish. Although SOFS recognizes the high cost of the program, it remains a high priority due to its

direct focus on student safety and the expectation by students and parents that a university sponsored ride share program exists at OSU. Suggestions for future funding pathways are at the end of this document.

(4&5) **OTDI** Digital Security and Trust – Information Security is a top 10 risk (reflected in the University Risk Management Council) for the University and a high funding priority of the Board of Trustees. Request for $1,167,250 in continuing funds for SPLUNK enterprise license to cover costs of data ingestation that exceed the license limit. Proofpoint: Request for $149,200 in continuing funds to cover fluctuations in email security costs due to greater number of email boxes. These two requests represent a continuation of previous year funding requests that were not awarded in FY20, FY21, FY22 and partially funded in FY23. In FY23, the University provided $1,000,800 in Cash and the EDR Software funding of $1M in PBA, which leaves $1,316,450 in unfunded initiatives (Splunk, Proofpoint, etc). SOFS committee are in strong agreement that funds for both Splunk and Proofpoint are essential for OSU technical support. The committee confirms that these programs warrant continuing funds at this point in time.

High Category but Prioritized for Funding only After the Programs Above Are Funded.
Overview of **OTDI** Buckeye Technology Equity (formerly Digital Flagship) There are 4 programs that make up this initiative. While some usage data was available, the committee agreed that the information was incomplete or the usage too low to provide continuing funds for any of the requests. Two programs (#6, 7 below) showed potential for wider adoption by faculty, staff and students and SOFS recommended that cash be used to support them.
(6) **OTDI** Buckeye Technology Equity (formerly Digital Flagship) Loan Program – Requests $210,004 in continuing funds to cover the cost of Student Technology Loan Program for students. Funding will support 2 FTE and 1 contractor. There are concerns that the size of student need for the program due to technology insecurity are likely underrepresented. Faculty and student representatives on SOFS commented that relying on advisors and flagging iPad required courses to notify students had some inherent limitations. SOFS viewed the loan program for tech insecurity as vital to the students and OSU but the magnitude of insecurity remains unclear. Therefore, the true cost of the program is unknown. SOFS recommends that funding come from cash rather than continuing funds because usage may not increase, making long term general funds allocation unwarranted.
(7) **OTDI** Buckeye Technology Equity (formerly Digital Flagship) Adobe Cloud – Requests $737,000 in continuing funds to cover the cost of Adobe Creative Cloud for students, staff and faculty. SOFS members recommended a high priority based on clear adoption in and by the workforce. They also predict that this is a high priority for current students. Wider adoption by students will depend on better communication that it is freely available. SOFS recommend the request be paid from cash rather than continuing funds this year until a more clear usage pattern is available.

Medium Priority
The two requests below were designated as Medium Priority. The committee recognizes these requests as supporting important but less urgent needs relative to either other budget requests within the same unit or relative to those identified as high priority for the next fiscal year.

(8) **A&P - Safety** Block by Block - Requests $750,000 in cash to subcontract off-campus security to collaborate with OSU and Columbus Police Department. This is was a parent-suggested organization that has been working under contract for 1 year. This program was suggested by a parent on the Safety Task Force and Public Safety administrators have been pleased with the program. With funding levels unclear, SOFS considered this to be a lower priority than the two request ranked as high. There is some concern that the remarkable reduction in crime may be compromised if this program goes unfunded.

(9) **OTDI** Buckeye Technology Equity (formerly Digital Flagship) Virtual Desktop - Requests $1,309,325 in continuing funds to cover the cost of Virtual Desktop which support more than 30,325 users under the current license. This software was developed by College of Engineering during the pandemic to enable students to participate in lab settings and it has grown in popularity. It is more effective than other products available. This request will allow wider adoption across OSU and expand student users. The medium priority is based on concern by SOFS that the demand for the program may not be worth the cost. SOFS recommends that the funds come from cash rather than continuing funds due to questions around usage.

Low Priority
SOFS placed the following requests at a low priority. The committee had concerns that these initiatives lacked clarity about how they integrate with the new organization of the research enterprise. Also, the subcommittee had difficulty understanding why internal resources of each Support Office could not be reallocated to meet these requests.

(10, 11, & 12) **ERIK** - The Enterprise for Research, Innovation, and Knowledge (ERIK) requests continuing Funds Request of $508,379 to fund 6 new full-time positions within 3 offices in Office of Research. The positions - 1 FTE Responsible Conduct of Research Coordinator, 3 FTE Protocol Analysts, 2 FTE information systems/system administration – will be distributed to Office of Research Compliance, Office of Support Programs, and Research Information Systems. An expansion of human research protocols without comparable increase in personnel is the basis of the request. Without funding, there is risk of not meeting the increasing federal guidelines for oversight, reporting and training researchers. SOFS viewed the worked of OSP, ORRP, ORC as critically important and ensuring effective staffing is a high priority. However, the requests are recommended to be low priority due to apparent availability of equity within ERIK. SOFS recommends that the unit reallocate general funds from other areas in ERIK to invest in these requests if they are high priorities. Due to ERIK being newly reorganized, it is hard to judge the availability and use of funds and to consider additional investment.

(13) **OTDI** Buckeye Technology Equity (formerly Digital Flagship) Digital Skills Education/Design Lab requests $905,371 continuing funds for 6.5 FTEs and student workers to provide training and resource material to faculty, staff and students. SOFS assigned a low priority due to concerns of redundancy between this program and departmental/classroom training as well as with free access to on-line modules. Concerns about what type of education is needed and for what IT products. SOFS recommends a low funding priority and not using continuing funds.

(14) **OTDI** Mount Hall Loan Requests $500,400 in cash to cover the final installment of the Mount Hall Loan. The unit will also provide $350,400 in cash. SOFS had concerns that the management of loan debt through budget requests is difficult to justify in light of the likely scarcity of funds. SOFS members were in full agreement that debt repayment should come from OTDI internal resources.

(15) **A&P – Safety** Campus Student Safety Officers requests $250,000 in cash. While likely valuable in developing future safety officers, SOFS considers this program to be lower than the other requests from Public safety. Again, there is concern that eliminating programs will result in higher crime rates and greater risk to the OSU community.

ADDITIONAL RECOMMENDATIONS

After completing the reviews, several considerations outside of recommending prioritization occurred and are reported below. These recommendations are made to highlight the need for further actions and to improve the review process within the ever-shrinking decision time line and availability of funds.

(1) For this year and in future years, no funding should be distributed until the support offices have used existing funds to support the prioritized proposals/program. Review of non-mission-critical programs that may need to be sunsetted should be considered in-order to self-fund the identified “Fund First” priorities. In-light of limited availability of a budget surplus to support mission critical functions at OSU, SOFS recommends the following review process:

- SOFS will consider budget requests from support units only after self-funding within the unit has been fully applied to the request. Partitioning of funds to retain a financial “cushion” should be avoided.
- SOFS will prioritize budget requests based on availability of central funds from the budget model.
- When insufficient central funds are available and assessments to Colleges and Units will be required, SOFS prioritizes a consultation process with those being charged the assessment. This process will accomplish 3 goals:
- Ensure that transparent data on which the assessment will be calculated (ie FTEs, the overall rate and its distribution across colleges and units, etc). Workday can be leveraged to provide accurate data itemized for each college or unit.
- Determine the existence of widespread support for the budget requests SOFS deems mission critical.
- Specification of when and how the assessment will be distributed to colleges/units.

(2) Some of the requests this year prompted discussion about whether they should be moved to other parts of the budget model [i.e. Student Service Assessments (SSA) fees or Research Administrative Assessment (RAA)]. It is recognized that this strategy will simplify accounting practices at the college/department level. However, there is a significant weakness with this idea because faculty, staff and students on Senate Fiscal Committee would no longer have a voice in setting funding priorities. SOFS considers this duty as fundamental to SFC bylaws and a subcommittee be charged to consider the impact of reallocation of Support Office requests. Therefore, the SSA and RAA should undergo similar annual review and prioritization by SOFS. Recommendations to Senate Fiscal will reviewed similarly to POM, benefit rates, and overhead rates.
(3) Technology Inequity is an emerging issue at OSU now that students no longer receive devices as first year students. Additionally, Tech insecurity likely exists for upper classmen, transfer students and grad/professional students. Current methods to identify insecurity have limited success and have only focused on incoming students. SOFS members in partnership with USG will seek a meeting with the Provost's office to discuss effective programs for students who are Tech insecure at OSU.
(4) The timing of seeking support office requests continues to shift from year to year, as does the deadline to complete the process. This year the requests didn't go to units until late November 2022 and the expected completion date was March 7, 2023. This working timeline was quite challenging and, in fact, was not accomplished. SOFS recommends that the SFC chair work with FP&A during the summer to identify the expected date Support Office Requests need to go to BoT. This way, when the SOFS subcommittee chair is selected, they can work with FP&A to establish an effective work plan. These approaches will address concerns that the work of SOFS hasn't normalized to a sustainable working model and workflow.

FY24 Recommendations for Human Resources Service Delivery (HRSD)

The Support Office Finance Subcommittee (SOFS) recommends that HRSD be restructured in order to optimize the use of resources (personnel, time and cost) and improve the effectiveness of Human Resources.
After a detailed review, SOFS found ample evidence that HRSD service and budget models are broken. Customers of HRSD (colleges, support units, faculty, and staff) have not seen promised service levels or economies of scale. Further, the additional time and attention the HRSD model requires that faculty and unit staff devote to HRSD diverts their attention from their primary responsibilities. Simply shifting work effort to faculty and unit staff from HR staff does not represent efficiency. Even under the current HRSD model, SOFS learned that projected staffing levels underlying the model are significantly lower than accepted industry standards and potentially unsustainable to maintain adequate service levels for the university.
SOFS recommends that FY24 be used to establish the feasibility of operating an efficient, effective HR system for OSU at the current budget levels.
SOFS recommends the formation of a Task Force to develop appropriate Key Performance Indicators, Service Level Agreements, clarify roles and responsibilities, and opportunities to improve communication (internally to HR and to their external customers) beginning summer term and to be in place for FY24.
SOFS recommends that FY24 funding be maintained at FY23 HRSD levels, with the expectation that funds be used conservatively. Assessments to colleges and units should be maintained at FY23 levels. Any cash allocations needed should be negotiated with the University Administration.
These recommendations represent unanimous support in a vote by SOFS.

Rationale for these Recommendation:

1. Some of the Guiding Principles of HRSD Proposal in 2020, have not been implemented. Service agreements and key performance indicators have not been developed, even after 3 years using the model. There is a clear lack of understanding of roles and responsibilities in terms of support provided centrally and support that was to be absorbed within the college/unit. A track record of the expected savings has been irregular and difficult to understand. The model is complex and lacks transparency. Due to these conditions, fairness to all units is unclear.
2. The HRSD model recognized that budget retrenchment may occur and stipulated that: "If a retrenchment was to occur, it will be critical to include an analysis of the impact on HRSD and the units' ability to pay for services. The ability of units to provide high quality academic, research, and outreach services should not be negatively impacted by the cost of HRSD." Based on discussions in Senate Fiscal Committee this year, retrenchment should be considered regarding HRSD.

3. Review of HRSD in SOFS FY23 (Fall, Spring semesters) with Jeff Risinger, then Chief Human Resources Officer, stated that AMCP and benefits for HRSD FTEs were not allocated in the budget model. Thus, a perpetual and growing budget shortfall exists; $47M in FY21 and $53M in FY22.

SOFS also learned through meetings with the HRSD representatives that the model is not working for the HR Central perspective either. HR leaders have conducted multiple surveys and have found the HR staff feel that they are not providing adequate support to their customers nor are they receiving the training support needed to do their jobs effectively.

4. The Wexner Medical Center exited from HRSD this year. Three issues occur with WMC leaving HRSD. First, budget retrenchment may occur in other academic units since WMC was considered to be subsidizing the HRSD model for the remainder of OSU. Second, other academic units may seek an exit strategy from HRSD like that provided to WMC. Third, WMC opted to leave may be/is an indication HRSD may not be working.

5. With the need to engage a new Chief Human Resources Officer, now appears to be an optimal time to restructure or develop a new HR system. Collecting the experiences of and input from of those who work with the HRSD model will provide key information for reconsidering the model. Metrics available through Workday can and should be leveraged to improve service effectiveness, maximize efficiency and adopt a system that reduces and avoids high error rates.

FY24 OTDI SOFTWARE COST SHARE RECOMMENDATIONS

Support Office Finance Subcommittee met to review the Cost Share Projections for Business and Finance (B&F) Site License Software and Office of Technology and Digital (OTDI) Software used by the university at-large.

B&F Site License Software packages included in the Cost Share Agreement are estimated at $3.1M

- Microsoft Campus Agreement/SQL Server
- Desktop and server software for faculty, staff, students; Database program
- Adobe Creative Cloud for faculty & staff
- Faculty/Staff License (not students)
- Students funded by OTDI
- SPSS Statistical Software
- SAS Statistical Software
- Qualtrics
- Platform for Research and Faculty, Staff and Students surveys

OTDI Software packages included in the Cost Share Agreement are estimated at $1.6M

- Buckeye Learn – annual workforce training/professional development
- Full University cost share based on headcount
- On Base – Enterprise Document Management (EDM)
- 1/3 of cost is assessed to colleges/units based on FTEs
- 2/3 of cost covered by advanced partner service cost share
- DocuSign – electronic signature
- Full University Cost Share based on FTE
- Qualtrics
- 1 FTE + 3% salary/benefits growth to support both DocuSign and Qualtrics

The Subcommittee voted unanimously in support of the software suite that makes up the cost share agreement, with the recognition that negotiations for software costs are underway. The final cost share amount will not be available until these negotiations are completed. The subcommittee endorses the software prioritization process for those packages critical to the operation of OSU and critical to the roles of faculty and staff.

The subcommittee recommends additional components to the review process carried out by SOFS:

1. For this year and in future years, no cost share assessment should be distributed until B&F and OTDI have used existing funds to support the software and FTEs required across the University. Review of non-mission-critical programs and associated FTEs for sunsetting should be considered in-order to lower cost share assessment.

2. Form a consultation process to:

A. Understand the degree of wide-scale support for the software components in the suite by stakeholders in units supporting the cost share

B. Understand the FTE-based assessment for the cost share allocation for units

C. Stakeholders participate in and assist with creating effective planning for software retirement and/or replacement. At least two objectives will be addressed:

- Create transparency when transitioning from the *existing* assessment to the *new* assessment for participating units in the cost share
- Ensure that critical functionality is maintained within the new software package across OSU and the Health System

2. College Finance Subcommittee (CFS)) [Chair FY2023: Melvin Pascal]

Composite Benefit Rates for FY2024

The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) initially reviewed the Composite Benefit Rates (for September 1, 2023, through August 31, 2024) at a meeting held on January 24, 2023, with Tom Ewing, from the Controller's Office, and Pam Doseck from Human Resources. As initially reviewed with the College Finance Subcommittee, the projected composite benefit rate increases for the upcoming fiscal year are the result of an assumed 8% medical plan rate increase (an increase compared to the 6.0% trend calculated last year), and an assumed 3% AMCP.

Prior to finalizing the FY24 Composite Benefit Rates, there was a request to reconsider the graduate associate central support and subsidization of the health insurance benefit. A subsequent meeting of CFS was held on February 28, 2023, to consider an expanded graduate associate health insurance benefit. Tom Ewing presented an updated benefit rate based on increasing the subsidy from 85% to 100% for graduate associates with a minimum appointment of 25% (formerly a 50% appointment was the minimum). After review and discussion, the College Finance Subcommittee members approved the expanded benefits for graduate associates and approved the revised FY24 Composite Benefit Rate schedule provided by the Controller's Office.

The CFS presented their report to the (SFC) on Feb.7, 2023 where it was discussed. At that meeting the SFC approved without dissent the CFS recommendations for the FY2024 Composite Benefit Rate.

Recommendations include:

Approval of the following University benefit rates:

- 28.0% rate for faculty
- 36.7% for Combined Staff
- 15.8% for Specials
- 0.3% for Students
- 11.7% for Graduate Associates

Approval of the following Health System benefit rates:

- 37.0% rate for faculty
- 35.7% for Combined Staff
- 16.1% for Specials
- 0.6% for Students
- 11.9% for Graduate Associates

- Approve the Faculty Group Practice benefit of 4.8% for clinical appointments.

- Approve current balances in the medical and benefit reserves.

Plant Operations and Maintenance (POM) Recommendations for FY2024

Context: The academic campus provides funding for university building operations, including upkeep, and campus infrastructure through a Plant Operation Maintenance (POM) assessment.

The **Plant Operation and Maintenance (POM)** rates are set annually and charged to academic units. POM rates paid by contributing units cover maintenance of buildings including utilities, custodial staff; deferred maintenance that addresses small emergency repairs (such as new chillers, roof repair, etc.); preventive maintenance that helps with existing upkeep and capital projects.

Subcommittee Discussion: The College Finance Subcommittee met on two occasions to review and consider the FY24 Plant Operations and Maintenance (POM) rates and discuss the request for incremental funding to support the ongoing and critical needs of facility maintenance on campus.

The following provides details of the incremental FY24 POM funding request, by component, as presented by Facilities Operations and Development (FOD) Leadership to CFS:

Maintenance Funding Request: +$1.46M or +$0.20/ASF:
Salary and Benefit guidelines = $734k
Life Safety Support/Compliance = $321K
Annual Fire Inspection Fees = $50K
Carbon Fund = $350K
This rate increase is 4.1% over FY23 rate of $4.86/ASF to $5.06/ASF in FY24
Custodial Funding Request FY24: +$0.20M or +$0.03/ASF:
Salary and Benefit guidelines = $0.20M
This rate increase is 0.9% over FY23 rate of $3.16/ASF to $3.19/ASF in FY24

Deferred Maintenance Request: +$1.33M or +$0.19/ASF
In response to the concern raised by the College Finance Subcommittee last year, FOD has prioritized a third-party,
University deferred maintenance assessment that includes a review and validation of

- Current building condition
- Estimate of the amount of deferred maintenance needs
- Prioritization of projects

The FY24 request, includes funding to complete the third-party assessment of all university buildings. The assessment will be used to develop a 10-year strategy and funding model to address and monitor deferred maintenance. The FY24 increase is not intended to fund the deferred maintenance issues which would be a significantly higher cost.

This rate increase is 47.5% over FY23 rate of $.40/ASF to $.59/ASF in FY24
Preventive Maintenance: Included in deferred maintenance pool due to simplification.

Note:
Energy costs are non-negotiable due to the Engie partnership that was established in 2017.

FY24 RECOMMENDATION:

The College Finance Subcommittee reviewed the FY24 funding request and supporting documentation from FOD. After careful review, not all components of the funding request are recommended by CFS for inclusion in the FY24 POM Rates.

The FY24 POM request not recommended is associated with the $321K in Life Safety/Support Compliance incremental assessment. As noted in FOD's presentation and supporting materials, the four Life Safety positions included in the FY24 request were hired after a prior year's request was not approved. The current funding source for the four positions is vacancy savings, which was reported to CFS as 17% in December 2022 for the preceding 9 months. Given the university's overall constraints on incremental revenue, combined with the existence of vacancy savings to fund the existing (4) positions, the College Finance Subcommittee does not recommend cost recovery through an incremental assessment FY24. It was recognized, however, that ongoing university efficiency initiatives my results in a reduction in available FOD vacancy savings, in the future. CFS recommends an annual update on vacancy savings and impact of institutional efficiency initiatives of funding needs.

Finally, the subcommittee would like to emphasize that the FY24 rate increase for deferred maintenance should be considered a one-time rate increase. The College Finance Subcommittee recommends that the +$0.19/ASF increase be included in the FY24 POM Rates with the ability to reevaluate the increase as part of next year's funding request, once the building assessment and 10-year plan for addressing the university's deferred maintenance needs are presented to Senate Fiscal.

FY24 POM Rate Recommendation: $0.38 increase/ASF Maintenance Funding	$1.13M	or $0.16/ASF
Custodial Funding	$203K	or $0.03/ASF
Deferred Maintenance	$1.33M	or $0.19/ASF

Composite Benefit Rate Recommendations for FY2024

Background:

The Composite Benefit Rates are used to recover the employer paid portion of benefits (retirement, healthcare, tuition benefits etc.) from Units. Medical claims make up the largestshare of the cost pool, with a projected expense of $367 million in FY23. New this year is a lifestyle benefit available to eligible employees at a projected cost of $11 million.

Process:

The College Finance Subcommittee (CFS) initially reviewed the proposed Composite Benefit Rates for September 1, 2023 through August 31, 2024 during their January 24, 2023 meeting. After initial review, a request to expand the healthcare subsidy for graduate associates was proposed and discussed with the full Senate Fiscal Committee, on February 21, 2023. A subsequent presentation to CFS was scheduled to consider the proposal to expand the graduate employee benefit and respective change in the FY24 Composite Benefit Rate. On February 28, 2023, after final review and discussion the subcommittee approved their FY24 recommendation, inclusive of the expanded health insurance subsidy for graduate associates.

Assumes 3% AMCP, 8% Medical Trend

	Current Rates (22-23)	*Proposed Rates (23-24)*	% Change	Projected Benefit Costs	Projected Benefit Costs (22-23)
General University					
Faculty	27.1%	***28.0%***	3.3%	$ 145,788,969	$ 138,980,035
Combined Staff	35.4%	***36.7%***	3.7%	306,770,120	279,903,214
Specials	15.9%	***15.8%***	-0.6%	22,321,148	14,998,411
Students	0.4%	***0.3%***	-25.0%	150,213	135,002
Graduate Associates	11.5%	***11.7%***	1.7%	16,641,312	15,320,643
OSU Health System					
Faculty*	35.7%	***37.0%***	3.6%	$ 21,299,010	$ 19,085,638
Combined Staff	34.3%	***35.7%***	4.1%	348,388,399	345,002,480
Specials	16.1%	***16.1%***	0.0%	36,227,625	22,937,964
Students	0.6%	***0.6%***	0.0%	20,724	16,648
Graduate Associates	11.8%	***11.9%***	0.8%	59,230	66,680
Faculty Group Practice					
Clinical Appointments**	4.4%	***4.8%***	9.1%	$ 18,684,926	$ 17,599,318

** Faculty rate group for the Health System consists primarily of medical residents.*

*** Excludes retirement contributions*

As presented by the Controller's Office on February 28th, the proposed FY24 Composite Benefit Rates are based upon an assumed 3% AMCP base salary increase and an annual 8% increase in medical expenses; see full Controller's recommendation for cost drivers by benefit component. Graduate associate benefits have been expanded to 100% subsidy for appointments equivalentto a 25% FTE or greater, an increase from the current 85% subsidy for graduate associates with a minimum 50% appointment. Target reserve balances were also reviewed with the Controller's Office, and deemed appropriate, after noting that current cash balances are adjusted for liabilities and accruals.

Overhead Rate Recommendations for FY2024:

Background:

The **Overhead Rate** is the mechanism The Ohio State University uses for charging earnings operations a proportionate share of the university's central facilities and administrative costs.

Process:

The College Finance Subcommittee of the Senate Fiscal Committee reviewed the proposed FY24 University Overhead Rates at its meeting held on February 28, 2023, as presented by Tom Ewing. During the presentation of the overhead rate calculation, it was noted that the Controller's Office used a new methodology for calculating the proposed overhead rate that resulted in no (or $0) FY22 General University and Cross Allocation expenses associated with other indirect cost pools. Historically, the annual expenses associated with that General University component were significant. As a result, the annual variance in university administrative cost recovery shows minimal growth between FY21 and FY22. FP&A staff recommended a careful review the methodology, prior to finalization, to ensure all the centraladministrative costs are fully recovered in the FY24 Overhead Rate.

RECOMMENDATION: The committee supports the initial methodology used in the 2023-2024 Proposed University Overhead Rates, as attached. It is recommended, however, that a final review of the central administrative costs be completed, to ensure the appropriate incremental costs associated with FY24 AMCP and inflation are included in the calculation, prior to finalizing 2023-2024 University Overhead Rates.

This is the annual calculation of overhead rates charged by the University to non-General Fund(earnings) units for services such as purchasing, auditing, insurance, campus safety, etc.

CALCULATION SUMMARY:

Calculated and proposed rates for FY2024 are summarized below:

The Ohio State University Earnings Overhead Rates based on FY 2022 Actual Costs

($ in millions)	FY2022 Actual Overhead Costs to be Recovered	Adjusted Revenues	Calculated FY2024 Rates	Proposed FY2024 Rates	FY2023 Rates	FY2022 Rates	Notes
Health System	$ 56.6	$ 2,902.7	1.95%	**$ 56.6**	$ 56.6	**$ 54.0**	(A)
Instructional Clinics	1.4	40.9	3.30%	**3.30%**	3.54%	3.7%	
Regional Auxiliaries	0.3	9.7	2.81%	**2.81%**	2.94%	2.4%	
All Other Earnings Units	24.5	504.7	4.86%	**4.86%**	5.14%	5.0%	

(A) - The Health System is charged a fixed dollar amount that is based on actual allocated costs, adjusted for inflation, in order to be compliant with federal Medicare Medicare reimbursement policies. Actual fixed payment amount is $56,621,000.

Attachment A – Notes on Methodology and Overhead Cost Pools

General Notes on Overhead Rate Calculation Methodology:

- An overhead rate is a mechanism for charging earnings operations a proportionate share of the university's central facilities and administrative costs. Allocated overheadcosts are divided by adjusted revenues to determine the rates.

- Adjusted revenues are three-year averages for revenues in each rate category. These average revenue figures are used to smooth out the rate impact of year-to-year fluctuations in gross earnings revenues.
- In general, facilities costs are allocated based on assignable square footage (ASF). Administrative costs are allocated based on modified total direct costs (MTDC).
- To maintain consistency with federal cost accounting rules, various unallowable and non-allocable costs have been excluded from the cost pools allocated to earnings operations.

Allocation of Indirect Overhead by Cost Pool and Participating Rate Group

		Participating Rate Groups			
Cost Pools	**Basis of Allocation**	**Earnings**	**Health System**	**Instructional Clinics**	**Regional Campuses, ATI, OARDC**
Facilities Support					
Plant Administration	ASF	x	x	x	
Insurance	ASF	x	x	x	x
O&M – Other Services	ASF	x	x	x	
Administrative Support					
Academic Administration	MTDC	x		x	x
Central Support	MTDC	x	x	x	x
Specialized Support					
Health Services Admin.	MTDC	x	x	x	
Student Services	MTDC	x			

Facilities Support Definitions:

- **Plant Administration** includes all expenditures associated with administering OSU operation and maintenance activities, including the University Architect's Office and Physical Facilities Administration.
- **Insurance** includes property insurance paid centrally by the University and auto insurance expenses for the University.
- **O&M – Other Services** includes Roads and Grounds maintenance, solid waste/refuse disposal, University Police and security services, radiation safety and hazardous waste disposal.

Administrative Support Definition:

- **Academic Administration** includes all costs associated with the Office of the Provost and is allocated to all academic-oriented earnings units.
- **Central Support** includes costs for central support functions including the Office of Business & Finance (purchasing, receiving, mail, accounts payable, accounting, budget and internal audit), the Office of the Chief Information Officer, the Office of the President and the Board of Trustees.

Specialized Support Definitions:

- **Health Services Administration** includes administrative and support service costs for Health Services Administration, including the operations of the Office of the Vice President for Health Affairs.
- **Student Services** includes the operations of the Office of the Vice President for Student Affairs.

Regional Campus Service Charge Recommendations for FY2024

Background:

The **Regional Campus Service Charge (RCSC)** is a mechanism for charging regional campuses a proportionate share of the university's central facilities and administrative costs.

Process:

The College Finance Subcommittee (CFS) of the Senate Fiscal Committee reviewed the proposed FY24 Regional Campus Service Charge (RCSC) at its meeting held on February 28,2023, as presented by Tom Ewing. There were no significant questions or concerns noted byCFS as part of the annual review of the RCSC calculation and proposed rate.

RECOMMENDATION: The committee supports the 2023-2024 Regional Campus service chargeof 3.56%, as attached.

This is the annual calculation of the Regional Campus Service Charge (RCSC) rates charged by the University as a percentage of general fund revenues to the regional campuses and ATI, for facilities and administration, student services, and library use.

RECOMMENDATION:

The proposed RCSC rate for FY2024 is **3.56%** (see comparison with current and prior-year rates below):

Proposed **FY2024 Rate** (based on FY22 costs)	**Current** **FY2023 Rate** (based on FY21 costs)	**Prior-Year** **FY2022 Rate** (based on FY20 costs)
3.56%	4.14%	4.02%

RATE SUMMARY:

Cost Pool	Cost Pool Description	Total Cost Pool Amount	Exclusions	Total Cost Pool, Net of Exclusions	Allocated ASF/MTDC %	Gross Allocated Amount	% Use	Net Allocated Amount
1000	Property & Liability Insurance	9,772,011	-	9,772,011	4.23%	413,392	100%	413,392
1035	Facilities Plan & Development	6,712,476	(651,455)	6,061,021	4.23%	256,403	100%	256,403
1045	Environmental Health & Safety	6,913,173	-	6,913,173	4.23%	292,453	100%	292,453
2100	Central Administration	91,604,920	(1,367,983)	90,236,938	1.01%	912,324	100%	912,324
2200	Academic Administration	18,135,527	(2,559,588)	15,575,939	2.12%	329,953	100%	329,953
7550	Student Services	35,435,657	-	35,435,657	2.06%	729,446	50%	364,723
8000	University Libraries	27,312,317	-	27,312,317	2.06%	562,227	33%	185,535
	Total Net Allocated Costs							**2,754,782**
	Total Regional Campus Revenue							**77,487,876**
	Calculated RCSC Rate							**3.56%**
	Proposed RCSC Rate							**3.56%**

3. Student Fee Review Subcommittee [Chair FY2023: Justin Kieffer]

FY2024 Differential Fee Request Recommendations:

Introduction
The Student Fee Review Subcommittee weighed requests for changes in Differential and other educational fees for graduate and professional programs during meetings on January 10th, January 24th, February 7th, February 14th, February 28th, March 14th and March 21st 2023.

The subcommittee reviewed requests based upon the following criteria:

- Is the new request reasonable?
- Is the new fee in line with those of peer institutions
- Has the request been communicated to students (i.e., does it have student support)?

For each request, the subcommittee considered three options:

- Recommend the fee change as requested
- Weak support for the fee change as requested (with explanation of concerns)
- Do not support change as requested (with explanation of concerns)

The SFRS identifies inconsistent reports from colleges when requesting information on student feedback for their proposed fee requests. This was also noted in the previous report for SFRS from the FY23 recommendations. Moving forward, SFRS will determine specific metrics on student responses that must be included for future FY requests on the Template submitted to the colleges. These metrics are proposed for the FY25 planning season beginning in AU23.

Recommendations

Requests for differential fees:

College	Fee Name	Instructional Fee Change	Non-Resident Instructional Fee Change	SFRS Action

Engineering	Cybersecurity Offense and Defense Graduate Certificate	New Program	$200	Recommend
Engineering	Cybersecurity Studies: Design and Implementation Graduate Certificate	New Program	$200	Recommend
Business	Master of Supply Chain Management	-28.3%	$200 (0% change)	Recommend
Dentistry	Dentistry - Rank 1	4%	$945 (4%)	Recommend
Dentistry	Dentistry – Ranks 2-4	4%	$838 (4%)	Recommend
Law	Law – JD/LLM	2%	0%	Recommend
Law	MSL – Full time	-33.5%	0%	Recommend
Nursing	Doctor of Nursing Education	New program	0%	Recommend
Optometry	Rank 1	3%	0%	Recommend
Optometry	Rank 2	3%	0%	Recommend
Optometry	Rank 3-4	3%	0%	Recommend
Pharmacy	Rank 1	1%	0%	Recommend
Pharmacy	Ranks 2-4	1%	0%	Recommend
Vet Med	Rank 1	2%	2%	Recommend
Vet Med	Ranks 2-4	2%	0%	Recommend

Other Fee Requests:

College	**Fee Type**	**Recommended Fee**	**Fee Increase %**	**SFRS Action**
Dentistry	Learning Technology Fee	$2000	N/A	Recommend
Dentistry	Education Support Fee Rank 1	$2668	2%	Recommend

Dentistry	Education Support Fee Ranks 2-4	$1968	2%	Recommend
Vet Med	Education Support Fee	$360,50	2.4%	Recommend
Medicine	Course Fee	$100	N/A	Recommend
Nursing	Program Fee	$5000	N/A	Recommend
Business	MBOE GEMBA Fee	Pass-through fee of $1000		Recommend

Discussion

Engineering

The College of Engineering proposes two new graduate certificate programs, the Cybersecurity Offense and Defense Graduate Certificate and the Cybersecurity Studies: Design and Implementation Graduate Certificate, both with identical fees. Engineering is planning to form the core of a Professional Master's in Cybersecurity and Digital Trust when these stackable certificate programs are approved. The two proposed certificate programs utilize courses co-taught by CSE and ECE, so they request approval of these two programs jointly. The costs for these two certificate programs are similar on a credit-hour basis to other programs in Ohio at Tiffin University, Franklin University and University of Toledo.

Engineering provided the subcommittee with an Excel spreadsheet of the accumulated student comments of the proposed changes, which were positive.

Business

The College of Business requests a decrease in the instructional fee for the Master of Supply Chain Management program. The 28.3% decrease submitted this year is a resubmission from FY23 as they are adjusting fees to accommodate students in both full time and part time instruction to keep the fees the same across both timelines for the degree. The addition of the part time student track for the program allows for students that are working full time and/or cannot accommodate full in-person instructional schedules. The current costs for this program are in the middle range compared to Ohio State's peers.

Business also requests a pass-through program fee for the Master's of Business Operational Excellence Program. These students are currently required to pay a fee out of pocket to attend a required trip outside Ohio as part of their experiential learning program. Students offered positive feedback about the creation of the pass-through fee, as this simplifies the costs for them. Most employers pay their fees upfront and this eliminates the need for the students to request reimbursement for this extra cost of travel. While this is a unique program with no available rankings to report, several major companies such as Nationwide, AEP, Cardinal and USPS have sent participants through the program multiple times.

Business provided a few anecdotal comments from students about the proposed changes, but no official documentation was given to the subcommittee.

Dentistry

The College of Dentistry proposes a 4% increase in the instructional fee for class ranks 1 through 4. The increase is needed to provide adequate financial resources to support the increasing costs of the educational and patient care programs. This includes faculty and staff compensation and benefits, purchase and/or replacement of instruments, equipment replacement reserves, materials, supplies and other costs associated with didactic courses and operations of the student clinics. Additionally, the fee revenue is earmarked to hire incremental teaching faculty. There are no national status rankings of the OSU Dental program. According to national survey data, the college's first year tuition is 25% below the mean and it ranks 44th out of 67 programs in terms of first year tuition rates.

Dentistry also submitted a request for a learning technology fee to cover the costs for new digital and dental material for the Advanced Prosthodontics Residency Program. With the increased use of 3D printing and subtractive manufacturing of dental prostheses, associated cost for materials and maintenance continues to rise. The college wants to minimize the deficit in the program (average program clinical deficit of $250,000 per year pre-COVID) and maximize educational and clinical experience of the residents. There are 3 spots in this program open each year, with no other advanced prosthodontics programs existing in the state of Ohio. Other programs national charge 2 to 5 times the current proposed learning technology fee.

The College of Dentistry asks for approval of an increase in the education support fee (2% rise) for all class ranks. This increase is to help support the increased/inflationary costs of maintaining services and equipment for the upcoming academic year. This fee increase will allow them to continue to maintain current services, equipment and
continue to implement the multi-year digital dentistry plan that includes significant investments in technology.

The Dean of the College met with several representatives of each of the class ranks in the dental school and gave a presentation on the proposed increases and held a question-and-answer session. The report from the Dean on the communication with the students was the most thorough and complete received by the subcommittee for FY24.

Law

The College of Law requests a 2% increase in the instructional fee for their students enrolled in the J.D. and LLM programs. The increase in fees will offset the cost of a planned decrease in class size, as part of a program to remain competitive in the industry. Law has significantly increased financial aid awards, with the current levels of total awards for the students at $12 million. The U.S. News rankings have Moritz College of Law tied at #30, with tuition and fees at the average of their competitor schools. The Dean sent an announcement to all students to explain the increases; however no responses from the students were shared with the subcommittee as of 3/24/23.

Law also requests a 33.5% decrease in the MSL program to bring the fees for the program to be the same for multiple tracks (full and part-time).

Law announced a communication plan to be shared with students, which included a scheduled Zoom session and an FAQ document to be distributed among the classes. No results from the Zoom session were provided to the subcommittee.

Nursing

The College of Nursing proposes an instructional fee for their new Doctor of Nursing Education program, which is set to go live in Autumn of 2023 after recent BOT approval. This program will be the first of its kind in the country and already has 50 applicants. The proposed DNE program will prepare expert nursing educators dedicated to teaching the didactic and clinical skills to prepare the next generation of nurses. The requested fee for this program is set to match the fee the college already charges for its established Doctor of Nursing Practice.

Nursing also requests a program fee within its Doctor of Nursing Practice program for creation of a Nurse Anesthesia Specialty Track. The request for the Doctor of Nursing Practice (DNP) program nurse anesthesia (NA) specialty track fee increase is substantiated for multiple reasons, most importantly to support specialty faculty instruction, maintain high quality programming, keep pace with infrastructure support costs and to support accreditation standards. U.S. News & World Report rankings in 2021 placed The Ohio State University College of Nursing's online Master of Science in Nursing program #1 in the country, the DNP program #11 in the country and Ohio State's overall online bachelor's programs #7 in the country The College of Nursing's online RN to BSN program constitutes more than half of the university's online undergraduates.

These are both new programs. There is no student feedback yet to provide.

Optometry

The College of Optometry requests a 3% increase in the instructional fee for all class rankings. The net increase in annual continuing funds budget the college will obtain from this proposal will finance projected increases in the fixed costs (such as salaries, benefits, utilities, maintenance, etc.) of providing the professional program. In addition, the college anticipates additional POM costs beginning in FY24 when phase two of the Interdisciplinary Health Sciences Center is online and Optometry occupies its instructional space programmed in the new building. Next year's incoming class of students will see new lecture rooms, hands-on lab spaces, and student support areas that will be soon available to them.

The Dean of the college met with student leaders via Zoom in January to explain the fee changes, talk about student loads and review surveys of starting salaries. The Dean, per student request, will be hosting town-hall like events for student leaders of each class to gain further input on fee requests moving forward for FY25.

Optometry does not historically participate in program rankings similar to other programs that may appear in publications such as *US News and World Report*. Therefore, there are no official rankings of the 24 schools and colleges of optometry in the United States.

In terms of fee ranking, Ohio State Optometry currently has the fourth lowest four-year total cost of attendance of the 24 schools for non-resident students. Currently, the four-year total tuition for non-resident students is the lowest among the most common, regional competitors at $146,704.

Pharmacy

The College of Pharmacy requests a 1% increase in the instructional fees for all ranks of students for FY24. The differential fee increase is needed to enhance the PharmD program by investing in instruction, professional student services/programming and renovating teaching and learning spaces. A primary driver of this request is to continue funding to meet the increased teaching needs (increase in faculty and associated faculty FTE). The PharmD students directly benefits from this differential fee revenue the college will use it to continue to recruit and retain faculty.

Pharmacy provides information on its website for prospective, incoming, and current students on tuition rates and the impact of raising fees for students and how those fee increases enhance student experience and success in the college. The college have communicated their concerns on student debt load and affordability and indicate the students understand the need for increases. No official documentation of student feedback was provided to the subcommittee. The College of Pharmacy is currently ranked 7th out of 141 other colleges in the most recent US News Report, and is the 91st most expensive pharmacy school nationwide, with a tuition rate $22K less than the average cost of attendance in the US.

Veterinary Medicine

The College of Veterinary Medicine requests a 2% increase in the instructional fee for all class ranks in the college. The increase is needed to fund anticipated salary/benefit increases, inflationary costs for supplies/services and help support additional POM costs associated with space that has been added to support the program and associated university marginal assessments. The college continues to have one of the lowest faculty/student ratios in the U.S. Without the 2% increase, the college would need to start evaluating programmatic impacts. Growth in faculty/program will need to come from fundraising or increased State support. The Dean has continued his pledge to keep tuition increases to 2% or less, due to the ongoing issues of rising tuition costs and very high debt loads of graduates.

The college also proposes a 2.4% increase ($25) in the educational support fee to cover purchase of dosimeter badges for 4th year veterinary students. These badges were typically required in the areas of radiology. A recent accreditation visit however instructed the college to mandate the wearing of badges in all areas of the clinic at all times.

The Dean indicated a meeting with the students was set for January 2023 to explain the increases and gain feedback, but no record or results from the event were provided to the subcommittee. The OSU CVM is currently ranked 4th in the latest US News Report. While the tuition costs for OSU CVM are average when compared to the Top Ten ranked schools in the country, within the Big Ten the college has the second highest cost of attendance for in state residents.

Medicine

The College of Medicine proposes a new course fee for 3D Printing supplies ($100). The requested fee covers the purchasing of 3D printing materials for the Introduction to 3D Printing for Health Science Students, Anatomy 6100. The materials used for 3D printing (referred to as resin) has a continual cost as students participating in the elective are required to print at least three different items. In addition to the cost of the resin, the funding ensures that the machines are functioning properly and covers additional maintenance costs for the machines. This is the only Ohio institution offering a 3D printing elective for health science students. No student consultation information was provided.

Budget-Driven Topics Presented/Discussed

Agenda item: **FY23 Financial Plan & FY22 Overview** **Presenter:** Kris Devine/Katie Hensel

Prior Year Recommendations (Katie)

Rate Summary

- POM Rate
  - Utilities, Maintenance, Custodial and Preventative Maintenance were accepted as presented
  - Deferred maintenance recommendation differed with a $0.14 per ASF rate increase adopted in recognition of the institution's ongoing assessment and need to invest in capital investment of existing space
- Earnings Overhead Rates
  - Health System, Instructional Clinics, and Regional/Auxiliary recommendations were approved, however there were changes based on a revised overhead calculation prepared by the Controller's Office, after incorporating increase for Public Safety and Office of Institutional Equity
- Regional Campus Service Charge
  - Central tax – affirmed as recommended
- Composite Benefit Rate
  - Overall, 6.0% increase as recommended

FY23 Planned Strategic Investment

Note: Presentational format includes ALL institutional investments, as shared with the Board of Trustees. Funding sources include approved recommendations from Senate Fiscal, local/unit plans, as well as central strategic reserves

- Academic Excellence: Progress towards goal of increasing tenure track faculty by 350 in 10 years (Planned by units, locally funded)
  - FY23 Plan includes +120 net new faculty positions, and start-up
  - Reflects aggressive strategy that will be difficult to achieve in one year
- Research Excellence: Includes central strategic investments of $12.3M to help support research efforts institutionally; with additional growth planned within respective Colleges and Office of Health Sciences ($30.9M in total)
- Service and Clinical Excellence: $18.0M in investments including those approved by SOFS; as well as funding sources invested locally and from central strategic reserves
  - Request to provide a cross walk of those initiatives funded through the Support Office Finance Subcommittee (SOFS) recommendation and those funded with other sources
  - FP&A to provide additional details to highlight SOFS recommendations:

FY23 Tuition and Fee Changes

- FY23 represents the sixth year of undergraduate, 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 4.6% (Cap – 2.0% plus CPI – 2.6%)
  - Non-resident surcharge raised 5.0%
  - Housing/dining up 4.6%
  - OSU's tuition is in the middle of our Big 10 peers
  - Non-guarantee undergraduate rates increased by the legislative cap of 2.0%
- Graduate and Professional:
  - Graduate base tuition raised 4.6%
  - Graduate non-resident surcharge raised 2.5%
  - All graduate differential/program fee recommendations were affirmed as recommended

FY23 Financial Plan (Kris)

- **General Funds (Academic Teaching)**
  - Tuition and Fees
  - IDC and State Subsidies
- 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
- 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

- University and Health System's budgets are combined
  - Health System – Bottom's up by hospital, OSUP Clinical
    - Charged overhead to the university for shared services, as detailed in the FY23 rates section
  - University – FP&A consolidates all Unit/College plans and incorporates central revenue/expenses to create an overall university operating budget
  - FY23 Financial Planning based upon submission in Adaptive, a new budget system that allowed for position-based budgeting and enhanced transparency of total compensation changes between forecast and plan

Current Enrollment Outlook –(Katie)

- Columbus Undergraduate Dashboard
  - FY23 Columbus Undergraduate Revenue Drivers, and comparison to FY23 Plan – **Prior to official 15th day**
    - Autumn 2022 NFYS Cohort on track to meet FY23 Plan, noting planned declined from 8,350 to 7,900
    - NFYS Enrollment Mix; Forecasting a larger share of non-resident students, positively impacting revenues
    - Returning Undergraduate students (excluding NFYS) is below plan, additional data analysis needed, pending release of 15th day data
    - Total Undergraduate Enrollment Mix: Bolstered by the NFYS enrollment mix, total undergraduate mix is trending ahead of plan
- Columbus Undergraduate Revenue Forecast for FY23: $757M which is in line with FY23 Financial Plan
    - While total enrollment for Columbus undergraduate students is below plan, planned revenues not forecasted to be significantly behind plan
    - Loss from lower headcounts, offset by non-resident surcharge
    - Understanding enrollment trends in Autumn 2022 important for developing FY24 enrollment & revenues assumptions
- Total Enrollment Snapshot from 9/4/2022 Shared
    - Year-Over-Year Autumn 2022 vs. Autumn 2021 highlights variance by student type
    - Given the annual undergraduate, enrollment declines (Columbus and Regionals), additional analysis needed to understand if students are graduating sooner, or are they stopping out
    - As the Autumn 15th data is analyzed, additional updates on trends will be presented and shared
    - Additional discussion highlighted challenges impacting enrollment, with future year assumptions that will be informed by:
      - Strategic enrollment
      - Financial aid optimization
      - Admission and scholarship timeline

- Competitive student recruitment, influenced by Ohio demographics as well as institutionalcompetition (public and private)

- Columbus Graduate Revenue Forecast for FY23
    - While total enrollment is behind plan, from lower headcounts, offset by non-resident surcharge
    - Non-Resident surcharge revenues are more difficult to forecast, based on the implementation of the Ohio Graduate Tuition Waiver Program

Agenda item: **Autumn 2022 15th Day Enrollment & Strategic Planning** **Presenter:** James Orr/Linda Katunich

New SEM Organizational Structure and Focus

Leading with the role of **Strategic Enrollment Management**, the framework for long range enrollment planning requires a comprehensive approach to integrating all programs, practices, and policies that influence OSU's total studentbody, not just the New First-Year Student (NFYS) cohort. This requires strategies that focus on NFYS, Transfers, Campus Change, Graduate, and Professional students, across all campuses, that collectively equal the university's total enrollment.

Autumn 2022: 15th Day Enrollment Update & Enrollment Trends

- Enrollment by the Numbers

- Total Enrollment, by level – 65,795
  - Undergraduate – 51,377
  - Graduate – 11,199
  - Professional – 3,219
- Total Enrollment, Campus
  - Columbus – 60,540
  - Lima – 818
  - Mansfield – 828
  - Marion – 900

   - Newark – 2,263
   - Wooster - 446
- Undergraduate: Columbus Demographics – 46,123
   - Gender (Men / Women): 49.9% / 50.1%
   - Residency (Resident / Non-resident / International): 75.1% / 18.0% / 6.9%
   - Five Year Enrollment Trends: Autumn 2018 through Autumn 2022
   - Columbus Total Enrollment: Notable Trends
      - There was an intentional decrease in Autumn 2022 incoming NFYS cohort, after larger incoming cohorts during COVID
      - Total undergraduate Ohio resident students: 75%
      - International student enrollments rebounding, post-COVID

Undergraduate: Regional Enrollment
   - Autumn 2022 represents continued decline across all regional campuses
   - Five Year Regional Trends: Total Regional Enrollment has declined from 6,914 in Autumn 2018 to 5,254 in 2022
      - Regional campus challenges are unique and vary by region
      - Decline in the number of HS graduates is occurring at the same time there is an increase in non-consumption (students who are choosing not to attend higher education)
      - Need a regional campus enrollment strategy that is unique to each campus
      - Impact of Campus Change: 5-Year trends shows that market share (from regional campus to Columbus) is steady, but the decline in the regional student market as a factor impacting the total undergraduate enrollment at Columbus campus
- Undergraduate: Columbus Transfers
   - What has been happening in the undergraduate transfer market?
      - Since Autumn 2018, Columbus transfers have declined from height of 2,415 to 1,857 in Autumn 2022
      - There is a 2-year delay between Community Colleges (CC) decline and university decline, which is now impacting OSU
      - Top five feeder schools include: Columbus State CC, Miami University, University of Cincinnati, Ohio University, and Sinclair Community College
   - Questions arose regarding enrollment trends at Columbus State and other top feeder schools
      - It was noted that National Student Clearinghouse data allows OSU to better understand the trends of who is transferring to OSU
      - Transfers out of OSU are also an important trend to monitor
      - OESAR will be reviewing the Autumn 2022 National Student Clearinghouse data, once available, to analyze and understand changes to the transfer student population at OSU as well as the transfer market across Ohio
- Graduates & Professionals Enrollments– 11,198
   - Enrollment Composition
      - Masters – 5,508
      - PhD – 5,096
      - Non-Degree/Certificate – 594
   - 5-year trend reflects steady enrollments with the following notable trends
      - International student enrollments are rebounding, post-COVID
      - Non-degree and certificate share, while small, is increasing (+77% increase)
      - Diversity has risen from 15.9% in Autumn 2018 to 20.1% in 2022
- Notable Achievements in Enrollments
   - Increasing Academic Quality, between Autumn 2021 and 2022: As measured by percentage of students in the top 10%, the top 25%, and average ACT scores
   - Steady growth in minority students across all levels has resulted in record high total minority students attending OSU in Autumn 2022: 17,067
      - Graduate diversity (noted in earlier demographics): 20.1% of total students
      - Undergraduate minority student population for new Columbus freshmen increased from 26.3% to 27.0%
   - Retention, 4-year graduation, 6-year graduation trends
      - Students are graduating soon, as noted by the increase in 4-year graduation rate as well as 6-year graduation rate
      - Autumn 2022 Retention Rates by category presented for NFYS Columbus, Regional Campuses, and Rank 2 and 3 Transfers students
      - Based on a question about the regional student retention rates, it was noted that transfer student retention is more closely aligned with NFYS cohort, while understanding regional retention rates requires additional data analysis
   - Undergraduate Admissions: Recruitment highlights and operational data shared
   - Question: Why are we still measuring quality of students using metrics that include students in the

top 10% and average ACT score? Given the change in the way students and high schools are navigating the application process along with the national focus on test-optional standards, it would be helpful to understand why OSU continues to use those benchmarks as a measure of student quality.

- 2021-2022 Degrees Awarded: 17,528 Degrees

Autumn 2022: Strategic Enrollment Management Focus and Listening Tour

- The following areas of focus are emerging as OSU's Strategic Enrollment Management plan is developed:
  - Regional campus enrollment challenges will require new strategies, unique to each region and campus
  - Academic college strategies will be unique (to each college) and include a focus on student retention and progress towards graduation
  - Improve yield communications
  - Integrate a financial aid optimization strategy
    - New Tool: Scholarship Universe is a platform for students to identify scholarships available across the university; with the goal of highlighting endowed scholarships as well as central financial aid awards that will a allow of scholarship optimization
  - Integrate, for students, the pathways to a debt free education
    - Reducing debt burden of students at OSU is not a new initiative, institutionally student debt burden has been decreasing
  - SEM Framework will include a matrix of levers that measure student success from recruitment to graduation
    - How do we think about the ambitious institutional goals of OSU and focus on the total population of students through every step towards graduation?
    - The focus of SEM includes a total enrollment strategy

Open Discussion: What has been missed?

Questions: Grouped by Topic

1. Regional Campus & Campus Change Strategies:
   - Community colleges have similar questions and concerns about the changing student demographic in Ohio, especially by region. Has OSU considered changing their current academic offerings? Is there a need that we are not meeting? Do we need to look at how to serve the regional workforce needs including skilled trades?
   - Given that there is no distinction between a regional campus degree and a Columbus degree, emphasis needed at the regional campuses to highlight the affordable degree option. It would be beneficial to highlight regional campuses as a hidden jewel that provide the same opportunity available to Columbus, undergraduate students at a lower cost.
   - It was noted that the latter strategy should recognize that regional students that transfer to the main campus, may feel lost when they arrive, because they are navigating a new system.
     i. How do we ensure that we are supporting campus change students to make it easier for them to be successful? Change is difficult, and we should not take for granted that transfers and campus change students will require more support.
     ii. The largest classroom at a regional campus can be smaller than a traditional classroom at the Columbus campus; this can make the transition more difficult.
     iii. A successful strategy should recognize that the regional to main transition may come with culture shock and therefore include additional campus support.
2. You mention that that enrollment strategy is a complex strategy, but how can we think about it wholistically?
   - From a revenue perspective, the mix of our student population was our saving grace in FY2023. Student mix is an important factor in our strategy/plan, in addition to optimizing student scholarships. The goal is to create an integrated enrollment and financial aid strategy that measures the impact of various scenarios in our short- and long-range plan. Moreover, the data tools should analyze the impact of various enrollment strategies on the institution, the colleges, and the student.
   - What about students who are dropping out because of financial stress? The scholarship optimization strategy and Scholarship Universe tool can will help address this concern and will be part of the plan.
   - What is the institution's merit-based aid strategy? There is value to the state of Ohio in

recruiting more non-resident and international students. How do we talk about competitive scholarships for non-residents that help us recruit and meet the total enrollment strategy?

- Merit-based aid is an important component of the plan, and the financial aid strategy should also make sure that we are not over-awarding. Need and merit are interlinked, yield planning should marry merit with need to make sure that we are optimizing every dollar ($) of scholarship funding available.

- There are multiple levers, that impact enrollment strategy. Other considerations include:
    - The JOBSOhio enrollment goals can be achieved using a strategy that focuses not only on the incoming cohort but also the retention and persistence of current students.
    - More students arriving with more credit and graduating sooner (minimizing student cost) has dramatic implications for academic institutions. The SEM plan and strategy will need to model these changes in real time.
    - Enrollment management is complex, but wholistically if we focus on the data, we can achieve and monitor goals differently than in the past.
    - Campus-wide approach with a listening tour, will continue.

3. How do the strategic plans integrate online programming? To what degree does online strategy impact planning?
    - Online planning, and market demands are part of the discussion, with an expectation that students may want more options.

Agenda item:	**Talent Strategy, HR Service Delivery & Career Roadmap**	**Presenter:**	Jeff Risinger. Katie Hall, Julie Grubb, Pam Doseck

Talent Strategy

- The discussion began with an acknowledgement that every position is in some state of challenge, impacting compensation and the market for talent. In the state of Ohio, there are currently three job openings for each person on unemployment.
- The Human Resources Strategy Map was shared with the committee highlighting the following key takeaways:
    - Talent management at OSU is responsible for ensuring HR readiness, defined as the ability to staff the organization with a specific goal to 'Achieve Employer of Choice' status
    - OSU lost the employer of choice status long ago, we need to make progress towards achieving the distinction once again, otherwise we will struggle with attrition
- Current Challenges: Talent Strategy
    - Maturing to an 85% staffing model: Currently there are 6,000 vacancies within OSU
        - In August, more than 10,000 employees were hired, noting that approximately 7,000 were students
        - Hiring process for a student can be more time consuming, since there are more compliance issues that make student employees more labor intensive to onboard
        - Significant issues exist to fill talent gap, impacted by current labor market, as well as retention challenges posed by OSU's historical compensation practices
- Pipeline Efforts (Slide 5): Relationship building will allow us to develop partnerships and pipeline programs that will support OSU's recruitment efforts
    - OSU's Medical Center must address supply side of current healthcare market, to effectively manage their talent strategy
    - Career Roadmap supports compensation and talent progression to help address supply side as well as retain employees
    - Specific partnerships highlighted (See slides 5-6) and discussed, that hold promise in the future
- Achievements and Success Stories: Opportunities for Ohioans with Disabilities (OOD)
    - OSU was the recipient of the 2022 Governor's Awards for Inclusive Excellence
    - Provides an example of how OSU broadens employment opportunities and highlights that we are experiencing success in reaching previously un-tapped talent
    - It was noted that while OSU has developed a competitive edge, campus access remains an issue
- Upcoming Initiative: HR Talent strategy to focus on employee satisfaction. When you have staff that are happy, everyone benefits but given recent attrition it was noted that job satisfaction is low.
- Question: How can departments help retain talent and what can they "promise." Compensation increases and staff support help maintain morale, but both are difficult given the market.

Questions and Answers:

- What is the time frame for compensation adjustments to address the labor market and workload and stress levels of current employees? What initiatives are underway and what are upcoming?

  Answer:

  1. Career Roadmap to be implemented in November 2022, with nearly $10M of additional compensation being awarded to meet the raise to minimum.
  2. Noting that raise to minimum is not a high standard, there is additional work to be done.
  3. It was acknowledged that we have not been asking employees what they think about working for OSU.
  4. Engagement survey pending to ensure that employees have an opportunity to provide feedback. It will be equally, if not more important, that the survey drives change to ensure the community that we are listening.
  5. OSU needs to be held accountable for listening and delivering change
     Note: While a long-term strategy is still under development, an engagement survey will matter. President's employment and engagement survey will be shared to measure employee satisfaction.
  6. New Initiative: Wexner Medical Center Referral Program has resulted in 645 referrals with 245 hires; with bonuses

paid. There is a desire to leverage the Medical Center program and expand it across the entire institution
7. What is the long-term plan to create a competitive edge for OSU:
   - ✓ Use Career Roadmap for staff compensation and structured professional development
   - ✓ Engagement Surveys, to promote a good culture at OSU
   - ✓ Mission to serve and educate the future and well as promote and provide quality healthcare

- What about the various positions and unique concerns of each employee type, whether they work for FOD vs administrative staff vs faculty vs instructors? How does talent strategy impact the different cohort of employees?
  a. There are changes occurring within the organization to address unique needs of employee populations
  b. Inflation is creating undue pressure on institutional revenues as well as employee's expectations for annual raises
  c. A successful strategy will need to address all the above!
- Question: Regarding the 6,000 vacancies, discussed earlier, would it be possible to receive follow up information with a breakdown of vacancies (Staff, faculty, student, temp, healthcare)?
  Answer: Yes, more information is available and will be shared with the full committee.
- It was also noted that the last time HR provided an update to Senate Fiscal, a new initiative allowed the university to run the search programs for high level executives, what is the status of that project?
  Answer: While there is a future slide in the PPT to address the question, it was noted that the executive search program, that allows OSU to avoid employing consulting firms, it is at maximum bandwidth and has provided financialsavings to the institution.
- Talent initiative, what is the status of the faculty pipeline and candidate search initiative. More information to be provided later in the presentation.

Human Resources Service Delivery (HRSD) Update: Breakdown of the internal HR team that provides services to theUniversity and Medical Center

- As a reminder, the initial institutional savings goals that were adopted by HRSD included:
  - 45 fewer FTEs
  - $18M in accrued savings
  - Additional efficiencies and optimization strategies once implemented
- Question: What is the base FTE for measuring savings?
  - It was noted that prior to the service delivery model implementation, OSU's distributed HR was more than 500 positions.
  - HRSD was approved to employ up to 475 positions, but 430 is the high (Talent issues impact HR as well)
  - Very high turnover in 2021, but turnover rates are subsiding

  Concern Expressed: Given that there are still many college and unit staff who were included in the census count (ofmore than 500 FTEs) many of those staff are still at the university and therefore should not be counted as savings associated with HRSD. Request for more information regarding the employee counts by unit and HR positions (and functions) pre- and post-implementation.

- Question: What is the ideal number of FTE in HRSD?
- Great question, Jeff does not believe the ideal staffing plan requires 475 but when HRSD was created, the vision was aligned with the current staffing levels of 430
- HRSD Manager Self Service: Stabilization Challenges
  - Manager Self-Service, if fully implemented, would have provided maximum savings
  - Only 25% of utilization within the Manager Self-Service module
  - 17,000 action items (slide 11): Tremendous amount of work to remains to be don
  - High service HR can provide benefits, but there will not be savings as promised it OSU does not increase utilization of Manager Self Servic
  - It was noted that HR costs and some functions remain in the distributed units (there are lots of inefficiencies in the system)
  - If we, as an organization, want to adopt Manager Self-Service, it was suggested that we invest in training and support (there was a missed opportunity with lack of training)
    - Agreement that Manager Self Service training is a significant concern
    - Workday Training was impacted by COVID, need to make a correction
    - Found savings by cancelling workday trainings, to reprioritize training across HR
    - Developing curriculum for HR systems to include HR staff, and Manager Self Service
    - Significant concerns remain with the manager initiation function, in the faculty space. Reluctance to participate, likely the result of high error rates, are causing transition issues and lack of adoption
    - Workday is a complex system and if you only perform the function once a year, difficult to gain proficiency
    - Discussion of graph on Slide 11: Manager Self Service Initiation (represented by blue) with orange representing initiations by Others (HR consultant, help ticket, SFO request, etc.)
    - What type of transactions are included in the graph? More details to be provided to Senate Fiscal as follow-up.
- HRSD Optimization:
  - Executive Recruitment (5 FTE) $1.4 million in savings in FY22 – Candidate pools are better, per survey
  - Additional recruiter added, such that the office is currently at maximum capacity. Not planning additional growth.
  - Student hiring pilot, most of the student experiences have improved dramatically (with dedicated student-focused team)

- Student hiring process improved but graduate (period activity pay) is problematic and remains a difficult discussion (initial feedback from the proposal to move to period activity pay was negative, and the fears are coming to fruition)
- Recruit to hire for faculty question: Is Workday the issue, or was the implementation the root cause of the complexity/problems?

  Discussion of Workday Product vs Process Implementation:
  - Need to limit the number of steps and processes to make Recruit -to-Hire efficient and meaningful, improvements needed
  - Half of Fortune 500 companies use Workday, the system is not the problem
  - Need to differentiate the system from the process and identify to what degree is Workday optimized
  - If you are a university that has been utilizing Workday for at least 5 years, more satisfaction and achievement of efficiency

Career Roadmap

- Career Roadmap: Project that has spanned many years with lots of stops and starts
  - Career Roadmap Purpose: Define career path and create structure to address compensation and equity. Should provide OSU the framework for regular analysis of compensation, equity, and visible career progression
  - 26,000 positions reviewed and mapped to market (91% agreed with their mapping)
  - Hidden efficiency, Career Roadmap was done internally, without consultants
  - Committee member noted that agreement and signing off on Career Roadmap does not = satisfaction.
  - There are hurdles that career roadmap will not be able to address, regardless it needs to be reviewed and maintained for compliance purposes
  - Two things
    - Fairness, yes, but position placement in the band causes disappointment for some
    - Early on, there was an assumption that Career Roadmap structure would equate to automatic promotions at certain points in an employees career. When those promotions do not occur, it can lead to disappointment. It was noted that while a career path is available, transitions and promotions are not implied.
    - Raise to minimum summary
      - $52M gap in Dec 2019 – Initial
      - $10M with $514k in November 2022
      - Reminder: Raise to minimum is not the end of the story

Open Discussion: What has been missed?

Discussion and Questions: Grouped by Topic

Career Roadmap

- The challenges are not going away, even when the labor market pressures subside there are other things, such as union activity (has been more prevalent within the medical center), that impacts the cost of labor.
- Unemployment rate is currently at 4.0%, full employment stresses the market and is not anticipated to subside.
- Because of inflation and the current job market, replacing positions no longer equates to savings. This new reality represents a fundamental change that we need to recognize. Moreover, position efficiencies, when realized, need to be reinvested in institutional compensation and not likely to result in institutional savings.
- In the future, it will be important to maintain discipline of Career Roadmap to ensure OSU is an employer of choice and remains competitive. Maintaining Career Roadmap will also provide stability for employees.
- Question: Are there negative net costs associated with maintaining Career Roadmap?

  Answer: Career Roadmap is now included in our business process and maintaining timely compensation reviews willbe less intensive and provide benefits to the institution and employees alike.

Student Employees & Minimum Wage

- Questions: How will OSU's student employees be impacted by the state's new minimum wage, especially if student employees are paid by grants? Will new minimum rates help keep us more competitive?
- There are three pay ranges for students with established minimum, midpoints, and maximums for each range. While OSU will update the minimum of the range to be consistent with the new state minimum wage requirement, nothing is being done to adjust midpoint and maximum rates at this time, until there is further clarity on expectations for potentially including students in the university's $15 minimum.
- The institution has a broad classification of students, are the different salaries applicable to just one type of student group? The question was primarily meant to determine if the new caps are for student populations (excluding work study)?
- Other questions about student wages, included role of student and alignment to the work are they performing? It was noted that compensation and range of student duties are not always consistent across the university. SFC would like to review.

Review of Human Resource Service Delivery (HRSD) Model

- What is the intended focus of the 2023-24 review of the HRSD service level agreements (SLAs) highlighted on slide 14? Can the SLA review timeline be moved up as part of 2022-23 activities? The strategy map, optimization and SLA alignment are all listed as 2023-2024
- Reminders: Summary of HRSD Model
  - Budget model document that was approved in FY2020, included a total cost assessment to units of just under

$50M; for FY2023 approximately $42M charged to campus which remains unchanged from proposal

  - It was noted that the total cost to operate HRSD was $49M, with revenue offsets provided from benefits pool
- Revisit costs after SLAs are finalized.
- Some academic units have hired additional staff to fill gaps; there are lots of mismatches between what units need and services provided.
- Misses on volume issues – some colleges are hiring internally for gaps, while others are working with HRSD to fund additional staff
- Concerns expressed by committee that like POM, any HRSD increases take away from strategic investments needed within the colleges. Need to understand all cost drivers and proposed increases/changes in the HRSD assessment.

Agenda item:	2022 Health Plan Results/Utilization & Health Plan Changes - 2023 Benefit Design	Presenters:	Kelly Hamilton, Pam Doseck, Robert Cooper

2022 Health Plan Results/Utilization: Health Plan

- The discussion began with an acknowledgement that utilization and health plan trends in 2021 and 2022 have not yet normalized, post COVID.
- Review of 2019-2021 Healthcare Benefit Spend, per Member, per Year (PMPY)
  - The 16.3% increase in utilization between FY21 and FY20 was driven in part by the decrease in activity during 2020, because of COVID.
  - Comparing the 2021 Healthcare Benefits Spend to 2019: Increase of 9.9%, which is more indicative of expected, two-year trend.
- Noteworthy trends include:
  - CY22 COVID hospitalizations decreased significantly.
  - COVID vaccines were a significant driver of expense in CY21, which were covered by the federal government (noting that administration of the vaccine was a health plan cost). In 2023, changes are coming as vaccine costs will shift to OSU's health plan.
  - Vaccines: Volume is decreasing. COVID costs are now moderating as we progress past the peak.
  - Since 2021, emphasis has been on messaging the need to return to care after COVID delayed member care.
- Review of 1-3-5-year trends and benchmark: OSU's Health Plan Trend vs National Trends (Milliman) Average PMPY
  - OSU's health plan's 2021 annual increase of 16.3% appears high when compared to national average, but it was noted the 2020 plan spend was significantly below average
  - The 3-5-year trends were disproportionately impacted by 2019 that included high acuity cases
  - Preview of 2022 PMPY: Anticipating that OSU's health plan 2022 average increase will be more in-line with national trend
- Demographic and Cost: FY19-21 Trends
  - Out of Area Plan, represents member care for those living outside an area with sufficient network access (often outside of Ohio) – This will likely continue to increase with remote work. Watching the trends since we do not have a developed network outside the state of Ohio.
  - Noting that the average age of the Health Plan membership is increasing, anticipating that costs, programs, and outcomes will need to change to address the changing demographic.
  - High-cost member trends in 2021 remained steady as compared to 2020, but no longer primary driver of PMPY cost increases.
  - Inpatient PMPY costs in 2021 remain below levels from 2019
  - Outpatient PMPY spend increased, as members sought make-up care and COVID shifted healthcare more to an outpatient setting.
  - Three-year (2019-2021) Prescription PMPY costs show steady increases since Rx not impacted by COVID.
  - 2021 versus 2020 Outpatient Pharmacy Benefit Trend increased by 7.8%: What is driving outpatient pharmacy trend, as compared to Benchmark = 2.6%?
    - Non-specialty (traditional drugs): 4.4% annual increase,
    - Specialty Pharmacy: 10.1% increase in total annual outpatient manufacturer program provides extra savings and mitigates overall pharmacy benefit spend
    - Outpatient impacted by shift in care from inpatient to outpatient (intentional) and is driven by the result of inflammatory disease, cancer care, infusions, and other rare disease therapies
    - Outpatient Pharmacy versus Medical Change: Driver is cancer care

2022 Health Plan Results/Utilization: Utilization

- Health Plan Utilization Rebounded in 2021, as did Utilization Management's total number of reviews
- Summary of the 2018-2021 Trends and 2021 Initiatives:
  - Percentage of Medical Reviews, as well as distribution of cases reviewed, has improved.
  - Weekly review of members in hospital, for intensive patient directed care.

- Mental Health represents an area of increasing need, both in and outside of the network.
- Value-based care is providing opportunities for tracking improved appropriateness of services and behaviors for intervention care (for instance, driving patients away f rom ER and towards preventative care).
- Evaluation of appropriateness of services continues to be refined: Example of questions being asked, what is the benefit of reviewing A1C prior to surgery?

Committee Questions:

- ➢ What is the relationship between the reviews before the Medical Director and whether they are covered by insurance?
  - Response: Request comes into plan. Determine if the requested service is a covered benefit. If no than a benefit denial is generated. If the request is for a covered benefit and the service requires prior authorization, it is reviewed by an RN on the utilization review team against clinical criteria. If service meets criteria it is authorized. If service does not meet criteria it will go to the medical director for review to see if requested service can be approved or if it should be denied. If denied a denial letter is sent with appeal information.
- ➢ Does the approval process impact financial outlay? How much are you expending with the review versus savings.

  Response: Utilization Management does drive plan savings ($8.7M) presented in later slide.
- ➢ What is driving the change in the percentage of reviews (11% in 2018 as compared to 9.5% in 2021)?

  Response: Noting that both the total number of reviews and Medical Director reviews have increased, volume has been a factor in driving the percentage down. Fewer in-patient visits have also been a factor.

- o Summary of the Determinations: Including Authorized, Denied, or Partial Approval
  - Graphs provide results from Top 5 utilization reviews (Inpatient – IP Medical; Pharmacy Medical; IP Surgical; Surgical; Home Health Care).
  - Surgical Review: Cosmetic and non-evidenced based treatment are the primary driver of denials.
  - Home health is unique since the Home Health Care requests are traditionally submitted with more visits than what is likely to be approved and only receive a partial approval
- o Review of Health Plan Five-Year Utilization: Goal is to remain at or below Milliman national average trend
  - Outpatient Care is up Significantly (Deferred Care and joint replacement, the drivers), after slight decrease due to COVID in 2020
  - Laboratory increase is the result of COVID testing
  - Increase in radiology – cancer care, and medically necessary MRI to determine care that can be addressed with Physician
  - ER numbers are well below Milliman (Non-OSU Providers are causing the ER increase, while OSU ER decreased – there is a cost difference): Desire to stabilize this trend.
  - Comparison of wait times at Advanced Immediate Care (AIC) as compared to ER as well cost differences, highlights benefit to members and the plan of using AIC
- o 2022 YTD Trends
  - 2022 Health Plan Results, through June: Reviewing High Level Trends: 2022 flat is compared to 2021
  - 2022 Healthcare spend, through September: inpatient care is declining and moving to outpatient
  - Telehealth – Behavioral health trends are up which is a positive trend since it represents a good access point to meet increasing demand.
  - Challenges: Inflation, healthcare staff (across all levels), impact of delayed treatment and overall demand of new treatment options.
- o 2023: Looking Ahead
  - Challenges to consider: How do we offset some of the inflationary healthcare cost pressures, address cost of vaccines, manage costs, and continue to transition from inpatient to outpatient care?
  - Focus on well-being and mental health, are identified priorities.
  - Review of Current Initiatives/Activities (Slide 20)
    - First five initiatives address healthcare costs.
    - The remaining are about access and member/employee experience.

Health Plan Changes - 2023 Benefit Design

- o Healthcare Results and Benchmarking: Aon's Health Value Initiative – Provides information on OSU's plan performance and how our plan compares to the cost of plans for various benchmarks (Slide 23).
  - Portion of cost share that OSU employees pay has declined while the Organizational Cost increased from 70.1% in 2017 to 76.1% in 2021.
  - Cost of care continued to increase during that time, but fixed deductibles and other cost-sharing that did not increase for members resulted in more of cost shifting to OSU
  - Employee percentage of cost share mix, including Out-of-Pocket Costs and Contributions, both declined
  - Another driver was minimizing the increase of employee contributions, to return the appropriate portionto

- members as we spent down reserves: As a reminder there was a benefits giveback to departments during this time.
  - Employee out-of-pocket costs were also offset in part by the ability to earn increased HRA contributions during this time.
- 2023 Medical Plan & Subsidy Changes
  - New Pharmacy Benefit Manager (PBM) RFP Impact: $13.4 million in additional pharmacy rebates helped yield lower medical cost increases.
  - Noting that there is an effort to return to a 70/30 cost share, 2023 will help regain cost -share without significant increases to employee contributions
  - The latter, will be achieved in part, by making larger decrements to the employer subsidy for higher paid faculty and staff
- Forces that shape the future: What is the understanding of the market and what to expect in 2023?
  - Employee Expectations
  - Well-Being, including Mental Health
  - DE&I Importance Increasing and need to provide equitable care
  - Affordability: Inflation is a key factor, and cost shift is a concern and not the ideal outcome
  - Market Innovation
- Moving towards the future and best practices: Family Building Benefits a market demand for employers to provide for employees (Slides 26-32)
  - Recommendation to enhance fertility benefit
  - Adaptive benefits, Lifestyle Spending Account (LSA) to assist with talent strategy and provide f lexibility for everyone to have some ability to improve overall well-being based on what is most meaningful for their personal situation
  - Caregiver benefits to assist with backup care benefit (still pending a more detailed announcement once the vendor for this service has been selected and contracted)

Agenda Item: **Energy Update** **Presenters:** Scott Potter, TJ Wood

Energy Costs and Energy Conservation: Increased 10.7% compared to baseline (nearly 11% savings f rom an efficiencystandard) still on track to hit 25% saving by year ten

- Review of Capital Projects: FY23 New Approvals (Slide 3)
- Lifecyle (LFC) Projects include natural gas building system updates and tunnel system repairs ($17M, for FY23)
- Expansion (EXP) Projects include the South Chiller Plant and Combined Heat and Power Plant ($25M in FY23)
- Energy Conservation Measures (ECM) include Building Energy System Optimization, last of f ive phases to be completed ($19M in FY23)
- Update: Combined Heat and Power (CHP) Plant ~ $292.4M in approved CAPEX
  - Delay: Operational by the end of calendar 2023 Original Plan: Construction to be completed by November of 2022 – but contractor delays and changedelayed completion until end of 2023
  - Currently on track for end of 2023 completion assuming there are no unforeseen delays = contingency factors that may delay construction
- Penalties – there are some standard changes that can cause delays, but any monetary penalties due to delay are not the financial responsibility of OSU

Agenda Item: **FY24 Capital Planning Update & Deferred Maintenance** **Presenters:** Mark Conselyea, Amy Burgess

FY24 Capital Planning Cycle

- Review of FY24 Capital Planning Process: Includes long range capital planning strategy to recognize needs beyond one-year planning cycle, including the need to understand and address institutional deferred maintenance
  - Annual planning cycle started in late September 2022, Adaptive Planning open and available for unit s to submit their plans.
    - In September and October: Capital Planning Team met with the colleges and units to understand their capital project needs
    - Prioritization of projects requires more definition including available funding sources, site, costs, etc.
    - Scoping Study – Fundraising guidelines have changed (Slide 7 has details)
    - Every capital project is different, and the analysis and development phase create a realistic plan of those projects to be included in the annual Capital Plan
    - Parking Lot Projects: Are not as defined and need more information prior to being incorporated in the capital plan
  - Annual Planning cycle results in May presentation to Board of Trustees: Final Capital Plan, or Interim Plan, pending state and operating budget

        - Board of Approval of Spending = Capital Plan
        - Ongoing oversight and BOT reporting: Project Approvals (Slide 6)
    - Deferred Maintenance – Recognition throughout university leadership that the university will benefit f rom an integrated capital planning and deferred maintenance strategy
        - A component of POM assessment funds recapitalization, but annual revenues generated only support minor renovations and do not fund the full cost of deferred maintenance projects
        - Infrastructure also has significant deferred maintenance, which is not funded with POM assessment
        - Funding sources (POM, State Capital, College, Business Units, OSEP)
        - Summary of POM Assessment & Revenue generation (Slide 14)
    - Deferred Maintenance Next Steps (Slide 17)
        - Improved Assessment of Deferred Maintenance: More precise condition assessment is underway that will calculate deferred maintenance liability that can be shared with colleges to provide a collective assessment of liabilities on a one- to ten-year basis.
        - Development of five-year project prioritization, including programmatic need and demolition strategy
        - Need to incorporate state capital funding assumptions
        - This will be part of the Capital Framework 3.0 and Medical Center optimization plan. Alignment across all the plans, and priorities, including all available funding sources.
    - Kickoff to share the information, see details on Slide 16.

Committee Questions: Organized, by topic

1. How will space utilization be incorporated in capital planning and deferred maintenance analysis?
2. What model can be adopted to ensure that we are using appropriate benchmarks for the workforce of tomorrow and not building new facilities if faculty and staff will be working remotely?
3. Given the need to align adaptability and feasibility of space utilization to university's footprint, can we harmonize these ideas at an institutional level?
   Response: While specific answers are not yet available, the questions and topics are incorporated in thedevelopment of the Capital Framework 3.0.
4. Is college reinvestment of efficiency savings into deferred maintenance permitted?
   Response: Yes, that seems appropriate.
5. How do we balance the deferred maintenance need with the tension and desire to build new?
   Response: Possible solution will be to devote a greater share of state capital dollars for deferred maintenance (DM) projects. Example of a current, state funded project that addresses DM is EHE's renovation of Campbell Hall.
   Another possible solution exists by bundling repair & replacement project s to focus state capital dollars on smaller deferred maintenance projects/needs across the Columbus campus.
6. Do we have a budget model that addresses this? Is there a tax?

   Response: There is no specific tax for deferred maintenance and currently there is a gap between deferred maintenance revenues through the POM assessment as compared to annual DM need.

Further discussion:

- Noting that integrating deferred maintenance with the capital planning cycle requires collaboration, OSU should be intentional about elevating projects based on both programmatic and urgency of deferred maintenance needs.
- OSU's deferred maintenance will take more than 10 years to address, but the current focus will be on development of a five-year capital planning strategy.

Additional Questions:

7. Can we create a capital reserve policy that encourages investment in deferred maintenance?
   Response: Subtle point, building a new building and long-term costs, need to ensure total cost of ownership to make sure that cost cutting measures in the building phase do not result in accelerated deferred maintenance in the future.
8. Are there opportunities to increase efficiency and sustainability within the capital plan? Question ties into energy update to ensure that approved projects include standards for efficiency.
   Response: Sustainability standards and efficiency systems are intended to be included and addressed within the Capital Framework 3.0. It was noted, however, that building standards and efficiency targets should be included in renovation projects as well.

   Overall, there is hope that deferred maintenance, renovation, renewal, and sustainability standards can be successfully incorporated into future university decision making as recommended in the Capital Framework 3.0.

Agenda Item: **Spring Enrollment & FY23 Revenue Update**

Presenters: Katie Hensel

As a follow-up to the preliminary Autumn 2022 enrollment and revenue forecast, shared with the Senate Finance Committee in September 2022, the following updated was provided:

- Columbus Undergraduate Enrollments:
  - Actual 15th Day Columbus undergraduate enrollments were -1.9% below Plan, but strength in non-resident mix will partially offset revenue loss from negative enrollment variance
  - Current Spring 2023 enrollment trends are behind Plan, but only -0.5% below Spring 2022
  - In total, Columbus undergraduate tuition is trending -0.3% behind Plan, or -$2.55M
- Columbus Graduate Enrollments
  - Like undergraduate enrollments, graduate is trending -1.9% behind Plan, with strong non-resident enrollment mix providing some offsetting revenues to buffer negative enrollment variance
  - It was noted that traditional graduate student tuition revenues often fund fee authorizations and provide no net revenues
  - FY23 forecasted graduate tuition variance to Plan is pending review of graduate fee authorizations, funded by the SSA2 assessment
- Other FY23 Forecasting trends and year-end reconciliation timeline noted include:
  - FY23 projected SSI: Positive variance to FY23 Plan, should be sufficient to offset projected negative tuition variance
  - Undergraduate & Graduate Spring 15th Day Actual Enrollments will inform the next FY23 tuition forecast
  - March 2023: Additional factors informing FY23 revenue forecast include
    - Utilization of Ohio Graduate Waiver Program
    - Final FY23 Reconciliation: March 2023
    - End of March: Spring SSA2 Graduate Fee Authorizations available for review and analysis

Questions:

1. How does the budget model recover funding to support the Ohio Graduate Waivers on Slide 4?

Answer: The $13.3M in graduate non-resident waivers were assumed in the FY23 Financial Plan and incorporated inthe initial (Schedule A) college General Funds Allocation (GFA). Assuming actual non-resident waivers do not exceed
$13.3M, there will be no negative impacts from the Ohio Graduate Waiver Program as part of the college's FY23 (Schedule A) Reconciliation.

2. If tuition revenues remain behind FY23 Plan, how are colleges impacted in the year-end reconciliation process?

Answer: If there are negative revenue variances to recover as part of the year-end reconciliation, each college'sshare of the negative variance is returned centrally based on their historical 2-year credit hours used in the General Funds Allocation (GFA) calculation. As part of the reconciliation process, enrollment shares remain unchanged with the only variable being the tuition revenues assess ed in the current f iscal year. FP&A publishes the credit hour shares by college annually to assist with college planning and trend analysis.

3. Has there been an analysis completed of the college level impact of the Autumn enrollments?

Answer: Since the budget model allocations rely on 2-year average credit hour allocations, FP&A has been focused on using the Autumn 2022 enrollments and Spring 2023 projections to inform FY23 revenue forecasting. While Autumn enrollment and credit hour trends have been published OESAR, FP&A's unit specific FY22-23 credit houranalysis will be completed in late February in advance of FY24 financial planning.

Additional discussion regarding planning for FY24 will be incorporated in the January 2023 presentation f rom James Orr who will return to provide a FY24 enrollment and scholarship update to the full Senate Fiscal Subcommittee. As noted, there are several initiatives that will impact future planning efforts:

- Status of the undergraduate scholarship optimization and RFP
- ScholarshipUniverse
- College Enrollment Planning

Agenda Item: **Academic Strategy** *(Note Agenda Change)* **Presenters:** Brad Harris

Presentation of Provost Gilliam's new Executive Leadership team highlighted strategic planning efforts and leaders who will support the six (6) priorities of the Office of Academic Affairs (OAA). The new organization is based on clearly defined priorities and outcomes based on each of the following centers of excellence (as detailed in slides):

- Faculty Eminence: Senior Vice Provost Patrick Louchouarn
- Student Academic Excellence: Senior Vice Provost Charlene Gilbert
- External Engagement: Senior Vice Provost Ryan Schmiesing
- Talent, Culture, and Inclusive Excellence: Senior Vice Provost Wendy Smooth
- Technology & Digital Innovation: Vice President and Chief Information Office Cindy Leavitt
- Operational Excellence: Vice President Brad Harris

Questions:

1. How does the President's departure impact OAA's strategic planning efforts?

Answer: Provost Gilliam's Leadership Team will continue to support the academic needs of the institution, work thatwill continue to be prioritized throughout the presidential transition. University's academic goals are not likely tochange, recognizing that with any change there may be nuances and refinements institutionally that OAA will respond to in support of the broader university strategy.

2. How does the provost's new leadership team impact the college efficiency initiative, specifically how is the new organization being funded?

Answer: The organizational changes within OAA are being internally funded with existing resources, with some cash funded investments. Strategic investments that require continuing support will be funded within OAA's reallocated resources with a note that college efficiencies are to be reallocated within their respective units.

Agenda Item: **Benchmarking**

Presenters: Kris Devine, Kim Meyers,and Mandi Stowers

HelioCampus Benchmarking Analysis

- Ohio State has been member of HelioCampus since FY19, providing benchmarking data to compare administrative spending for member institutions (current membership: 80 institutions, 31 of which are R1 universities)
- Benchmarking Data
  - One year delay, FY21 is the most current data available
  - Standard Activity Model (SAM) provides ability to benchmark administrative and academic human capital expenditures based on function (See Slide 3)
- Administrative functions are allocated based on position description (Example, Slide 4)
- While there are currently 80 member institutions participating in HelioCampus, examples of how the data can be used to identify institution-specific efficiencies is not well developed.
- Example of how OSU is utilizing the data to better understand administrative spending began with a review of Procurement (within Business & Finance).
  - OSU was compared to six (6) peer institutions
  - OSU's Procurement had the highest staffing intensity compared to peers, due in part to decentralization and inclusion of research procurement in OSU's data while excluded from peer institutions
  - After removing Research Procurement spend from OSU's base data, benchmarking analysis allows for review of process and identification of efficiencies through the following steps:
    - Validation of position description, allocation, and mappings with HelioCampus
    - Internal Analysis including review of departmental structure, and OSU FTEs by Area
    - Shared services: Internal benchmarking to compare transaction volumes and cost per transaction especially within centralized versus decentralized units/functions
  - Next steps: Identification of opportunity
    - Prioritize opportunities by area
    - B&F: Centralized Function
      - Internal comparison of shared services based on transactions
      - Benchmark central procurement against Big10 schools
    - Decentralized Functions:
      - FAES: Discuss previously completed benchmarking activities
      - A&P: Work with leadership to identify peer benchmarks
    - Compare FY22 data to FY21 results: Anticipate Sp 2023 Questions

and Discussion:

- Significant discussion on the current procurement process and complexity from the unit perspective highlighted opportunities for improvement through lean six-sigma review and identification of efficiencies.
- It was noted that there are some delays that cannot be resolved with process improvement; namely, delays associated with Terms & Conditions (T&C), state compliance, and legal review. Example: Construction projects are highly regulated by the state and process improvement not likely to address all delays.
- There was an overall feeling that Workday implementation should have resulted in more automation of the procurement and vendor payment process that reduced exceptions and increased automatic approvals (currently

~ 30%)

- Discussion of how units such as CFAES along with review of informatics infrastructure can help identify if current process and workflow is broken to determine if software intervention or human intervention is needed.
- It was also noted that significant Fiscal Officer turnover during the Workday transition period may emphasize the need for additional training opportunities.

Agenda Item: **Legislation Update** *(Note Agenda Addition)* **Presenters:** Ben Kanzeg

Ben Kanzeg, f rom Governmental Affairs, was invited to discuss Ohio's current legislative environment in advance of thestate's FY24-25 Operating Budget deliberations.

Budget timeline includes:

1. January 31, 2023: Governor DeWine's FY24-25 Operating Budget Recommendations to be released
2. Budget deliberations begin in the House, followed by the house approving amendments to the budget bill
3. Traditionally, by late April, the Ohio Senate will begin operating budget deliberations with amendments approved by June
4. Final reconciliation of House and Senate's FY24-25 Biennial Operating Budget to be completed by June 30, 2023

Factors to consider when planning for FY24:

- Currently, higher education is not specifically identified as one of Governor DeWine's too five priorities.
- Given the political environment, public universities are being cautious about expectations regarding incremental state support (SSI) or tuition flexibility.
- Even the historical fee cap of CPI + for the incoming tuition guarantee cohort is in question.
- There is positive legislative momentum for increasing need-based student aid, rather than increasing tuition or state support.

Based on the early feedback, the institution's initial FY24 planning will include modest undergraduate rate increases. It was noted that given the current inflationary environment and job market, marginal revenue would be constrained in FY24for strategic investment.

Agenda Item: **Other Business** **Presenters:** Harald Vaessin

<u>Winter Storm: Building and Equipment Damage</u>

Given the nature of the buildings impacted by the winter storm, Harald recommended that the committee request more information on how the damage may impact deferred maintenance and project prioritization, especially in light of the annual POM funding request.

The following was discussed:

There were many research facilities, research projects, and students impacted by the storm. With an estimated 80+ buildings impacted, there was a request to have FOD provide an update to SFC on how future damage could be prevented.

- Insurance adjusters are touring buildings, and it may be beneficial to a member of the Risk Management team on site, to assist faculty and staff.
- Additional SFC and FOD discussion of steps that can be taken to avoid winter damage (of this scale) from happening again is recommended.

Workday Update Bob Muhn, Kristina Davis, Jeff Allen, Nysa Stricker, Lynne Sanbe

Workday/EBS Team continues to prioritize the projects and internally reallocate the costs to optimize the system. Based on that approach, the Workday/EBS FY24 request, for the operating costs excluding subscription costs, is = FY23

- FY24 Budget Request, inclusive of subscription costs appears below:
    - Total Uses: $20,309,430
    - PeopleSoft PBA: $3,600,000
    - Total Operational Need: $16,709,430
    - Subscription costs are centrally funded, so FY24 request is less than the $16.7M above.
- There was a request to cross walk the funding request for FY24, as compared to the $14.3M that was shared with the committee in September of 2022.
- Nysa shared the Smartsheet with easy ways to compare the FY24 request to the FY23 Financial Plan.
    - $14.3M request was the $20.3M less $3.6M of PeopleSoft PBA sources
    - FY24 request of $16.7M is $20.3M less $5.9M of Workday subscription costs

Questions from Committee members:

1. How are we planning to get feedback from the faculty and staff during the ERP optimization phase?

   Answer: Jeff Allen will be leading the feedback efforts with Faculty Senate and through the colleges (to solicit feedback from faculty and staff) that will be tied better understanding the business needs of the university. Additional reports back to Senate Fiscal will be planned.

2. Is there any opportunity for optimization projects to create savings over time, i.e., a reduction in total costs at some point in the future? When does the system create savings through efficiencies?

   Answer: Based on historical ERP implementation experience, it was noted that after implementation, it typically takes 7-10 year for the optimization phase to be fully realized. In some cases, optimization achieved is through business process improvements and efficiency for the end user.

3. Is the 7 to 10-year time frame an expectation for system efficiencies from a financial ($) perspective? Or is it optimization of the product with costs continuing to stabilize and increase at the same rate as the university cost structure?
   Answer: Discussion, but no definitive answer.

Agenda Item:	**FY 24 Enrollment & Financial Aid Update**	**Presenters:**	Dr. James Orr, Amy Wheeler

Chair welcomed Dr. James Orr, Vice Provost for Strategic Enrollment Management, to the committee to discuss FY 24enrollment goals and financial aid strategic planning.

- Strategic plan was to shrink incoming (new first year students) class to pre-pandemic levels.
- AU 20 class was 8,602 down to 7,966 in AU 22.
- The goal for AU 23 will fall between 8,000-8,250 with 33%-35% being non-resident.
  - This latter goal will not be easy since the non-resident market is quite competitive (AU 22 actual was33.7%).
- An additional goal is to have International students comprise 10%-11% of non-resident population.
- Also want to increase number of first generation, Pell recipients and diversity percentages.
- Algorithm has been updated to increase number of students opting to attend a regional campus.

Working with CFAES and looking at strategies to increase yield by recruiting, admitting, and providing financial aidpackages to students at an earlier stage. Looking at both academic and financial goals of the university.

Amy Wheeler, AVP Student Financial Aid, spoke about a number of existing university affordability initiatives.

- **President's Affordability Grant**—provided to Ohio residents who demonstrate high levels of financial need.
- **Land Grant Opportunity Scholarship**—covers full cost of attendance for selected students.
- **Tuition Guarantee**—freezes tuition and general fees for four years of instruction.
- **Buckeye Opportunity Program**—covers full tuition and fees for all Pell eligible Ohio residents using acombination of federal, state, and institutional grants.
- Since 2020, $100.7 million has been allocated from federal emergency grants through the CARES Act impactingundergraduate and graduate students at all campuses. This emergency funding has been exhausted.
- **ScholarshipUniverse**—new scholarship matching platform. Students create an account and platform matches them with multiple scholarship sources—both internally and externally. Several university units have been addedto the platform since its inception.
- Financial Aid Optimization—working with Huron Consulting to increase effectiveness, maximize utilization andremove barriers for students.

- Free Application for Federal Student Aid (FAFSA) simplification over the course of the next couple academic years. Thiswill impact some elements of the Cost of Attendance (COA). Beginning with the 24-25 academic year, Expected Family Contribution (EFC) will be replaced with Student Aid Index (SAI). This will result in changes to the federal methodology and should benefit students by making more Pell eligible, and those who are eligible should see increased grant amounts.
- Chair asked about the current recruitment cycle (AU 23). Dr. Orr indicated applications are up as well as paid acceptancefees. Acceptance fee is $100 and is non-refundable to incentivize ultimate matriculation. Need to tweak strategy of engagement/communication at all points especially after acceptance fee is paid.
- Question about impact of **ScholarshipUniverse**. Amy indicated it has been a great resource for units participating as itprovides a wealth of data and deepens the candidate pool to allocate more department/donor dollars. The tool is customizable for the data needs of each unit.
- Question about strategy to reach non-resident/international enrollment goals. Dr. Orr indicated the goal is a range set toaccommodate both academic and financial goals simultaneously. Each non-resident brings in revenue equal to three residents, so decreasing overall headcount but increasing % of non-resident provides a needed balance.
- Question about the impact of some countries, e.g. China, no longer accepting online courses taken overseas. Dr. Orr indicated Chinese students attending Ohio State do so on campus and not via online enrollment. A Task Force from a few years ago made recommendations on improving connections and relationships with several countries, but its recommendations were difficult to implement due to COVID. How can we leverage our Global Gateways more effectivelyto increase international recruitment and enrollment? Key is targeting enrollment to match the needs we have in certain majors. We have had tremendous success in our applicant pool meeting all our needs and goals, but we need a more robust strategy to yield what we need to finalize our goals. We need to grow our online environment—tends to have fewer legal and political risks versus establishing satellite campuses in other nations.
- Question regarding data on why students choose not to attend. Every 2-3 years, we conduct a survey to non-yielded students to gain insight as to why students do not ultimately attend. In future surveys, will focus on those who pay acceptance fee but do not matriculate. Need to work more closely with the colleges on specific messages needed to communicate in order to make the case to increase yield. The three major questions prospective students/families are asking: What is the cost? What will my experience be? How will I be impacted once I leave Ohio State?
- Question about our recruitment efforts compared to others in the Big 10. We are at the top of the Big 10 in our recruitment strategy under the Provost's leadership (probably top 2 or 3 in our ability to recruit in-state students). As a land grant institution, and out of sensitivity to political views in the General Assembly, we are somewhat limited in increasing our non-resident numbers beyond where they are now. We do great with New First Year Students but need toenhance our Transfer strategy and really improve our strategy for online consumption and graduate level credentialling. Can financial aid notification be more closely aligned with timing of admissions acceptance notification? That leads to a very manual process that needs to be explored in more depth.

Agenda Item: **Workday/EBS Discussion** **Presenters:** Bob Muhn, Lynne Sanbe, Jeff Allen

- Bob Muhn from OTDI made the presentation available in TEAMS: ODTI Workday/EBS FY24 Budget Request and sharedcontext of the discussion that occurred with the College Finance Subcommittee on January 10, 2023. Reiterated FY 24 total budget needs of $20.3 million ($10.7 remaining need after central funding of $5.9 million and PeopleSoft savings of
- $3.6 transferred from OTDI). Discussed make-up of funding including personnel and non-personnel needs.
- $7.5 million in non-personnel needs including Workday subscription, legal fees, data backup

and Tableau. Staffing hasbeen reduced by 4 FTE from FY 23 resulting in a savings of $350K in OTDI Personnel.

- Bob shared some benchmarking data compared to other institutions of higher education.
- Question regarding where we are with meeting current needs and what is being done to evaluate our success. Lynne Sanbe (relatively new to the project since September 2022) cited a need to enhance feedback loop and do a better job ofcommunicating back to the end user. Has spoken to most of the subject matter experts but still more work to do to createoverall plan. Staying on top of all upgrades and implementing some new features. Focus on using training elements to help augment communication and feedback loop. Trying to implement a system similar to HR and IT to assign a ticket to Workday inquiries to track and provide answers. Difficult to benchmark since Ohio State is the only institution using all modules of Workday.
- Shadow systems still exist and have costs to maintain. Organizational changes were added resulting in business processnot being as tight as needed. The choice was made not to initiate Workday Student. All changes need to be re-evaluated to assess proficiencies—all based on the way end users would think, not developers. There may be some feedback fatigue as many Ohio State employees have been expressing concerns for years with no results, so the fear is they may eventually stop expressing themselves. Many of the units are composing their own training to meet the needs of their respective users.

Lynne stressed we are no longer in an implementation phase. Rather, we are live and currently supporting the system.This is in perpetuity to support all future upgrades. The 7-10 years' timeframe was in reference to when we could reach optimization and see the results of efficiencies—reach our return on investment.

Lynne shared that a governance committee has been established representing all major business units.

In response to a question from Belinda Gimbert, Lynne acknowledged the need to enhance the human interaction tosupport faculty who may have specialized needs in handling grants.

Brad Harris stressed we need to maintain focus on budgetary responsibilities in Senate Fiscal. What is a Workday issuevs. what is a Process issue? We are beyond the question of, "What is broken?" We have plenty of examples of issues that need to be resolved.

A question was posed as to whether the FY 24 budget ask was going to be an annual ask? Bob Muhn clearly stated that,"Yes," it would be.

Noting the time, the Chair reminded the group of an unanswered question that had originally been posed in the prior College Finance Subcommittee meeting, "Are there opportunities for operational efficiencies to reduce cost, like the FY23-25 university-wide efficiency initiative. Recommendation for impacts of 5% and 10% budget reductions recommended?" Bob Muhn agreed to assist with preparing a written answer. He can speak to the impacts on OTDI lineitem and can ask other impacted units to do so as well. Bob stated clearly that ongoing licensing costs are non- negotiable.

Agenda Item: **FY24 Recommendations** **Presenters:** Katie Hensel

College Finance Subcommittee: Draft Recommendations

In preparation for final recommendations from the College Finance Subcommittee, the following two funding requests were shared with the full Senate Fiscal Committee:

- FY24 Plant Operation & Maintenance (POM) Rates
- FY24 Composite Benefit Rate

FY24 POM Rate Request

Leadership from Facilities Operations and Development (FOD) met with the College Finance Subcommittee on two occasions. The first meeting in December, provided an opportunity for FOD to provide the subcommittee with an overviewof current operations and funding priorities. The second presentation (January 24, 2023) included the FY24 POM funding request presentation, as linked above.

The FY24 POM Funding Request was reviewed with the broader committee, highlighting the following:

- Annual Utility Rate increase of 3.5%, is excluded from the FY24 POM Funding Request, but included in thefinancial impact slide.
- Historical POM components included in the presentation and funding request include:
    - Maintenance
    - Custodial
    - Preventative Maintenance
    - Deferred Maintenance

  To avoid confusion about the difference between maintenance, preventative, and deferred maintenance, FODwould like to combine like funding components (preventative and deferred specifically) into deferred maintenance, only.
- FOD's FY24 POM funding recommendation includes a $2.99M increase, or $0.19 per assignable square footage(ASF), based on the following:
    - Maintenance: +$1.46M or +$0.19/ASF
        - Salary/Benefit Guideline: $735K
        - Life Safety Support/Compliance Staff (4.0 FTEs): $321K
        - Annual Fire Inspection Fees: $50K
        - Carbon Fund: $350K
    - Custodial: +$203K or +$0.03/ASF for annual salary/benefit guidelines
    - Deferred Maintenance: +$1.33M or +$0.18/ASF to support the completion of the third-party assessmentof university facilities for the purpose of informing a 10-year strategic plan to address deferred maintenance
- It was noted that the $321K funding request for Life Safety Support/Compliance was requested in FY23 but notfunded with incremental POM rate. In the absence of incremental funding, FOD hired the positions and is requesting additional base funding effective FY24.
- The College Finance Subcommittee was supportive of the FY24 request for establishing a Carbon Fund withupdates annually on progress.
- The incremental $1.33M in funding for the deferred maintenance assessment should be followed by an updatefrom FOD in the next academic year to inform the subcommittee on the 10-year strategy to address building/facility needs.
- FP&A shared two slides with the following:
    - College and support unit impact of the $2.99M POM Funding request, as well as the 3.5% inflationaryincrease for utilities (3.5%)
    - Ten-Year Trend: FY2014 to FY2024 POM Rate Components and Annual

Increase, per ASFQuestions:

1. How were the Life Safety Support/Compliance Staff funded in FY23, in the absence of incremental POMfunding?

   Answer: In December, FOD highlighted a large 17% vacancy rate which may have funded the new positions.Katie will follow-up with FOD and inquire about funding source for the 4 FTEs that have already been hired. Since FOD historically maintains an annual vacancy savings, it would be beneficial to verify that incremental base funding is needed, especially given the university's constrained marginal revenues.
2. Given the significant deferred maintenance needs of the university's aging facilities, is there a strategy to createa sinking fund to support the deferred and preventative maintenance needs associated with the new buildings currently under construction?

   Answer: The work of the Campus Framework 3.0 workgroup should be addressing the historical deferred maintenance assessment, cost to maintain new facilities, hybrid strategy, space utilization, and investments in new research facilities. It was noted that the BMEC facility does have a repair and replacement, facilities fund tohelp address preventative and deferred maintenance needs.

3. Is there concern about the level of increase in POM – Deferred Maintenance?

   Answer: While no one expressed significant concern about the large 47.5% increase for deferred maintenance,the following was noted:
   - As proposed, FY24 proposed Preventative + Deferred Maintenance per ASF funding of $1.44 was -
     $0.01 per ASF less than the combined rate charged in FY14 of $1.45, per ASF.
   - In times of financial uncertainty, it is common to defund deferred maintenance at public colleges anduniversities, in favor of more urgent operating priorities. This helps explain the large annual fluctuations in funding appearing in the ten-year trends.
4. For buildings impacted by the weather event in December, already included in the third-party review, will anadditional building assessment be needed?

   Answer: While not addressed by FOD, Katie followed up with Brett Garrett and was informed that buildings impacted by December's severe weather were not going to be re-assessed. Rather, a project was underway toidentify and report on the root cause of the building failures and develop protocols to ensure future weather events do not result in a similar outcome.
5. There was a question/concern mentioned about the possibility of cost creep, in which expenses are pushed outto units, when in the past those costs would have been supported by FOD central funding.
   Brief discussion and Request: Committee would like to make sure that FOD helps academic units understand service levels, drivers of annual cost, and how units can track dedicated funding. Stated another way, it would beinstrumental to understand the principles of the chargeback model and base service levels. Moreover, it would be beneficial to reiterate that the charge back model and principles cannot be altered on their own without going through the shared governance process.

FY24 Composite Benefit Rate

Tom Ewing, from the Controller's Office, and Pam Doseck, from HR – Benefits, met with Senate Fiscal in January 2023 toreview the initial FY24 Composite Benefit Rate proposal. As reviewed with the subcommittee, the composite benefit rate proposed for FY24 is being driven primarily by the following:

- Assumed 3.0% AMCP increase, which has implications on the total variable benefit costs collected through thecomposite benefit rate.
- 8% healthcare cost increases driven by post-COVID health provider services, as discussed as part of theAutumn presentation to full Senate Fiscal.

Since the initial FY24 Composite Benefit Rate proposal was shared with the subcommittee, additional benefit changes forGraduate Associates have been discussed within Executive Leadership. Specifically, there is a desire to increase the central support for graduate employees' healthcare subsidies. The FY24 rate proposed, as shared with the committee, and linked above, includes a 90% central subsidy (an increase from the current 85% subsidy) and extends benefits to graduate associates that have a minimum 25% appointment (previously 50% appointment was the threshold for eligibility).

Reviewing the materials shared, the following was noted and discussed:

- Provost Gilliam has requested an additional cost estimate to expand central support to 100% for graduateassociate healthcare subsidies.
- Increasing costs for Graduate Associates benefits, could put a strain on some colleges that may not be able afford the increasing expense in the absence of net new revenue. Regardless of college finances, it was acknowledged that expanded healthcare subsidies for graduate associates was academically the right decision.

- In some colleges, the graduate associate expenses are based on availability of departmental funds. In othercolleges, research funding can help offset the incremental costs for post-docs.
- Brad Harris offered statistics about funding sources for graduate associates, from September of 2020. At the time of that study, 60% of graduate associates were funded with General Funds, 30% were supported by OSPgrants, with the remaining 10% funding from other sources.
- Need to be careful to recognize the academic benefit of utilizing graduate associates versus just analyzing tocost benefit of alternative staffing options.
- FP&A will ensure that a revised cost estimate of the additional central subsidy is presented to the CollegeFinance Subcommittee, on February 28, 2023, for additional review and consideration.

Agenda Item: **FY24 College Finance Subcommittee Recommendations** **Presenters:** Melvin Pascall

FY24 Plant Operation and Maintenance (POM) Rates

Melvin provided a summary of the subcommittee work that lead to the final recommendation for FY24 POM rate increases. While the subcommittee met with leadership from Facilities Operations and Development (FOD) on two separate occasions (in December 2022 and January 2023), deliberations on the funding request occurred in February of2023. The funding request, as shared with the full Senate Fiscal Committee, included a summary of the FOD funding increases, by POM component, and the projected per Assignable Square Footage (ASF) rate increases. Additional details of the funding request are included in the SFC meeting minutes dated February 21st, as linked here.

The committee members inquired about the subcommittee's funding recommendation not to increase the Maintenance rate and cost recovery associated with the incremental request for the Life Safety Support/Compliance positions ($321K).It was noted that the positions were currently funded with vacancy credits that are realized annually. Given the constraintson institutional revenue generation, the College Finance Subcommittee's recommendation was to continue supporting thepositions with existing GFA through vacancy savings, rather than increasing the POM – Maintenance cost recovery.

Motion to accept the recommendation as presented was seconded, with acceptance and approval by the Senate FiscalCommittee, as detailed below:

FY24 POM Rate Recommendation: $0.38 increase/ASF

Maintenance Funding	$1.13M	or $0.16/ASF
Custodial Funding	$203K	or $0.03/ASF
Deferred Maintenance	$1.33M	or $0.19/ASF

Note that all projected $, per ASF increases will be adjusted once the updated space data utilized for the FY24 POMassessment is available.

FY24 Composite Benefit Rates

Melvin shared the College Finance Subcommittee's FY24 Composite Benefit Rate recommendation that accepts the University Controller's projected composite benefit rates for the upcoming fiscal year. It was noted that the final FY24 raterecommendation includes the Graduate Associate benefit rate that expands the central support for health insurance; increasing the subsidy from 85% to 100% for associates with a minimum appointment of 25% (formerly 50% appointmentwas the minimum) for benefit eligibility.

The full committee discussed the following:

- Healthcare expenses and AMCP are the primary driver of the projected benefit rate increases in FY2024.
- Question: Why would the university's FY24 rates for Specials and Students be decreasing?
- Answer: The volatility in composite benefit rates is due, in part, to COVID operational and staffing changes thathave occurred since FY20. The operational changes in staffing and personnel expenses made forecasting the annual composite benefit rate needed for cost recovery more difficult. As the university returns to normal operations, using historical trends in projecting composite benefit rates should normalize.
- It was noted that the employees included in the student category could be either undergraduate or graduate students, paid hourly. Given the part-time nature of student employees, the respective composite benefit rate issignificantly lower and primarily supports Medicare and other variable benefit rates, excluding retirement. It wasnoted that students do not overwhelmingly opt into the public retirement benefit, thereby explaining the significantly lower composite benefit rate in comparison to the faculty and combined staff rates.

After the discussion, motion to accept the recommendation as presented was seconded, with acceptance and approvalby the Senate Fiscal Committee, as detailed below (with full rate recommendation attached):

Assumes 3% AMCP, 8% Medical Trend

	Current Rates (22-23)	*Proposed Rates (23-24)*	% Change	Projected Benefit Costs
General University				
Faculty	27.1%	***28.0%***	3.3%	$ 145,788,969
Combined Staff	35.4%	***36.7%***	3.7%	306,770,120
Specials	15.9%	***15.8%***	-0.6%	22,321,148
Students	0.4%	***0.3%***	-25.0%	150,213
Graduate Associates	11.5%	***11.7%***	1.7%	16,641,312
OSU Health System				
Faculty*	35.7%	***37.0%***	3.6%	$ 21,299,010
Combined Staff	34.3%	***35.7%***	4.1%	348,388,399
Specials	16.1%	***16.1%***	0.0%	36,227,625
Students	0.6%	***0.6%***	0.0%	20,724
Graduate Associates	11.8%	***11.9%***	0.8%	59,230
Faculty Group Practice				
Clinical Appointments**	4.4%	***4.8%***	9.1%	$ 18,684,926

** Faculty rate group for the Health System consists primarily of medical residents.*

*** Excludes retirement contributions*

FY24 Overhead Rate

In advance of reviewing the proposed FY24 Overhead Rate recommendation it was noted that historically the Controller’sOffice utilized the CRIST system, primarily used for monitoring and negotiating the institution’s approved F&A rates, for calculating the annual overhead rates. The FY24 rate setting process, however, represents the first time that the Controller’s Office did not utilize the CRIST system. The financial trend reports in Workday, based on general ledger activity, was utilized for the FY24 overhead rate calculation. Upon review, and as noted in the subcommittee’s recommendation, the Controller’s FY24 Overhead Rate proposal does not capture any incremental costs associated withFY24 AMCP and benefit expense increases. Since the university’s FY24 Financial Plan assumes a 3% AMCP, as well asbenefit rate increases, the projected overhead rates should recognize those incremental expenses in its overhead rate calculation.

Reviewing the FY24 rate recommendation, FP&A recommended that the new methodology be reviewed further to ensurethat inflationary costs associated with AMCP and benefits are accurately captured in the final FY24 Overhead Rate recommendation.

Subject to review and consideration of AMCP and benefit inflationary rate increases, both the College Finance Subcommittee, and the Senate Fiscal Committee recommended that it was reasonable to proceed with the Controller’s rate recommendation as submitted, with the expectation that inflationary cost drivers be included (and validated) prior tofinalization of the FY24 rates.

Motion to accept the FY24 Overhead Rate recommendation as presented, inclusive of the request to include inflationarycosts in the final rate calculation was seconded, with acceptance and approval by the full Senate Fiscal Committee.

FY24 Regional Campus Service Charge (RCSC)

The proposed Regional Campus Service Charge (RCSC) recommendation, from the Controller's Office, was shared withthe full Senate Fiscal Committee with a request to approve the FY24 rates as calculated. The FY24 RCSC rate was discussed briefly, with a request to explain why the RCSC rate would be declining in FY24. Rate changes can be driven by either a change in revenues or expense reductions. In this case, regional campus revenues are declining while expenses are remaining relatively constant. The combination results in a projected decline in the FY24 RCSC rate.

Motion to accept the recommendation as presented was seconded, with acceptance and approval by the Senate FiscalCommittee

Agenda Item: **FY24 Support Office Finance Subcommittee Update** **Presenters:** Michele Basso

Michele reviewed and discussed the prioritization process undertaken by the Support Office Finance Subcommittee (SOFS) as they reviewed funding requests from three offices, including: OTDI (2x Requests), A&P – Public Safety, and ERIK. Support unit requests were independently reviewed and considered. Like prior years, the recommendation processallows for either cash or continuing base funding to be awarded. The distinction between cash and continuing funding is based upon the existence of a structural imbalance. Additional prioritization of funding requests includes a review of how the initiative benefits the institution as well as its alignment with strategic initiatives. ~~Both~~ Faculty, staff, students, and financial SFOs are represented on the subcommittee.

As part of the subcommittee's work this year, SOFS ranked the requests based on High, Medium, and Low priority and has been careful to ensure that available balances are spent down prior to funding requests being approved. A preview ofthe SOFS review and pending recommendation process was shared, with questions from the full committee, as detailed below:

- Technology and Equity for Students (Digital Flagship 2.0) – Prioritization of technology for tech insecure studentsis not being messaged effectively across the university. As a result, there is a desire to help distribute and disseminate services and availability of technology to new students. The lack of student utilization of Digital Flagship's loaner device program is problematic and therefore the subcommittee will recommend the program bemarketed more broadly.
- There appears to be conflicting data about tech insecure students as presented by ODTI in support of the DigitalFlagship (DF) 2.0 program. The subcommittee expressed concern that most students were not aware of the loaner (device) program.
    - Only students identified as tech insecure, based on course enrollment rosters, were contacted with information about the program. Less than 50% of identified students claimed their computer/technology.

      There is a concern and belief that measurement of tech insecurity was not aligned with the actual need,nor was it being marketed well.
    - The other tech insecure metric was based on advisor referral. The advisor to student ratio is too high toaccurately capture technology needs. Moreover, there is concern that when asked by an advisor, students may deny that a problem exists.
- Dynamic discussion included concern that not all the right students were queried or identified using the existingprogram. While the subcommittee cannot solve the latter, SOFS can recommend that the program attempt to reach more students.
- It was noted anecdotally, that prior to COVID, 10% of students was a consistent measure of the

tech insecure population. Since COVID, that 10% figure appears to have declined. Nevertheless, access to technology for allstudents remains a strategic initiative that DF 2.0 attempts to help resolve.

- What is the time frame for finalizing a recommendation? There should be an official report from SOFS by the endof the week.

Agenda Item: **FY24 College Finance Subcommittee Recommendation** **Presenters:** Melvin Pascall & Katie Hensel

FY24 Workday EBS Funding Recommendation

Although the FY24 Workday EBS funding recommendation was still considered preliminary, the most recent draft Workday EBS FY24 budget request and funding recommendation was reviewed and discussed with full Senate Fiscal.The review of materials highlighted the following:

- The FY23 forecasted spend for the Workday EBS expenses was considerably below Plan, primarily attributable to vacancy savings across the operational staff and project work. Note that the Workday project budgets supportERIK, Office of Human Resources, Wexner Medical Center (WMC), and Business & Finance process improvements See PDF file with details of the FY23 Plan, FY23 Forecast, and FY24 Funding Request: 2a. FY24Workday Platform Support Funding Request PDF.pdf
- The College Finance Subcommittee recommends separating the funding into a component that represents base,or ongoing, support from the one-time cash funded project work.
- After accounting for the historical Peoplesoft GFA, the FY24 Workday EBS funding recommendation includes:
- $8.7M in base/continuing funds for the core operational needs of the Workday tenants and staff. This funding willsupport the primary business operations of Workday for the institution.
- The $8.7M in total funding, represents a 7.5% reduction in funds requested, or an approximate $1.0 million inefficiency savings.
- While the subcommittee recommends imposing an efficiency savings, the request specifically indicates that Tableau funding support for reporting not be targeted for reduction. Reporting in Workday requires Tableau, andit is now considered essential for colleges and units.
- The members recommend that central tax be used to support the Workday EBS funding in FY24.

Kris noted that there is not sufficient incremental tax in FY24 to help offset the cost of the Workday EBS budget; as a reminder there is only sufficient central tax in FY24 to support AMCP and benefit increases. Therefore, Kris asked College Finance, and by extension the Support Office Funding Subcommittee, to consider how they would prioritize FY24investments assuming all net new funding is recovered through incremental college and unit assessments?

The discussion that followed included a broader review of all remaining funding requests before SFC, including SOFS and HRSD. Given the lack of central funding to support the Workday EBS budget in FY24, and given the upcoming SOFSand HRSD discussion, the Senate Fiscal Committee asked College Finance Subcommittee to reconsider their FY24 funding recommendation and return in April with a final report.

Agenda Item: **FY24 Support Office Finance Subcommittee Recommendation & HRSD Update** **Presenters:** Michele Basso

To allow for a more informed discussion, and response to Kris' questions about funding prioritization, Michele provided a detailed summary of the process undertaken by SOFS to review and consider each of the support office funding requests.

After the priorities and funding recommendations were reviewed and discussed, the SFC members were asked to consider the motion to accept the SOFS recommendation as reviewed. Given the earlier discussion about the lack ofincremental central funding, the subcommittee was asked if they would change their funding recommendation.
Specifically, the subcommittee was asked to reconsider the prioritization of support office requests to help leadershipmake a final funding recommendation for inclusion in the FY24 Plan.

Primary Question: Is there a desire to reject the funding recommendation and request that a line be drawn to suggestwhat should NOT be funded?

The subcommittee discussed the possibility of asking SFC to amend the recommendation, as presented, or internally reconsider. Chair Basso, and SOFS members, were receptive to returning to the recommendation and reconsidering funding. Therefore, there was a recommendation to re-prioritize funding within the subcommittee knowing that there are going to be tough discussions within leadership on funding priorities. It was acknowledged that by recommending fundingfor all high – medium – low requested, the committee should reconsider what portion of the requests were “nice to have versus need to have.”

A motion to table the SOFS recommendation and await an amended report, in April, was approved. Fundingrecommendation to return to the Senate Fiscal Committee on April 11.

HRSD Update

SOFS is continuing to review and consider the FY24 funding request from HRSD. Given the discussion in mid-March, there was a decision to convene the subcommittee for another meeting to review and prioritize funding for the HR servicedelivery model. Noting Jeff Risinger’s resignation, the leadership change provides a reset moment with the opportunity fora renewed focus on HR stabilization. A follow-up report and funding recommendation are to be included as part of the April 11th Senate Fiscal Committee meeting.

Agenda Item: **Student Fee Review Subcommittee Recommendation** **Presenters:** Justin Kieffer

Subcommittee Chair, Justin Kieffer, shared the electronic copy of the Student Fee Review Subcommittee Recommendation for rate increases effective Autumn 2023 (2023-2024 academic year increases). Prior to reviewing the detailed recommendation, Justin noted that the subcommittee will continue to meet to form a recommendation regarding how college presentations on fee increases can ensure a consistent level of student feedback and prioritize student inputas part of the fee setting process.

While sharing the recommendation with full Senate Fiscal, Justin reviewed each of the requested fee increases as well asthe recommendation and justification from the subcommittee. It was noted that given the concern about undergraduate fee increases, and the mandate the undergraduate fees be reviewed and approved by the Chancellor of the Ohio Department of Higher Education, there were no undergraduate course or program fees recommended.

After review, there was a motion to move the SFRS recommendation forward. The subcommittee’s recommendation, aspresented, was unanimously approved.

Agenda Item: **FY24 College Finance Subcommittee Recommendation** **Presenters:** Melvin Pascall

As part of the March 28th meeting, the Senate Fiscal Committee asked College Finance Subcommittee (CFS) to reconsider its initial FY24 funding recommendation to consider how university Workday costs should be assessed, in theabsence of incremental central tax.

For more information on the FY24 Workday EBS funding recommendation, which includes $9.8M in total FY24 funding ($8.7M Continuing; $1.1M Cash), see meeting minutes from March 28th for a detailed summary. While the total funding recommendation did not change, additional details of how the $9.8M of assessment should be distributed was reconsidered and included in the final recommendation. After the CFS Workday EBS recommendation was shared, editswere requested to the CFS recommendation, as underlined in the provision below:

- In the absence of central funds to support the academic units incremental Workday EBS expenses in FY24, funding should be provided through a shared responsibility model in which central, and colleges agree to internally allocate efficiency savings towards the Workday EBS investments. <u>Colleges request the opportunity toutilize their annual college efficiency savings to support their respective share of incremental Workday EBS expense, as applicable.</u>

In addition to the funding recommendation, CFS members recommended an annual Workday update, each September,to provide the most current ERP benchmarking cost data and project prioritization for the upcoming academic year.

The annual report should address the following questions:

- Is the annual investment in OSU's Workday EBS appropriate, based on benchmarking data?
- Is OSU efficient, compared to its peers?
- Like all college and support units, efficiency goals and cost savings should continue to be explored, including thefollowing:
    - What Workday processes are under review to enhance efficiency and optimize the system?
    - As positions are vacated and inflationary increases persist, within an environment of constrainedrevenues, how is the Workday EBS organization evaluating staffing needs?

There was an additional question from SFC about: Who is the appropriate partner/committee to review and evaluate the effectiveness and efficiency of Workday with an emphasis on function? The Workday discussion transitioned to a broaderdiscussion of support unit funding request and service level agreements. Questions asked, included:

- Is there a need for a SFC Efficiency Subcommittee to systematically review support units and to align theirfunding with the institutional priorities? Perhaps on a quarterly basis?
- Consider if SFC should issue a separate recommendation that highlights that there is not enough revenue tosupport the marginal cost structure within the University? Recommendation to develop a process to identify priorities to help guide the institutional budget process as reviewed and recommended by Senate Fiscal.
- Given that the institution has implemented hiring freezes and furloughs in the past, to address efficiency needs ofthe university, consider creation of a subcommittee to evaluate how SFC can effectively assess annual, incremental, budget requests?

Support from committee members to proceed by adding a taskforce recommendation to the April 25th agenda for furtherconsideration. The SFC Taskforce or Subcommittee could address the fundamental principles of evaluating incrementalfunding requests in the context of the institutional priorities.

Returning to the Workday EBS recommendation, SFC members motioned to approve and second the amended CollegeFinance Subcommittee funding recommendation. Without additional discussion, the amended resolution was voted and approved unanimously.

Agenda Item:	**FY24 Support Office Finance Subcommittee FY24 HRSD, & FY24 Software Assessment Update**	**Presenters:**	Michele Basso

SOFS Update: Currently reviewing the prioritization of the Support Office funding requests for FY24, with a final recommendation to be presented as part of the April 25th Senate Fiscal meeting. Similarly, the FY24 HRSD fundingrecommendation is currently under review and consideration of the subcommittee.

It was noted that with recent leadership transitions in Human Resources, the SOFS members are likely to recommend that the HRSD college and unit assessments remain the same in FY24, with any gap to be funded with Central supportfrom the Provost or President. It was noted that a group of SFOs are meeting with Katie Hall, on April 19th, to discuss technical issues related to FTE counts used in the HRSD assessment.

Software Assessment was previewed with SOFS on April 4th. Final recommendations to be considered by the SupportOffice subcommittee on April 18, 2023, prior to presentation to the full SFC.

It was noted again that there continues to be pressure from the support offices to find incremental funding, rather than internally reallocate their base General Funds Allocation (GFA). There cannot be an assumption that we have to say yes, there needs to be an expectation that units should find internal savings or impose efficiency initiatives within their unit, prior to requesting incremental funds. These recommendations and discussions can be included in the SFC discussion ona new Efficiency Subcommittee of SFC, during their upcoming, April 25th meeting.