

**Senate Fiscal Committee
The Ohio State University
2024-25 Annual Report**

Committee members

Justin Kieffer - Chair (and Chair-elect) – CFAES – Faculty Council

Mark Foster – Chemistry – Faculty Council

Scott Levi – History – Faculty Council

Derek Hansford – Biomedical Engineering – Faculty Council

Vidya Raman – Medicine – Faculty Council

John Buford – Health and Rehab Sciences – Faculty Council

Scott Schricker – Dentistry – Faculty Council

Birsel Pirim – Fisher COB – Presidential Faculty Appointee

Lingying Zhao – CFAES – Faculty Council

Durshil Doshi – USG – Senate

Brionna Bonar – USG – Senate

Nathan Snizik – USG – Senate

Eli Fox – USG – Senate

Gabriel Guzman Camacho – CGS – Senate

Clayton Richardson – IPC – Senate

Bobby Srivastava – Engineering – SFO – Staff

Gretchen Gombos – Fisher COB – SFO – Staff- Presidential Appointment

Derrick Wyman – Health and Rehab Sciences – USAC

David Horn – Arts and Sciences – Dean/Represented by Kim Kinsel

Matt Smith – Regional Dean – OSU Newark

Cathann Kress – CFAES – Dean/Represented by Terry Snoddy

Damon Jaggars – Libraries – Dean – Presidential Appointment

Karla Zadnik – Optometry – Dean/Represented by Jim Woods

Kris Devine – Deputy CFO

Kim Young – OBF – Presidential Appointment

Committee Staff Support

Katie Hensel – OBF – Director FP&A – Faculty Senate Lead

Chad Foust – OBF – Analyst

KJ Jaiwala – OBF – Analyst

Kim Riddlebaugh – OBF – Analyst

Kayla Adams – OBF – Associate Director FP&A

Steve Pruchnicki – OBF – Senior Analyst

Beth Tucker – OBF – Analyst

Henry Ferris – OBF - Analyst

Brian Clark – OBF – Associate Director FP&A

Lily Langley – OBF Administrative Assistant

Gloria Wood – OBF – Executive Assistant

Support Office Finance Subcommittee Funding Recommendations FY26 – Mark Foster, Chair

MPF 2025-03-22

Support Office Finance Subcommittee Members: Mark Foster (Chair) Gretchen Gombos, Damon Jaggars, Kim Kinsel, Lingying Zhao, James Woods, Derek Hansford and Gabriel Camacho

The Support Office Finance Subcommittee (SOFS) serves as a subcommittee of university Senate Fiscal Committee (SFC), specifically at it pertains to funding requests and financial issues that impact university cost-share structures.

The Support Office Finance Subcommittee is tasked with reviewing annual budget requests from university support offices each calendar year and providing recommendations to the full Senate Fiscal Committee for potential funding priority for each request. For this budgetary cycle, SOFS members attended presentations from representatives of Administration and Planning, Office of Technology and Digital Innovation, Office of Business and Finance, and ERIK to review requests and for subcommittee members to ask questions of each support office group. These meetings took place on January 21, 2025, and February 4, 2025.

Review of Requests

The Support Office Finance Subcommittee reviewed three separate budget requests from the previously mentioned support units that constitute approximately \$3 million in continuing funds and \$1.1 million in one-time cash requests.

SOFS invited all participants to provide detailed presentations regarding their funding requests. SOFS members listened to the presentations and asked a range of clarifying questions to better understand the proposals. Additionally, the subcommittee requested further information from the requestors, including comprehensive financial details, plans for each program or request, and the specific benefits they would bring to the university.

SOFS discussed the requests during the February 18th, 2025, meeting of the subcommittee, and prioritized requests via electronic voting. SOFS organized the FY26 budget requests into three categories: **High Priority**, **Medium Priority**, and **Low Priority**. No requests fit into the **Structural Deficit** category for FY26.

An overview of FY26 requests received, and recommended priority are as follows:

Request Title	Description	FY26 Amount Requested	Funding Type Requested	Priority
Lyft RideSmart Program	Continuing funds to support the Lyft Ride Smart program, which provides subsidized rides for students.	\$2,750,000	Continuing funds (GFA)	Low (1 Medium)
Workday Training	One-time cash to support twelve current FTEs involved in training, communication, and support operations related to Workday processes.	\$1,136,049	Cash	Low (5)
Workday Success Plan	Recurring funds to upgrade and replace the current support contract with Workday from “Platinum+” to “Accel+”.	\$332,000	Continuing funds (GFA)	Medium (1 Low)

Summary of budget requests and recommendations

LYFT Smart-Ride Program

Administration and Planning Transportation and Traffic Management requested \$2,750,000 in continuing funds to support the Lyft Ride Smart program. A&P projects the costs of the program to be \$2,981,750 in FY26, with the balance (\$231,750) coming from reallocation of funds originally associated with OSU’s SafeRide shuttle program. The program is popular, with 390,000 riders projected in FY25; based on the provided ridership map, a large fraction of the rides provide transportation between areas adjacent to campus and areas in the Short North region of High Street. The program currently provides an unlimited subsidy of \$4 per ride within the ridership area, from the hours of 7 pm to 7 am, with an average overall fare of \$9.59, exclusive of tip; no subsidy is provided for rides that start or end outside the designated area. The program is promoted as part of OSU’s commitment to student safety (<https://ttm.osu.edu/ride-smart>) but no metrics are available to support the safety benefits of the program.

The program is popular with students, and student use of the ride-share program likely has safety benefits. The committee is supportive of the University’s multi-faceted approach to enhancing student safety and agrees that a discounted ride-share program can be part of that effort. Nevertheless, it is unclear whether the program in its current form is adequately informed by safety metrics, and whether the ride subsidy from central funds is necessary to achieve this benefit. Moreover, the program also did not seem well informed by input from students. Notably, the limited ridership area and service times excludes many students from the benefit, including those who live off campus but whose scholarly activities require them to travel home from campus during service hours.

The committee was disappointed by the lack of transparency and poor justification of the funding request. A&P projects 390,000 LYFT rides in FY25. At the current subsidy per ride of \$4, the direct cost of the subsidy should be $\$4 \times 390,000 = \1.56 M ; however, the projected FY25 spend is \$2.2M. No explanation was provided to justify the additional \$0.64 M expenditure. For FY26, A&P projects a 35% increase due in part to an expected increase in the subsidy. No details were provided describing what assumptions were used to arrive at the requested amount.

Considering its poor justification, SOFS assigned this request a **low priority**. SOFS discussed the possibility that the program could be at least partially funded through student fees, as is the COTA service. Better yet, by taking advantage of the bargaining power from a large ridership pool, the committee suggests that the University negotiate discounted rides with a ride-share vendor. With such leverage, the University may be able to achieve a service agreement that better meets the need of the entire student body, while achieving fiscal responsibility.

Workday Training

A request for \$1,136,049 in one-time cash was made by OTDI to support twelve current FTEs involved in training, communication and support operations related to Workday processes in OHR, ERIK and the Wexner Medical Center. OTDI will pass the requested funds through to units housing those positions. SOFS considered a similar request last year for fourteen positions at \$1.3M in cash. The decrease in request from FY25 was due to the decrease in FTEs; not all the benefits from the FTE reduction were realized, due to justified compensation beyond AMCP.

The presentation made clear that the requesting units value the personnel in those positions. However, given that the principal function of (most) of the positions was described as participating in developing, updating and disseminating Workday-related training materials to staff, it was not clear whether all the position titles matched that role. Importantly, the presentation to SOFS did not articulate an expectation that the roles would be phased out over time. Since Workday implementation is now four-plus years behind us, it seemed to the committee that it should now be clear to the units involved, which of these positions are expected to be long-term, and phased into their recurring budgets, and which might be justified by yearly cash requests. Moreover, considering that all units across the institution have been asked to adapt to Workday without central funding for new training positions, it was not clear why cash funding was justified for these positions. Lastly, while it was not spelled out in the request, the committee noted that it was not appropriate for the funding for the Wexner Med Center FTEs to come from tuition and state share of instruction (SSI), which is the purview of committee recommendations.

Based on those concerns, the committee rated this request as **low priority** and urges the involved units to develop a long-term plan for the functions carried out by these FTEs.

Workday Success Plan

OTDI requests \$332,000 in recurring funds to upgrade and replace the current support contract with Workday, from “Platinum+” to “Accel+”. The documents provided, and a significant part of the presentation, indicated that the upgrade request had two major motivations: (1) to add enhanced technical support (Technical Account Management, TAM), and (2) because the University and Workday do not agree on what it means to meet the 99.5% SLA uptime guarantee (Workday claimed a nearly 100% uptime in FY24, while OSU noted unacceptably slow performance at crucial times).

During the presentation it was clarified that the University’s current support plan with Workday (Platinum+) is not available for renewal, and that the Accelerate+ plan is the only suitable alternative. The table on the last page of their presentation compares the features of Platinum and Accel+ plans.

The Committee recognizes the importance of a service contract in maintaining an effective working relationship with the vendor upon which nearly all university functions depend. Moreover, it understands the importance of having available concurrent backup (tenant) systems.

However, it wasn’t obvious to the committee that the TAM upgrade would help resolve the disagreement between OSU and Workday with respect to uptime guarantees. The committee was also not provided with sufficient information to evaluate this request in the context of the overall financial relationship between OSU and Workday. Lastly, the committee would have benefited from an accounting of how the costs of the enhanced service contract would be distributed between academic units and the WMC, the latter of which was argued as more critically dependent on a near 100% system uptime.

In light of the considerations above, the committee recommended **medium priority** for this request. Moreover, the committee recommends that if funded for FY26, the funding be provided as cash, and that given the increased services provided by an enhanced service contract, that OTDI identify internal efficiencies that would result from addition of the TAM services from Workday.

FY26 OTDI SOFTWARE COST SHARE RECOMMENDATIONS

Support Office Finance Subcommittee (SOFS). Members: Mark Foster (Chair) Gretchen Gombos, Damon Jaggars, Kim Kinsel, Lingying Zhao, James Woods, Derek Hansford and Gabriel Guzman Camacho

Senate Fiscal Committee

March 24, 2025

At the Tuesday November 12, 2024, meeting of the SOFS, OTDI made a presentation on site licensed software and managed services charged to units by FTE allocation. A series of overview slides “SOFS Cost Share and Site License Software Presentation November 2024.pptx” were provided to the committee on Friday Nov 8, 2024. Nathan Andridge provided an overview of site license software managed centrally by University Purchasing. Bob Mains and John Votino provided an overview of Managed Services. Bar charts were included that tracked year-to-year expenses in various software and service categories; from these bar charts, annualized costs increases were calculated during the preparation of this report.

Site-Licensed Software, \$3.8 M

Projected FY26 cost-shared, OTDI-managed software, with annualized cost increases, include the following:

- Microsoft 365, \$1,970 K, 4%/year since FY15
 - Adobe Creative Cloud, Express, Acrobat Pro, \$683 K (6% FY15-FY24)
 - SQL Server, \$567 K, 3%/year since FY15
 - SPSS, SAS, \$278 K, 2%/year since FY15
 - Qualtrics, \$284 K, 9%/year since FY15
- Total: \$3.8 M

Projected costs for Site Licensed software for FY26 was \$3.8 M, an overall ~4% increase per year since FY15, with the largest percentage increases coming from Qualtrics (9% per year annualized, +\$173 K), and the largest overall increase from Microsoft (~4%, +\$657 K). The Adobe license fee increased at a rate of 6% per year through FY24, but a reduction in FY25 and FY26 (due to elimination of CC licenses) brought that annualized increase down to 3% since FY15.

OTDI Managed Services, \$1.9 M

OTDI cost-shared managed services, with annualized cost increases, are:

- BuckeyeLearn, \$1,085 K, 2.5%/year since FY17
- Enterprise Document Management (EDM), \$385 K, 4%/year since FY19
- Electronic Signature, \$343 K, 4%/year since FY17
- Qualtrics Service, \$81 K, 38%/year since FY23
- Microsoft One Drive, \$51 K, 3%/year since FY23

Managed Services cost-share is projected as \$1.9 M in FY2026, up from \$1.3 M in FY17 (~4% average annual increase). **BuckeyeLearn** is the learning management system used for required policy compliance, systems access, accreditation, and non-academic training at the University, and is provided in a Cloud Software as a Service (Cloud SaaS) model. All students, staff and faculty complete trainings on the platform. **Enterprise Document Management** (OnBase) provides workflows and electronic archives for all university records and documents, and is provided as an On-Premise Service. The service is deployed by >3,000 administrative users and handles a wide range of documents, including historical documents, payroll, admissions, and Legal Affairs contracts. **Electronic Signature Service** (DocuSign) eliminates paper for signatures and enables electronic routing of documents/PDFs for approvals (Cloud SaaS). An estimated 380K digital envelopes will be sent in FY26 by >3,000 administrative users. **Qualtrics Service** entails providing expert support for creating, disseminating and processing surveys using the Qualtrics platform. **MS One Drive** support entails providing expert support for design and troubleshooting of OneDrive deployment.

Discussion

The software and services provided to the University community, charged to units based on FTE, are valuable and mostly essential for conducting University business. The presentation highlighted OTDI's efforts to contain costs while providing these essential software and services. It also pointed out several challenges in cost containment:

- Increased number of users
- Increased number of documents processed
- Difficulties in price negotiation when "locked in" to a vendor
- Licensing fees that generally outpace the consumer price index

However, the data and materials provided to SOFS were generally insufficient for the committee to make informed recommendations about the amount of the requests or their

allocation to specific categories. The data lacked clarity, particularly in the breakdown of costs between salary support, hardware support, and vendor licensing fees.

Given that the year-to-year cost-shared amount charged to units has been increasing at an overall rate of 4% for the past ten years, these taxes may well exceed the revenue increases for many units. Without understanding how the taxed funds are deployed, it is difficult for SOFS to endorse or reject the proposed cost-share amounts for FY26. Additionally, the meeting materials were not provided to SOFS in time for careful analysis, which hindered more informative discussions during the presentations.

An additional concern of SOFS committee members was the decision-making process used by OTDI in determining what services to provide and how to achieve cost savings. At the November meeting, OTDI noted that eliminating Adobe Creative Cloud licenses for faculty, staff, and students would achieve significant cost savings, reducing projections from \$810K to \$683K from FY24 to FY25. However, in its February 2024 presentation to SOFS, OTDI did not mention this intent, which was announced to the University community in early July to be effective August 1. This decision resulted in significant push-back from several University constituents, including the Council for Graduate Students.

On January 31, 2025, Provost Bellamkonda and A&P Vice President Kabourek sent an email to University leaders indicating an intent to fund Adobe CC licenses for those who need them. In the November 2024 presentation to SOFS, the number of Adobe Creative Cloud users was listed as 5,566, down from 23,433 in the February presentation. This suggests that the renegotiated contract with Adobe reduced CC users by 75%, while the cost reduction in the Adobe contract, which retains Adobe Acrobat Pro for faculty and staff, was only ~16%. In summary, neither the intent nor the financial justification for reducing the CC licenses was communicated in advance to SOFS, nor were the financial implications of the reversal by the provost.

Another problematic issue discussed by SOFS concerned Microsoft email and OneDrive storage. Although not discussed with SOFS a few weeks earlier, on June 10, 2024, OTDI announced planned reductions in MS services (storage, forwarding) to the University community (<https://it.osu.edu/news/2024/06/10/you-will-be-impacted-changes-storage-limits-and-university-email-services>). This planned change was described in the November 2024 meeting with SOFS as necessary to contain costs due to planned changes in Microsoft's pricing structure.

The proposed changes represent a major reduction in storage limits. For users whose usage exceeds those limits, complying would require significant effort, diverting resources from advancing other University goals. Additionally, the announcement included the intent

to eliminate email forwarding for students, including between name.#@osu.edu and name.#@buckeyemail.osu.edu. These changes could disrupt existing workflows, and the budget savings justifying them were not presented to SOFS.

These proposed changes to MS workflows were similarly reversed or put on hold by the January email from the Provost, and SOFS remains uninformed of the consequences of these decisions on the FY26 cost share projections.

Recommendations

The gap between the information used by OTDI to make decisions and that shared with SOFS makes it difficult for the Senate Fiscal Committee to carry out its responsibilities (<https://senate.osu.edu/committees/fiscal-committee>). These include reviewing the fiscal policies and resources of the university on a continuing basis and advising the president on strategies for the allocation of university resources, both long-term and short-term, consistent with maintaining the university's missions.

We discussed some of these concerns with Interim CIO Ginger Breon, who indicated a plan to assemble a committee of constituent groups to provide input on the Adobe CC and MS 365 storage service plans. SOFS welcomes this step and encourages OTDI to consider leveraging input from constituents on a wider range of decisions. This approach could broadly impact the efficiency and diverse workflows of our students, staff, and faculty.

The SOFS committee members were asked to vote electronically on the two cost-share proposals with the following options:

- Approve as presented
- Oppose as presented
- No recommendation

Vote results:

Site-Licensed Software: Approve as presented (4). No recommendation (1)

Managed Services: Approve as presented (3). No recommendation (2)

Student Fee Review Subcommittee (SFRS) – Scott Schricker, Chair

Differential and Other Fee Requests for FY 2026

Introduction

The Student Fee Review Subcommittee (SFRS) scheduled college presentations that summarized and answered questions related to each college's previously submitted request for changes to Differential and Other educational fees for graduate and professional programs during meetings on 1/21/25, 2/4/25 and 2/18/25. After deliberating at a subcommittee meeting on 2/25/25, the following recommendations and summary narrative were offered.

The subcommittee reviewed requests (to be implemented during the 2025-2026 academic year) based upon the following criteria:

- Is the request reasonable as part of the college's annual operating budget?
- Is the new/updated fee in line with those of peer institutions?
- How has the request been communicated to currently enrolled students who will be directly impacted by the proposed change?

SFRS Recommendations for FY 26:

Differential fees

College	Fee Name	Instructional Fee Change	Non-Resident Fee Change	SFRS Action
Business	Specialized Master of Finance	-46.1%	139900.0%	Recommended
Dentistry	Dentistry - Rank 1	5.0%	5.0%	Recommended
	Dentistry - Ranks 2 - 4	5.0%	5.0%	Recommended
Engineering	Master of Applied Aeronautics	New Program	New Program	Recommended
	Master of Systems Engineering	New Program	New Program	Recommended
Law	MSL - Business Law Certificate	New Program	New Program	Recommended
	MSL - Compliance Certificate	New Program	New Program	Recommended
	MSL - Health Law Certificate	New Program	New Program	Recommended
	Law - JD/LLM	2.5%	0.0%	Recommended
Medicine	Master of Genetic Counseling	2.5%	0.0%	Recommended
	Doctor of Occupational Therapy - Rank 1	10.0%	10.0%	Recommended
	Doctor of Occupational Therapy - Rank 2-3	1.3%	-98.1%	Recommended
	Doctor of Physical Therapy - Rank 1	42.9%	-25.4%	Recommended
	Doctor of Physical Therapy - Ranks 2-3	3.0%	-72.6%	Recommended
Optometry	Optometry - Rank 1	2.0%	0.0%	Recommended
	Optometry - Rank 2	2.0%	0.0%	Recommended
	Optometry - Ranks 3 - 4	2.0%	0.0%	Recommended
Pharmacy	Pharmacy - Rank 1	3.5%	0.0%	Recommended
	Pharmacy - Ranks 2 - 4	3.5%	0.0%	Recommended
Veterinary Medicine	Vet Med - Rank 1	5.0%	5.0%	Recommended with Reservations
	Vet Med - Ranks 2 - 4	5.0%	0.0%	Recommended with Reservations

Other Fees

College	Fee Type	Proposed Fee	Proposed Increase%	SFRS Action
Business	Program Fee	\$16,500	6.5%	Recommended
	Program Fee	\$4,000	33.3%	Recommended
Dentistry	Education Support Fee	\$2,775	2.0%	Recommended
		\$2,047	2.0%	Recommended
Medicine	Course Fee	\$0	-100.0%	Recommended
	Program Fee	\$117	N/A	Recommended
	Course Fee	\$0	-100.0%	Recommended
	Program Fee	\$88	N/A	Recommended
	Course Fee	\$150	N/A	Recommended
Nursing	Program Fee	\$2,000	60.1%	Recommended

SFRS Summary Narrative for FY 26:

Fisher College of Business (request #1)

- Requesting a reduction in differential/tuition charge (per semester) for the ***Specialized Master of Finance*** program.
- At the same time, proposing the program expand from two semesters (30 total credit hours) to three semesters (36 total credit hours).
 - This expansion will include a summer internship along with a refreshed curriculum offering additional electives and enhanced professional development opportunities.
- The college is also requesting an increase in the existing surcharge for non-resident students.

- As a result, the newly structured program will be more cost effective for Ohio residents but more expensive for non-residents.
- Among peer institutions for this program, Ohio State would offer the least expensive program for residents except for Purdue.
- For non-resident students, Ohio State would be the most expensive program except for Brandeis.
- A student feedback session was hosted by the college on 11/25/24 resulting in overall positive feedback regarding the decrease in direct program costs (for residents) and the proposed changes to curriculum and slower pace.
 - There were concerns voiced regarding the additional cost of living expenses due to the addition of a third semester of study.
- ***SRFS recommended this proposal by a vote of 5 in favor, 0 opposed and 0 abstentions.***

Fisher College of Business (request #2)

- Requesting an increased fee for the program offered in partnership with the ***Korean Advanced Institute of Science and Technology (KAIST)***.
- No comparable program exists at any other Ohio institution, and similar programs at University of Illinois at Urbana-Champaign, University of Maryland and University of California, Irvine, were studied.
- Student feedback was not required as only three students are currently enrolled, and the proposed fee increase applies only to future admits.
- ***SRFS recommended this proposal by a vote of 5 in favor, 0 opposed and 0 abstentions.***

College of Dentistry (request #1)

- Requesting an increase in differential/tuition charge (per semester) of 5% for all ranks.
- The college is also requesting an increase in the existing surcharge for non-resident students of 5% for all ranks.
- The college's approach to seeking increase begins with projecting new/incremental costs to the college, searching for alternative sources of funding or offsetting cost savings and benchmarking any proposed increases across Big Ten peer institutions.
- OSU College of Dentistry currently has the 6th lowest tuition charge for Rank 1 students among the pool of nine Big Ten schools.
- Over the past ten years, average four-year tuition in the Big Ten has grown by +48% whereas OSU College of Dentistry four-year tuition has grown by +38% over that same timeframe.

- Average tuition of U.S. dental schools has grown an average of +3.4% annually over the nine most recent survey years whereas OSU College of Dentistry average tuition has grown by +2.9% over that same timeframe.
- A student feedback session was hosted by the college with student leaders on 1/14/25 resulting in a variety of questions ranging from the process of obtaining in-state residency to the college's benchmarking process to faculty/staff hiring strategies and the availability of increased scholarship funds that could help to offset ongoing tuition/fee growth.
- ***SRFS recommended this proposal by a vote of 4 in favor, 1 opposed and 0 abstentions.***

College of Dentistry (request #2)

- Requesting an increased ***Education Support Fee*** of 2% for all ranks.
- College considers this a nominal increase to partially offset inflationary pressures (estimated at 3-4%).
- This increase will maintain OSU College of Dentistry's position near the bottom of the list of Big Ten peers in terms of affordability.
- A student feedback session was hosted by the college with student leaders on 1/14/25 resulting in a variety of questions ranging from the process of obtaining in-state residency to the college's benchmarking process to faculty/staff hiring strategies and the availability of increased scholarship funds that could help to offset ongoing tuition/fee growth.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Engineering (requests #1 and #2)

- Requesting a differential/tuition charge for two new programs: ***Master of Applied Aeronautics*** and ***Master of Systems Engineering***.
 - Both new programs are led by the College's Professional and Distance Education Program (PDEP) and are offered completely online.
 - As such, the proposed fee structure for these programs is similar to other online engineering degree programs currently offered through PDEP.
- No program comparable to the Applied Aeronautics program exists at any other Ohio institution, and similar programs at Embry-Riddle, Purdue and University of Colorado were studied.
- Only one program comparable to the Systems Engineering program exists at another Ohio institution, University of Dayton. Similar programs at Arizona State, George Washington University and Johns Hopkins were studied.
- Since these programs are new and will not impact anyone currently enrolled, student feedback was not required.

- ***SRFS recommended these proposals by a vote of 5 in favor, 0 opposed and 0 abstentions.***

College of Law (request #1)

- Requesting an increase in differential/tuition charge (per semester) of 2.5% for ***JD (Doctor of Law)*** and ***LLM (Master of Law)*** students.
- The college expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, supplies and services charges and general university overhead
- OSU's Moritz College of Law currently ranks near the bottom of the list of institutional peers in terms of affordability.
 - A few peers including George Mason and Arizona State are more affordable, while several peers including William & Mary, University of Wisconsin, University of Minnesota, Emory and Notre Dame are more expensive.
- A student feedback session was hosted by the college with the Executive Board of the Student Bar Association on 1/15/25 resulting in questions regarding the timeline of the proposed increase and the communication plan to inform students.
 - Additionally, a student-wide email communication was disbursed on 1/21/25 with no additional student feedback collected as of 2/12/25.
- ***SRFS recommended this proposal by a vote of 5 in favor, 0 opposed and 0 abstentions.***

College of Law (requests #2, 3 and 4)

- Requesting a differential/tuition charge for three new certificate programs in the areas of ***Business Law, Compliance and Health Law***. All are designed to be stackable toward earning a Master in the Study of Law (MSL) degree.
- The proposed fees for these certificate programs are in line with the cost of MSL courses currently being taught within the college.
- The fee structure is higher than OSU's major in-state competitors, Capital and University of Cincinnati, but lower than several of its national competitors including Arizona State, UCLA, Vanderbilt and Texas A&M.
- Since these programs are new and will not impact anyone currently enrolled, student feedback was not required.
- ***SRFS recommended these proposals by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Medicine (request #1)

- Requesting an increase in differential/tuition charge (per credit hour) of 2.5% for all ranks in the ***Genetic Counseling Graduate Program (MS)***.

- Tuition has not increased since the inception of the program in 2014—proposed increase would assist with rising accreditation fees and other inflationary operational costs.
- Proposed increase would keep the program’s cost below its peers in the private sector and make it on par with its public peers.
- Program leadership hosted a Zoom meeting with students on 12/20/24 and followed up with a recording of that meeting along with a survey to other students
 - Most respondents agreed the proposed increase is justified but expressed a preference for the increase to be applied only to the incoming cohort of students.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Medicine (requests #2 and 3)

- Requesting an increase in differential/tuition charge (per semester) of 42.9% for rank 1 students and an increase of 3% for ranks 2 and 3 in the ***Doctor of Physical Therapy Program***.
- Program is also requesting a decrease in the existing surcharge for non-resident students of (25.4%) for rank 1 students and (72.6%) for ranks 2 and 3.
- Tuition has only increased twice since the inception of the program in 2007 and has fallen well behind market—at the same time, the total non-resident tuition cost is second only to USC.
- The program also requesting the elimination of its one-time \$500 course fee and the addition/replacement of that course fee with an annual \$350 program fee.
- These other fees help cover the costs of various items including professional dues, conference registrations, licensure exams and uniforms.
- Program leadership held informal discussions with students as the proposal developed—additionally, a presentation was shared with students who were invited to attend either of two live interactive sessions (no attendance was recorded).
 - A survey was subsequently shared with students and indicated strong support for the proposal.
- ***SRFS recommended these proposals by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Medicine (requests #4 and 5)

- Requesting an increase in differential/tuition charge (per semester) of 10% for rank 1 students and an increase of 10% for ranks 2 and 3 in the ***Doctor of Occupational Therapy Program***.

- The program also requesting an increase in the existing surcharge for non-residents of 10% for rank one students, but a decrease in the existing surcharge for non-resident students of (98.1%) for ranks 2 and 3.
- Tuition last increased in 2018.
- Program plans to direct additional revenue toward meeting strategic goals and covering inflationary operational costs.
- The program also requests the elimination of its one-time \$350 course fee and the addition/replacement of that course fee with an annual \$265 program fee.
- Additional revenue from program fees will support academic and extracurricular activities for students.
- Program leadership held multiple meetings with students during Autumn 2024 and conducted a survey which determined most respondents (54%) agreed with the proposed instructional and program fee increases.
- ***SRFS recommended these proposals by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Medicine (request #6)

- Requesting a new course fee (\$150) for the ***Master of Athletic Training (MAT) Program.***
- Program leadership conducted a student survey in December 2024 which found 88% of students supported the addition of a course fee.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Nursing

- Requesting an increased Program Fee for all graduate programs except for the CRNA (Certified Registered Nurse Anesthetist) track.
- College has indicated this fee has not increased since the 2013-2014 academic year, and the lack of marginal revenue growth has begun to impact operations due to inflationary factors.
- Additional revenue will be used for expenses associated with student travel support, student convocation monetary awards, studio and lab expenses, and various clinical and academic affairs support costs.
- Although comparable program fees are difficult to determine for benchmarking purposes among institutional peers, OSU's College of Nursing ranks near the bottom of the list of institutional peers in terms of affordability when benchmarking instructional fees/tuition.
 - For the MSN (Master of Science in Nursing) program, OSU's in-state per credit rate is higher than only two peers, George Mason and University of

Alabama, and lower than several others including Johns Hopkins, University of Michigan and Duke.

- For the DNP (Doctor of Nursing Practice) program, OSU's in-state per credit rate is higher than only two peers, George Mason and University of Maryland, and lower than several others including, once again, Johns Hopkins, University of Michigan and Duke.
- The college sent a survey which was completed by 324 currently enrolled students.
 - As might be expected, many students expressed concern about the financial burden of increased fees, but 72% of respondents feel they benefit from modernized and high-quality training equipment while 76% of respondents view the college's career counseling, professional development and research opportunities favorably.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Optometry

- Requesting an increase in differential/tuition charge (per semester) of 2% for all ranks.
- The college expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, and expenses related to utilities, maintenance and custodial needs.
- Of the 24 schools and colleges of Optometry in the US, OSU's college of Optometry has the fourth lowest total non-resident tuition (total over 4 years) coming in more cost-effective than institutions such as University of Houston, University of Kentucky and Indiana University.
- College leadership hosted a virtual meeting on 12/29/24 that invited all currently enrolled students to participate and offer concerns or feedback regarding the proposed fee increase.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Pharmacy

- Requesting an increase in differential/tuition charge (per semester) of 3.5% for all ranks.
- College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, professional rotation expenses and new classroom construction/maintenance.
- The proposed increase will retain the college's position at the median when compared to its Ohio peers, slightly above average when compared to its Big Ten

peers and slightly below average when compared to its national peers (when excluding the most expensive outlier, USC).

- College consistently markets a potential annual tuition increase ranging from 3%-5%.
- Additionally, the college hosted a hybrid feedback session for students on 12/16/24 and emailed a recording of this session to all PharmD students.
 - The session covered the student benefits, operational needs and peer data associated with the proposed increase.
- ***SRFS recommended this proposal by a vote of 6 in favor, 0 opposed and 0 abstentions.***

College of Veterinary Medicine

- Requesting an increase in differential/tuition charge (per semester) of 5% for all ranks.
- The college is also requesting an increase in the existing surcharge for non-resident students of 5% for Rank 1 students.
- College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, inflationary costs for supplies and services and additional maintenance costs for space that has been added to support the program.
- Among its Big Ten and regional peers, OSU's Veterinary Medicine College has the second highest total resident tuition (total for 4 years)—second to University of Pennsylvania.
- Among the national top-ranked programs, OSU's Veterinary Medicine College has the third highest total resident tuition (total for 4 years)—behind Cornell and, once again, University of Pennsylvania.
- The college's total non-resident tuition (total for 4 years) is much more competitive compared to top-ranked peers coming in more cost-effective than institutions such as Colorado State, University of Georgia and University of Wisconsin-Madison.
- College leadership met with students in January 2025 and followed up with communication to the student body encouraging students to share feedback regarding the proposed fee increase. The college provided all student feedback received as of 2/19/25.
- ***SRFS recommended this proposal with reservations by a vote of 5 in favor, 0 opposed and 1 abstention.***
 - The student feedback was gathered and delivered to the subcommittee too late in the process (beyond the 12/31/24 submission deadline).
 - The feedback reflected much confusion around how the college communicated proposed changes to tuition policy with many students

assuming an historic 2% annual increase was still in effect while others believed/preferred that future tuition increases only impacted new cohorts.

- The college presentation to the subcommittee focused too much on the various categories of revenue the unit brings in and not enough on the annual operational expenditures and actions taken/considered to manage costs.
- The student feedback voiced concerns about other areas within the college besides tuition policy including a perceived lack of growth/expansion in curriculum.
 - It should be noted the college held a subsequent Town Hall on 2/26/25 that attracted approximately 60 Rank 1-3 students (those who will be directly impacted by the proposed tuition increase) during which the Dean addressed many of the student concerns. According to college leadership, the information provided at the Town Hall was well received.

Appendix

The following tables are a summary of the details for each request:

The following table is a summary of the details for each Differential Tuition request.

		Instructional (per semester)				Non-Resident Surcharge (per semester)			
College	Fee Name	Current Fee	Proposed Fee	Proposed \$ Change	Proposed % Change	Proposed \$ Change	Reasons for Increase:	Student Consultation:	Peer Ranking
Business	Specialized Master of Finance	\$27,632	\$14,900	-\$12,732	-46.1%	\$6,995	Requesting a reduction in differential/tuition charge (per semester) for the Specialized Master of Finance program. At the same time, proposing the program expand from two semesters (30 total credit hours) to three semesters (36 total credit hours). This expansion will include a summer internship along with a refreshed curriculum offering additional electives and enhanced professional development opportunities.	A student feedback session was hosted by the college on 11/25/24 resulting in overall positive feedback regarding the decrease in direct program costs (for residents) and the proposed changes to curriculum and slower pace. There were concerns voiced regarding the additional cost of living expenses due to the addition of a third semester of study.	Among peer institutions for this program, Ohio State would offer the least expensive program for residents except for Purdue. For non-resident students, Ohio State would be the most expensive program except for Brandeis.
Dentistry	Dentistry - Rank 1	\$22,976	\$24,128	\$1,152	5.0%	\$1,290	College's approach to seeking increase begins with projecting new/incremental costs to the college, searching for alternative sources of funding or offsetting cost savings and benchmarking any proposed increases across Big Ten peer institutions.	A student feedback session was hosted by the college with student leaders on 1/14/25 resulting in a variety of questions ranging from the process of obtaining in-state residency to the college's benchmarking process to faculty/staff hiring strategies and the availability of increased scholarship funds that could help to offset ongoing tuition/fee growth.	OSU College of Dentistry currently has the 6th lowest tuition charge for Rank 1 students among the pool of nine Big Ten schools. Over the past ten years, average four-year tuition in the Big Ten has grown by +48% whereas OSU College of Dentistry four-year tuition has grown by +38% over that same timeframe. Average tuition of U.S. dental schools has grown an average of +3.4% annually over the nine most recent survey years whereas OSU College of Dentistry average tuition has grown by +2.9% over that same timeframe.
	Dentistry - Ranks 2 - 4	\$19,328	\$20,296	\$968	5.0%	\$1,144			
Engineering	Master of Applied Aeronautics	New Program	\$9,360	N/A	N/A	N/A	Requesting a differential/tuition charge for two new programs: Master of Applied Aeronautics and Master of Systems Engineering. Both new programs are led by the College's Professional and Distance Education Program (PDEP) and are offered completely online. As such, the proposed fee structure for these programs is similar to other online engineering degree programs currently offered through PDEP.	Since these programs are new and will not impact anyone currently enrolled, student feedback was not required.	No programs are comparable to the Applied Aeronautics program exists at any other Ohio institution, and similar programs at Embry-Riddle, Purdue and University of Colorado were studied. Only one program comparable to the Systems Engineering program exists at another Ohio institutions, University of Dayton. Similar programs at Arizona State, George Washington University and Johns Hopkins were studied.
	Master of Systems Engineering	New Program	\$9,360	N/A	N/A	N/A			
Law	MSL - Business Law Certificate	New Program	\$8,350	N/A	N/A	N/A	Requesting a differential/tuition charge for three new certificate programs in the areas of Business Law, Compliance and Health Law. All are designed to be stackable toward earning a Master in the Study of Law (MSL) degree. The proposed fees for these certificate programs are in line with the cost of MSL courses currently being taught within the college.	Since these programs are new and will not impact anyone currently enrolled, student feedback was not required.	The fee structure is higher than OSU's major in-state competitors, Capital and University of Cincinnati, but lower than several of its national competitors including Arizona State, UCLA, Vanderbilt and Texas A&M.
	MSL - Compliance Certificate	New Program	\$8,350	N/A	N/A	N/A			
	MSL - Health Law Certificate	New Program	\$8,350	N/A	N/A	N/A			
	Law - JD/LLM	\$16,883	\$17,304	\$421	2.5%	\$0	College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, supplies and services charges and general university overhead.	A student feedback session was hosted by the college with the Executive Board of the Student Bar Association on 1/15/25 resulting in questions regarding the timeline of the proposed increase and the communication plan to inform students. Additionally, a student-wide email communication was disbursed on 1/21/25 with no additional student	OSU's Moritz College of Law currently ranks near the bottom of the list of institutional peers in terms of affordability. A few peers including George Mason and Arizona State are more affordable, while several peers including William & Mary, University of Wisconsin, University of Minnesota, Emory and Notre Dame are more expensive.
Medicine	Master of Genetic Counseling	\$9,568	\$9,808	\$240	2.5%	\$0	Tuition has not increased since the inception of the program in 2014—proposed increase would assist with rising accreditation fees and other inflationary operational costs.	Program leadership hosted a Zoom meeting with students on 12/20/24 and followed up with a recording of that meeting along with a survey to other students. A majority of respondents agreed the proposed increase is justified but expressed a preference for the increase to be applied only to the incoming cohort of students.	Proposed increase would keep the program's cost below its peers in the private sector and make it on par with its public peers.
	Doctor of Occupational Therapy - Rank 1	\$6,556	\$7,212	\$656	10.0%	\$1,074	Program plans to direct additional revenue toward meeting strategic goals and covering inflationary operational costs.	Program leadership held multiple meetings with student during Autumn 2024 and conducted a survey which determined most respondents (54%) agreed with the proposed instructional and program fee increases.	Tuition was last increased in 2018.
	Doctor of Occupational Therapy - Rank 2-3	\$6,556	\$6,638	\$82	1.3%	-\$10,538			
	Doctor of Physical Therapy - Rank 1	\$6,720	\$9,600	\$2,880	42.9%	-\$2,854	Tuition has only increased twice since the inception of the program in 2007 and has fallen well behind market—at the same time, the total non-resident tuition cost is second only to USC.	Program leadership held informal discussions with students as the proposal developed—additionally, a presentation was shared with students who were invited to attend either of two live interactive sessions (no attendance was recorded). A survey was subsequently shared with students and indicated strong support for the proposal.	The cost of the OSU Doctorate of Physical Therapy (DPT) program for Ohioans is the lowest in the Big 10, the lowest tuition among the top 10 ranked programs in the US, and the 3rd lowest tuition in Ohio. Non-resident tuition is among the highest in the nation, second only to USC.
	Doctor of Physical Therapy - Ranks 2-3	\$6,720	\$6,920	\$200	3.0%	-\$8,174			

College	Fee Name	Instructional (per semester)				Non-Resident Surcharge (per semester)	Reasons for Increase:	Student Consultation:	Peer Ranking
		Current Fee	Proposed Fee	Proposed \$ Change	Proposed % Change	Proposed \$ Change			
Optometry	Optometry - Rank 1	\$14,432	\$14,721	\$289	2.0%	\$0	College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, and expenses related to utilities, maintenance and custodial needs.	College leadership hosted a virtual meeting on 12/29/24 that invited all currently enrolled students to participate and offer concerns or feedback regarding the proposed fee increase.	Of the 24 schools and colleges of Optometry in the US, OSU's college of Optometry has the fourth lowest total non-resident tuition (total over 4 years) coming in more cost-effective than institutions such as University of Houston, University of Kentucky and Indiana University.
	Optometry - Rank 2	\$14,432	\$14,721	\$289	2.0%	\$0			
	Optometry - Ranks 3 - 4	\$12,812	\$13,068	\$256	2.0%	\$0			
Pharmacy	Pharmacy - Rank 1	\$13,489	\$13,961	\$472	3.5%	\$0	College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, professional rotation expenses and new classroom construction/maintenance.	College consistently markets a potential annual tuition increase ranging from 3%-5%. Additionally, the college hosted a hybrid feedback session for students on 12/16/24 and emailed a recording of this session to all PharmD students. The session covered the student benefits, operational needs and peer data associated with the proposed increase. Student benefits, operational needs and peer data associated with the proposed increase.	The proposed increase will retain the college's position at the median when compared to its Ohio peers, slightly above average when compared to its Big Ten peers and slightly below average when compared to its national peers (when excluding the most expensive outlier, USC).
	Pharmacy - Ranks 2 - 4	\$13,489	\$13,961	\$473	3.5%	\$0			
Veterinary Medicine	Vet Med - Rank 1	\$17,921	\$18,817	\$896	5.0%	\$1,095	College expects marginal revenue growth to assist with anticipated increases in faculty/staff personnel costs, inflationary costs for supplies and services and additional maintenance costs for space that has been added to support the program.	College leadership met with students in January 2025 and followed-up with a communication to the student body encouraging students to share feedback regarding the proposed fee increase. The college provided all student feedback received as of 2/19/25. It should be noted the college held a subsequent Town Hall on 2/26/25 that attracted approximately 60 Rank 1-3 students (those who will be directly impacted by the proposed tuition increase) during which the Dean addressed many of the student concerns regarding the proposed fee increases. According to college leadership, the information provided at the Town Hall was well-received	Among its Big Ten and regional peers, OSU's Veterinary Medicine College has the second highest total resident tuition (total for 4 years)—second to University of Pennsylvania. Among national top-ranked programs, OSU's Veterinary Medicine College has the third highest total resident tuition (total for 4 years)—behind Cornell and, once again, University of Pennsylvania. The college's total non-resident tuition (total for 4 years) is much more competitive compared to top-ranked peers coming in more cost-effective than institutions such as Colorado State, University of Georgia and University of Wisconsin-Madison.
	Vet Med - Ranks 2 - 4	\$17,921	\$18,817	\$896	5.0%	\$0			

The following table is a summary of the details for each Other Fee request.

College	Fee Type	Fee Name	Current Fee	Proposed Fee	Proposed Increase	Proposed Increase%	Reasons for Increase:	Student Consultation:
Business	Program Fee	Korea Advanced Institute of Science and Technology (KAIST) - Spring	\$15,500	\$16,500	\$1,000	6.5%	Fee revenue will be used to offset the costs to deliver the program, as well as additional resources to help offset the support costs in the Finance department as well as our Office of Global Business and Career Management services.	Student feedback was not required as only three students are currently enrolled, and the proposed fee increase applies only to future admits.
	Program Fee	Korea Advanced Institute of Science and Technology (KAIST) - Summer	\$3,000	\$4,000	\$1,000	33.3%		
Dentistry	Education Support Fee	Rank 1	\$2,721	\$2,775	\$54	2.0%	College considers this a nominal increase to partially offset inflationary pressures (estimated at 3-4%).	A student feedback session was hosted by the college with student leaders on 1/14/25 resulting in a variety of questions ranging from the process of obtaining in-state residency to the college's benchmarking process to faculty/staff hiring strategies and the availability of increased scholarship funds that could help to offset ongoing tuition/fee growth.
		Ranks 2 - 4	\$2,007	\$2,047	\$40	2.0%		
Medicine	Course Fee	Intro to PT Profession Course Fee	\$500	\$0	-\$500	-100.0%	These other fees help cover the costs of various items including professional dues, conference registrations, licensure exams and uniforms.	Program leadership held informal discussions with students as the proposal developed—additionally, a presentation was shared with students who were invited to attend either of two live interactive sessions (no attendance was recorded). A survey was subsequently shared with students and indicated strong support for the proposal.
	Program Fee	Doctor of Physical Therapy Program fee	New Program Fee	\$117	N/A	N/A		
	Course Fee	Occupational Therapy Foundations and Theory	\$375	\$0	-\$375	-100.0%	Additional revenue from program fees will support academic and extracurricular activities for students.	Program leadership held multiple meetings with student during Autumn 2024 and conducted a survey which determined most respondents (54%) agreed with the proposed instructional and program fee increases.
	Program Fee	Doctor of Occupational Therapy Program fee	New Program Fee	\$88	N/A	N/A		
	Course Fee	Lower Extremity Exam and Diagnosis Course Fee	New Course Fee	\$150	N/A	N/A	Master of Athletic Training Program is looking to offset some of the charges tied to gross anatomy content to ensure we can maintain the high quality human gross anatomy content in curriculum.	Program leadership conducted a student survey in December 2024 which found 88% of students supported the addition of a course fee.
Nursing	Program Fee	All Nursing Graduate Program Fees	\$1,250	\$2,000	\$750	60.1%	College has indicated this fee has not increased since the 2013-2014 academic year, and the lack of marginal revenue growth has begun to impact operations due to inflationary factors. Additional revenue will be used for expenses associated with student travel support, student convocation monetary awards, studio and lab expenses, and various clinical and academic affairs support costs.	College sent a survey which was completed by 324 currently enrolled students. As might be expected, many students expressed concern about the financial burden of increased fees, but 72% of respondents feel they benefit from modernized and high-quality training equipment while 76% of respondents view the college's career counseling, professional development and research opportunities favorably.

College Finance Subcommittee - Birsal Pirm, Chair

Composite Benefit Rate Recommendations

Membership:

Birsal Pirm, Chair 2024-25, Vidya Raman, John Buford, Cathann Kress (Alternate: Terry Snoddy), Kim Young, Eli Fox, and Nathan Snizik

Background:

The university's Composite Benefit Rates are used to recover the employer's paid portion of benefits (retirement, healthcare, tuition benefits etc.) from college and support units. Medical claims make up the largest share of the cost pool, with a projected expense of \$495 million in FY26. Rates across most employee groups within the university and OSU Health System are projected to increase with exceptions noted for specials and students.

Process:

The College Finance Subcommittee (CFS) initially reviewed the proposed Composite Benefit Rates for September 1, 2025, through August 31, 2026, during their meeting on February 7, 2025.

As presented by the Controller's Office, the proposed FY26 Composite Benefit Rates are calculated using an assumed 3.5% Annual Merit Compensation Process (AMCP) base salary increase with an additional 1.5% for Health System employees. Also included in the rates is an annual 9% increase in medical plan expenses; see full Controller's presentation for cost drivers by benefit component, as attached.

Target reserve balances were also reviewed with the Controller's Office and deemed appropriate. As of December 31, 2024, the University's benefit plans had cash balances of \$169 million, which is approximately \$26.8 million lower than our target cash balances, adjusted for accrued benefits. This does not represent June 30, 2025, year-end projected cash balances.

FY26 RECOMMENDATION: The College Finance Subcommittee unanimously supports the 2025-26 Proposed Composite Benefits Rates:

<i>Assumes 9% Medical Trend</i>				
General University				
	Current Rates (24-25)	Proposed Rates (25-26)	% Change	Projected Benefit Costs
Faculty	27.7%	28.5%	2.9%	\$ 167,261,350
Combined Staff	36.1%	36.5%	1.1%	365,623,564
Specials	15.7%	15.6%	-0.6%	22,244,424
Students	0.4%	0.3%	-25.0%	220,556
Graduate Associates	11.8%	12.6%	6.8%	19,736,635
OSU Health System				
Faculty*	36.3%	36.7%	1.1%	\$ 25,312,257
Combined Staff	34.7%	35.7%	2.9%	418,270,649
Specials	15.9%	15.7%	-1.3%	37,693,200
Students	0.5%	0.5%	0.0%	24,211
Graduate Associates	12.0%	12.8%	6.7%	56,957
Faculty Group Practice				
Clinical Appointments**	4.7%	4.8%	2.1%	\$ 23,473,941

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

** Excludes retirement contributions

RECOMMENDATION:

Recommended composite benefit rates for 2025-2026 (as a percentage of salaries) are as follows:

Assumes 9% Medical Trend

General University				
	Current Rates (24-25)	Proposed Rates (25-26)	% Change	Projected Benefit Costs
Faculty	27.7%	28.5%	2.9%	\$ 167,261,350
Combined Staff	36.1%	36.5%	1.1%	365,623,564
Specials	15.7%	15.6%	-0.6%	22,244,424
Students	0.4%	0.3%	-25.0%	220,556
Graduate Associates	11.8%	12.6%	6.8%	19,736,635
OSU Health System				
Faculty*	36.3%	36.7%	1.1%	\$ 25,312,257
Combined Staff	34.7%	35.7%	2.9%	418,270,649
Specials	15.9%	15.7%	-1.3%	37,693,200
Students	0.5%	0.5%	0.0%	24,211
Graduate Associates	12.0%	12.8%	6.7%	56,957
Faculty Group Practice				
Clinical Appointments**	4.7%	4.8%	2.1%	\$ 23,473,941

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

ADDITIONAL DETAIL:

- Summary of Actual and Projected Benefit Costs by Component
- Methodology for Benefit Rate Calculations and Definitions for Rate Groups
- Trends in Actual Benefit Costs and Charges
- Ten-Year Trends in Composite Benefit Rates
- Target vs Actual Cash Balances in Benefits Funds
- Additional Detail on Medical Costs – FY2023 and FY2024
- Additional Detail on Benefit Administration Costs – FY2023 and FY2024

**The Ohio State University Summary
of Key Assumptions Used in Benefit
Rate Calculations**

Global Assumptions:

Headcount	Assume stable benefit-eligible FTE (9/30/2023 actual)
Average Pay Increase	For university, assume guideline increases of 3.5% in FY2025 and FY2026. For Health System, assume guideline increases of 5% in FY2025 and FY2026 for Faculty, Combined Staff and Specials (3% for other rate groups).
Structure of Benefit Rate Groups	Assume same rate groups as prior year
Composition of Benefit Package	Assume same components as prior year
Target for Benefit Cash Balances	Cash equal to fully funded benefit liabilities, plus \$28 million Medical Plan Reserves

Summary of Actual and Projected Costs by Component:

	Primary Cost Driver	FY24 Total Actual Cost	FY24 Actual Rate/ Cost per FTE	FY25 Total Projected Cost	FY25 Projected Rate/ Cost per FTE	FY26 Total Projected Cost	FY26 Projected Rate/ Cost per FTE	Notes
STRS	Salary \$	148,128,777	14.57%	146,782,324	13.85%	154,760,956	13.75%	(1)
OPERS	Salary \$	358,412,185	13.90%	355,341,876	13.85%	384,462,180	13.75%	(2)
Medicare	Salary \$	54,459,325	1.51%	52,535,426	1.45%	57,036,619	1.45%	(3)
Group Life	Salary \$	9,085,398	0.28%	8,058,125	0.25%	9,909,146	0.28%	
Disability	Salary \$	7,910,659	0.25%	7,837,084	0.24%	8,276,559	0.24%	
Unemployment Comp	Salary \$	717,500	0.02%	518,863	0.01%	782,456	0.02%	
Workers Comp-UNIV/OSP	Salary \$	2,540,839	0.10%	2,810,558	0.11%	2,721,810	0.10%	
Workers Comp-Health System	Salary \$	3,811,258	0.28%	4,084,016	0.30%	3,904,327	0.26%	
Benefits Administration	Salary \$	9,379,278	0.24%	9,401,828	0.25%	10,149,949	0.24%	
Graduate Associate Health Insurance	Salary \$	17,064,321	11.93%	17,114,850	11.49%	19,249,350	12.29%	
Medical Plans	Headcount	416,738,784	12,111	431,146,535	12,995	495,069,793	14,389	(4)
Affordable Care Act Fees	Headcount	161,799	5	163,980	5	163,981	5	
Lifestyle Benefit	Headcount	10,517,389	306	10,998,674	332	10,998,721	320	
Vision	Headcount	1,145,569	33	1,430,731	43	1,238,903	36	
Dental	Headcount	16,806,725	488	16,833,417	507	17,828,181	518	
Employee Tuition	Headcount	25,711,453	747	25,775,802	777	27,806,275	808	
Dependent Tuition	Headcount	11,531,990	335	11,946,016	360	12,471,551	362	
Totals		1,094,123,250		1,102,780,105		1,216,830,759		

NOTES:

- (1) - STRS rate to be applied to all Faculty and Specials salaries. Projected cost increases are primarily due to guideline salary increases.
- (2) - OPERS rate to be applied to all Unclassified and CCS salaries. Projected cost increases are primarily due to guideline salary increases.
- (3) - Medicare 1.45% statutory rate applied to all salaries.
- (4) - Reflects projected cost increases of 9% per year.

Methodology for Composite Rate Calculations:

- Cost projections are based on the actual costs of the last full fiscal year, incremented for known and/or anticipated changes in costs.
- A primary cost driver is identified for each component of the rate and is used consistently for allocation of actual and projected cost to benefit rate groups. There are two primary cost drivers – salary dollars and benefit-eligible headcounts, which are expressed in terms of full-time equivalents (FTEs). OPERS, STRS and most of the smaller benefit components are allocated to benefit-eligible rate groups based on salary dollars; health care costs and employee/dependent tuition are allocated based on benefit-eligible FTEs.
- To ensure consistency in the calculation of composite rates, we use FY2024 actual FTEs and FY2024 actual salaries, incremented across all rate groups for guideline wage increases. The costs to be recovered are variable costs (as covered salary dollars and benefit-eligible FTEs go up or down, the benefit costs and associated composite rate charges to the departments go up or down accordingly).
- Employee contribution rates for health coverage will not be set until Autumn Semester and are effective January 1, 2026. The current composite-rate calculations assume that the employee's share of projected costs will equal employee contributions. To the extent that employee contributions are set below their projected share of health care costs, the additional costs would need to be recovered via the composite rates charged to the departments.
- A complicating factor in the rate-setting process is the multiple “years” associated with employee benefits. University budgets and Office of Sponsored Programs rates are on a July-June fiscal year, salary increases, and University/Health System composite benefit rates are on a September-August year, and medical benefit plan designs and employee contribution levels are on a calendar (January-December) year. We need to predict, by January 2025, what rates will be required to cover costs and provide sufficient benefit cash balances for the benefit “year” ending August 31, 2026.

University/Health System Rates vs. OSP Sponsored Program Rates:

- University/Health System rates are determined by OSU; OSP rates are proposed by OSU and are subject to negotiation with the federal government (DHHS).
- For University/Health System rates, OSU has discretion to pursue rate stability, particularly related to maintaining targeted cash balances and amortizing over/under-recoveries over multiple periods. For OSP rates, the federal government requires full amortization of over/under-recovery in next even/odd year (for example, all over/under-recoveries for FY2024 must be incorporated in the FY2026 rate calculation).
- The lock-step amortization of under/over-recoveries under the federal rate-setting rules increases the likelihood of abrupt increases or decreases in OSP benefit rates.

Definitions for Rate Groups:

University faculty and staff are divided into the following groups for benefit rates:

Faculty – Includes nine-month, 12-month and clinical faculty members eligible for full benefit package, including retirement, subsidized health care, life insurance, disability and tuition benefits. For Health System, the faculty rate group consists primarily of medical residents.

Combined Staff – Includes administrative and professional (Unclassified) staff, non-exempt (Classified Civil Service) staff and post-doctoral researchers eligible for full benefit package, including retirement, subsidized health care, life insurance, disability and tuition benefits.

Non-Student Specials – Includes lecturers and part-time staff who are not eligible for full benefit package (rate consists primarily of retirement contributions). This rate is also applied to overtime pay for unclassified and CCS staff, supplemental compensation and off-duty quarter support.

Students – Includes hourly student employees who are not eligible for benefits (rate consists primarily of required Medicare, workers compensation and unemployment contributions). This rate is also applied to additional pay that is not eligible compensation for retirement contributions.

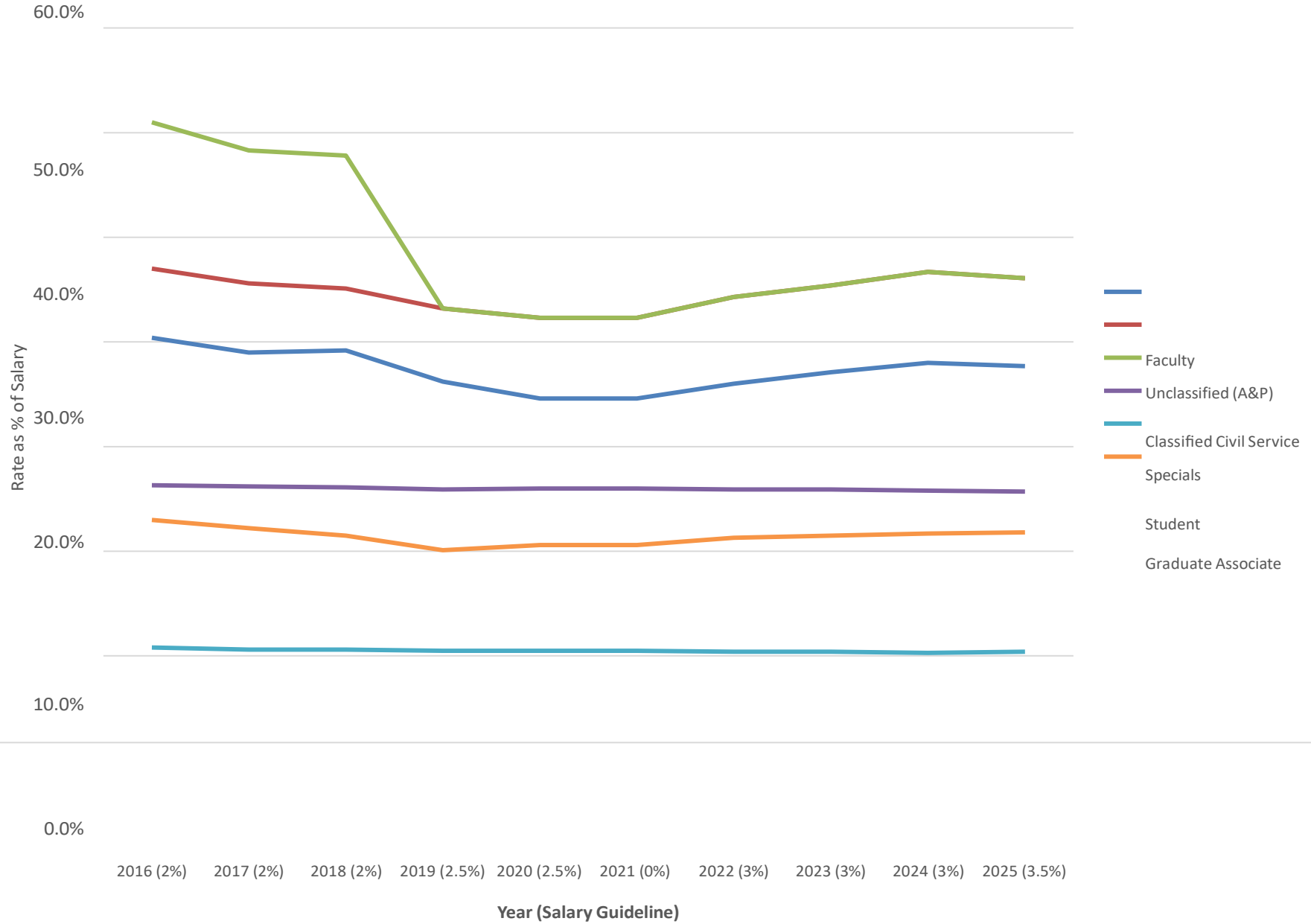
Graduate Associates – Includes graduate teaching, research and administrative associates eligible for an employer subsidy for student health insurance coverage (full-time students have the option to choose to be exempt from retirement contributions, and most choose to be exempt). The proposed rates reflect a 100% subsidy for graduate associates. Tuition benefits are provided to graduate associates through separate fee authorization charges to the departments.

The Ohio State University
Trends in Actual Benefit Costs
FY2020 - FY2024

	FY2020		FY2021		FY2022		FY2023		FY2024	
	Total Cost	Rate/Cost per FTE	Total Cost	Rate/Cost per FTE	Total Cost	Rate/Cost per FTE	Total Cost	Rate/Cost per FTE	Total Cost	Rate/Cost per FTE
Retirement	401,930,433	14.23%	411,378,599	13.89%	442,879,875	14.96%	461,660,061	13.86%	506,540,962	14.09%
Medicare	40,204,257	1.42%	40,741,166	1.38%	45,431,901	1.53%	50,648,837	1.52%	54,459,325	1.51%
Group Life	5,805,932	0.22%	6,482,539	0.24%	6,414,866	0.24%	7,408,862	0.25%	9,085,398	0.28%
Disability	7,796,116	0.30%	6,842,486	0.25%	7,036,922	0.26%	7,503,818	0.25%	7,910,659	0.25%
Unemployment Comp	1,095,529	0.04%	1,762,002	0.06%	481,607	0.02%	477,180	0.01%	717,500	0.02%
Workers Comp-UNIV/OSP	3,424,205	0.17%	3,308,816	0.16%	2,943,277	0.14%	2,636,572	0.11%	2,540,839	0.10%
Workers Comp-Health System	5,136,307	0.49%	4,963,225	0.44%	4,414,915	0.37%	3,954,858	0.32%	3,811,258	0.28%
Benefits Administration	6,902,132	0.23%	6,710,363	0.21%	6,810,174	0.21%	8,714,981	0.25%	9,379,278	0.24%
Graduate Associate Health Insurance	13,518,319	10.93%	13,311,950	10.82%	12,883,911	10.47%	13,582,191	9.85%	17,064,321	11.93%
Medical Plans	305,920,922	9,424	326,663,150	10,000	345,981,569	10,427	369,683,228	11,142	416,738,784	12,111
Affordable Care Act Fees	156,549	5	155,797	5	163,019	5	159,148	5	161,799	5
Lifestyle Benefit (effective January 2023)	-	-	-	-	-	-	4,430,971	134	10,517,389	306
Vision	894,964	28	1,374,929	42	1,242,716	37	1,322,950	40	1,145,569	33
Dental	11,629,246	358	13,944,520	427	14,468,504	436	15,869,023	478	16,806,725	488
Employee Tuition	26,343,404	812	27,890,009	854	23,551,934	710	23,834,051	718	25,711,453	747
Dependent Tuition	10,348,807	319	10,973,252	336	10,780,658	325	11,046,095	333	11,531,990	335
Totals	<u>841,107,121</u>		<u>876,502,801</u>		<u>925,485,848</u>		<u>982,932,826</u>		<u>1,094,123,250</u>	
Benefit Over (Under) Recoveries:										
Amounts Charged to Departments	805,763,931		828,741,384		905,933,330		1,004,610,063		1,111,957,634	
Actual Costs	<u>841,107,121</u>		<u>876,502,801</u>		<u>925,485,848</u>		<u>982,932,826</u>		<u>1,094,123,250</u>	
Over (Under) Recoveries	<u>(35,343,190)</u>		<u>(47,761,417)</u>		<u>(19,552,518)</u>		<u>21,677,237</u>		<u>17,834,383</u>	

The Ohio State University

Trends in University Composite Benefit Rates



Notes on Trends in Benefits Rates:

- Unclassified and CCS rates were combined into a single Combined Staff rate in the 2018-2019 salary year to simplify the rate structure and to facilitate classification and compensation redesign.
- Increases in benefit rates for faculty and combined staff are driven primarily by increases in medical costs.

Target vs Actual Cash Balances in Benefits Funds:

Cash Balances at 12/31/2024	Actual	Target/Reserve	Difference	Target/Reserve Methodology
Retirement	\$ 59,729,498	\$ 40,500,000	\$ 19,229,498	Employer contributions paid 1-2 months in arrears
Medical	56,925,259	54,800,000	2,125,259	6/30/24 IBNR calculated by external actuarial consultant for year-end financials.
Medical Plan Reserve	28,000,000	28,000,000	0	Medical plan reserves are based on one month of average total claims, per external benefit consultant.
Dental	4,098,898	2,325,000	1,773,898	One month estimated expenses based on historical trend.
Vision	1,693,738	468,600	1,225,138	One month estimated expenses based on historical trend.
Workers Comp	1,016,419	5,141,500	(4,125,081)	Current portion of 6/30/24 IBNR calculated by external actuarial consultant.
Life	4,784,486	5,246,483	(461,997)	Estimated claims liability
Other	12,753,515	26,886,796	(14,133,281)	
Subtotal (before accruals)	169,001,813	163,368,379	5,633,434	
Less: Cash balances for salary/wage accruals*			(32,487,629)	
Total Surplus (including accruals)			\$ (26,854,195)	

* The cash balances in the benefits funds include amounts collected on salary and wage accruals. Accrued benefit amounts are not reflected in the target balances.

Targets for Benefit Cash Balances:

- Benefit rate calculations are tied into an analysis of benefit cash balances.
- The absolute minimum/floor for benefit cash balances is an amount equal to the full-accrual liabilities for each component of the benefit rate.
- At December 31, 2024, the university's benefit plans had cash balances of \$169 million, which is approximately \$27 million lower than our target cash balances, adjusted for accrued benefits.

Additional Information on Medical Costs:

Additional details on university medical plan costs for FY2023 and FY2024 are provided below:

	<u>FY23 Actual</u>	<u>FY24 Actual</u>
Medical Plans Detail:		
Claims, net of employee premiums	\$ 339,162,235	\$ 381,176,273
OSU Health Plan (including Care Coordination, Health Coaching, etc.)	11,554,154	12,949,607
Ethority (ACA Consultant)	244,992	252,855
First Capital (new ACA Consultant)	-	89,550
OPPOC (Network Access)	169,170	176,305
Impact (Employee Asst Provider)	767,708	830,639
Alight (Dependent Certification)	48,269	82,335
Trustmark (formerly NGS claims processing)	5,522,518	5,710,639
ESI (pharmacy benefit manager)	5,713,322	6,919,207
Zelis (former Global Care out of state claims and medical evacuation)	705,255	1,956,944
Aon/Hewitt (Benefits consulting) (calendar year run out)	433,656	107,125
Mercer (New Benefit Plan Consultant & Medical IBNR)	5,077	657,455
Health Equity (HRA Admin new vendor 1/1/23)	396,374	253,347
HRA payments (HRA replaced some VP incentives 1/1)	2,613,803	3,660,078
Design Agency (OE Design)	14,650	-
Virgin Pulse (YP4H Fees)	1,392,779	1,165,173
Virgin Pulse (YP4H Incentives)	564,848	184,890
Wellness Funding	365,098	550,000
Other Medical Admin	<u>9,321</u>	<u>16,361</u>
Total Medical Costs	<u>\$ 369,683,228</u>	<u>\$ 416,738,784</u>
Medical Costs per FTE	<u>\$ 11,142</u>	<u>\$ 12,111</u>

Additional Information on Benefits Administration Costs:

The composite benefit rates provide funding for certain salary, benefit, IT system and purchased services costs that are related to the provision of university employee benefit programs. Salaries, benefits, IT costs and other general expenses are allocated broadly to all rate groups based on salary dollars. Actual benefits administration costs are summarized below:

	FY23 Actual	FY24 Actual
Benefits Administration Detail:		
Salaries	\$ 5,342,916	\$ 5,566,005
Benefits	1,859,999	1,998,991
HR System & Ben Admin	977,235	977,235
Adoption	26,026	39,605
Appligent (Accessibility Services)	12,040	7,735
Design Agency (Forms Design)	6,157	14,950
Talx (EE verification)	1,211	-
Bright Horizons (Emergency Care)	191,659	426,246
Legal Fees (OLA)	67,117	41,886
Health Equity (Lifestyle Benefit Admin)	115,076	234,971
Other Expenses	115,547	71,655
Total	<u>\$ 8,714,981</u>	<u>\$ 9,379,278</u>

Overhead Rate Recommendations

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 FY26 University Overhead Rates at its meeting held on January 10, 2025, as presented by Tom Ewing. Total overhead costs to be recovered, based on the analysis of FY24 actual expenditures, increased \$3.7 million, totaling \$94.6 million, compared to the prior year actuals. Increases in overhead expenses are primarily driven by investments in Public Safety, with the remaining increase the result of annual salary and benefit increases.

In addition to reviewing the annual overhead rate calculation for FY26, Tom reminded the committee that changes submitted on behalf of Athletics could impact the methodology for calculating the cost of sales credits that offset revenues charged the Overhead Rate. This request was discussed in the full Senate Fiscal Committee meeting on October 8, 2024. In particular, the changes proposed would expand allowable cost of goods sold (COGS), focusing on payments to student-athletes associated with recruitment such as last dollar financial aid and travel, as necessary expenses for generating revenue. Assuming the change in methodology is enacted, the FY26 overhead rate recovery on behalf of Athletics will be reduced by \$2.6 million.

Tom discussed four options for recovering the estimated \$2.6 million funding gap associated with the Athletic rate relief. Each of the four options would require a departure from using the university overhead rate calculation as presented. Concerns were voiced by Randy Homan on behalf of the OSU Health System, regarding the impact of changing the overhead methodology in FY26 without appropriate time to review and consider the financial impact. To address the concerns noted by the OSU Health System, the College Finance Subcommittee recommended that the Controller's Office convene a workgroup to analyze the current calculation and evaluate its alignment to an activity-based cost allocation methodology.

During the January 10th discussion, a fifth funding option was requested; to consider holding the university's FY26 "All Other Earnings Units" overhead rate flat in FY26, rather than reducing the rate as calculated by the Controller's Office. Based on the request for additional rate modeling, the FY26 Overhead Rate was subsequently reviewed and discussed as part of February 7th meeting.

RECOMMENDATION: The committee supports the initial methodology used by the Controller's Office to calculate the proposed 2025-2026 University Overhead Rates, as attached. To offset \$1.9 million of the lost revenue from the proposed Athletic rate relief, the College Finance Subcommittee supports retaining the university's FY25 All Other Earnings Units overhead rate of 5.04% in FY26, rather than reducing the rate to 4.69%. Any remaining FY26 overhead collection shortfall, projected to be \$700K, associated with the change in allowable cost of goods sold (COGS) should be funded centrally with one-time cash provided by the university.

FY26 Overhead Rate Recommendations:

Health System:	\$67.1 million
Instructional Clinics:	3.61%
Regional Auxiliaries:	2.56%
All Other Earnings Units:	5.04%

Finally, the College Finance Subcommittee recommends that the Controller's Office convene a workgroup to review and propose changes to the annual overhead rate methodology to align with an activity-based cost allocation. The subcommittee recommends using the updated methodology when the FY27 Overhead Rates are calculated and presented to Senate Fiscal Committee as part of the 2025-2026 rate review.

CALCULATION SUMMARY:

Calculated and proposed rates for FY2026 are summarized below:

The Ohio State University Earnings Overhead Rates based on FY 2024 Actual Costs							
(\$ in millions)	FY2024 Actual Overhead Costs to be Recovered	Adjusted Revenues	Calculated FY2026 Rates	Proposed FY2026 Rates	FY2025 Rates	FY2024 Rates	Notes
Health System	\$ 67.1	\$ 3,139.6	2.14%	\$ 67.1	\$ 62.6	\$ 59.7	(A)
Instructional Clinics	1.6	44.3	3.61%	3.61%	3.60%	3.41%	
(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	0.3	10.5	2.56%	2.56%	2.85%	2.93%	
Regional Auxiliaries							
All Other Earnings Units	25.6	545.9	4.69%	4.69%	5.04%	4.95%	
Total	<u>\$ 94.6</u>						

NOTES:

- Total overhead costs to be recovered increased \$3.7 million, to \$94.6 million, compared to the prior year. Increases in the allocations of public safety and central support costs account for the bulk of the increase (see Attachment C).

ADDITIONAL DETAIL:

- Attachment A** – Notes on Methodology and Overhead Cost Pools
- Attachment B** – Summary of Allocated Overhead Costs and Adjusted Revenues by Rate Group – FY2023 and FY2024
- Attachment C** – Allocations of Central Support Costs – FY2022-FY2024
- Attachment D** – Total Earnings Overhead Recoveries – FY2020-FY2024
- Attachment E** – Summary of Overhead Cost Pools – FY2024

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 overhead costs 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

Cost Pools	Basis of Allocation	Participating Rate Groups			
		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.

Attachment B -- Summary of Allocated Overhead Costs and Adjusted Revenues by Rate Group

The Ohio State University												
Summary of Allocated Overhead Costs and Adjusted Revenues - updated 1/9/2025												
		HEALTH SYSTEMS (9400 & 9450)		INSTRUCTIONAL CLINICS (9560)		REGIONAL AUX (9550)		EARNINGS (9500, 9510, 9520 & 9600)		Total Costs to be Recovered through Earnings Overhead Rates	Total Costs to be Recovered through RCSC and Central Tax	Total Costs in Overhead Cost Pools
		2023	2024	2023	2024	2023	2024	2023	2024	2024	2024	2024
ADJUSTED REVENUE		3,018,857,371	3,139,611,666	42,557,238	44,259,527	10,124,072	10,529,035	524,895,972	545,891,811			
OVERHEAD TO BE RECOVERED												
Operations & Maintenance (O&M)												
Plant Administration (1030&1035)		1,782,742	1,505,195	71,117	60,045			4,186,434	3,534,668	5,099,909	6,241,938	11,341,847
Insurance (1000)		1,191,536	633,751	47,533	25,281	80,805	42,979	2,798,098	1,488,245	2,190,256	2,585,142	4,775,397
O&M - Other Services (1045&1050)		3,821,261	4,021,077	199,076	208,361			9,896,384	10,416,451	14,645,890	21,666,606	36,312,495
Total O&M		6,795,538	6,160,023	317,726	293,688	80,805	42,979	16,880,916	15,439,365	21,936,054	30,493,686	52,429,740
Administration & General (A&G)												
Academic Administration (2200)		-	-	409,742	424,327	9,252	9,582	817,277	846,370	1,280,279	22,060,625	23,340,904
Central Support (2100)		53,251,980	57,948,643	766,211	833,788	198,983	216,533	8,112,371	8,827,858	67,826,822	43,219,801	111,046,623
Total AGN		53,251,980	57,948,643	1,175,952	1,258,115	208,236	226,115	8,929,649	9,674,228	69,107,101	65,280,426	134,387,527
College Administration (CA)												
Health Services (2450)		2,575,530	3,005,531	37,759	44,063	-	-	42,861	50,016	3,099,610	847,286	3,946,896
Total CAD		2,575,530	3,005,531	37,759	44,063			42,861	50,016	3,099,610	847,286	3,946,896
Student Services (7500)		-	-	-	-	-	-	597,608	462,430	462,430	297,385	759,815
TOTAL OVERHEAD TO BE RECOVERED		62,623,048	67,114,197	1,531,436	1,595,866	289,041	269,093	26,451,034	25,626,039	94,605,195	96,918,783	191,523,979
OVERHEAD RATES (as calculated)		2.1%	2.1%	3.6%	3.6%	2.9%	2.6%	5.0%	4.7%			

Attachment C – Allocations of Central Support Costs

Central Support Costs (CPLs 2050 and 2100):	Variance over (under)			
	2022	2023	2024	prior year
Government Affairs	2,587,968	2,598,528	3,115,483	516,955
Marketing and Communications	10,324,891	10,990,733	11,965,433	974,700
Board of Trustees	899,142	779,553	1,088,834	309,281
Office of the President	3,658,158	3,123,525	3,277,341	153,815
Legal Affairs Administration	9,672,943	10,166,332	10,875,032	708,700
Business & Finance	19,449,689	18,229,146	21,640,190	3,411,044
Office of Technology and Digital Infrastructure (OTDI)	39,548,294	43,810,660	46,254,762	2,444,102
Diversity and Inclusion	613,191	666,516	686,692	20,176
Institutional Equity	4,850,645	5,781,444	6,242,857	461,413

Subtotal - Actual Central Support Costs	91,604,920	96,146,437	105,146,623	9,000,186
---	------------	------------	-------------	-----------

Projected Central Support Costs

Incremental AMCP and Benefits for Central Administration	5,900,000	5,900,000	5,900,000
--	-----------	-----------	-----------

Total Central Support Costs	97,504,920	102,046,437	111,046,623
------------------------------------	-------------------	--------------------	--------------------

Allocation of Central Support Costs	2022		2023		2024	
	Amount	%	Amount	%	Amount	%

Health System	50,882,032	52.2%	53,251,980	52.2%	57,948,643	52.1%
Other Earnings Operations	8,673,574	8.9%	9,077,565	8.9%	9,878,179	8.9%
Other University Functions	<u>37,949,315</u>	38.9%	<u>39,716,892</u>	38.9%	<u>43,219,801</u>	38.9%
Total	<u>97,504,920</u>		<u>102,046,437</u>		<u>111,046,623</u>	

The Ohio State University										
Earnings Overhead Recoveries - FY2020 - FY2024										
(\$ in millions)	2020	2021	2022	2023	2024					
Health System	\$	61.9	\$	51.7	\$	54.0	\$	62.3	\$	64.6
Other Earnings Operations	26.5	9.0	23.3	27.7	25.4					
Total	\$	88.4	\$	60.7	\$	77.3	\$	90.0	\$	90.0

**Attachment E – Summary of Overhead Cost Pools Based on
FY2024 Actual Costs**

Cost Pool	Units with Expense in Cost Pool	Basis of Allocation	Total \$ to be Allocated	University Share		Health System Share	
Central Administration & Services	B&F, OCIO, Legal Affairs, Communications, President, Government Affairs, Trustees, General University – Dues/Memberships	MTDC – except affiliates, depreciation, interest, and operations & maintenance cost pools	\$ 111,046,623	\$ 53,097,980	48%	\$ 57,948,643	52%
Property & Liability Insurance	General University – Treasury (insurance expense and claims)	ASF – all campus buildings	\$ 4,775,397	\$ 4,141,647	87%	\$ 633,751	13%
Plant Administration	Administration & Planning – FOD Admin, A&P Admin	ASF – all campus buildings	\$ 3,312,035	\$ 2,872,489	87%	\$ 439,546	13%
Facilities Design & Construction	Administration & Planning – Facilities Design & Construction, Physical Planning & Real Estate	ASF – all campus buildings	\$ 8,029,812	\$ 6,964,163	87%	\$ 1,065,650	13%
Environmental Health & Safety	Administration & Planning – Environmental Health & Safety	ASF – space marked as Research Lab	\$ 7,410,845	\$ 7,373,010	99%	\$ 37,835	1%
Facilities Services – Other	Administration & Planning – Public Safety, non-POM portion of FOD Operations	ASF – all campus buildings excl affiliates	\$ 28,901,650	\$ 24,918,409	86%	\$ 3,983,241	14%
Health Sciences Administration	Health Sciences	MTDC – costs within health sciences colleges, health sciences, and WMC	\$ 3,946,896	\$ 941,366	24%	\$ 3,005,531	76%
Academic Administration	Office of Academic Affairs, Office of Institutional Equity	MTDC	\$ 23,340,904	\$ 23,340,904	100%	\$ -	0%
Student Services Administration	Student Life	MTDC	\$ 759,815	\$ 759,815	100%	\$ -	0%
		Total Allocable Costs	\$ 191,523,979	\$ 124,409,782	65%	\$ 67,114,197	35%

The Ohio State University
Estimated Impacts of Proposed Overhead Rate
Relief for Athletics
(assume \$2.6 million for FY2026)

	Status Quo - No Change in O/H Rate Calc	Add \$2.6M to Central Support Costs	Allocate \$2.6M to All Earnings Units	Allocate \$2.6M to Non-HS Earnings Units	Hold Earnings- Other Rate Flat
Total O/H Costs to be Recovered:					
Health System	67,114,197	68,470,982	69,342,652	67,114,197	67,114,197
Other Earnings Operations	27,490,999	27,717,212	27,862,544	30,090,999	27,490,999
Regional Campus Service Charge	2,806,974	2,806,974	2,806,974	2,806,974	2,806,974
Other University Functions	94,111,809	95,128,680	94,111,809	94,111,809	94,111,809
Total	191,523,979	194,123,849	194,123,979	194,123,979	191,523,979
Overhead and RCSC Rates/HS Fixed Payment:					
Instructional Clinics	3.61%	3.65%	3.68%	4.11%	3.61%
Regional Auxiliaries	2.56%	2.56%	2.56%	2.56%	2.56%
Earnings Other	4.69%	4.73%	4.76%	5.13%	5.04%
Regional Campus Service Charge	4.15%	4.15%	4.15%	4.15%	4.15%
Health System	67,114,197	68,470,982	69,342,652	67,114,197	67,114,197
Funding for Athletics Overhead Rate Relief:					
Overhead - Health System	-	1,356,786	2,228,455	-	-
Overhead - Other Earnings Units	-	226,214	371,545	2,600,000	1,886,908
Central Tax/Other Funding Sources	2,600,000	1,017,001	-	-	713,092
Total	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000

College Finance Subcommittee University Senate

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 FY26 Regional Campus Service Charge at its meeting held on January 10, 2025, as presented by Tom Ewing. There were no significant questions or concerns noted by CFS as part of the annual review of the RCSC calculation and proposed rate.

RECOMMENDATION: The committee supports the FY26 Regional Campus Service Charge of 4.15%, supported by the attached calculation provided by the Controller's Office.

The Ohio State University Regional Campus Service Charge Rate

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 FY2025 is **4.15%** (see comparison with current and prior-year rates below):

Proposed FY2026 Rate (based on FY24 costs)	Current FY2025 Rate (based on FY23 costs)	Prior-Year FY2024 Rate (based on FY22 costs)
4.15%	4.45%	3.56%

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	4,775,397	-	4,775,397	4.23%	202,017	100%	202,017
1035	Facilities Plan & Development	8,029,812	-	8,029,812	4.23%	339,690	100%	339,690
1045	Environmental Health & Safety	7,410,845	-	7,410,845	4.23%	313,506	100%	313,506
2100	Central Administration	111,046,623	(2,146,156)	108,900,467	1.01%	1,101,018	100%	1,101,018
2200	Academic Administration	23,340,904	(2,750,915)	20,589,989	2.12%	436,168	100%	436,168
7550	Student Services	24,545,779	-	24,545,779	2.06%	505,277	50%	252,639
8000	University Libraries	28,975,638	-	28,975,638	2.06%	596,466	33%	196,834
Total Net Allocated Costs								2,841,871
Total Regional Campus Revenue								68,554,308
Calculated RCSC Rate								4.15%
Proposed RCSC Rate								4.15%

Notes:

- The calculation allocated approximately 30% of its costs from the facilities cost pools and 70% of its costs from the general administration cost pools.
- The current year's calculated rate employed a methodology similar to the one used for the internal overhead rate calculation.
- Increases in proposed rates relate primarily to a decrease in total regional revenues and increases in allocated Central Administration, Academic Administration and Student Services costs.
- A summary of the FY2022 - FY2024 rates and total regional campus service charge collections for each campus is provided in Appendix A.
- A summary of the FY2022 – FY2024 surcharge costs to be recovered and calculated rates is provided in Appendix B.

Appendix A – Total Regional Campus Service Charge Collections FY2022 - FY2024

Fiscal Year (Rate)		FY2022	FY2023	FY2024
		(4.02%)	(4.14%)	(3.56%)
ATI	\$	-	\$ 125,640	\$ 255,733
Lima	396,312		405,404	346,408
Mansfield	485,622		419,569	381,506
Marion	546,868		455,848	408,966
Newark	1,221,937	1,089,098	1,002,921	
Total	\$	2,650,739	\$ 2,495,560	\$ 2,395,534

Appendix B -- Summary of Regional Campus Surcharges to be Recovered, Base Years FY 2022 - FY 2024

	FY2022		FY2023		FY2024	
Property & Liability Insurance	\$	413,392	\$	379,818	\$	202,017
Facilities Plan & Development		256,403		343,541		339,690
Environmental Health & Safety		292,453		318,686		313,506
Central Administration		912,324		1,016,517		1,101,018
Academic Administration		329,953		423,227		436,168
Academic Computing		-		-		-
Student Services		364,723		467,659		252,639
University Libraries		185,535		242,242		196,834
Total Surcharge Costs to be Recovered	\$	2,754,782	\$	3,191,690	\$	2,841,871
Regional Campus Revenue		77,487,876		71,799,458		68,554,308
Calculated RCSC Rate		3.56%		4.45%		4.15%

College Finance Subcommittee

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

The POM rates are set annually and charged to academic units. POM rates paid by contributing units, through either a General Funds Allocation (GFA) assessment or through an Earnings Physical Plant Assessment (PPA), cover maintenance of buildings including utilities, custodial staff; deferred maintenance (for GFA space) 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 several occasions to review and consider the FY26 POM funding increases that are charged on a marginal assignable square footage (ASF) basis. The subcommittee's memo reflects the initial marginal FY26 funding request as well as the marginal funding recommended by CFS to support the plant operation and facility maintenance for the Columbus campus.

The following provides details of the incremental FY26 POM funding request, by component, as presented to CFS by leadership from the Energy Office and Facilities Operations and Development (FOD):

Utilities Funding Request FY26-FY28: 7.5% Annual Increase

FY26-28 Utility Increase = \$6.2M increasing to \$7.2M by FY28 (3-year Total: +\$20.0M)
Budget Model Support Unit Guidelines: 3.0% AMCP Increase = \$13K*

Maintenance Funding Request FY26: +\$1.68M + 3.0% AMCP Support Unit Guidelines:

FY24 CWA (Above AMCP) Contract Increase =
\$289K FY26 CWA (Above AMCP) Contract
Increase = \$983K Non-CWA Compression/Market
Adjustment = \$408K

Budget Model Support Unit Guidelines: 3.0% AMCP Increase = \$983K*

* Represents maximum support unit guidelines - FP&A to confirm appropriate increases

Custodial Funding Request FY26: +\$925K + 3.0% AMCP Support Unit Guidelines:

FY24 CWA (Above AMCP) Contract Increase = \$ 78K

FY26 CWA (Above AMCP) Contract Increase = \$364K Non-

CWA Compression/Market Adjustment = \$133K FY25 Third

Party Contract Custodial Increase = \$227K FY26 Third

Party Contract Custodial Increase = \$123K

Budget Model Support Unit Guidelines: 3.0% AMCP Increase = \$246K*

* Represents maximum support unit guidelines - FP&A to confirm appropriate increases

Deferred Maintenance Request: +\$2.0M

FY26 Building Demolition Fund: \$2.0M

The FY26 POM – Deferred Maintenance request is for a marginal increase of \$2M to serve as a sustainable, ongoing source to fund demolitions.

In total, the requested FY26 POM increase is \$12,035,605 inclusive of the projected support unit guidelines based on an annual 3.0% Annual Merit Compensation Process (AMCP).

FY26 RECOMMENDATION:

The College Finance Subcommittee reviewed the FY26 funding requests and supporting documentation from the Energy Office and FOD. After careful review, not all components of the funding request are recommended by CFS for inclusion in the FY26 POM Rates. The chart below includes the FY26 recommendations, on behalf of College Finance Subcommittee:

POMComponents	Summary	FY26 Request (Proj)	CFS Recommendation
POM- Utilities	FY26-28 Annual 7.5% Increase	\$ 6,202,243	Approve 1-year 7.5% rate increase, only Supplemental Recommendation: 1. The Energy Office should return annually to request a rate increase while providing an update on CHP and energy efficiencies, total usage (based on expanded ASF) and capital projects; 2. The Energy Office should partner with the Space Committee to ensure alignment of space and energy efficiencies.
	AMCP Increase - FY26	\$ 13,033	Approve based on FP&A calculation of support unit guidelines (projected 3.0%).
POM- Utilities Subtotal		\$ 6,215,276	
POM- Maintenance	FY24 CWA Contract Increase	\$ 289,000	Approve - FP&A should analyze historical increases and calculated above AMCP support unit guidelines.
	FY26 CWA Contract Increase	\$ 983,000	Approve - FP&A to review and validate calculated above AMCP increases, with a recommendation to back out FY26 market adjustments, not approved and finalized with HR.
	Non-CWA Compression/Market Adj	\$ 408,000	Do Not Recommend - CFS recognizes that compression is a significant issues across the institution, however, given the lack of central margin, this should be funded internally within A&P
	AMCP Increase - FY26	\$ 982,524	Approve based on FP&A calculation of support unit guidelines (projected 3.0%).
POM- Maintenance Subtotal		\$ 2,662,524	
POM- Custodial	FY24 CWA Contract Increase	\$ 78,000	Approve - FP&A should analyze historical increases and calculated above AMCP support unit guidelines.
	FY26 CWA Contract Increase	\$ 364,000	Approve - FP&A to review and validate calculated above AMCP increases, with a recommendation to back out FY26 market adjustments, not approved and finalized with HR.
	Non-CWA Compression/Market Adj	\$ 133,000	Do Not Recommend - CFS recognizes that compression is a significant issues across the institution, however, given the lack of central margin, this should be funded internally within A&P
	FY25 Third Party Contract Custodial Increase	\$ 227,000	Approve - FP&A to validate increased contract expense.
	FY26 Third Party Contract Custodial Increase	\$ 123,000	Do Not Recommend - CFS recommends waiting for final space data , covered by the extern contract, prior to approving an increase for FY26.
	AMCP Increase - FY26	\$ 245,838	Approve based on FP&A calculation of support unit guidelines (projected 3.0%)
POM- Custodial Subtotal	POM- Custodial Subtotal	\$ 1,170,838	
POM- Deferred Maintenance	Continuing GFA	\$ 2,000,000	Approve Central Cash: CFS does not recommend using continuing POM- based increases for one-time demolition expenses.
FY26 POM: Request	Total Energy Office & FOD Funding	\$ 12,035,605	
College Finance Subcommittee	FY26 Recommendation:	\$ 9,384,638	Up to, not to exceed subtotal

As done historically, the College Finance Subcommittee recommends that FP&A review and confirm the final FY26 salary and benefit rate increases based on current year (FY25) personnel expenses and incorporating an appropriate historical vacancy rate. Finally, the actual POM rate increases should account for ASF changes and will be finalized by FP&A using the calculated support unit guidelines and recommended marginal funding levels.

The College Finance Subcommittee recommends the following FY26 POM marginal increases:

FY26 POM Rate Recommendation: Up to \$9,384,638

Utilities Funding	\$ 6,215,276
Maintenance Funding	\$ 2,254,524
Custodial Funding	\$ 914,838
Deferred Maintenance	Central Cash

Senate Fiscal Committee Meeting Minutes

Date: September 17, 2024

1. Welcome and Introductions

Presenter: Justin Kieffer

Justin welcomed all attendees and introduced the 2024-25 Senate Finance Committee (SFC) membership and subcommittee assignments.

2. Bylaws Discussion / Fiscal Committee Rules and Responsibilities

Presenter: Justin Kieffer

Justin shared the information available on the Fiscal Committee website, as linked here: [Rules and Responsibilities](#) and highlighted key points regarding the Senate Fiscal Committee, including:

Composition:

The committee consists of 9 tenure-track faculty members and 6 students (4 undergraduates, 1 graduate, and 1 professional).

Active student participation is essential, especially during student fee committee reviews.

Staff Appointments:

Staff members serve 3-year terms, with one appointment made by the President.

Duties and Responsibilities:

Review fiscal policies at the university level, including health systems, parking, and facility maintenance.

Provide reports and advise the President and Provost on strategies for long-term fiscal health in support of research, teaching, and outreach missions.

Governance:

The Chair is elected annually, and the committee operates under faculty rules outlined in the university's administrative code.

Meeting Structure:

Meetings are held every other Tuesday, primarily via Microsoft Teams, with some in-person meetings planned.

Justin emphasized the importance of collaboration and open communication within the committee, particularly through Teams.

3. Senate Fiscal Debrief: [Senate Fiscal Overview and FY25 Financial Plan](#)

Presenters: Kris Devine / Katie Hensel

Rate Summary:

The committee discussed incorporating rates into the operating budget, noting a 4.4M increase in Planned Operation Maintenance (POM) costs for utilities, maintenance, custodial services, and deferred maintenance. Rates are based on assignable square footage (ASF) and annual rates may fluctuate as space assignments change.

Earnings Overhead Rate:

This rate contributes to the budget model and is charged to the health system as an aggregate dollar amount, differing from other earnings overhead rates calculated as a percentage of revenue. All components, including instructional clinics and regional auxiliaries, have been adopted and are incorporated in the operating budget as recommended.

Regional Campus Service Charge:

A service charge of 4.45% for FY25 was recommended. The committee acknowledged variability in rates, in particular the rate increase in FY25, which was reviewed with the college finance subcommittee prior to full committee presentation and recommendation.

Composite Benefit Rate:

This rate is essential for funding the health plan and incorporates various complex factors. It undergoes a review and affirmation process through the college finance subcommittee, Senate Fiscal Committee, and university leadership.

Discussion Points

Inflation Impact:

Mark Foster raised concerns about the impact of inflation on the aggregate POM rate increase of 1.3%. Significant new earnings space was added in FY25, with POM

assessment incorporated into general funds allocation (GFA). It was noted that the calculated, annual POM rate increase of 1.3% was not typical given inflationary cost pressures.

Earnings Rates:

Earnings assignable square footage (ASF) space increased significantly; however, the POM rate (per ASF) rose slightly due to increased assignable square footage.

Strategic Investment Summary:

Katie presented slides showing marginal investments in academic colleges faculty, research, and service. Funding that supports academic investments primarily comes from local dollars allocated through budget models and invested by college leadership. Based on a question, Katie confirmed that the FY25 projected growth in faculty and faculty start-up was based on the marginal change in instructional faculty and marginal start-up costs for all faculty (based on college budget submissions).

Public Safety Funding:

Public Safety requested FY24 investments for their police force and above AMCP funding request, as noted they are receiving \$3.5 million in incremental GFA, with \$1 million sourced centrally. The remaining \$2.5M in GFA investment is reallocated from A&P Administration.

Lyft SafeRide Funding:

Lyft will continue to receive centrally funded cash support for the SafeRide program.

Research Assessment Request:

ERIK requested funding from the research assessment for operational needs of the OSP office. Although labeled non-critical in Senate Fiscal's recommendation, leadership chose to fund it on a cash basis. There will be a request in FY26 to adopt a dynamic research assessment that incrementally grows with indirect cost recovery (IDC) revenues.

4. Tuition and Fees Review

The committee reviewed tuition and fees, emphasizing a 5-year tuition freeze and Tuition Guarantee to maintain affordability for undergraduates. FY25 proposed increases include 3% for housing, 3% for dining, and 4.9% for student health insurance. Each year, the graduate differential and professional fees will first go through the Student Fee Subcommittee.

5. FY2025 Financial Plan: [Annual Budget Book](#)

Katie provided an overview of the FY2025 Financial Plan, detailing unrestricted and restricted funding sources. The new central position control process was highlighted as a means to optimize spending.

Concerns regarding the general unrestricted margin were raised, with a recommendation for units to evaluate their own budgets for reallocations before seeking investments from Senate Fiscal.

The following FY25 Financial Plan details were highlighted:

- The annual plan, approved by the Board of Trustees, reflects the All-Funds Sources Less Uses, before and after capital reinvestment.
- OSU's Wexner Medical Center sources and uses are increasing faster than the university's respective sources and uses; with the university representing approximately 45% of the enterprise financial activities in FY24.
- The university's financials between FY2020 Actuals and FY2025 Plan reflect the impact of COVID as well as return to normal operations, which includes significant growth in research and other restricted funding sources.
- The university's operating margin is heavily dependent on available unrestricted and auxiliary sources to support capital reinvestment. The unrestricted revenue sources are not increasing at the same pace as other sources and will create challenges as the university manages inflationary cost pressures.
- The FY25 university plan assumptions were reviewed, with a note that New First Year Student (NYFS) cohort in Autumn 2024 was performing ahead of plan. Analysis is underway to understand how gross tuition and net tuition is impacted by the Autumn enrollments, including the impact of the undergraduate scholarship expenses.
- FY2025 inflationary increases include:
 - 3.5% AMCP increase
 - Benefit increases, driven primarily by the projected 8% medical expense growth
 - 5% GA stipends
 - \$13 per hour student wages

Budget Model Discussion: [3. Money Matters OSU Budget Model.pdf](#)

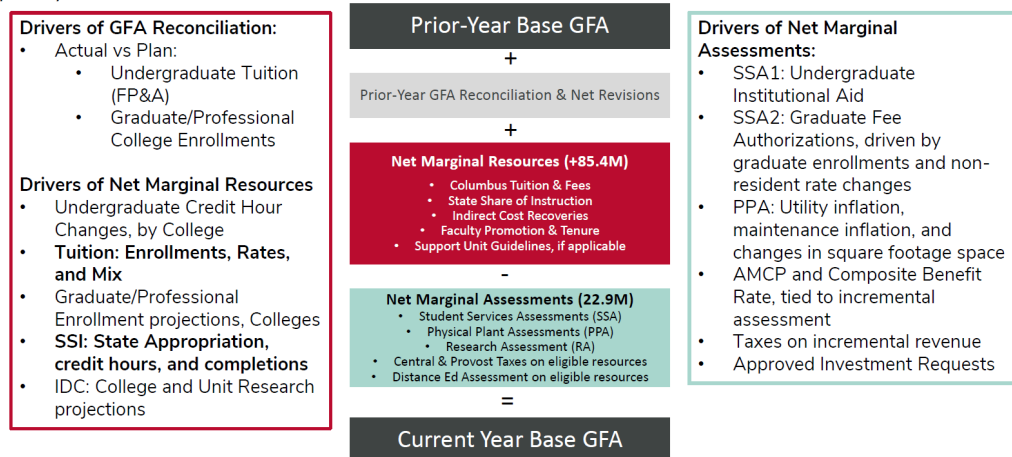
The second presentation shared with the committee provides details of the university budget model as highlighted below:

- Details of the FY25 Financial Plan presented in the annual budget book, as linked in the slides, including graphs that compare the financials by campus, college, and support unit
- As noted, each college and support unit is unique based on (1) size of its annual sources, and (2) reliance on general funds

- The OSU budget model allocates tuition and SSI resources to colleges with assessments and taxes recovered to fund the support units and academic strategic investments
- The budget model allocations are referred to as the General Funds Allocation (GFA)
- The budget model is a marginal model, with the prior year GFA providing base funding, adjusted by each unit's share or marginal resources
- GFA earned by each college is based on the credit hours taught, with college revenues allocated to each department based on the dean's discretion aligned with the college strategy
- The FY25 drivers of marginal resources and assessments are found on slide 22, as excerpted below:

Unit-Specific General Funds Allocation (GFA)

Marginal model applies incremental changes to both resources and assessments against prior-year base GFA



- Given questions from the committee members, regarding components of resource allocation and assessment, the appendix (slides 25-30) was reviewed with a note that the budget model would be reviewed in College Finance Subcommittee with the goal of aligning GFA allocations with how revenues are earned

6. Senate Fiscal Committee 2024-2025

Presenter: Justin Kieffer

Justin provided an overview of the meeting schedule and will coordinate with subcommittee members to finalize dates. Subcommittee assignments will be communicated shortly.

7. New Business

No new business was introduced.

Adjournment

The meeting was adjourned at 4:25 PM.

Senate Fiscal Committee Meeting Minutes

Date: September 24, 2024

Welcome and Approval of Previous Minutes: Presenter: Justin Kieffer

- Justin Kieffer opened the meeting and welcomed attendees. The minutes from the September 17, 2024, SFC Meeting were reviewed. A correction was made in the attendance section regarding a name. The minutes were unanimously approved.
-

University Space Committee Update: [2. Space Committee - Senate Fiscal.pdf](#)

Presenters: Amy Burgess, AVP of A&P; Chris Potts, Director of Facility Planning

Amy provided a comprehensive overview of the University Space Committee's background and its recent activities over the past eight to nine months. The committee's focus intensified post-COVID due to changes in space utilization needs, revealing a need for reassessment of how university spaces are used. Increased reliance on technology during meetings has highlighted the importance of reevaluating space requirements, particularly in addressing deferred maintenance.

Focus Areas for Working Group:

Identifying Buildings for Demolition: Analysis of which buildings are underutilized and could be demolished to optimize campus space.

Evaluating Buildings for Retention and Optimization: Assessing which existing buildings should be kept and how they can be optimized for current and future needs. Notably, Business and Finance units reduced their footprint from six buildings to three as part of a consolidation effort.

Framework 3.0 was approved by the board a year ago and includes a detailed analysis of space utilization across the university. **Space Governance Committee:** Recommendations were made for the formation of this committee to manage decentralized space issues effectively. The committee's charter received endorsement from the President's cabinet last October, and its first meeting was held in December.

Key Findings from Framework 3.0: Provided a comprehensive snapshot of the university's space, highlighting the following:

Needs Identified: Additional requirements for dining facilities, merchandising spaces, student gathering areas, classrooms, teaching labs, and research spaces.

Surplus Noted: An excess of office space was identified, with challenges in converting this surplus into academic or research spaces.

Discussion revealed discrepancies between existing space and right-sized space utilization, indicating a mismatch in current allocations. **Campus Market Space Tool:** A tool akin to Zillow is being developed to help space managers access information about available spaces across the university, thereby aiding strategic planning.

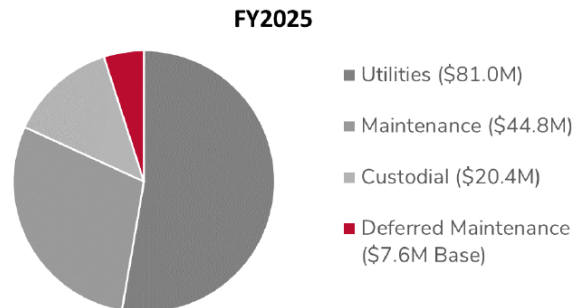
A proposal was made to adopt new scheduling software aimed at enhancing the understanding of space utilization patterns, as current data is insufficient. A core team led by the Office of Diversity and Inclusion (ODI) is being formed to explore existing scheduling solutions utilized by other colleges.

A case study was presented on the potential relocation of programs from the Denny building to the empty Hughes building. This move is intended to address space efficiency and deferred maintenance concerns. Significant investments will be required to renovate and optimize the identified space.

The committee discussed the importance of understanding flexible work agreements and their implications on space allocation. Successful pilot projects in the College of Engineering have demonstrated the effectiveness of aligning work schedules with space assignments. Emphasized the necessity for clear communication and employee engagement during transitions and organizational changes. Ongoing discussions revolve around incentives for relinquishing space due to the financial implications associated with Plant Operations and Maintenance (POM) billing. Various strategies are being explored to incentivize the relinquishment of underutilized space and to streamline the reassignment process.

POM Challenges

- While a unit can reduce the space they occupy, total university POM expenses are not reduced unless buildings are taken offline, or demolished, and efficiencies operationalized.
- FP&A uses December 31st space data from SIMS, as the basis for Preliminary Schedule A - General Fund POM Assessment.
- Earnings Physical Plant Assessment (PPA) is charged using the Plant Operations & Maintenance (POM) Rates, *excluding deferred maintenance*. Earnings PPA supplements the General Fund POM.
- **FY25 POM Rates, General Fund POM, and Earnings PPA Assessments revised based on June 30th space data from SIMS.**



Next Steps:

Continue the development of the campus market space tool for space managers.

Investigate options for scheduling software to improve data on space utilization.

Address cultural shifts and enhance communication strategies related to space management.

Explore financial incentives linked to POM adjustments for improved space efficiency and goal of addressing concerns about inflationary POM cost pressures increasing faster than revenues.

Scott Levi raised a question regarding the financial responsibilities related to the Denny Hall relocation, particularly concerning deferred maintenance costs.

Potential Building Demolitions

What: Advance building demolition strategy by consolidating space.

Why: Reduce operating costs and deferred maintenance liability.

How: Consolidate space and improve utilization to create opportunities for demolition.

Case Study: Relocation of Department of English and Classroom Pool from Denney Hall to Hughes Hall. Denney is approximately 60,000 sq ft with over \$17M in deferred maintenance. By right-sizing and relocating the program to Hughes Hall, which would require a major renovation, Denney could be demolished.

19



Chris Potts clarified that the case study primarily served as an academic exercise, allowing exploration of hypothetical scenarios without addressing actual funding constraints. In practice, projects are funded through a mix of sources, including state capital funding, college investments, and occasionally debt financing. It was noted that the university lacks a dedicated demolition fund; thus, costs are creatively integrated with larger projects, such as the demolition of the Drake Performing Arts Center, which was part of a broader project.

A question was posed about whether dormitories were included in the space allocation pie chart presented. It was clarified that dormitories are part of a separate planning initiative, specifically a student life master plan.

This planning effort runs parallel to the main framework plan, with recommendations from the student life plan incorporated into the final framework. However, the space needs assessment did not encompass student life facilities, clinical spaces, or parking assets.

Gabriel Guzman Camacho expressed concerns regarding housing and workspace considerations for graduate students, emphasizing that productivity-focused workspace planning might overlook the necessity of relational spaces that foster community. The changing dynamics in work and study environments were acknowledged, affirming that effective space planning must include both efficient workspaces and collaborative, social interaction areas. It was noted that while student housing needs were considered in a parallel planning effort, the current focus of the Space Governance Committee does not include residence halls.

A committee member highlighted a significant gap in research lab space and questioned the lack of emphasis on classroom space, expressing concern about how the campus meets its classroom needs.

It was acknowledged that there is indeed a shortage of classroom space, particularly given recent enrollment increases. The discussion emphasized that the types of classrooms (e.g., active learning vs. traditional lecture halls) are crucial considerations. While a 15% increase in academic space is needed, including classrooms, further examination of departmental classrooms that may not be well-documented was recommended. The scheduling software being developed aims to gather better data on these spaces to enhance understanding of availability and condition.

A committee member inquired about the status of departmental classrooms and whether newly constructed buildings, such as those for the College of Medicine and Health Sciences, are part of the general classroom pool.

It was clarified that there are 33 new active learning classrooms within the Health Sciences pool; however, scheduling for these classes is distinct and does not align easily with undergraduate schedules. A master planning effort is underway to assess the usage of all college facilities, including classrooms and conference rooms.

University Utility Update and Discussion: [3. POM Utility Rates - Senate Fiscal.pdf](#)

Presenter: T.J. Wood, Strategic Planning Consultant

T.J. Wood, Strategic Planning Consultant, introduced the role of the Energy Office, which operates under Business and Finance. Responsibilities include managing utility concessions with Ohio State Energy Partners and overseeing capital planning and energy commodity procurement. The office is in the process of preparing the budget for FY26, with a target to draft rates and gather data by December. Historical data indicates a pattern of under-recovery of utility costs, with anticipated annual deficits ranging from \$40 to \$50 million if current trends continue. Members were informed of historic utility rate increases and the pressing budget pressures resulting from the need to balance rising utility costs with financial sustainability.

Historical Utility POM Rate and Utility Cost Increases

	FY2022	FY2023	FY2024	FY2025
POM Utility Rate Increases	5.0%	3.5%	3.5%	3.5%
Direct Billed Rate / Utility Cost Increases	12.7%	13.0%	14.5%	5.7%

Contributing Factors:

- Deferred maintenance capital projects
- PJM capacity prices increased 10x for the 2025/2026
- Delayed start of Combined Heat and Power plant (CHP)

Impact of Heat and Power Plant: The new Combined Heat and Power (CHP) plant is anticipated to significantly reduce commodity expenses through improved energy production efficiency.

Inclusion of Medical Center Costs: Utility cost increases are applicable to the Medical Center; however, clearly separating contributions for clarity can be challenging.

Energy Efficiency Payback Time: The Energy Office evaluates energy efficiency projects, noting payback periods typically range between 7 to 18 years. The current mandate is to achieve a 25% efficiency improvement by 2028.

PJM Capacity Price Increase: The recent capacity auction has seen dramatic increases (up to 10x) due to heightened demand from large energy consumers, impacting budget planning for FY26.

Future projections regarding utility rate increases will be evaluated and potentially presented at upcoming meetings. The Energy Office is equipped to assist colleges in modeling utility costs based on varying types of spaces. Continued discussions on energy management, capital projects, and utility costs will be scheduled for future meetings. Members are encouraged to reach out for assistance with specific utility cost questions or concerns.

Travel Agency RFP Discussion Presenter: Lisa Plaga, University Controller

[4. Travel RFP Request.pptx](#)

Lisa explained the primary aim of the RFP is to secure cost-effective services for airfare booking, both online and through dedicated agents. Emphasis will be placed on selecting an

agency that provides excellent customer service, especially during challenging travel situations (e.g., natural disasters). Lisa shared the agency- Corporate Travel Planners (CTP), who also provides the Concur booking platform. The existing contract is set to expire in June 2025, prompting the RFP process to ensure a smooth transition. A proposal was made to assemble a group of 5-10 experienced travelers from different departments to evaluate RFP proposals based on customer service standards and user experience.

Committee members are encouraged to suggest additional participants for the evaluation group. A timeline for the RFP process will be shared with the committee to ensure timely evaluations and recommendations. Committee members suggested were Hassan Jefferies, Andy Bowman and Melissa Hathaway.

FY26 Subcommittee Guidelines and Discussion

Presenter: Kris Devine /

Katie Hensel

Guideline Overview: Katie presented the guidelines for the Student Fee Review and Support Office Finance Subcommittees, which include:

Prioritizing internal fund identification before seeking external support.

Providing clear and transparent budgeting processes that encourage all units to justify their funding requests.

Budget Modeling Discussion:

The discussion highlighted the need for stricter budget submission requirements for support units, aiming for a zero-based budgeting approach to ensure that funding requests are properly justified. Members were encouraged to familiarize themselves with financial scorecards and upcoming budgets.

New Business

Presenter: Justin Kieffer

No new business was introduced during this session.

Meeting Adjourned

Action Items Summary:

1. Development of the campus market space tool.
2. Investigation into scheduling software options.
3. Address cultural shifts and financial incentives in space management.
4. Gather feedback on travel agency RFP participants.
5. Familiarize members with financial scorecards and budget guidelines.

Senate Fiscal Committee Meeting Minutes

Date: October 8, 2024

Welcome and Approval of Previous Minutes: Presenter: Justin Kieffer

- Approval of the minutes from the Senate Fiscal Committee meeting on September 24 was postponed due to insufficient quorum and time constraints. A motion for approval will be presented at the next meeting on October 22, 2024.

Fall Procurement Presentation 2024: Presenter: Nathan Andridge, Sr. Director P2P and Holly Ross, Senior Product Manager/ Owner Workday EBS

Nathan outlined the operational challenges and opportunities for improvement in the supplier registration process within Workday. Key issues such as communication inefficiencies, reliance on external tools, and incomplete supplier registrations were analyzed. The implementation of a "stoplight" system and enhanced communication protocols reflects a proactive approach to managing workflow and ensures that tasks are prioritized effectively. He identified significant bottlenecks in invoice and contract processing while underscoring the need for an improved user experience and communications. The commitment to involving stakeholders, particularly faculty and requisitioners, in practical solutions is crucial for enhancing these processes and ensuring that they align with the institution's operational goals.

Supplier Registration Process

- Four employees manage supplier registration tasks, averaging 136 active requests daily based off the data provided in FY24. Communication with suppliers is conducted via Outlook, as not all processes are integrated within Workday, while a dashboard within Workday provides visibility/visual cues on new supplier requests.

Challenges Faced:

- There is a lack of functionality in Workday for efficient communication management, leading to reliance on Excel spreadsheets for tracking supplier interactions.
- The team uses Microsoft Teams to organize their workflow, but the need to frequently switch between Workday and other tools creates inefficiencies.

Efficiency Measures:

- To streamline communication, the team uses a "stoplight" system in Excel for managing tasks visually (red, green, blue indicators).
- Mass email capabilities are facilitated by preparing data in Excel, allowing the team to send multiple emails at once, rather than individually.

Oversight and Tracking:

- Work efforts are reviewed daily by a team lead and the accounts payable manager to ensure that key performance indicators (KPIs) are met.
- Updates in the supplier registration process can be monitored by fiscal personnel within colleges and support units, though awareness of this capability is low among users.

John Buford raised concerns about potential confusion among suppliers regarding their registration status following the transition from the old A&P system to Workday. Nathan addressed this by clarifying that while archived data is accessible, suppliers were required to update their information during the transition.

Mark Foster inquired about the criteria used to approve new supplier requests. Nathan emphasized that the decision-making process is thorough, taking into account whether existing suppliers can meet the institution's needs effectively.

Nathan discussed the challenges that arise from incomplete forms submitted by suppliers, noting that many do not fully complete their registration applications. This is a significant cause of delays, as comprehensive information is essential for compliance with IRS regulations and to prevent fraud. He also highlighted that suppliers frequently neglect to provide necessary banking details, complicating identity verification.

- He noted the slow response times, which can extend to over 45 days for some suppliers. To counteract this, Nathan proposed increasing follow-up frequency and mentioned a forthcoming self-registration feature in Workday that would allow suppliers to manage their information, further reducing delays.

Key Points on Supplier Registration:

- The institution currently manages approximately 18,200 active suppliers, with about 110 new suppliers added each week. This growth emphasizes the need for a scalable and efficient registration process.
- The average registration time has shown improvement, decreasing from 34 business days in FY24 to 25 business days in early FY25. However, this is still a target area for further enhancement, as efficiency in registration directly impacts supplier engagement and procurement timelines.
- The registration process can be slow, with suppliers taking as long as 45 days to respond to registration requests. This delay often necessitates multiple follow-ups: an initial

email, a two-week waiting period, and then two additional follow-ups to ensure responses are received.

- In August, the team adjusted their communication strategy to include requisitioners in email communications with suppliers. This change aims to encourage quicker responses from suppliers by prompting them through their connections with requisitioners.

Review of University Overhead: Presenters: Kris Devine, VP of Operations & Deputy CFO; Business and Finance, Janine Oman, Sr. Deputy Director; Athletics and Joe Odoguardi Exec. Assoc AD, Finance/CFO; Athletics.

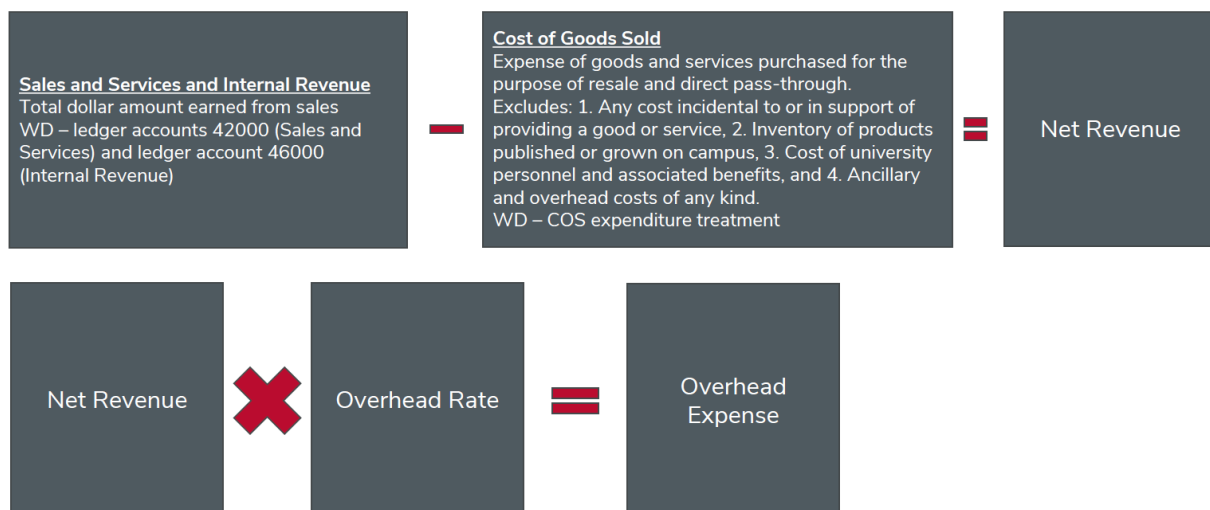
Overview of Overhead Functions

Kris provided an overview of overhead functions within various earnings units, including athletics, clinics, housing, and dining. Key points included:

- **Changes in College Athletics:** Notable shifts in media contracts and the need to compensate student-athletes were discussed.
- **Definition of Overhead:** Overhead is a mechanism to determine how different units contribute to shared administrative costs, covering indirect expenses like payroll processing and procurement, which are not directly linked to operational activities.
- **Fairness in Cost Distribution:** It was emphasized that equitable distribution of costs is crucial; failure to do so can lead to an undue burden on colleges.

Methodology for Calculating Overhead

Overhead Formula



Kris explained the overhead calculation methodology:

- The formula involves taking revenue generated by earnings units, subtracting the costs of goods sold (COGS), and assessing net revenue for overhead costs.
- A three-year average is used to smooth revenue fluctuations.

Costs are allocated based on assignable square footage, while administrative costs are determined using modified total direct costs. This approach aligns with grant terminology and ensures compliance with federal regulations, including those related to Medicaid and Medicare on the hospital side of operations. This methodology is designed to maintain consistency and transparency in cost allocation across various funding sources.

Overhead Recovery Breakdown

Overhead Rate Determination

- Overhead rates are calculated annually and approved by Senate Fiscal
- FY25 rates are as follows. The increase in recoverable OH costs were due to increases in Public Safety and OTDI.

The Ohio State University Earnings Overhead Rates based on FY 2023 Actual Costs							
(\$ in millions)	FY2023 Actual Overhead Costs to be Recovered	Adjusted Revenues	Calculated FY2025 Rates	Proposed FY2025 Rates	FY2024 Rates	FY2023 Rates	Notes
Health System	\$ 62.6	\$ 3,018.9	2.07%	\$ 62.6	\$ 59.7	\$ 56.6	(A)
Instructional Clinics	1.5	42.6	3.60%	3.60%	3.41%	3.54%	
Regional Auxiliaries	0.3	10.1	2.85%	2.85%	2.93%	2.94%	
All Other Earnings Units	26.5	524.9	5.04%	5.04%	4.95%	5.14%	
Total	<u>\$ 90.9</u>						

(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 reimbursement policies.

Kris presented last year's overhead recovery data, totaling \$90.9 million, with athletics contributing to a portion of the \$26.5 million generated from the Other Earnings Units category. As highlighted above, the FY25 overhead rate of 5.04% reflects an increase as compared to the FY24 rate of 4.95%.

Janine Oman shared an overview on the many changes in college athletics and noted that due to the aftermath of COVID-19, the landscape of college athletics is evolving and is currently influenced by factors such as conference realignment and ongoing legal decisions impacting the NCAA.

Conference Realignment

- Highlighted the addition of four West Coast schools (Oregon, UCLA, USC, and Washington) to their conference this year.
- Discussed the implications for regular season scheduling and postseason formats, leading to increased costs associated with competing in new locations.

Legal Developments: House Case

- Explained the House case involving lawsuits against the NCAA, focusing on Power 5 conferences.
- Noted a preliminary approval by Judge Wilkins for a settlement that includes over \$2 billion in back pay damages for student-athletes from 2016 to 2024.
- Anticipated reduced NCAA distributions to institutions over the next eight years due to the settlement.

Revenue Sharing and Name, Image, and Likeness (NIL)

- Institutions will be allowed to share revenue with student-athletes, with a proposed cap of around \$23 million.
- Clarified that student-athletes are not classified as employees, but a cap system will be introduced for managing revenue sharing.
- Previous limitations on the number of scholarships per sport will be replaced by a roster cap, allowing for increased support to athletic programs.

Joe highlighted the significant changes in financial circumstances, particularly due to the pandemic, which resulted in an estimated \$64 million loss from ticket sales.

Current Financial Situation

Joe also provided an overview of the financial situation for FY24, indicating a significant operating loss and emphasizing the department's reliance on football revenue. He noted the following points:

- In FY24, the department had 6 home football games, compared to 8 in FY25.
- The revenue from a game against Notre Dame in FY23 was beneficial due to premium ticket pricing.
- The scheduling challenges for future games against high-demand teams were discussed.
- Scott Levi asked if the \$21 million debt service in FY24 was related to COVID repayment.

It was clarified that the COVID repayment is listed as a separate item and explained the significant payments made on loans, including those related to the Shoemaker facility.

Discussion on Athletics Recruiting and Related Costs

Scott initiated the discussion by inquiring about the management of the \$45 million deficit.

- Joe explained that the deficit is absorbed within the overall equity balance, offset by funds with positive equity. He emphasized ongoing collaboration with Kris and Mike P. to find long-term solutions.
- Bobby raised concerns regarding maintaining a positive equity position in athletics. Joe confirmed that the department is currently in a negative equity position and is actively working with the university to address this issue.

Future Financial Planning

- Bobby asked whether a pro forma exists for future years reflecting growth or decline in equity. Joe responded that a rolling five-year forecast is conducted and adjusted regularly based on new information, along with ongoing austerity measures to stabilize finances.
- Scott inquired about the increase in travel costs associated with the addition of West Coast schools. Joe indicated that travel projections have risen by approximately **\$2-3 million** annually.

Overhead Costs and Revenue Generation

Joe discussed the importance of optimizing revenue and reducing expenses, projecting overhead costs of **\$8.68 million** for FY25 and an additional **\$23 million** in expected expenses for FY26 due to revenue sharing with athletes.

- Scott Levi requested clarification on the components of overhead costs. Joe explained that overhead primarily includes personnel-related costs and other operating expenses.

Discussion on Cost of Goods Sold (COGS)

Joe initiated a discussion on categorizing certain costs as COGS, focusing on payments to student-athletes as necessary expenses for generating revenue. Bobby Srivastava asked about the treatment of student financial aid funded through athletics. Joe suggested that last-dollar aid for student-athletes might also be appropriate for inclusion in COGS, as it directly supports revenue generation through recruitment.

Overview of Recruiting and Related Costs

Kris introduced recruiting costs, likening them to financial aid and asserting their necessity for attracting specific student-athletes. It was proposed that these costs should be classified as COGS, which directly influences ticket sales and media revenue.

Kris explained that the costs are part of the cost of goods sold, aligning with revenue generation

Student Meal Costs

Kris Devine discussed meal costs incurred by traveling athletes, noting their unique schedules often limit access to nutritional sources. She proposed classifying these expenses as COGS to ensure athletes remain competitive. Janine Oman added that for athletes on campus, the university covers mandated meal plans, further contributing to overall costs.

The conversation shifted to team travel costs, particularly considering recent expansions. Kris stressed the necessity of these costs for athlete participation in competitions, suggesting they should also be evaluated as potential COGS. It was estimated that team travel could result in significant expenses, potentially costing **\$2-3 million** if reclassified.

Kris emphasized the need for a principled approach to cost categorization, raising critical questions about which expenses should be classified as COGS and how this impacts overhead assessments.

- **Scott Levi** questioned if the overhead currently paid by the athletics department sufficiently covers its actual costs.
- **Mark Foster** expressed concerns about the financial implications of reducing overhead and potentially redistributing costs to other units throughout the university.

Kris Devine clarified that the goal is for athletics to be self-sustaining, and accurate cost categorization is essential for achieving this.

A member inquired about the feasibility of tracking expenses categorized outside of overhead, highlighting concerns about potential increases in those costs.

Kris reassured that departments are focused on controlling expenses, noting that meal costs have already been reduced where possible. Joe emphasized the need for ongoing refinement of financial strategies and collaboration.

Conclusion/New Business: Presenter: Justin Kiefer, Chair

Justin concluded the meeting by postponing the meeting minutes approval and reminded everyone of the next meeting on October 22nd, 2024. He also mentioned the first Subcommittee meeting is on Tuesday, October 15th.

Senate Fiscal Committee Meeting Minutes

Date: November 5, 2024

Welcome and Approval of Previous Minutes: Presenter: Justin Kieffer, Chair

- Minutes from the 10.22.24 meetings were unanimously approved.

2023 Health Plan Results & 2024 Update: Presenters: Kelly Hamilton, Executive Director of the OSU Health Plan; Dr. Rob Cooper, Medical Director of the OSU Health Plan

Kelly shared the 2023 Trend Summary and noted the 2023 Total Spend as 493 million dollars (net pay) which is the actual financial obligation of the health plan which must be paid. She explained that the PMPY metric is used to standardize costs relative to membership size, accounting for a **3% increase in membership in 2023**. She provided a breakdown of spending which included the out of pocket costs, allowed amount and the net pay per employee.

Key medical trends that were observed were the following:

- **Medical Trend (6.1% Increase):** Includes increases in costs for clinician visits, hospital services, urgent care, etc. Key drivers of this increase are **rate hikes** in healthcare services.
- **Outpatient vs. Inpatient Care:**
 - Shift from inpatient to outpatient care, which has been an ongoing trend.
 - **Outpatient care** saw a significant increase in spending in 2023.
- **Pharmacy Trends:**
 - **Pharmacy Trend (21.6% Increase):** Driven by both **specialty drugs** (used for complex illnesses, requiring special handling) and **non-specialty drugs**, such as **GLP-1 drugs** used for weight management.
 - **Specialty Drugs:** Contributing to the rising pharmacy costs, with ongoing high demand, particularly for conditions like rheumatoid arthritis and Crohn's disease, which saw a **19% increase**. Non-specialty drugs, especially **GLP-1 weight management drugs**, also contributed significantly to the rise in pharmacy spend, increasing from **\$200,000 in 2022 to \$11.5 million in 2023**.

The health plan offset some of these increases through a **new pharmacy contract** in 2023, which doubled the **rebates** received, reducing the overall pharmacy trend to **21.6%**. This was slightly above the benchmark of **20.2%** for large employers. Utilization of prescription drugs increased by **4%**, but the sharpest rise in costs was due to **higher unit prices**, especially for weight management drugs.

High-Cost Members >\$100,000

High-cost members increased 7.2%, high-cost spend was not a key driver of overall trend

	2021	2022	2023	% Change
Patients	569	629	674	7.2%
Net Pay Med	95,852,631	\$102,759,483	\$112,135,298	9.1%
Net Pay Rx	30,794,826	\$35,206,065	\$42,509,452	20.7%
Net Pay Med and Rx	\$126,647,458	\$137,965,549	\$154,644,750	12.1%
% of Total Net Payments	30.3%	31.7%	31.3%	-1.1%
High-Cost Children	109	105	99	-5.7%
Admits	327	345	340	-1.4%

Top Eight Episode Conditions

Condition	# Patients*	Plan Cost
Cancer	240	\$35,706,900
Neonatal	56	\$10,539,460
Cardio	254	\$8,024,508
Neurological	160	\$7,261,298
Musculoskeletal	369	\$6,892,931
Renal Urinary	140	\$4,307,488
Hemopoietic	91	\$4,286,446
Gastro	219	\$4,249,642
Total	674	\$154,644,750

*Members are counted in more than one condition

- High-cost spend was not a key driver of overall trend
- Cancer episode costs were down (10%) for 2023 but neonatal episodes were more costly (55.5%)
- Musculoskeletal & Renal have replaced Respiratory & Neurological in repeat high-cost members
- Third party audit savings of \$1,685,578

There was a 7% increase in the number of high-cost members and a 12% increase in total spend but despite the increase the high-cost members were not a primary driver of over all trend in 2023. It was noted that the 674 members with high-cost claims represented 30% of the total spending and that there are programs in place to manage these members more efficiently such as specialized care and support that are provided to further mitigate cost increases. Although cancer is noted as the highest cost driver, there was a **\$4 million decrease** in spend compared to 2022. Neonatal claims increased by \$4 million, offsetting the decline in cancer related costs. Other significant conditions contributing to high-cost claims include cardiovascular, neurological, and musculoskeletal issues.

The health plan utilizes a third-party company with proprietary software to audit high-cost claims for billing anomalies and other discrepancies. The program saved nearly **\$1.7 million** after accounting for audit fees. To manage costs, the plan utilized a **copay program** that saved **\$7.2 million** in 2023, though its future is uncertain. Additionally, **medication therapy management** by pharmacists ensures better coordination and avoids potentially harmful drug interactions, particularly for members using multiple providers.

Overall, while the health plan faced significant increases in outpatient and prescription drug spending, strategic initiatives, such as securing better pricing and enhancing management of prescription benefits, helped mitigate some of the financial impact.

Utilization Management (UM)

UM activities continued at a steady state for 2023 as effects of COVID decreased

Utilization Management	2020	2021	2022	2023	% Change
Total Reviews	15389	17647	16796	17012	1%
Medical Director Reviews	1426	1618	1543	2100	36%
Peer to Peer Reviews	54	67	55	60	9%
Percent Reviewed	9.6%	9.5%	9.2%	15.1%	64%

- ❖ Focused UM and Enhanced Case Management (ECM) multidisciplinary, weekly care-planning meetings for ECM members in the inpatient setting
- ❖ Transfer members to in-network hospital following out-of-network ED visit and admit
- ❖ Quarterly update meetings with Harding continue to monitor growth, new programming, and access for OSUHP members
- ❖ Contracted with 3rd party Specialty Reviewer
- ❖ Implementation of CRM system to enable more coordinated and tracked communications between departments (Clinical, Customer Service, and Provider Relations)
- ❖ Collaboration with OSUMC and OSU Home Care to reduce inappropriate requests for inpatient rehab and home skilled nursing visits
- ❖ Continue to monitor all new codes for drugs and services and implement prior authorization when warranted

Dr Rob Cooper presented on Utilization Management and shared that in 2023, the team processed over 17,000 reviews, with 2,100 escalating to second-level reviews. He explained that they engage directly with physicians and nurse practitioners on complex cases, handling 60 consultations in 2023. A key 2023 initiative involved contracting with a third-party review service for specialized areas like cancer treatment and genetic testing, ensuring high-quality, cost-effective evaluations by specialists. A major success was transferring stable members from out-of-network hospitals to Ohio State University Wexner Medical Center (OSU), saving costs and ensuring better continuity of care.

In terms of metrics, the UM team has seen a steady decline in inpatient admissions and hospital stays over the past five years, with a slight rise in readmissions, which remain below the benchmark, suggesting good quality of care. Outpatient services, particularly laboratory tests and high-tech radiology (MRIs, CT scans), have increased, reflecting broader national trends. A significant challenge is the rising cost of specialty drugs, especially GLP-1 medications for weight management, which saw a sharp increase in 2024. The team is working with obesity management experts to balance cost control with effective treatment. Overall, the UM team focuses on optimizing care, reducing costs, and ensuring high-quality outcomes for members.

Dr Cooper confirmed that it will take 7-10 years before GLP-1 drugs become available in generic form, potentially lowering the price. A question was asked if using GLP-1 drugs could reduce long-term healthcare costs (e.g., hospitalizations, blood pressure medications). While data collection has started, it will take several years to assess the

full impact. There are many studies in progress, but tracking the outcomes over time is necessary. It's expected that it will take **4 to 5 years** before meaningful results are available. However, the link between obesity and negative health outcomes, which can drive higher healthcare spending, is well understood, and using GLP-1s is seen as a potential way to reduce these long-term costs.

Current Initiatives/Activities

OSUHP is focused on a number of initiatives to improve the member experience and maintain competitive cost, quality, and access to care

- ❖ Program development and implementation to **manage the cost of GLP-1 Weight Management drugs**, driving optimal clinical outcomes
- ❖ In collaboration with the Office of Human Resources and OSU Wexner Medical Center, assess **Pharmacy Benefit Manager (PBM) Model**
- ❖ **Negotiating** final year of **PBM contract** term as well as renewal term of PBM contract to achieve improved pricing
- ❖ Evaluating additional **biosimilar drug cost saving** opportunities
- ❖ **Health Equity** - Community Health Worker engaging with members; connecting our most vulnerable members to OSUHP programs and community resources to support their wellbeing
- ❖ **2025 Performance Metrics** with OSUWMC/OSUP – partnering to reduce utilization
- ❖ **Value-based care initiative** with OSUWMC/OSU, including **provider access** - One of OSU Wexner Medical Center's strategic initiatives is to "Enhance value for Ohio State Employees"

Utilization Management is focusing on several key areas to improve healthcare services while managing costs. One major initiative is evaluating a program for GLP-1 drugs that balances clinical outcomes with cost management. Additionally, the organization is working with Ohio State's Human Resources and the Wexner Medical Center to assess their current Pharmacy Benefit Manager (PBM) model, which uses Express Scripts. While they're satisfied with recent competitive bidding results, there are ongoing efforts to explore alternative models that could better control costs and improve care delivery. A major priority is negotiating the final year of the current PBM contract (2025) and exploring the possibility of early renewal for better pricing. Another focus is expanding the use of biosimilar drugs in the specialty space, offering lower-cost alternatives to brand-name medications.

In terms of provider access and care coordination, the organization is working on improving healthcare accessibility through partnerships with Ohio State Physicians and enhancing primary care access in underserved areas. New locations have opened in Gahanna and Pickerington in 2024, with more planned for 2025 and 2026. The focus is on ensuring members have timely access to care and are informed about available services. They are also tracking satisfaction and utilization metrics to improve service

delivery, with high satisfaction rates reported from members using care coordination, health coaching, and customer service.

2025 Benefits Update: Presenters: Pam Doseck, Associate Vice President of Total Awards

Planning for 2025 – Current Realities

Increasing Plan Costs

- Effect of inflation on goods & services
- Continued “correction” post pandemic
- Effective but expensive therapies and treatments

Continued Focus on the Cost of Total Compensation

- Conversations are ongoing, with expectations for aligning and optimizing resources
- Benefits need to be considered along with compensation initiatives and within the context of the broader value proposition for our faculty and staff

Addressing Affordability

- Affordability is an equity issue
- Adjusting compensation thresholds this year will benefit approximately 39% of enrolled faculty & staff
- Will continue to be a focal point of future planning

2024 Medical Plan Enrollment	
Employees	32,754
Dependents	39,068
Total	71,822



Pam Doseck, the AVP of Total Rewards in Human Resources at Ohio State, provided an update on the university’s benefits strategy, focusing on minimal changes for the upcoming year. She discussed the balance between managing costs and maintaining a competitive benefits package for employees. The university remains focused on minimizing the financial burden on faculty and staff while adjusting health plan contributions, particularly for low-income populations, through strategic compensation tier adjustments.

The total cost of Ohio State’s health plan continues to rise due to inflation and high-cost specialty medications, including weight management drugs. Pam highlighted that the university’s approach to managing benefits costs includes benchmarking against other employers, making plan design changes, and bidding out services to control spending. Despite the overall increase in healthcare costs, the university has managed to adjust compensation tiers for full-time employees. The adjustments, particularly the increase in the income threshold for lower-cost tiers, will favorably impact around 12,000 employees by lowering their contributions for 2025.

A key focus of the university's benefits strategy is affordability, especially for the lowest-income employees. Pam explained that the university’s health plan covers nearly 72,000 members, with the goal of reducing out-of-pocket costs for those in need. Adjustments to the compensation tiers aim to ensure that more employees are

eligible for higher subsidies, thus reducing their share of premiums. While the overall medical plan cost is increasing, the structure of the new tiers means that many employees will see a reduction in their individual contributions. This adjustment aims to strike a balance between the university's financial realities and its commitment to supporting employees.

One notable initiative under discussion for 2025 is a weight management support program aimed at addressing the rising costs of weight loss medications. Pam acknowledged the significant financial impact of drugs like Ozempic and Mounjaro, which have been effective in treating obesity but come at a high price. To manage these costs sustainably, the university is introducing a program that focuses not only on medication but also on lifestyle modifications and behavioral changes to help employees achieve long-term health outcomes. The program will be offered in partnership with Moda Health and Express Scripts, and it aims to be scalable and accessible to all employees, regardless of location.

Pam concluded by discussing a change to Ohio State's tuition assistance policy, which will be effective in 2025. The new policy will require employees who use the tuition benefit and then leave the university to repay the tuition assistance. The university is also considering additional changes in the future to further optimize its benefits offerings while balancing the long-term health and financial stability of the program.

Subcommittee Updates: Presenter: Justin Kieffer, Chair

Mark Foster shared updates for the Support Office Finance Subcommittee and revealed that they will be reviewing some requests from OTDI for licensed software. However, the full list of requests has not yet been received, as they are still pending and are due by November 29th. The team is awaiting these requests, and there is still some time before they are finalized. No major updates were shared, and the process is still ongoing. Steve Mentz shared updates from the Student Fee Review Subcommittee. Their first meeting had strong attendance, and the participants were reminded to submit their fee proposal by December 31st.

Justin shared that he received an email from Vice Provost Randy Smith regarding the fiscal involvement in the development and long-term financial sustainability of the Salmon P. Chase Center, particularly after its initial two-year funding period. Following discussions in the Senate Fiscal and Senate Cabinet meetings, Dr. Smith requested a representative from Senate Fiscal for a subcommittee overseeing the center's development. John Buford was appointed to represent SFC on this committee, which includes various committee chairs across the university. This group will focus on the center's progress, and John will keep the

committee informed on how it's advancing, particularly in terms of its fiscal sustainability post-state funding.

New Business: Update VP and CIO Officer Search Presenter: Kris Devine

Kris provided the group with the search committee member list and informed the group that the first meeting will be next week.

New Business: Salmon P. Chase Center Presenter: Brad Harris

Brad Harris discussed concerns about the sustainability of the Center, particularly after the state funding ends. Currently, there have been no substantive discussions within the university leadership on how to fund the Center post-state support. However, given the usual pace of university hiring and budgeting, it is not expected that these conversations will occur soon.

In terms of financials, the Center's budget for its first year was \$1.2 million. Due to delays in faculty hiring, not all positions are filled, meaning actual expenses will be lower than initially projected. The Center could eventually have up to 15 tenure-track or tenured faculty members. Using a rough estimate of \$150,000 in salary per faculty member, Brad projected the annual personnel cost for faculty is approximately \$2.25 million once fully staffed.

Based on the current funding structure, the Center is likely to have enough funding for 3 to 4 years, despite state funding being provided for just two years. There are still not many positions posted, and it is unlikely that 15 faculty members will be hired by the next academic year. The Center's initial \$10 million in state funding should cover operations for 3 to 4 years, but this remains subject to further developments. The Center currently reports to Academic Affairs, with the Executive Director answering to the Provost. Its office space is temporarily located in the John Glenn College. There are plans to secure more permanent office space as more faculty and staff are hired. However, this expense will not be significant in the immediate term, as the current office space is free of charge.

The potential cost of the new space will depend on factors like square footage per faculty and staff member and the POM (Price of Maintenance) rate applied by the university. These considerations will factor into the Center's budget as it grows.

Senate Fiscal Committee Meeting Minutes

Date: December 3, 2024

Location: Microsoft Teams

Meeting Called by: Justin Kieffer, Chair

Type of Meeting: Full Senate Fiscal Committee

Committee Members:

Justin Kieffer, Kris Devine, John Buford, Mark Foster, Clayton Richardson, Birsal Pirim, Lingying Zhao, Kim Kinsel, David Horn, Kim Young, Matt Smith, Scott Schricker, Scott Levi, Derek Hansford, Bobby Srivastava, Nathan Snizik, Durshil Doshi, Gabriel Guzman Camacho, Steven Mentz, James Woods.

Guests and Staff Support:

Katie Hensel, Lily Langley, Chad Foust, Gloria Woods, Alexandria Goolsby, Steve Pruchnicki, KJ Jariwala, Brian Clark, Kayla Adams, Kim Riddlebaugh, Amy Wheeler, Dr. James Orr, Henry Ferris.

Welcome and Approval of Previous Minutes: Presenter: Justin Kieffer, Chair

- Minutes from the 11.05.24 meeting were unanimously approved. Mark Foster questioned the accuracy of the amount of 11 million in prescription care costs, but it was found that the number was reported correctly, noting that the gross increase did not account for prescription rebates (offsetting savings to the expenses) that are reflected in the annual financials.

Autumn 2024 Enrollment Update: Presenters: Dr. James Orr, Vice Provost for Strategic Enrollment Management & Amy Wheeler, Assistant Vice Provost of Student Financial Aid

Dr Orr introduced Amy Wheeler and explained how Strategic Enrollment management is defined within the scope of the department. Strategic Enrollment Management (SEM) at the institution encompasses the holistic process of recruiting, retaining, and graduating students across all campuses, levels, and modalities. It aims to optimize net

tuition revenue, uphold academic quality, and enhance the overall student experience, while maintaining the institution’s reputation and reducing student debt.

AU 24 Enrollment Highlights:

New First Year Columbus Campus

	Autumn 2022	Autumn 2023	Autumn 2024	Difference (YOY)
Applications	71,343	76,764	79,266	+2,502
Paid Acceptance Fee	9,013	9,422	11,173	+1,751
Enrolled	7,966	7,983	9,530	+1,547

The new first-year class is the **largest in Ohio State history**.

This year, the institution enrolled its largest incoming class, consisting of **9,530** students. This intentional growth was achieved after several years of smaller incoming classes at the Columbus Campus along with declining enrollment on regional campuses. The institution remains committed to enrolling Ohio residents, with representation **from 87 of the state’s 88 counties and 71.1% of total students being in-state residents. Additionally, 8.9% of the first-year class came from 41 different countries.**

The incoming class demonstrated strong academic credentials, with **64% graduating in the top 10% of their high school class and 96% in the top 25%.** While ACT scores slightly decreased from 30.4 to 30.1, this reflects *changes in reporting methodology* rather than a decline in student quality.

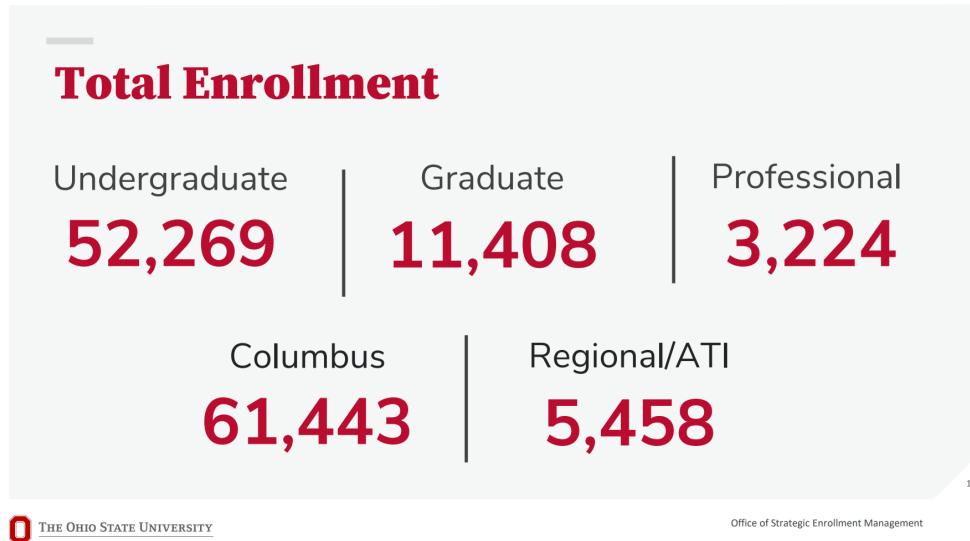
Transfer and Regional Campus Successes:

Transfer Students Columbus Campus

	Autumn 2022	Autumn 2023	Autumn 2024	Difference
Applications	4,718	4,714	5,132	+407
Paid Acceptance Fee	2,299	2,295	2,381	+79
Enrolled	1,767	1,737	1,803	+143

Amid national declines in transfer student enrollment, the institution experienced growth, enrolling **143 more transfer students than the previous year**. Regional campuses also reversed a five-year enrollment decline, showing a **14.7% increase in first-year students last year** and a **cumulative 20% increase over the past two years**. A notable 29% rise in first-choice applications for regional campuses has driven this success.

Total Enrollment and Trends:



The total fall enrollment across all campuses, and levels, is 66,901 students, reflecting a breakdown of undergraduate, graduate, and professional student populations. The focus on first-year student growth continues, but retention remains a priority, particularly on regional campuses where strategies are being refined to sustain enrollment gains.

The university continues to face a highly competitive enrollment environment, shaped by demographic shifts, increased competition, and skepticism around higher education's value. Nevertheless, data-driven strategies, innovative recruitment efforts, and the creation of the **Student Financial Success Office** led by Amy have positioned the institution to adapt and thrive.

This comprehensive approach ensures alignment with the President's strategic planning goals and supports sustainable enrollment management for the future.

Committee member John Buford asked about the yield change and if it compares to peer groups, it was noted that the yield rate as an institution was 21.5%, whereas the yield rate for the state of Ohio was less than 50%. A question was asked about the acceptance fee vs the enrollment rate compared to prior years. Dr. Orr explained that there were many challenges that students faced, such as the FAFSA changes that were difficult to explain to students and their families. He also pointed out that more families are willing to paying more in acceptance fees to allow their students to have more options when deciding on which college/university to attend. Projected changes to the

incoming New First Year Student (NFYS) cohort were presented through AU29 (FY30) along with an explanation that there is a smaller incoming enrollment anticipated, based on current internal discussion on enrollment capacity.

Undergraduate Student Financial Aid Update: Presenter: Amy Wheeler, Assistant Vice Provost of Student Financial Aid

In the past year, the university established the Office of Student Financial Success, integrating the Student Financial Aid Office and Buckeye Link under one unified structure. This consolidation has facilitated the reimagining of financial aid processes and policies, enabling a focus on the entire student life cycle—from recruitment through retention to graduation—while enhancing strategies for access and affordability.

One key initiative has been the expansion of outreach and education. In Summer 2023, the university introduced a series of educational sessions for first-year students and their families, covering topics such as financial aid basics, smart borrowing, housing and dining options, and general business processes for Buckeye students. These sessions were launched earlier in the year, beginning in March, to provide timely information ahead of acceptance fee deadlines. Additional sessions were incorporated during summer orientation to further support new students.

Strategic Enrollment Management also implemented a yield survey for Autumn 2024 student admits in order to assess enrollment likelihood and identify student/family concerns. The survey allowed students to indicate questions related to affordability, majors, and campus life. Based on survey responses, targeted outreach was conducted to address specific concerns, including affordability for Columbus campus students and direct outreach for regional campus students. This approach will be continued and refined for future enrollment cycles.

Another major focus has been the Financial Aid Optimization Project, initiated in March 2023. This project involved a comprehensive review of financial aid operations, strategy development, and iterative analysis to ensure alignment with university enrollment and affordability goals. The optimization effort emphasized supporting yield, increasing net tuition revenue, maintaining academic quality and affordability, and maximizing existing aid and scholarship resources.

Key outcomes of the Financial Aid Optimization Project include a full operational assessment, over 100 modeling scenarios for aid strategies, and analysis of potential

changes for future years. Additionally, parent and student surveys were conducted to gather insights into enrollment decisions.

Scholarship Universe

- Student Financial Aid implemented this new scholarship tool in 2020-2021 and included scholarships from SFA and the College of Engineering.
- Expansion has continued. New areas onboard for the 2025-2026 academic year include the Newark campus, College of Medicine, and additional areas within Arts and Sciences and Student Life.
- In 2024-25 aid year there was a 26.6% increase in students who completed an application in ScholarshipUniverse.
- In 2024-25 aid year, the number of scholarships awarded through ScholarshipUniverse increased from \$11.5M to \$22M.

The expansion of Scholarship Universe, the university's scholarship matching tool, has also been noteworthy. Initially implemented in the 2021 academic year, the tool now serves nearly all areas across campus, including regional campuses, professional schools, and various departments. In the past year, the number of students completing applications increased by 26.6%, and scholarships awarded through the tool rose from \$11.5 million to \$22 million.

Looking ahead, the FAFSA process for the upcoming year has improved following last year's challenges. The university plans to award financial aid to new first-year students by late February or early March. Additionally, a new net price calculator will be launched to provide a simpler, more comprehensive tool for students and families to assess potential financial aid and understand next steps in the process.

Student Access Presenter: Dr. Orr

STARS Network



 THE OHIO STATE UNIVERSITY

Rural and Small-Town Initiatives

- Bus trips bring students from underrepresented counties in Appalachian Counties in Ohio
- Joint travel throughout the U.S. with other STARS institutions
- Buckeye Bound sessions for rural and small-town students
- Phone calls to each admitted students from rural area in Appalachian counties
- Monthly webinars about admissions, financial aid and student experience
- Visits to 37 high schools in Appalachian counties
- New rural and small-town student website

Results:

- **68% (+141)** increase in admits from students attending rural high schools in 32 Appalachian counties
- **20% (+23)** increase in enrolled students attending rural high schools in 32 Appalachian counties
- **19% (+290)** increase in admits from students living in rural areas throughout Ohio

Office of Strategic Enrollment Management

32

Dr Orr explained what the STARS Network is a national consortium of universities aimed at increasing access for students from small towns and rural communities. The university's efforts focus specifically on 32 Appalachian counties in Ohio. To achieve this, they organize bus trips for students from these underrepresented areas to visit campus and experience life at Ohio State firsthand. Additionally, a student peer mentoring program connects current successful students with high schools in these regions to share their experiences. Monthly webinars on financial aid and student life further support these outreach efforts.

In the past year, Ohio State saw a 22% increase in enrollment from Appalachian counties and a **43.5% rise in applications** from these areas. This progress is made possible by targeted efforts funded through generous donations, ensuring students from rural communities have the opportunity to succeed at the institution. The focus on retention and completion extends beyond admission, with 9 out of 11 offices in strategic enrollment management supporting students throughout their academic journey.

Retention rates remain high, with the Columbus campus achieving a **94.2% retention rate and a four-year graduation rate of 72.88%**. The regional campuses also outperform other public institutions in retention, though Ohio State is working on tailored strategies to further improve these numbers.

Looking forward, the university's enrollment goals include modest increases for both the Columbus campus and regional campuses, as well as a strategic use of scholarships to reduce student debt and support institutional goals.

Subcommittee Updates: Presenter: Justin Kieffer, Chair

College Finance Subcommittee

Katie updated the College Finance Subcommittee on recent activities. The subcommittee has focused on reviewing the current budget model, addressing issues identified by FP&A, and conducting a five-year retrospective analysis of undergraduate credit hour trends.

At Friday's meeting, they will preview a proposed three-year utility rate increase from the Energy Office and continue discussing the undergraduate budget model. After the break, the agenda includes reviewing the composite benefit rate and the graduate budget model. Katie invited members to reach out for any additional information or materials needed.

Support Office Finance Subcommittee

Mark updated the group on SOFS, there was only one request for funding from ODTI.

Student Fee Review Subcommittee

Student Fee Review deadline is **December 31** for program requests, Stephen informed the group that meetings with each college/department requesting a rate change will be scheduled after the start of the new year.

New Business: Salmon P. Chase Center

John Buford provided the following update regarding funding for the Salmon P. Chase Center: The State of Ohio has committed \$5,000,000 per year, and the Subcommittee of the Council on Academic Affairs was asked for more details to be placed in their proposal which should include the faculty hiring plan and revenue projections based on credit hours taught that will generate supplement revenue for the center, beyond the 2024-2025 biennial state allocation. The CAA proposal will be reviewed and voted upon in the next week (prior to winter break).

Senate Fiscal Committee Meeting Minutes

Date: January 14, 2025

Welcome and Approval of Previous Minutes: Presenter: Justin Kieffer, Chair

Minutes from the 12.03.24 meeting were unanimously approved. Katie Hensel noted that there were still revisions to the presentation shared by Dr. Orr, the updates will be shared with the committee once shared with FP&A.

FY26 Financial Outlook: Presenters: Katie Hensel, Senior Director of Financial Planning & Analysis.

Katie explained that the Fiscal Year 2026 budget planning process is currently under development. Planning assumptions are being finalized while final Spring enrollment numbers and revenues are pending. Preliminary data from the strategic enrollment team and early revenue projections are being used to guide initial discussions.

Autumn 2024 Enrollments:

Autumn 2024 Enrollments: FY25 Plan to Actuals

Columbus Campus:

- Undergraduate NFYS cohort exceeded FY25 Plan by 1,180 headcounts, providing one-time net tuition through FY29
- Graduate enrollments out-performed FY25 Plan

Regional Campuses:

- Total enrollments, above plan
- Enrollment trends and net tuition impact are mixed

Enrollments: 15th Day	FY 2024 Autumn 2023: 15th Day	FY 2025 Plan Autumn 2024	FY 2025 Autumn 2024: 15th Day	Variance to Plan
Undergraduates: Columbus				
NFYS	7,983	8,350	9,530	1,180
Transfer & Continuing	37,745	37,291	37,285	(6)
Subtotal Columbus Undergraduates	45,728	45,641	46,815	1,174

Enrollments: 15th Day	FY 2024 Autumn 2023: 15th Day	FY 2025 Plan Autumn 2024	FY 2025 Autumn 2024: 15th Day	Variance to Plan
Graduate & Professional: Columbus & Regional				
Graduate	11,102	11,102	11,408	306
Professional	3,225	3,225	3,224	(1)
Subtotal Graduate & Professional	14,327	14,327	14,632	305

Enrollments: 15th Day	FY 2024 Autumn 2023: 15th Day	FY 2025 Plan Autumn 2024	FY 2025 Autumn 2024: 15th Day	Variance to Plan
Undergraduates: Regionals & ATI				
Lima	739	740	720	(20)
Mansfield	843	849	849	-
Marion	884	886	849	(37)
Newark	2,422	2,422	2,543	121
ATI - Wooster	462	482	493	11
Subtotal Regional Campuses and ATI	5,350	5,379	5,454	75

Enrollment trends have shown notable variances. For Columbus undergraduate enrollment, the continuing and transfer student numbers aligned closely with projections, **but the incoming TG25 cohort significantly exceeded expectations**. This larger student body is expected to provide a **one-time cash benefit** from higher net tuition through FY29, although capacity constraints limit sustained growth. To address these constraints, a new assumption of **8,350** incoming students in Autumn 2025 has been established.

Graduate and professional enrollments also surpassed planned headcounts by **305** students, primarily due to stronger-than-anticipated performance in graduate and tagged master's programs. Regional campuses presented a mixed picture, with Newark and ATI Wooster showing growth, while other campuses remain stable or show slight declines.

Columbus undergraduate and graduate enrollments exceeded expectations, providing a temporary revenue boost. However, capacity limitations and regional campus challenges require strategic planning to ensure sustained growth and financial stability where needed. Marginal budget modeling for Fiscal Year 2026 is in progress, focusing on enrollment-driven variances, rate assumptions (e.g., overhead, POM increases, and composite benefit rates), and incremental assessments.

David Horn posed a question regarding continuing student trends. Katie clarified that the trends for continuing students remain steady, with no significant changes in graduation rates, retention, or persistence. The accelerated graduations during COVID have normalized. She also explained that the projected incoming class of 8,350 for Autumn 2025 would lead to modest year-over-year growth, though smaller post-COVID cohorts graduating continue to balance the overall student population.

In terms of tuition revenue growth, it was described that the larger undergraduate cohorts provide temporary tuition revenue growth through FY29. However, this increase is **short-term** as these larger cohorts graduate and the sustained NFYS cohort of 8,350 is assumed to be the norm.

Additionally, undergraduate enrollment growth is evenly distributed across programs, while graduate growth appears concentrated in targeted master's programs. Specific program data will be provided later. Undergraduate tuition exceeded budget projections by nearly **\$30M**, largely due to the additional NFYS enrollments. Financial aid expenditures have also increased, requiring further analysis to align fiscal planning. Further data on enrollment distribution and financial aid impacts will be gathered to

refine forecasts and reconcile the fiscal plan for FY25.

FY26 Marginal Sources: General Funds Allocation (GFA)



Marginal GFA: Central Tax

- Marginal Central is forecasted to generate +\$10.2M, prior to accounting for marginal overhead.
- Provost Tax designated for academic investment.
- Taxable support unit AMCP and Strategic Assessment (Promotion & Tenure, other) forecasted to cost up to \$12.5M that with overhead can be supported with marginal central revenues.
- There is no central capacity for marginal revenue to support \$3.1M in SOFS requests.

Marginal GFA: Columbus Colleges

- Growth in GFA is not uniformly distributed to colleges.
- Marginal GFA distributes incremental shares to colleges with credit hour growth and those experiencing Indirect Cost (IDC) growth aligned with research activities.
- Colleges must balance allocation of marginal GFA across its own strategic initiatives including college AMCP, faculty compensation initiatives, start-up, academic investments, and deferred maintenance.
- Based on current spending levels, not all colleges have the capacity to absorb college investments in faculty/staff AND new university assessments.

6

Central margin for FY26 is estimated at **\$61 million**, with a **19% central tax applied**, covering AMCP increases, promotion and tenure support, and utility costs. There will be no additional central funding for continuing SOFS requests unless incremental assessments are imposed on colleges. Key uncertainties remain regarding non-resident fee authorizations, scholarship costs, and CWA contractual obligations.

Graduate / Undergraduate Enrollment Trends: Katie highlighted the **\$14 million increase** in unplanned graduate tuition revenue, noting that this does not account for fee waivers, scholarships, or departmental support. Non-resident fee authorizations alone are trending **\$6.5 million over** planned amounts. Full reconciliation of FY25 revenue will be completed in **February**, once final enrollment and financial aid data are available. The incoming undergraduate cohort for Autumn 2025 is projected at **8,350 students**. Transfers are expected at **1,850 students**, resulting in marginal revenue growth of about **\$42.7 million** for FY26. Graduate and professional programs are expected to generate an additional **\$11.4 million** in tuition growth, with program and tax fees contributing another **\$7 million**.

Subcommittee Updates:

College Finance Subcommittee Update: Birsal Pirim

The committee covered key budget topics, including the review of proposed overhead rates and evaluating adjustments to align with budget objectives. A presentation on the regional campus service charge was followed by a discussion on the graduate program budget model, focusing on resource distribution and potential adjustments. The discussion on the graduate model will continue in the next meeting on January 24th.

Katie reminded attendees about ERIK's involvement in February to address a phased increase for research funding, specifically for research-heavy colleges. The previous year's SOFS request for \$2.7 million in software and staff support for research activities was also mentioned. A question was raised about why the funding request is going through College Finance rather than Support Office Finance Subcommittee. Katie explained that while the funding request went through SOFS last year, resulting in a funding recommendation, the budget model's research assessment increase is being reviewed by CFS as the funding source for Executive Leadership's decision to fund the incremental expense.

Support Office Finance Subcommittee Update: Mark Foster

Mark advised that the January 7th meeting included a review and discussion of the SOFS funding requests submitted in December 2024. The support office funding requests for FY26 total \$4.2 million. These include a **\$2.75 million** continuing funding request from A&P for the Lyft Safe Ride program, and two Workday-related requests for **\$332,000** and **\$1.1 million** for system downtime reduction and ongoing training. Presentations for these requests are scheduled for **January 21** and **February 4**, with deliberations and a final proposal to the Senate Fiscal Committee on **March 4**.

Student Peer Review Subcommittee: Steve Mentz

The Student Fee Review Subcommittee will reconvene next week to begin meeting with the nine colleges that submitted fee requests for FY26. The first three colleges scheduled for presentations are the College of Law, the College of Pharmacy, and the College of Engineering, with additional colleges planned for subsequent weeks. The

goal is to complete all presentations by spring break, after which the subcommittee will provide recommendations.

New Business: Justin Kieffer, Chair

Proposal: Parking Endowment for Staff Employees

The committee discussed a proposal to reallocate parking endowment funds to support university staff. Currently, these funds, established by the Board of Trustees in 2012, are allocated to areas such as tobacco research, faculty initiatives, student scholarships, and sustainability efforts, but not specifically to staff. Steve, representing the University Staff Advisory Committee (USAC), presented recommendations including funding for parking cost support, lifestyle spending accounts, development grants, and employee engagement initiatives.

Key challenges were identified, including the specific contractual obligations governing the endowment's current allocation. Reallocating funds would require a Board of Trustees resolution and significant legal processes, as noted by committee members. There were concerns about how reallocations could affect other priorities, such as faculty programs and sustainability. Members also raised the potential legal complexity and the need for collaboration with the advancement and legal teams. A suggestion was made to consider a sliding scale for parking fees based on income to support staff without disrupting overall university parking revenue.

HRSD Update: Spring 2025: The committee was updated on the Human Resources' (HR's) budget, which faces a **\$6.7 million shortfall**. Committee members expressed concern about addressing HR's budget shortfall, noting the department is undergoing restructuring and reducing senior positions. Katie Hall has committed to providing Senate Fiscal with an HRSD update in late spring to include progress in becoming more efficient and addressing financial challenges. The committee emphasized the need to ensure HR remains sustainable while recognizing the broader financial constraints the university is facing.

Campus Position Control: Research Grants and Central Position Control Review

Process: Katie discussed changes to the central position control process introduced last April, which is now more focused on colleges flagged red or yellow in their financial scorecard. Units that are assigned a red or yellow status must provide additional details on the necessity of new positions and their potential financial impact. These units face more scrutiny before a requisition is approved and the position is posted. Green units

are not subject to central review but must still follow the standard requisition process. Katie highlighted some key goals to ensure positions are well-planned and do not negatively impact the unit's margin. Central review helps expedite approvals when there is clear and complete financial information. If positions are included in the Adaptive budget and margin forecasts are healthy, approvals are faster. Delays happen when financial data is missing or unclear.

Position Requests and Future Outlook: Katie noted handling **500** position requests so far, some of which are quick to review while others require more back-and-forth. The growing volume of requests due to research activity may cause delays.

Gabriel raised a concern from graduate students circulating a petition requesting increased stipends to address inflation. The petition has garnered 200 signatures and requests a stipend increase, particularly for 9- and 12-month coverage across departments. Justin acknowledged the petition but encouraged students to continue submitting concerns through the Council of Graduate Students (CGS), which is already addressing funding and support issues like Adobe Creative Cloud. It was emphasized that formal recommendations should be made through CGS for a more structured and effective approach. Gabriel will share the graduate student petition for further review.

Senate Fiscal Committee Meeting Minutes

Date: February 11, 2025

Welcome and Approval of Meeting Minutes: Presenter: Justin Kieffer

Minutes from the Senate Fiscal Committee meeting held on January 14, 2025, were unanimously approved after quorum was reached.

The meeting commenced with an in-depth discussion on the FY26 proposed composite benefit rate (CBR), overhead costs, regional campus service charge, and POM rates. All four recommendations were presented by Katie Hensel, on behalf of the College Finance Subcommittee.

Composite Benefit Rate Discussion: The composite benefit rate is determined by the Controller's Office with input from the benefits team.

A key factor discussed was the assumed **9%** year-over-year increase in medical trend expenses, which is slightly above the historical **8%** trend. Benefit rates change each September and vary by staffing classification (faculty, staff, students, and specials) and are separately calculated for the university versus health system. The two primary drivers for year-over-year changes in CBR are medical trends and salary growth assumptions. The Controller's Office calculation presents a breakdown of projected benefit costs, indicating that the actual cost for FY 2024 was **\$1.1 billion**, aligning with the FY 2025 budget. However, projections suggest an increase **to \$1.2 billion** for FY 2026, largely due to rising medical expenses. Medical plan costs alone are expected to rise from **\$430 million to \$495 million**.

CBR - Employer Contributions and Salary Increases

Employer contributions to salary increases have risen by **approximately 14%**. This represents an allocation rather than a year-over-year increase. The projected cost per FTE includes caps on employer benefits for high-dollar salaries. Guideline increases **of 3.5% for FY25 and FY26** align with next year's assumptions. Maintaining a consistent AMCP rate is crucial to avoiding confusion between AMCP and medical trends.

CBR - Medical Expense Trends

Medical expenses are rising for university and OSU system faculty and staff. Composite benefit rates for special roles and students remain flat or are declining due to minimal overall impact. Post-COVID, medical costs have increased due to higher employee numbers and per-employee costs. Historical under-recoveries have been offset by recent over-recoveries. Volatility in composite benefit rates for classified civil service roles has been managed through group mergers. As of December 31, the target balance stands at approximately **\$163.4 million**, with a minor deficit attributed to accruals.

The subcommittee deliberated on the impact of **reducing the AMCP assumption from 3.5% to 3%**, noting that this would necessitate an increase in CBR to maintain total benefit cost levels. Ultimately, after reviewing the presented data, the subcommittee found no major concerns and recommended supporting the proposed CBR for FY 2026 as presented.

A vote was conducted, with all 12 voting members approving the FY26 Composite Benefit Rate proposal.

Overhead Rate Discussion

This year's recommendation included more detailed calculations than previous years. The Controller's Office provided an extensive explanation of overhead costs, including the allocation of administrative costs across auxiliary and earnings units. A significant aspect of this discussion was the annual overhead calculations for the health system, which are translated into a fixed dollar amount rather than a percentage of revenue. The FY26 overhead recovery for the Health System is proposed to increase **from \$62.6 million to \$67.1 million**, driven by various cost factors. The subcommittee reviewed the breakdown of administrative costs, inclusive of public safety, marketing, business and finance, and operational expenses. One key driver of the increased overhead costs is the growing investment in public safety, which has been rising consistently year over year.

Projected Overhead Recovery & Athletics Rate Relief

The Controller's Office projected a total overhead recovery of **\$94.6 million** for the next fiscal year; with a marginal change in overhead collection of \$3.7 million. Due to FY26 changes in the overhead methodology that expands the allowable cost-of-goods sold (COGS), total university overhead recovery is expected to decrease by **\$2.6 million**, driven by Athletics. The subcommittee explored potential solutions to address this funding gap, but there was no unanimous support for any of the four options, initially presents. Subsequently, the subcommittee recommended holding the university's "other earnings" overhead rate flat in FY26 while the Controller's Office reviewed and proposed changes to the annual overhead rate methodology to align with an activity-based cost allocation. Any remaining FY26 overhead collection shortfall, associated with the change in allowable cost of goods sold (COGS) should be funded centrally with one-time cash provided by the university.

It was noted that in FY26 while Athletics will realize a decline in total overhead expense, it is important to remember that the overhead rate charged to Athletics will remain unchanged. The change in the overhead methodology, effective in FY26, will increase the cost-of-goods sold (COGS) offset reducing the net revenue for which the overhead rate is charged.

The FY26 Overhead Rates were put to a vote, with eleven (11) committee members approving the change.

Regional Campus Service Charge & Overhead Calculation

The regional campus service charge follows the same principles as overhead calculations but applies specifically to regional campuses. The key components of this charge include insurance, facilities planning, central administration, academic

administration, student services, and library expenses. After a thorough discussion, the subcommittee recommended lowering the service charge from **4.45% to 4.15%**.

The FY26 Regional Campus Service Charge was put to a vote, with eleven (11) committee members approving the change.

FY26 POM Rates: Utilities, Maintenance, Custodial, and Deferred Maintenance

Lastly, Katie presented the College Finance Subcommittee's FY26 POM rate recommendation including each of the following components:

POM Utilities: Energy Office Proposal for Increased POM Rates

A **7.5% annual increase over three years** is proposed to Physical Plant Assessment (PPA) charges assessed to general fund space (via GFA assessment), and earnings space. The three-year requested rate increases of 7.5% will result in \$20 million of incremental PPA and will cover gas, electricity, and deferred maintenance projects. A key concern raised by the Energy Office was the significant increase in direct bill utility rates, which have risen 58% over five years, whereas POM rates have increased only **22%** in the same period. While alternative funding sources were considered, the subcommittee concluded that cost recovery must align with actual expenses. The College Finance Subcommittee recommended a one-year **7.5%** increase while requesting that the Energy Office: (1) return annually to report on utility revenues versus expenses; and (2) collaborate with Administration & Planning's Space Committee to explore cost-saving measures tied to the university's space footprint.

POM Maintenance and POM Custodial Cost Increases

The Facilities Operations and Development (FOD) team outlined increased costs due to personnel expenses, union contracts, and restructuring. Proposed budget adjustments included a **\$1.68 million increase** in maintenance costs and a **\$925,000** increase in custodial costs, primarily driven by third-party contracts and negotiated union contracts that resulted in wage increases that exceed AMCP. As requested by the subcommittee, Financial Planning & Analysis was asked to confirm the calculation of above AMCP increases tied to the POM compensation requests for both the maintenance and custodial rates.

POM Deferred Maintenance Increases

In addition to requesting an increase to the utilities, maintenance, and custodial POM rates, Administration and Planning (A&P) requested a \$2.0 million increase in POM funding to support a new university building demolition fund. While the

recommendation from A&P suggests an overall return on investment (ROI) from starting a demolition fund, the College Finance Subcommittee did not recommend increasing the base POM rate by the requested \$2.0 million.

As presented to the full Senate Fiscal Committee, the subcommittee recommended approving:

- A one-year **7.5%** utility rate increase
- Approving FP&A approved compensation increases, above AMCP, for maintenance and custodial costs.
- One-time central funds be used for building demolitions instead of establishing a permanent budget increase.

It should be noted that while there were 11 voting members present, only 8 members voted to approve the FY26 POM recommendation. The Chair requested that the discussion and final vote be tabled until the next Senate Fiscal Committee meeting.

New Business and Action Items:

Budgetary Sustainability & Future Planning

Concerns regarding long-term financial stability were discussed, particularly in light of rising costs and limited revenue growth. Future discussions will focus on implementing shared services models, reducing low-enrollment programs, and ensuring the sustainability of increasing costs in higher education.

Action Items

1. Finalize AMCP and composite benefit rates by the end of the month.
2. Conduct a detailed cost breakdown for energy expenses before approving further POM rate increases.
3. Establish a workgroup to review overhead recovery methodologies and propose adjustments.
4. Schedule discussions on professional fee review and student feedback integration.
5. Monitor NIH indirect cost rate developments and their impact on university finances.

Senate Fiscal Committee

March 4, 2025

MS Teams

Meeting called by: Justin Kieffer, Chair

Type of meeting: Senate Fiscal Committee

Agenda Item: 2/11/25 Meeting Minutes Approval

Presenter: Justin Kieffer

- Kieffer asked if there were any additions or corrections to the minutes from the February 11th meeting. With no edits suggested, the minutes were approved by a unanimous vote.

Agenda Item: CFS Recommendation: POM Rate Recommendations

Presenters: Katie Hensel

- Katie Hensel provided an overview of the POM (Plant Operations and Maintenance) FY26 rate recommendations advanced to Senate Fiscal Committee (SFC) from College Finance Subcommittee (CFS). The discussion included a review of the College Finance Subcommittee's recommendations and the financial impact of the proposed POM rate changes. Katie explained that the initial recommendation suggested an aggregate POM increase of up to \$9.3 million. However, after a detailed review by Financial Planning and Analysis (FP&A), the revised recommendation reflects an increase of \$8.6 million based on a review of historical CWA salary increases. This revision was based on updated financial planning assumptions and a thorough evaluation of the funding requests.
 - **Utilities:** A 7.5% increase in utilities funding was proposed, which was noted as one of the higher increases in recent years.
 - **Maintenance and Custodial:** Increases of 3.3% and 3.1% respectively were proposed for maintenance and custodial services.

- **CWA Contract Increases:** Adjustments were made to align with a 3.5% AMCP (Annual Merit Compensation Program) rate, reflecting executive leadership decisions.
- The discussion also covered the different rates for earnings units, which pay lower rates as they are responsible for their own deferred and preventative maintenance. Hansford raised a question about the potential impact of proposed NIH indirect cost caps on the POM rates. Katie acknowledged that discussions on this topic had not yet occurred but noted that changes in IDC (Indirect Costs) would affect various university components, including facilities and libraries, with discussions to be addressed as ERIK and the university learn more about actual research funding changes. Absent any other questions, the recommendation was put to a vote, and the FY26 POM rate recommendations were approved by the voting members present.

Agenda Item: SFRS Recommendation: Student Fee Changes

Presenters: Scott Schricker

- Scott Schricker was introduced as the new chair of the Student Fee Review Subcommittee, taking over from Steve Mentz. Scott will handle the review requests for student fees moving forward. Scott presented the subcommittee's recommendations on various fee requests from different colleges. Each request was reviewed based on criteria such as affordability, benchmarking, and student feedback. The recommendations included fee adjustments for the College of Business, Dentistry, Engineering, Law, Medicine, Nursing, Optometry, Pharmacy, and Veterinary Medicine. The Veterinary Medicine fee increase was approved with reservations due to concerns about student feedback and communication. Based on the recommendation from the Student Fee Review Subcommittee (SFRS), the following student fee changes were reviewed, discussed, and approved by the members present:
 - **College of Business:**
 - Approved a fee reduction for the specialized master finance program, extending it to three semesters.
 - Approved an increased fee for the partnership with the Korean Advanced Institute of Science and Technology program.
 - **College of Dentistry:**
 - Approved a 5% tuition increase across all ranks.
 - Approved a 2% education support fee increase for all ranks.
 - **College of Engineering:**

- Approved tuition for two new online programs: Masters of Applied Aeronautics and Masters of System Engineering.
- **College of Law:**
 - Approved a 2.5% differential tuition increase for JD and Master of Law students. 6
 - Approved a differential tuition charge for new certificate programs in business law and compliance and health law.
- **College of Medicine:**
 - Approved a 2.5% tuition increase for the genetic counseling graduate program. 8
 - Approved changes for the physical therapy and occupational therapy programs, including reducing out-of-state tuition, increasing in-state tuition, and changing course fees to annual program fees.
 - Approved a new course fee for the Masters in athletic training.
- **College of Nursing:**
 - Approved an increase in the program fee for all graduate programs except the certified registered nurse track.
- **College of Optometry:**
 - Approved a 2% differential tuition increase for all ranks.
- **College of Pharmacy:**
 - Approved a 3.5% differential tuition charge for all ranks.
- **College of Veterinary Medicine:**
 - Approved a 5% differential tuition increase for all ranks with reservations due student feedback, the timing of gathering student feedback, and a focus on revenue during the presentation without a significant focus on expense containment.

Agenda Item: OTDI and Adobe Creative Cloud

Presenters:

Justin Kieffer

- SFC Chair Justin Kieffer provided additional detail to the group regarding recent decision-making surrounding OTDI and various software applications, including Adobe Creative Cloud.
- The Adobe Creative Cloud licenses were initially funded by the university for 30,000 licenses as a replacement for the digital flagship program. However, the Provost later announced there was no funding for these licenses. Ginger Breon and the Office of Academic Affairs (OAA) decided to split the cost, with half funded by OAA and the other half by the colleges. This arrangement lasted for three years. After the three-year period, some college SFOs indicated insufficient usage, leading to the termination of the university-wide purchase of Adobe

Creative Cloud licenses on August 1st. The responsibility for purchasing licenses was then shifted to individual units. Before the change, there were 23,000 active users of Adobe Creative Cloud, which dropped to 5,000 after the university stopped funding the licenses. The university switched from Box to OneDrive due to unsustainable increases in Box's licensing fees. After the contract with Microsoft was signed, Microsoft changed the storage limits, causing significant issues, especially for graduate students.

- The university President and SVP of Administration and Planning Chris Kabourek decided to fund Adobe Creative Cloud through FY26. However, the future funding beyond that period remains uncertain. There was a lack of outreach by OTDI to Senate Fiscal and other relevant committees regarding these decisions, leading to concerns about the decision-making process and its impact on the university community. Mark emphasized the need for better communication and involvement of Senate Fiscal in the decision-making process to avoid such issues in the future. Kris Devine clarified that Nathan Andridge from purchasing does not make software decisions in isolation. His role is to negotiate the best prices from vendors. She highlighted that leadership turnover and the rapid increase in software prices contributed to the challenges faced in the past year. Kris assured that there is an ongoing effort to streamline the software purchasing process and involve stakeholders to ensure better decision-making.

Agenda Item: Student Feedback within Student Fee Reviews

Presenters: Justin Kieffer

- The discussion emphasized the importance of student feedback in the fee review process. It was noted that students should have a voice in understanding and providing input on fee increases, as they are directly impacted by these changes. The existing guidelines for student feedback were presented and reviewed. These guidelines require feedback to be gathered and submitted by December 31st to ensure timely review and deliberation by the Student Fee Review subcommittee.
- There was a discussion on how to handle feedback for fee changes that affect incoming students who are not yet part of the program. It was suggested that feedback from alumni or current students could be used in such cases. Gretchen Gombos suggested that clearer guidelines are needed to specify when feedback is necessary, especially for new programs or changes affecting only incoming students. Scott Schricker highlighted the need for accountability and transparency in the feedback process, ensuring that all applications are complete with the necessary feedback before being considered. It was agreed that the guidelines should be strictly enforced, and units should be informed well in advance about the requirements to ensure compliance. There was a suggestion to include

information on how many students are paying out-of-state tuition after the first year, as this could impact the review process. Gabriel Guzman Camacho raised a point about the need for guidelines to help students understand how to participate effectively in feedback sessions.

- Justin Kieffer proposed working on updating the feedback guidance document and bringing it back for review in the next meeting.

Agenda Item: NIH Indirect Cost Rate Developments

Presenters:

Justin Kieffer

- The discussion centered around the potential impact of proposed changes to NIH indirect cost (IDC) rates, which could significantly affect the university's research funding and operations. The uncertainty about the implementation and specifics of these changes was a major concern. Kris Devine mentioned that there is no clear information on when or if the new IDC rates will be implemented. The university is preparing for various scenarios, including potential reductions in IDC recovery.
- Katie Hensel explained that IDCs are a significant part of the general fund allocation for colleges. The funds are used for various purposes, including supporting research infrastructure and operations. The potential reduction in IDC rates could create a substantial financial gap. The university is taking steps to understand the current landscape and prepare for potential changes. This includes updating the F&A (Facilities and Administrative) rate, which is negotiated with the federal government every five years. The last update was in 2019, and the next is scheduled for 2026. Kris Devine emphasized the need for colleges to understand their research portfolios and IDC allocations. This understanding is crucial for making informed decisions and preparing for potential funding changes.
- Scott Schricker highlighted the importance of transparency in how IDCs are allocated and used within colleges. He suggested that understanding the flow of funds and the impact of potential cuts is essential for making fair and informed decisions. The discussion acknowledged that the proposed changes could have wide-ranging implications, affecting not only research funding but also compliance structures and other essential operations. The university is working to identify and mitigate these risks.

Meeting called by: Justin Kieffer,
Chair

Type of meeting: Senate Fiscal Committee

Agenda Item: 3/4/25 Meeting Minutes Approval

Presenter: Justin Kieffer

- Kieffer asked if there were any additions or corrections to the minutes from the March 4th meeting. With no edits suggested, the minutes were approved by a unanimous vote.

Agenda Item: Support Office Subcommittee (SOFS) Recommendations

Presenter: Mark Foster

- **Software Assessment:** Mark explained the essential services and software tools provided by OTDI via Site Licensed Software, including Microsoft 365, Adobe products, SQL Server, SPSS, SAS, and Qualtrics. The average annual increase over the last 10 years has been 4%. Managed services include Buckeye Learn, enterprise document management, electronic signature (DocuSign), Qualtrics, and Microsoft OneDrive. The projected cost is roughly \$1 million. The Provost reversed the cut to Adobe site licenses and cover the necessary costs from central reserves through FY26. The committee voted electronically on the site licensed software and managed services. SOFS approved the requested funds as presented.
- **Lyft Ride Smart Program:** The Lyft Ride Smart program is a successor to the OSU Safe Ride Shuttle program, providing subsidized rides for students within a specific area around campus from 7:00 PM to 7:00 AM. The program aims to enhance student safety and has been popular among users. The program requested \$2.75 million in continuing funds for FY26, with an existing GFA allocation of \$250,000, totaling roughly \$3 million. The committee discussed the justification for this funding, noting a 35% increase compared to the previous year. The committee expressed concerns about the lack of data supporting the program's safety impact. While the program is popular, it was unclear if it effectively meets its safety objectives. The program had approximately 400,000 rides in FY23, with projections for increased ridership in FY25 and FY26. However, the committee found the projections confusing and lacking detailed justification. The subsidy per ride was previously reduced from \$6 to \$4, and there were discussions about increasing it again, which would significantly impact the overall cost. The committee suggested exploring alternative funding models, such as negotiating discounted rides with rideshare services or considering broader transportation needs for students outside the current ridership area. SOFS ultimately ranked the funding request as low priority, with four members rating it low and one rating it medium.
- **Workday Training Positions:** The request for Workday training involved a little over \$1,000,000 in one-time cash to support staff members in OHR, ERIK, and the Wexner Medical Center. These staff members are primarily responsible for training, communication, and support operations.

related to Workday implementation. The committee received position descriptions for many of the staff members. Some

descriptions fit the role of training and support, while others did not seem to align with these responsibilities. SOFS had concerns with respect to why, five years into Workday implementation, there is still a need for cash funding for these positions. The committee questioned whether these positions should be phased into the units' budgets if the system is so complex that ongoing training is required. It was noted that many other units also deal with Workday without receiving additional cash support, leading to less leniency in providing cash to these specific units. Based on these concerns, the committee rated this request as low priority. Katie mentioned that last year's recommendation included a suggestion for ERIK to absorb these positions within their budget, given the significant investment they received. This context was considered in the current recommendation. The committee felt that these positions, while potentially justified, should not rely on year-to-year cash funding and should be integrated into the units' budgets. SOFS rated request low.

- **Workday Success Plan:** The request was for \$332,000 in recurring funds to upgrade and replace the current support contract with Workday. The new plan, called Accel Plus, includes enhanced Technical Support and a 99.5% service level agreement uptime. One major difference between the current plan (Platinum Plus) and the new plan (Accel Plus) is the inclusion of a Technical Account Manager (TAM) who can be contacted directly for support. The need for the upgrade was justified by the perceived discrepancy between the university's definition of downtime and Workday's definition. The TAM is expected to help resolve issues more efficiently. The committee expressed concerns about whether the TAM would effectively resolve the discrepancy in uptime definitions and whether the cost was justified. SOFS recommended the request as a medium priority, with one member rating it as low priority. There was a discussion about whether internal savings or vacancies could cover the cost, but it was not directly addressed in the context of this request
- **Vote:** Senate fiscal voted unanimously to approve the SOFS requests at the proposed priority levels as presented by SOFS.

Agenda Item: Budgetary Process Update

Presenter: Katie Hensel

- Katie Hensel provided an update on the ongoing review of the budget model, which is expected to be completed by the end of next week. The review aims to ensure that funding continues to flow on an as-earned basis.

Agenda Item: SFC Chair Elections

Justin Kieffer

Presenter:

- Justin Kieffer mentioned the need to select a new chair for the next fiscal year and encouraged members to consider running for the position.

Agenda Item: Future Meetings
Katie Hensel

Presenter:

- Katie Hensel is finalizing the location for a future in-person meeting with assistance from Gloria Wood. They plan to have a live feed for remote participants but encourage in-person attendance. More information forthcoming.
- The next meeting is scheduled for April 8th, with HR SVP Katie Hall presenting on the 22nd, along with updates on the parking endowment and energy.

Senate Fiscal Committee

April 8, 2025

Student Union/ Sphinx Centennial
Leadership Suite & MS Teams

Meeting called by: Justin Kieffer, Chair

Type of meeting: Senate Fiscal Committee

Agenda Item: 3/25/25 Meeting Minutes Approval
Justin Kieffer

Presenter:

- Kieffer asked if there were any additions or corrections to the minutes from the March 25th meeting. The attendance list was updated, as requested by select members. With no additional edits suggested, the minutes were approved by a unanimous vote.

Agenda Item: College Finance Subcommittee
Hensel

Presenter: Katie

- **Budget Model Review:** Katie provided an overview of EAB Framework best practices and a review of the budget model, noting that the budget is evaluated every five years. The most recent review was conducted during the 2018–2019 academic year. The current review, covering the 2024–2025 period, includes an analysis of revenue allocations aligned with “as earned” principles. It also incorporates data on general education from Autumn 2021 through Autumn 2024, Ohio State’s online growth strategy, and efforts to optimize Undergraduate Student Financial Aid (SFA).
- **OSU Budget Model Analysis:** A comprehensive review of the undergraduate and graduate allocation and assessments were undertaken by the subcommittee, as detailed below.
- **Undergraduate Revenue Allocations**
 - **Tuition:** Undergraduate tuition revenues, inclusive of the instructional and non-resident surcharge components, are currently allocated to units based on a single

calculated effective rate. Tuition is distributed based on the prior 2-year average credit hours aligned with the college of instruction. All tuition revenues are subject to the Central Tax (19%) and Provost Tax (5%). Allocation of tuition revenue is offset by either the Student Services Assessment 1 (charged against in-person credit hours and used to support undergraduate student aid) or the online distance education assessment (charged against online credit hours). The subcommittee's review of the current undergraduate tuition allocation focused on the use of a blended effective rate for distributing non-resident surcharge revenue to all credit hours, including for distance education programs whose students are never assessed

the non-resident surcharge. To ensure alignment with as earned revenue allocations, further review of the current tuition allocation was recommended by FP&A. Namely, the subcommittee considered if OSU should establish two tuition effective rates that align with tuition revenues "as earned"? Separate rates would differentiate tuition revenues earned by students enrolled on-campus versus online.

- **State Subsidy (SSI):** Undergraduate subsidy revenues are allocated based on 13 weighted effective rates derived from the State Share of Instruction's (SSI) undergraduate, model costs. This allocation of state subsidy revenues, by model, is distributed to colleges using the historical two-year average completed credit hours. Like undergraduate tuition, college subsidy allocations are assessed the Central Tax, Provost Tax, and Distance Education Tax, when applicable. The undergraduate SSI funding follows student course completions, and the use of prior-year averages aligns with EAB's best practices for enrollment smoothing and support of high-cost majors. Based on the subcommittee's review, there are no recommended changes to the budget model allocation of undergraduate SSI.
- **Undergraduate Assessment:** The Student Services Assessment 1 is charged per credit hour to in-person credit hours to recover costs that support the operations of the Student Financial Aid (SFA) Office and fund undergraduate institutional aid. The subcommittee members reviewed a comparison of college SSA1 assessments versus institutional aid awarded to students in each college. As part of the review, it was noted that \$5.5M of SSA1 revenues support financial aid for students enrolled in graduate professional programs. Since professional credit hours are not assessed for SSA1, but benefit from institutional aid funding, the subcommittee was asked to consider evaluate and consider if it was appropriate to use SSA1 recovered from undergraduate credit hours to fund professional student aid (\$5.5M)?
- **Graduate Revenue Allocations**
 - **Tuition:** Graduate tuition revenues are currently allocated using a blended effective rate, distributed to colleges based on the historical two-year average credit hours based upon college of instruction. Graduate tuition is allocated based on the following categories: Traditional Graduate Pool, Tagged Masters, and Professional. These revenues are also subject to the Central Tax (19%) and Provost Tax (5%). Allocation of the graduate tuition revenue (for traditional and tagged masters, only) is offset by either the Student Services Assessment 2 (charged against in-person credit hours) or the online distance education assessment (charged against online

credit hours). While there are no concerns with the allocation methodologies for Tagged Masters or Professional tuition, the subcommittee reviewed concerns with the allocation of Traditional Graduate Pool tuition. Most notably, there are concerns with the allocation of the graduate pool when comparing tuition as earned to the budget model tuition allocations, by program. Discussion points for evaluating the Traditional Graduate Pool revenue distribution include:

- Which programs should be included in the Graduate Pool? Currently there are four programs included, with a request to have the Master of Public Health added to the graduate pool.
 - What principles should be used to determine which programs should be included in the Graduate Pool?
 - Should separate effective rates be calculated to allocate revenues based on student location (i.e., on-campus versus online). Katie discussed the implications to the online distance education tax should separate effective rates be calculated for instructional versus non-resident surcharge.
- **State Subsidy (SSI):** Katie explained that graduate subsidy revenues are allocated based on 13 weighted effective rates derived from the State Share of Instruction (SSI) model costs. This allocation of state subsidy, by model, is distributed to colleges using the historical two-year average completed credit hours and is subject to the same taxes applied to current graduate tuition revenues. The graduate SSI funding follows student course completions, and the use of prior-year averages aligns with EAB's best practices for enrollment smoothing and support of high-cost majors. Based on the subcommittee's review, there are no recommended changes to the budget model allocation of undergraduate SSI. Finally, Katie provided a reminder to the 60-40 transition, whereas the tuition vs. SSI components, previously held at a 60%/40% share, respectively, are transitioned gradually to as-earned (roughly 80%/20%, respectively) through FY28.
- **Graduate Assessments:**
 - **Graduate Assessment (SSA2):** The SSA 2 assessment is recovered as a per-credit-hour charge applied to all in-person programs participating in the traditional graduate pool, as well as most—though not all—tagged masters programs. This assessment helps recover funding to support the operations of the Graduate School, graduate fellowships, and the reimbursement of non-resident fee authorizations. The last comprehensive review of the SSA 2 assessment took place in fiscal year 2016 to consider if some graduate programs should be exempted from the assessment. Executive Leadership decided not to provide any waivers or exemptions at that time. Currently, there are four programs that are seeking SSA2 exemptions that the subcommittee considered as part of the budget model review. Please note that exemptions from SSA2 would **not** exempt units from supporting graduate school operations. Budget model questions considered by the subcommittee include:
 - Should we evaluate what graduate programs are assessed SSA2? If so, what are the principles to consider when assessing SSA2?
 - Should non-resident fee authorizations expensed to restricted development and current use gift sources be reimbursed?

- Should units receive the non-resident fee authorization reimbursement when they do not participate in the SSA2?
- **Research Assessment ERIK Request:** The current Marginal Research Assessment recovers funding to support unit guidelines, which are linked to the annual AMCP and Composite Benefit Rate changes for existing staff in ERIK who support sponsored research. Annual SOFS investment requests approved by executive leadership are funded above these support unit guidelines. The Marginal Research Assessment is allocated to individual colleges and units based on their relative share of Modified Total Direct Costs (MTDC), using the most recent actuals. In FY2024, ERIK submitted a request to SOFS to tie the Marginal Research Assessment to the percentage change in total university Indirect Cost (IDC) revenues. For FY2026, the Marginal Research Assessment amount is \$4,086,717. Executive leadership gave early approval to ERIK's funding request for \$2,719,537 (above calculated support unit guidelines) to invest in operating the Office of Sponsored Research along with other departments that support the university's research infrastructure. It was noted that, in an environment (such as today) with projected declining IDCs, the current model holds ERIK's GFA increasing, at least by support unit guidelines, while colleges are allocated the full decline in IDC resources. The subcommittee considered the following questions:
 - As the university's research activities change, should the Research Assessment scale with IDC changes?
 - What are the principles to consider when considering what % of IDCs should be designated for ERIK?
- **College Finance Subcommittee Survey:** Survey results were presented, and available for review on slides 23-33, as linked here: [2. CFS Budget Model Slides.pptx](#)
- **The appendix includes supplemental information reviewed by the subcommittee, as detailed below:**
 - **60-40 Transition** An update was provided on the 60-40 transition to an "As Earned" model with financial impact presented, by college.
 - **Credit Hour Analysis, before and after the implementation of the GE Bookends:** It was noted that isolating the impact of the General Education (GE) change to credit hours and undergraduate budget-model allocations is challenging. Changes in undergraduate credit hours since Autumn 2020 have been influenced by several factors, including the size of incoming NFYS and transfer cohorts, the GE redesign, and the introduction of new course offerings, such as the GE Bookends.

- **Agenda Item:** Student Fee Review Committee Update **Presenter: S. Schricker**
- **Student Feedback Guidance:** The committee reviewed the "Student Feedback Guidance" for proposed changes to existing student fees in Graduate and Professional programs for the 2026–2027 academic year. It was noted that any college or regional campus intending to

alter current fees is required to seek student feedback prior to review and final approval of rate changes by the Student Fee Review Subcommittee (SFRS). This process, outlined in the student guidance, consists of a synchronous information session and a digital survey distributed to all impacted students. The information session should be solely focused on the proposed fee change and include participation from college fiscal staff along with a student aid professional (if available) to provide guidance on financial assistance options. The session can be held in-person, virtually, or in a hybrid format, with all students invited to attend voluntarily. Following the session, a Qualtrics survey can be used to gather feedback from a broad range of students—not limited to student leadership—on their understanding of the proposal, its implications, and how it would affect them personally. While a minimum participation rate is not required, all feedback collected should be documented and submitted as part of the final fee change application by December 31, 2025. A two-week grace period is allowed for submitting student feedback, with a strict deadline of January 15, 2026. It was also clarified that fee proposals related to new programs or those impacting only future student cohorts were exempt from these requirements (i.e., future student cohorts need not be surveyed or provide feedback). The committee emphasized the importance of completing the student feedback process in full to ensure that proposals would be eligible for review during the current cycle.

- Scott shared the Student Fee Review Subcommittee’s student feedback guidance, to be implemented as part of the 2025-2026 SFRS review process.
- The guidance was reviewed, with a recommended edit to the guidance, emphasizing the requirement that colleges provide a fee notification to incoming students.
- The Senate Fiscal Committee voted unanimously to adopt the amended student fee guidance. The final student fee guidance, as approved and including the edit, is available on Teams, linked here: [3. Student Feedback Guidance--proposed draft edits for FY 27 srs.docx](#)

Agenda Item: SFC Chair Nominations
Kieffer

Presenter: Justin

- Justin Kieffer mentioned the need to select a new chair for the 2025-2026 fiscal year and encouraged members to consider running. Nominations for the position, or those with questions about the responsibilities of the position, should contact Justin.

Senate Fiscal Committee

April 22, 2025
MS Teams

Meeting called by: Justin Kieffer, Chair

Type of meeting: Senate Fiscal Committee

Agenda Item: 04/08/25 Meeting Minutes Approval

Presenter: Justin Kieffer

- Justin Kieffer asked if there were any additions or corrections to the minutes from the April 8th meeting, with no additional edits suggested, the minutes were approved by a unanimous vote.

Agenda Item: HRSD Update

Presenter: Katie Hall & Lisa Plaga

- Katie Hall provided an overview of the Human Resources Service Delivery (HRSD) model, focusing on ongoing budget challenges and the implementation of a zero-based budgeting (ZBB) review initiated in October 2024. ZBB requires that all expenses be justified from a "zero base" each budget cycle, ensuring allocations are based on necessity and efficiency rather than historical spending.
- Lisa Plaga delivered a detailed analysis of the HRSD model, from inception, including a review of cost allocations and the cumulative impact of central cash infusions over the past five years. From FY21 to FY25, approximately \$20 million in central funding was infused into the model to mitigate ongoing deficits, which originally projected \$12 million in cumulative savings. However, the actual budget trajectory diverged due to several unanticipated factors alongside missed efficiency targets, as excerpted below:

Cumulative Central Cash Infusions

- Over the past 5 years there has been a growing gap that is expected to accumulate to approximately \$20 million from FY21 to FY25.
- The model:
 - Projected a cumulative savings of \$12 million over the 5 years.
 - Did not take into consideration AMCP salary and benefit increases.

Explanation	Model Impact (in thousands)
AMCP, including benefits	\$4,800
Net Position Changes	\$5,300
Net Position Reclasses	\$5,600
Equity and Market Increases	\$5,300
Supplies and Services increases due to changes in market conditions	\$600
Total	\$21,600

- Key drivers of expense growth included salary and benefit increases aligned with the Annual Merit Compensation Process (AMCP), position changes (including eliminations, additions, promotions, and reclassifications), equity and market adjustments, and inflationary increases of supplies and services costs. The model originally planned to cover inflationary increases and AMCP with efficiency savings, for which have not been realized, contributing to the increasing gap..
- For FY25, the HRSD allocation (charged to OSUWMC and university colleges and support units) is projected at \$33.9 million, requiring central cash to bridge the existing funding gap between revenues and expenses (currently projected to be > \$6.0M in FY25).
- After reviewing the current HRSD funding model, Lisa is considering a change to the model. Based on the proposed which includes a fair allocation among full-time equivalents (FTEs), the university's share is expected to increase by \$2.6 million, while the College of Medicine will see a \$2.6 million decrease. These adjustments reflect a refined methodology and a more equitable distribution of costs. If the changes are implemented, the university's central funding gap increases to > \$9.2M based on the FY26 Plan.
- Recommendations were made to update the model to more accurately reflect current operational realities. One key recommendation involves redefining the Wexner Medical Center to explicitly include the health system, College of Medicine, and Health Sciences. Additionally, \$2.5 million was removed from the 2023 model to correct previously unaccounted allocations.
- Lisa also addressed the distinction between pooled and direct cost allocations. She emphasized the importance of developing a sustainable model that applies costs fairly

based on FTEs, pooled resources, and consumable/direct costs. Visuals were shared to illustrate the impact of various allocation strategies on colleges, regional campuses, and support units. The committee discussed the need to maintain essential support levels and explored the feasibility of direct costing for specialized funding needs.

Summary of HRSD Recommendations:

1. Redefine Wexner Medical Center: Clearly define the Wexner Medical Center to include the health system, College of Medicine, and Health Sciences.
2. Update Model: Adjust the HRSD model to accurately reflect current costs and allocations; determine which costs must be reduced and which allocations/revenues must be increased to close the gap
3. Expense Considerations: Account for AMCP salary and benefit cost increases, inflation, and other market conditions.
4. Pooled vs. Direct Costs: Evaluate and implement a fair allocation methodology, distinguishing between pooled and direct costs.
5. Sustainable Model: Develop a sustainable model that ensures equitable distribution of costs based on FTEs.
6. Transparency: Maintain transparency in the process and engage with the HR advisory group for further analysis and recommendations.

Agenda Item: Annual OSEP Update

Presenter: Scott Potter

- Scott Potter provided an update on energy management, focusing on utility outages, reliability, and energy efficiency improvements. The annual targets for utility outages were met or exceeded in FY24, with electricity availability at 100% despite one minor, very brief outage and chilled water outages at a record low of 4. Energy efficiency improved by 14.9% in FY24, aiming for 25% by 2027.
- Scott explained the commencement of new capital projects has slowed, with only 14 new projects started in FY24. Capital projects approved totaled \$40 million, including the Combined Heat and Power Plant (CHP) which is expected to be online in 2026. He detailed the utility fee structure, with the FY24 utility fee totaling \$125 million. The fixed fee started at \$45 million and escalates 1.5% annually, while the variable fee is based on capital investments. The O&M fee is a pass-through cost, capped at a 3.5% increase annually.
- Scott highlighted the anticipated savings from the CHP plant, projected at \$10-15 million annually in purchased power and an additional \$5-10 million in capacity savings. He noted the importance of forecasting utility rates and the impact of the CHP plant on future savings.

Agenda Item: Parking Endowment Update Bioarski-Markle (A&P)

Presenter: Tom Holman & Susan

- Susan Bioarski-Markle and Tom Holman presented the annual parking endowment update. The endowment value was \$693 million as of June 2024, with distributions totaling \$27 million in FY24. Faculty and research initiatives received \$200 million, supporting

discovery-themed faculty hires. Student scholarships totaled \$83 million, including 36 new Eminence Fellows and 117 undergraduate research apprenticeships. The Arts District Development received \$50 million, with \$4.4 million for internal loan payments. Transportation and sustainability expenditure amounted to \$8.1 million, supporting the CABS transportation system and parking concession costs.

- Susan provided information on CampusParc's sustainability initiatives, including a posted sustainability report and collaborations with Fisher College of Business and College of Engineering. CampusParc scored above average in the global real estate sustainability benchmark and supported the eco stream stormwater filtration research project. Academic support included learning opportunities using the parking system as a living learning lab and sponsorship of projects with various colleges.
- Permit sales increased by 3.5% to 36,253 annual permits, while citation collections totaled \$963,000. Susan noted that CampusParc's expenses are higher than their revenue from parking citations. Customer outreach expanded through digital presence and in-person attendance at events, including the Ohio State mobile app and Buckeye Family Connections Portal.

Agenda Item: New Business

Presenter: Justin Kieffer

- The committee discussed the progress of the HRSD task force and the need for continued work throughout the summer. It was agreed that the task force should leverage the established HR advisory group for further analysis and recommendations. The committee emphasized the importance of having a comprehensive plan in place by FY27. Next steps include continuing the ZBB process and reporting back in October 2025.
- Justin proposed that the task force continue its work through the summer to ensure timely recommendations for FY27, ultimately with a solution that will eliminate the central HRSD gap. The committee discussed the importance of engaging with the HR advisory group and maintaining transparency in the process. Bobby suggested taking time to digest the information and discuss it further outside the meeting.

Adjournment: The meeting was adjourned at 4:00 PM with a reminder of the next scheduled meeting in two weeks, if necessary. Justin thanked everyone for their participation and efforts throughout the year.