



THE OHIO STATE UNIVERSITY

**SENATE FISCAL  
COMMITTEE ANNUAL  
REPORT  
2018/2019**

## Committee Members

Brian Turner, Chair – EHE, Sport Management, Faculty Council  
Michele Basso – COM, Health and Rehab Sciences, Faculty Council  
Morag Boyd – OAA, Libraries, Faculty Council  
Anne Carey – ASC, Earth Sciences, Faculty Council  
Tim Haab – FAES, Agricultural, Environmental & Development Economics, Presidential Faculty Appointment  
Stephanie Hoffer – MCL, Law, Faculty Council  
Eric MacGilvray – ASC, Political Science, Faculty Council  
Eric Seiber – CPH, Health Services Management & Policy, Faculty Council  
Harald Vaessin – ASC, Molecular Genetics, Faculty Council  
Shamina Merchant – FCOB, Business, Undergraduate Student Government  
Noah Reisdorff – FCOB, Business, Undergraduate Student Government  
Shawn Semmler – FCOB, Business, Undergraduate Student Government  
Ashley Wilson – FCOB, Business, Undergraduate Student Government  
Chris Pierce – ASC, Physics, Council of Graduate Students  
Kyle Hickman – Pharmacy, Inter-Professional Council  
Eric Bode – FAES, SFO, Executive Dean Staff Appointee  
Gerhard Raimann – ASC, Chemistry and Biochemistry, USAC  
David Wiseley – Office of Student Life, SFO, Presidential Staff Appointee  
Jan Box-Steffensmeier- Executive Dean for Arts and Sciences  
William MacDonald – Executive Dean for Regional Campuses; Dean of Newark Campus  
David Williams – Executive Dean for Professional Schools; Dean of the College of Engineering  
Karla Zadnik – Executive Dean for Health Sciences; Dean of College of Optometry  
Mike Papadakis – Acting Sr. Vice-President & CFO, Office of Business and Finance  
Kris Devine – Office of Business and Finance, Central Administration Presidential Appointment  
Damon Jaggars – Dean of University Libraries, Central Administration Presidential Appointment  
Kay Wolf – Office of Academic Affairs, Provost's Designee

Senate Fiscal Committee  
Activities Report  
September 11, 2018 – May 24, 2019

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

**Support Office Finance Subcommittee (SOFS) Annual Report**

Because of a change in budget timing, the subcommittee focused on reviewing and rank ordering FY20 Support Office Budget Requests during the Fall semester.

**College Finance Subcommittee (CFS) Annual Report**

The subcommittee focused on several areas of review:

- Reviewing the budget (allocation) model
- Combining classified and unclassified benefit rates
- FY20 Composite Benefit Rates – Part of Budget
- FY20 Overhead Rates– Part of Budget
- FY20 RCSC Rates – Part of Budget
- FY20 POM Rates– Part of Budget
- POM Rate methodology in view of CEMP

**Student Fee Review Subcommittee (SFRS) Annual Report**

The subcommittee focused on two areas of review:

- Review of college technology fees
- FY20 Differential Fee Requests

**Senate Fiscal Committee Recommendations**

All recommendations are sent to the Provost and the CFO.

**FY20 Support Office Budget Requests (December 4, 2018)**

- The Support Office Finance Subcommittee (SOFS) of the Senate Fiscal Committee (SFC) reviewed the budget requests for the university support offices. This was the topic of the subcommittee meetings throughout October and November of 2018. Although the amount of funds in either PBA and cash that would be available at the university level in FY20 to distribute to support units had not been determined at the time of their report submittal, SOFS moved forward with the solicitation, review, discussion, and prioritization of the requests pending finalization of the budget. The report and final recommendations were prepared and reviewed at several meetings by SOFS, with the final review on November 27, 2018. The SOFS brought their

recommendations to the full SFC at its December 4, 2018, meeting, where they were discussed and unanimously approved.

- **Recommendations:**
  1. SFC recommended that the university continue to develop university-wide and unit plans to eliminate structural deficits. In particular, SFC recommended \$2.4M in PBA and \$1.3M in cash to go towards structural deficits.
  2. SFC recommended the funding of specific requests as central funds are available, provided that the structural deficits in recommendation #1 have been adequately addressed. These requests total \$6.7M in PBA and \$8.5M in cash.
  3. Finally, SFC recommended: a) that the deadline for units submitting requests be moved up so the committee has time to give requests adequate attention; b) that units be required to place their funding requests within the context of an ongoing strategic plan, taking into account the past experiences, current needs, and future expectations; and c) that guidance be clarified about how the different pillars of the University's strategic plan (i.e., Time and Change) should be weighed against each other.

#### **FY20 Composite Benefit Rates** (February 12, 2019)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the Composite Benefit Rates for September 1, 2019 through August 31, 2020 at their February 5, 2019 meeting. The CFS brought their recommendations to the full SFC at their February 12, 2019, meeting where they were discussed and approved unanimously.
- **Recommendation:** The proposed Composite Benefit Rates for FY 2020 should be approved.

#### **FY20 Earnings Overhead Rates** (February 12, 2019)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Earnings Overhead Rates for FY 2020 at its January 22, 2019, meeting. CFS voted in support of the proposed Earnings Overhead Rates. The CFS brought their recommendation to the full SFC at its February 12, 2019, meeting where it was discussed and approved unanimously.
- **Recommendation:** Approve the proposed Earnings Overhead Rates for FY2020.

#### **FY20 RCSC Rate** (February 12, 2019)

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Regional Campus Service Charge (RCSC) Rate for FY 2020 at its January 22, 2019, meeting. CFS voted in support of the proposed RCSC rates. The CFS brought their recommendation to the full SFC at its February 12, 2019, meeting where it was discussed and approved unanimously.
- **Recommendation:** Approve the proposed Regional Campus Service Charge Rate for FY 2020.

#### **FY20 Differential Fee Requests** (February 12, 2019)

- The Student Fee Review Subcommittee (SFRS) of the Senate Fiscal Committee (SFC) reviewed requests for changes in Graduate/Professional Schools Differential, Clinic, Course Fees, and Tuition Deposits for FY 2020 at its meetings on January 8, 2019, January 22, 2019, and February 5, 2019. The report and final recommendations were prepared and reviewed by SFRS. The

SFRS brought their recommendations to the full SFC at its February 12, 2019, meeting, where they were discussed and approved unanimously.

- **Recommendations:**

1. SFC recommended approval of the requested 12 Graduate/Professional Schools differential fee requests: Dentistry – Rank 1; Dentistry – Ranks 2-4; FCOB Graduate Business Leadership Certificate (new fee); FCOB MBOE; Law – JD; Law – Master in Study of Law (MSL; new fee); Nursing – Doctor of Nursing Practice (new fee); Nursing – Master of Science in Nursing (new fee); Optometry – Ranks 1-2; Optometry – Ranks 3-4; Pharmacy – Ranks 1-4; & Veterinary Medicine – Ranks 1-4
2. SFC recommended approval of the requested 2 clinic fee requests: Dentistry – Rank 1 & Dentistry – Ranks 2-4
3. SFC recommended approval of the requested 2 tuition deposit requests: Optometry – Ranks 1-2 & Optometry – Ranks 3-4
4. SFC recommended approval of the requested 8 course fee requests (all Anatomy Lab Fees): Medicine – Anatomy Lab Fee Courses 6000; 6511; 6512 (new fee); 6700 (new fee); 6800 (new fee); 6900; 7310 (new fee); 8140 (new fee)

#### **Technology Fee Recommendation (February 12, 2019)**

- The Student Fee Review Subcommittee (SFRS) of the Senate Fiscal Committee (SFC) reviewed technology fees assessed to both undergraduate and graduate students during their bi-weekly meetings throughout the Fall Semester 2018. There are currently 10 undergraduate programs and 8 graduate programs that assess students a technology fee, generating revenue of \$4.2 million and \$2.57 million, respectively. The report and final recommendations were prepared and reviewed by SFRS. The SFRS brought their recommendations to the full SFC at its January 29, 2019, meeting, where they were discussed and approved unanimously.
- **Recommendations**
  1. Establish a core group within each unit, composed of students, faculty and administration, to review the services that the fees are supporting and ensure that the fees are aligned with the principles outlined in this report; the group should meet on a regular basis, or about every three years (possibly coinciding with hardware refresh cycles) and produce a strategic plan for the use of technology within the unit that is posted on the unit's website and that examines how the unit's technology goals tie into the university's Digital Flagship initiative.
  2. Establish a Service Catalog that is posted on the unit's website and communicated each semester; the Catalog should clearly articulate how the services provided to students exceed the technology baseline already met by central university services.
  3. Evaluate each year the need for a printing quota, following the principle of obsolescence mentioned above; this evaluation should be in consideration of the State of Ohio 2018 performance audit that identified printing as one of four areas in which the university could amplify its efficiency efforts.
  4. Evaluate and model a technology fee to all students (Classroom, Enterprise Licensed Software (e.g. MSOffice), Security, Wi-Fi expansion and support, etc.).

#### **FY20 Plant Operations and Maintenance Rates (April 23, 2019)**

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the methodology for determination of Plant Operations and Maintenance (POM) Rates at their regular meetings on January 22, March 5, and April 16, 2019. CFS voted in support of the proposed

FY20 POM rates. The CFS brought their recommendations to the full SFC at their April 23, 2019, meeting where they were discussed and approved unanimously.

- **Recommendations:**
  1. The proposed Maintenance and Custodial Recommendations should be approved.
  2. The proposed Utilities Recommendations should be approved.
  3. The overall POM Rates and surcharges should be approved.

### **Adjustments to Ohio State's General Funds Budget Allocation Model (April 23, 2019)**

- The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) spent the academic year reviewing the elements of Ohio State's budget allocation model in the context of EAB's (Education Advisory Board) budget allocation model best practices. Specifically, the committee reviewed: 1) the general principles used for developing the original budget allocation model; and 2) the individual elements of the budget allocation model. The committee's intent was to discuss the individual elements of the budget allocation model without examining the impact on individual colleges for each of the changes. The committee arrived at three general conclusions: 1) Ohio State budget allocation model principles aligned well with the EAB's recommended framework of creating unit-level financial accountability, preserving mission-critical activities through subvention and strategic reserves, and incorporating institutional strategic goals into the model; 2) Key elements not aligning with EAB best practices – undergraduate tuition/fees & state share of instruction (SSI), graduate student services assessment (SSA2), funding for advancement activities, and plant, operations & maintenance (POM); and 3) Changes should not be made piecemeal and must be balanced with the other important financial changes underway at the university, including revisions to the General Education curriculum and the ongoing changes in the POM rate. The CFS brought their recommendations to the full SFC at their May 7, 2019, meeting where they were discussed. Because there was not a quorum of the full committee, it was decided that an electronic vote would be taken. The voting ended on May 24, 2019 and the recommendations were approved unanimously.
- **Recommendations:**
  1. Comparing the budget allocation model relative to EAB best practices, the committee agreed that the recommended changes would move Ohio State's budget allocation model closer to best practice framework.
  2. The committee was unanimous that changes in the budget allocation model should be made in a holistic manner rather than changes to individual budget allocation model elements.
  3. The committee expressed a desire for additional analysis that would incorporate a retrospective and prospective view to determine the impact of changes recommended.
  4. The committee should discuss during the next academic year the implementation process, including possible phase in periods, changes in General Education curriculum and the POM rate.

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

#### **Summer Activity Debrief (September 11, 2018 – Kris Devine, Scott Klute)**

- Annual process topics
  - Composite Benefit Rates – Forecasted for planning
  - Regional Campus Service Charge Rate – Reaffirm methodology
  - Overhead Rates
  - POM Rates – Energy impact and forecasting going forward

- Differential Fees (slide detail discussed) – All were approved as submitted
- Support Office Budget Requests (slide detail discussed) – All were approved as submitted
- Prior Year's Recommendations
  - TCO Patent Policy and Funding of Patent Expenses – Funding options were submitted and accepted by Administration
  - Internal Charges – Ohio Union Rates – Following policy process and the philosophy on rates and charges are set
  - Internal Charges – OCIO EDM (Enterprise Document Management) Cost Sharing – University-wide, as well as advanced users
  - Combining Unclassified & CCS Benefit Rates – Effective Spring 2019
  - Course Fees (slide details discussed) Elimination of 278 course fees, effective Spring 2019
  - Tuition Waivers - 18+ Credit Hours – Effective Spring 2019
    - Limited to Rank 4 students with adviser approval within their college/major and have applied to graduate within two semesters
    - Courses that provide credit for internships or field experience
    - Courses that engage students in research
    - Waiver process not available to students on academic or special action probation
  - Support Office Funding Requests
    - Office of Research was given \$1M in cash to establish new SVP of Research's operation
    - Provided funding to fill the previous OCIO Security funding gap
- Affordability at Ohio State – Cost Controls, Predictability and Financial Aid. Tuition Guarantee, lowering and eliminating fees was presented to the Board of Trustees
  - Ohio State #1 flagship for lowest in-state tuition & #4 out-of-state
  - Base in-state tuition and fees for existing students have been frozen since 2012-13
  - Incoming students are part of tuition guarantee, which locks rates for 4 years
  - Need-based aid programs have grown by more than \$100 million since FY15
  - Buckeye Opportunity Program covers tuition for Ohio Pell students
  - Land Grant Opportunity Scholarships doubled, starting August 2018
- Textbooks - Pilot program to reduce textbook costs and enhance student success
  - Affordable Learning Exchange (ALX): Grant program helps faculty to convert existing course materials into free or low-cost digital options
  - Engage eReader (accessible via CarmenCanvas): Platform to deliver reduced cost textbooks in digital form available through Ohio State's membership in Unizin. Materials are 75%-80% less expensive on average
- Military Family Expansion
  - Ohio GI Promise: Military members and immediate family members are charged in-state tuition rates
  - Post 911: Aid covers in-state tuition for all military and family members, with housing and textbook support
- Transforming Summer
  - FY2018 Summer 2017 - 25% discount began for undergraduates
  - FY2019 Summer 2018 – Uniform 25% discount for summer in place for undergraduates, discount ends for graduate, TAG Masters, and professional students
  - Students are leveraging the summer semester by taking more credit hours
  - Brad Harris reported that a task force found that the highest amount of transferred credits that come from other institutions are for chemistry and accounting courses. They also found the students taking these courses are high-performing students and their primary reason is the convenience of taking on-line and cost.
- Endowments created from energy proceeds – Board of Trustees approved 11 endowments in April
  - Includes \$32M of university energy reserves (old energy reserves)

### **State Performance Audit Update** (September 25, 2018 – Rob Messinger)

- Ohio State volunteered to be first higher education institution to undergo a state performance audit
- Released publicly our update today, 9/25
- Provided details by areas - \$6.4M
  - Shared Service - \$3.3M
  - IT Server Rooms - \$2.4M
  - IT Print Management - \$0.6M
  - Background checks - \$0.1M

### **Budget Allocation Overview and FY19 All Funds Budget** (September 25, 2018 – Scott Klute)

- Provided insights into the university/units' sources of funds by fund type
- Ohio State has seen the gap between State Support and Tuition income widen 26% / 74% in FY18
- Current model and the components were discussed in preparation for a detail review by the CFS Subcommittee
- Discuss the priorities reflected in the FY19 Budget
  - Access and affordability: Controlling costs and expanding financial aid
    - Ohio State Tuition Guarantee
    - Expanded Financial Aid:
      - Buckeye Opportunity Program (ensures that financial aid covers tuition and fees for Pell-eligible Ohioans; benefits an estimated 4,200 students per year),
      - Land Grant Opportunity Scholarships (full cost of attendance awards, now for twice as many students - 176 per incoming class)
  - Academic Excellence: Digital learning and teaching excellence
    - Digital Flagship - comprehensive digital learning initiative that provides iPad Pro suites for all incoming students; more than 11,000 for 2018-19
    - University Institute for Teaching and Learning
  - Wexner Medical Center: Strong demand support investments in patient care
    - Operating revenue projected to grow 6.1%

### **Operational Fee Simplification** (October 23, 2018 – Jack Miner)

- Military Family Expansion
  - “Ohio Values Veterans” – At the encouragement of the Chancellor, we’ve broadened our language to close a loophole that excluded some family members. Goal is to incorporate into legislation.
  - A waiver was presented to the Board of Trustees and approved
  - Currently in the process of presenting the waiver to the Chancellor’s office for approval
  - Once approved – a \$5.00 fee for students whose residency is waived will be required
- Course Fee Elimination
  - 278 course fees eliminated
  - University Registrar audited course fees based on existing course catalog and worked with B&F to resolve issues of courses generally offered at regionals
  - Communicated to advisors
  - Course catalog updated
  - Fee calculation updated
  - Effective Spring 2019
  - There is no plan for a mass email to students



- Discussion ensued on the issue of not mass emailing students. Jack will take the recommendations made back to University Communications
- 18+ Credit Hours
  - Allows students in specific situations to take more than 18 credit hours and not be charged the 18+ fees
  - Advisor approval is required
  - Particular Internships, Field Experience and Research Courses are automatically excluded and not charged the 18+ credit hour fees
  - Students must be Rank 4, have applied to graduate and have advisor approval
  - Study Abroad programs need to be addressed
- eTextbooks – CarmenBooks – Pilot begins Spring 2019
  - Savings of ~ 70% for textbooks through Carmen to students through partnership with Unizin
  - Currently nine Social Work eTextbooks are available
  - Book charges will be automatically charged to student's Statement of Account
  - Opt-out option provided to students. They will then be responsible for obtaining materials elsewhere.
    - Opt-out administered by ODEE, University Registrar and University Bursar
    - Required for federal student financial aid purposes
    - Deadline of first Friday of classes (same as the 100% drop deadline).
  - When a student registers for one of the designated courses, they will receive an email notifying them and explaining the program.
  - Barnes & Noble will not stock the participating books, but they will be available in the library
- Program will be monitored and Jack will report back to Senate Fiscal on the impact and adoption
  - Anticipate other courses and scenarios will be suggested by colleges

#### **Discovery Themes Update (October 23, 2018 – Brad Harris)**

- Brad gave an update from last year using graphs illustrating what Discovery Theme areas were authorized and how many positions have been filled by area and college
- Tenured Initiating Unit (TIU) authorized positions hired, searching for and redeployed were discussed
- Rank Hire breakdown – it was noted that the majority of hires are junior faculty
- Provost's Office works closely with colleges to determine salary and startups
- Source of funding discussed
  - 1% reallocation from colleges
  - \$19.6M of PBA investment to Provost Office for reinvestment
  - Start Up sources - \$47.2M cash

#### **Efficiency Savings Update (October 23, 2018 – Kris Devine)**

- Presidents Drake's 2020 Vision was for the university to deliver on a \$200M goal of operational efficiencies by 2021.
- Kris provided an update that we are on target to exceed the \$200M goal with 71% / 29% ratio of Central / Colleges
- These savings are being repurposed for PAG, Strategic Development and Digital Flagship iPad programs
- Colleges and support units were given targets based on a weighted average of 3 metrics

- Strategic Procurement is a component of efficiency and we have had an annual savings of \$61.9M in FY18 with a cumulative saving since FY12 of \$324M. Heavy contributors have been in the Printer / Copier management and computer peripherals
- Capital efficiencies have yielded an additional \$33.8M due to closed project cashflows, bid efficiencies and reduced contingency
- New resource generation with the \$1B in energy deal, renegotiated Nike deal, etc. have helped this objective exceed expectations.

#### **Long Range Strategic Financial Plan** (December 4, 2018 – Scott Klute)

- Business as usual forecast assumptions were discussed
  - Tuition – FY19 New first year students 7,851/ transfers 2,388
  - Government Support – Flat to FY19 plan
  - Research – Flat to FY18 Actuals
  - Earnings – 1.5% inflationary increase
  - Personnel Expenses –
    - Salary 2.0% - 2.5% increases
    - Benefits – 3% decrease FY19; 2% increase FY20; 5% increase FY21-28
    - Student Aid – Inflationary increase for new Tuition Guarantee cohorts; Incremental \$1.8M for mix
    - Supplies and Services – 2% inflationary increase or 5-year trend
- Long-range forecast – Consolidated
  - By year six, there is a \$28M shortfall to meet ongoing operating needs
  - The base operating forecast demonstrates the need for continued efficiencies and the identification of new funding sources
- Long-range forecast – University only
  - By year seven, there is a \$27M operating shortfall
  - Base cash flow forecast demonstrates the need for continued efficiencies and the identification of new funding sources
- Time and Change Strategic Plan
  - Teaching and Learning
  - Access, Affordability and Excellence
  - Research and Creative Expression
  - Academic Health Care
  - Operational Excellence and Resource Stewardship
- Strategic Investment Scenario
  - University will continue to invest in the strategic mission while focusing on efficiencies and innovative funding
  - \$1.4B in strategic sources are projected over the next 10 years (\$140M annual average)
  - \$1.7B in strategic uses are projected over the next 10 years (\$170M annual average)
  - Need to identify \$281M in additional funding to achieve strategic goals (\$28M annual average)

#### **Financial Aid & Enrollment Plan Update** (January 29, 2019 – Beth Hume, Gail Stephenoff, & Amy Wheeler)

- Enrollment priorities and updates on the Office of Student Academic Success.
  - Increase affordability
  - Reduce debt

- Retention/graduation rates to bridge gap in performance between underserved populations and overall student body
- Goal to increase enrollment of low/moderate income undergraduates
- Increase diversity of student population
- Educate Ohio citizens
- Strengthen OSU brand locally, nationally and internationally – other than Athletics
- Constraints
  - Legal requirement – no specific targets allowed regarding diversity
  - Capacity – housing and ESL classes
  - Budget
  - Enough faculty and classroom space
- 2018-19 Affordability Initiatives – These programs have been created or continued to support OSU students for the 2018-19 academic year
  - President's Affordability Grant
  - Land Grant Opportunity Scholarship
  - Tuition Guarantee
  - Buckeye Opportunity Program (Newest) – Full tuition and fees covered for all Pell-eligible students started Autumn 2018 and has been expanded to Regional starting in Spring 2019
  - President's Affordability Grant has invested \$85M to date
- Enrollment Plan 2016-2020
  - Maintain traditional enrollment at all levels and regionals
  - Modestly increase traditional degree-seeking Master's and PhD students
  - Maintain post-baccalaureate professional student enrollment

#### **POM Discussion** (April 9, 2019 – Mike Papadakis & Scott Potter)

- 7-8 years ago, the university wanted to look at a campus-wide energy efficiencies and started with five buildings
- Discussion ensued on how this would work with POM going forward
- \$800 million to be invested in improving infrastructure in three categories
  - Keeping the lights on – Balance after the following, approximately 1/3
    - Oval tunnel
    - McCracken boiler
    - \$230 million budget has been delayed (\$100 million in the current plan)
  - Energy Efficiency - \$230 million
    - Evaluate projects – Energy savings in less than 10-year payback
  - Campus Expansion - \$225 million
    - West Campus
    - Medical Center
    - Arts District
- Challenges facing colleges about retaining faculty and staff given budget reductions were expressed
  - Subcommittee wants to see additional data to support and understand what is being presented
  - It was suggested that there should be a separate cost pool for utilities to create transparency
  - Concerns were emphasized that spending on expansion projects will jeopardize the core academic mission with not enough budget to support hiring and retaining quality faculty
- Mike would like to have a long-term plan rather than yearly reporting

- Conversation ensued on where the funds went and why CEMP is having a negative effect on colleges via POM rates and the effect on faculty and staff budgets
- No revenue available from tuition or subsidy – very challenging
- Colleges like Arts and Sciences have seen declines in enrollment, GE loss of revenue to other colleges – something will have to give with costs going up year to year. How does the university intend to fund the gap?
- Efficiency opportunities will be coming from Workday
- Suggestions were made that expansion projects should be scaled back and POM increases limited to create less of a negative impact on colleges.
- Scott Potter will produce a report showing various scenarios (2% and 4%) when eliminating some of the projects and will bring the information to the next meeting

## Special Topics / Reports

**2018 Health Plan Results/Utilization & Health Plan Changes; 2019 Design** (November 6, 2018 – Kelly Hamilton, Rob Cooper, & Joanne McGoldrick)

### 2018 Health Plan Results

- Per member per year cost trends were discussed – OSU Health Plan, OHR and OSUWMC collaborated in managing the costs and outcomes of our health benefit
  - Have beaten the national trends of growth per member per year over the past 3 years
  - Resulted in taking approximately \$100M out of the benefit rate over the last few years
  - Benefits members in Prime Care Advantage by decreasing in CY2017 to CY2018, and further decreases will occur in CY2019
  - High deductible conversation ensued
    - Currently not available
    - Savings vehicle for healthy individuals
    - Must meet cost and quality
    - Option is being explored
- Key drivers for the trend include
  - Design changes, moving to consumerism
  - Decrease of inpatient/outpatient utilization from medical management processes
  - Pricing remained flat for facilities and OSUP
  - Renegotiation of pharmacy contracts and rebates
  - Tightening controls over CoreSource related to benefit administration and auditing
- High Cost Conditions – Cancer, Neonatal and Gastrointestinal are top/most costly conditions
- Prescription drug spend was discussed by non-specialty (traditional drugs/generics) and specialty (treating complex diseases, high cost and require special storage or handling)

### Utilization Management – Rob Cooper

- Physician staff reviews Prime Care, Hospital stays, and has nurses that follow up with patients
- Outpatient visits over five years have declined
  - Primary Care visits are down due to MyChart utilization (up 90%)
- Pharmacy is driving cost per day, especially on specialty drugs; i.e. cancer drugs
- Increase of 40% utilization of University Health Connection – no out of pocket to employee (OSU only)
  - Looking for opportunities to expand services
  - Looking for other locations on campus to expand services
- EAP OSU help line discussion ensued
  - Five medical professional face to face visits at no cost

- Tele Help is run through the Primary Care Provider
- Lima Campus Tele Help is run through the College of Nursing. Medical assistant is on site to take vitals and then sends to a nurse practitioner that evaluates on Columbus campus
- Ohio Health is not in our network; however, we have a contract for a discounted cost for emergencies, however there is a big cost differential
- Price Access Initiative – holds slots for OSU employee members
  - Specialty appointments within a week, depending on the specialty
- Discussion of initiating a tiered provider network in the benefits design ensued
  - A scorecard is in development to track cost metrics, track member satisfaction, shared savings, etc.
  - Quality care is critical to maintain two tiers of networks

#### 2019 Benefit Changes – Joanne McGoldrick

- No changes to medical, dental or vision annual deductibles, out-of-pocket maximums or copays/coinsurance
- Increase in Health Reimbursement Account (HRA) credits available through YP4H Incentive Program – up to \$300 per enrolled employee & spouse (\$600 per family)
- Active&Fit Direct – provides access to a fitness center membership for \$25/month, plus enrollment fees
- Same sex domestic partner benefit coverage eliminated
- All full-time employee medical contributions decrease
- Employee contributions for dental and vision remain the same as 2018

#### **Parking Concession Update** (January 15, 2019 – Jay Kasey)

- Parking Concession in its sixth year
- Original value of Parking Concession was \$483M, today's value \$573.1M
- Endowment established and uses
  - \$200M – Faculty & Research
    - Recruitment of Discovery Theme faculty
    - Hired 141 faculty members; 50 additional searches authorized
  - \$83M – Student Scholarships
    - Provided 206 students financial aid in the past year
      - 95 Eminence Fellowship Scholars
        - Full cost of attendance undergraduate scholarships
      - 62 Student Research Grants
        - \$4,000 each
      - 32 Research Symposium Travel Grants
        - \$1,500 each
      - 17 Stipends
        - \$48,000 stipends to graduate students
  - \$50M – Arts District Development
    - Renovation of Sullivant Hall
    - Further Arts District projects
  - \$150M – Transportation & Sustainability
    - Maintenance of CABS transportation system
  - Transportation & Parking Projects
    - Gateway Garage exits
    - Parking space outages
- Customer Satisfaction Metrics & Quality of Service
  - Call abandonment and hold times have improved
  - In-person interactions with customer service staff have improved

- Concerns over parking privileges, availability and adequate supply in right location for a reasonable cost and performance of enforcement software
  - Completed installation of \$5.5M new equipment in garages
  - Worked with university to equip Carmack lots and Buckeye lots with occupancy counters
  - Advanced capital repairs in 11th Avenue Garage for future growth
  - Worked with university to facilitate closing off of rooftops of Ohio Union South and Lane Avenue garages
- Citation Collection revenue has stayed consistent and revenue flows back to the university to offset enforcement expenses

#### **Workday Update** (January 15, 2019 – Holly Ross)

- Project Updates
  - Project scope now includes finance workforce planning for colleges/units, a university-wide platform for online payment websites, and a new construction project management system
- Key Activities / Decisions since last update
  - Building Ohio State's Workday prototype
  - Reviewing finance policy changes with university leadership, following a revised process in partnership with the Office of Compliance and Integrity
  - Working with a small subset of colleges/units to pilot financial data conversions and prototype reports
  - Drafting training and communication plans
  - General Ledger Historical Data Conversion – Bringing in 2 years' worth of past data, will need to use RAE for data not converted
- Timeline
  - Currently in the build a Workday prototype phase. Simultaneously the project is developing a training program and communication plan as well as reviewing policy changes with governance groups. Next phase will be testing the Workday prototype

#### **Energy Concession Update** (February 26, 2019 – Scott Potter)

- OSU entered a 50-year partnership with ENGIE-Axium in 2017 with a \$1.2B upfront payment
  - Strategic Initiatives
  - Scholarships (Pell Eligible Students)
  - Faculty Development
- Funding support for new endowments, capital funds and other priorities were discussed
  - Student aid, faculty positions, sustainability and curriculum staff
  - Innovation Center
  - Philanthropy and Internships
- Board of Trustees approved the design of the Innovation Center to be built on the NW corner of Kenny Road and Lane Avenue (West Campus)
- Energy efficiency and other improvements (3 categories)
  - Life Cycle - i.e., Oval tunnel
  - Expansions – upgrade/expand utilities as needed
  - ECM – improve energy efficiency
- FY18 Capital projects – most are complete
- FY19 Capital projects
  - McCracken Roof Phase II
  - Safety upgrades – OSHA Standards
  - City water loss risk assessment – causes Chiller plant to lose pressure



- Mitigation issue analysis on-going
- Cyber Security issue
  - Coordinated efforts with OCIO
  - Improve Wi-Fi and improve cyber security
- Energy Advancement and Innovation Center
  - OSEP proposed \$50M innovation center in winning bid
  - Plans under development through Visionary Project Advisory Committee
  - Board of Trustees approved \$3M for design work
    - Sited with Interdisciplinary Research Facility in innovation district
- Financial report
  - Operation & Maintenance – Employees, benefits, etc.
  - Fixed Fee – Match what's in line with university's historical trends
  - Variable Fees – Funding for capital projects, which are factored into annual fee
    - \$250M per year to keep the system running
- Capped and Uncapped Operation and Maintenance fees discussion ensued
  - Capped – Benefits/office space
  - Uncapped – Work outside of scope
  - Fees based on forecast in June – following July fees are trued up (based on inflation)