

July 13, 2015

TO: President Michael Drake
Joseph Steinmetz, Executive Vice President and Provost
Geoff Chatas, Senior Vice President and Chief Financial Officer
Tim Gerber, Secretary of the University Senate

From: Dick Dietrich
Chair, Senate Fiscal Committee

Subject: Senate Fiscal Committee Annual Report - Fiscal Year 2015

The Senate Fiscal Committee (SFC) had a very active and full calendar this year. The members of SFC for FY 2014-2015 were listed below:

- Richard Dietrich, Chair – Fisher College of Business
- Harald Vaessin, Chair of the Central Distribution Subcommittee (CDS); College of ASC, Natural and Math Sciences
- Paul Rose, Chair of the Central Services Subcommittee (CSS); Moritz College of Law
- Jozef Raadschelders - John Glenn School of Public Affairs
- Susan Olesik – College of Arts and Sciences, Chemistry and Biochemistry
- Anil Arya – Fisher College of Business
- Robert Lee - College of Engineering
- Carl Zulauf – College of Food, Agricultural and Environmental Sciences
- Morgan Cichon – Council of Graduate Students Representative; College of Food, Agricultural and Environmental Sciences
- Keti Sulaj – Inter-Professional Council; College of Pharmacy
- Erik Leiden - Undergraduate Student Government, College of Arts and Sciences
- Steven Mahr (Leah Lacure) – Undergraduate Student Government, College of Arts and Sciences.
- Justin Costa – USAC Staff Representative; OARnet
- Eric Bode – Executive Dean Staff Appointee/SFO
- David Wiseley – Presidential Staff Appointee/SFO
- David Manderscheid- Executive Dean for Arts and Sciences
- Steve Gavazzi – Executive Dean for Regional Campuses Representative; Mansfield Dean
- Lonnie King – Executive Dean for Health Sciences; Dean of College of Veterinary Medicine
- David Williams – Executive Dean for Professional Schools; Dean of the College of Engineering
- Kris Devine – Central Administration President’s Appointment; Office of Business and Finance
- Brad Harris – Central Administration President’s Appointment ; Office of Academic Affairs

Major projects included a Program Fiscal Reviews of the Office of Research, Office of Student Life and the Office of Advancement, finalization of the Student Fee Structure review, a proposal for the FY 2016 regional campus allocations, finalization of the Office of Study Abroad funding structure, development of an implementation plan for the Ad Hoc Budget Review Committee Report from last year, review and input on the proposed dining plans for students, as well as the annual review and analysis of various components of the FY 16 budget.

A new task that was undertaken by SFC this year was the review and recommendation of new student fees or increases to existing fees proposed by the colleges for the following academic year. For this year, this task included a review of the documentation of the fee requests, requests for additional information and then developing a recommendation for the Provost and CFO for approval. In addition, SFC will be adding more responsibilities related to student fees in FY 2016, as it begins a new review process for all student fees (not including tuition and general fees). This review process will include reviewing the uses of the fees, the level of the fee, the continuing need for the fee and any cash balances and the purpose of such balances.

Senate Fiscal Committee – Summary of Activities, Autumn 2014 Semester

September 2, 2014

The meeting opened the chair of the committee, Dick Dietrich, welcoming all to a new year. Dr. Dietrich followed with an explanation of what SFC does and the importance of its responsibilities to the university. He explained the composition of the committee, the proposed agenda and topics for the upcoming year, subcommittee activities and work. Next Dr. Dietrich gave an overview of the Budget Ad Hoc Committee Report completed in FY 2014 and explained that a task force would be put together to develop an implementation plan for the recommendations as approved.

Kris Devine presented a recap of activities that occurred over the summer, including the finalization of the approved and funded support office budget requests and the approval of the FY 2015 budget.

September 16, 2014

Dr. Dietrich reviewed the charge of the committee, as outlined in the Rules of the University. The committee discussed the annual agenda in more detail and made suggestions as to additions to the agenda. Dr. Dietrich then discussed the subcommittee membership.

Brad Harris then presented on OAA initiatives and the financial impact of those. This included the Academic Priority workgroups, STEP, Discovery Themes and eLearning. A full committee discussion ensued addressing affordability and access, tuition, student fees, student debt, financial aid and the enrollment plan.

Kris Devine began a presentation on the Financial Overview of the university and the Long Range Financial Plan

September 30, 2014

Provost Steinmetz attended the meeting and discussed the May Session Review recommendation, the Budget Model recommendation and the Budget Model Committee.

Geoff Chatas attended the meeting and discussed areas of focus for SFC, including the Medical Center, the 5 to 10 year long-term financial model, deep review of all fees, a review of the Office of Student Life and an appropriate funding model for the Office of Advancement.

Kris Devine continued her presentation on the Financial Overview and the Long Range Plan. This included a discussion on enrollment trends, tuition, benchmarks, tuition drivers, auxiliary operations, state funding drivers and cost containment options.

October 14, 2014

Joan McGoldrick and Pam Dosack from Human Resources attended and gave a presentation on Health Benefit Design Strategy, including a discussion of the impact the Affordable Care Act, employee cost sharing, PHA participation, cost savings options, etc. Dan Vukmer from Ohio Health plan also attended and presented on health care utilization trends and methods to change those trends through health care management, clinical transformation and holistic strategies.

The next presentation was given by Pete Geier from OSUWMC. He discussed the usage of the system, the care continuum, gave a financial overview of OSUWMC and outlined the financial challenges facing the hospital system and methods that they are utilizing to manage expenses.

October 28, 2014

Provost Steinmetz and Geoff Chatas attended the meeting to announce the Comprehensive Energy Management Initiative. This initiative is exploring the potential of leasing our energy infrastructure to a private entity to operate the energy assets. The project is in the exploratory phase. Dr. Dietrich then discussed what SFC's role in this initiative would be

Molly Rans and Dave Wiseley from the Office of Student Life then gave a presentation on the North Residential District which included a discussion of sophomore housing and an update on the construction of the project.

Paul Rose discussed the support office budget request process and proposed that the process be put on hold for FY 2016 due to the projected low level of funds that would be available and due to the need to continue to fulfill multi-year funded projects such as the Office of Compliance and HR.

Dr. Dietrich then discussed the naming of the task force to oversee the development of the implementation plan for the Budget Ad Hoc report recommendations.

November 13, 2014

The Parking Concession agreement was the major topic for the meeting. Jay Kasey and Mark Evans attended the meeting and provided an update, including the Transparency and Accountability report, the CampusParc Survey results, the Long-Term Investment Pool distribution to date, the parking situation at the Wexner Medical Center, Cars To Go. Motion to receive the Parking Report was made and accepted

The next topic was the May Session Report from the 2014 SFC. This report made the recommendation to re-impose tuition for the first three credit hours beginning May 2015. The Administration will take SFC's recommendation under advisement for this decision, but no changes will be made prior to May 2016.

November 25, 2014

Tom Ewing attended the meeting and provided an overview of the Earnings Overhead Rate purpose and calculation as background information for the committee to understand prior to reviewing the FY 2016 Earnings Overhead Rate recommendation later this year.

Lynn Readey attended the meeting and provided an overview of the POM rate drivers, calculations and coverage. The presentation covered all 5 cost pools included in the rate (utilities, maintenance, custodial, deferred maintenance and renewal and preventative maintenance) This is also background information for the committee to understand prior to reviewing the FY 2016 POM Rate recommendation later this year.

Brad Harris provided an update on the FY 2015 SFC Recommendation for Study Abroad. The update included the funding for the Office of Study Abroad, the Third Party Waiver status, colleges' new responsibilities, risk management services and enhancing study abroad options.

Harald Vaessin presented the Student Fee Structure Recommendation. The plan was discussed in depth and was continued until the next meeting due to the wide range of concerns and desire for additional discussion.

December 9, 2014

The Student Fee Structure discussion continued from the prior meeting. The CDS charge was reviewed to assure that all members of the committee understood the scope of the conversation. Concerns were raised related to course fees, the different structures of revenue and expense management across colleges, predictability and transparency of fees for students. No recommendation was approved to move forward. The full committee recommendation was put into writing and returned to CDS for further work.

Mike Boehm presented an update on Discovery Themes, including a review of the guiding principles, seven initial areas of investment, faculty search, etc. The seven areas of investment will be:

- Data Analytics and Decision Science
- Prevention, detection and treatment of emerging and re-emerging diseases.
- Prevention and treatment of chronic brain injury
- Personal food and metabolic profiling for improved health.
- Resilient, sustainable global food security for health
- Sustainability science for materials innovations
- Translational materials and Innovation: accelerating global sustainability

Senate Fiscal Committee – Summary of Activities, Spring 2015 Semester

January 13, 2015

Tom Ewing and Joanne McGoldrick attended the meeting and provided an overview of the health care plans, health care drivers and the Composite Benefit rate (purpose, costs included, calculation). This is background information for the committee to understand when the FY 2016 Composite Benefit Rate is presented later in the winter.

FY 2015 Regional SSI allocations options were presented and discussed. Additional information was requested concerning associate degrees. This will be provided in a separate meeting with Steve Gavazzi. Conversations concerning the FY 2015 allocations will continue.

January 27, 2015

The Student Fee Structure Proposal was presented again by Harald Vaessin. Discussion included how the recommendations were determined and five recommendations were discussed and recommended for approval by the Provost and CFO:

- Strengthen the process for requesting new fees and increasing existing fees
- Require all revenue and expenditures for a fee maintained within one chartfield.
- Annual reporting of the revenue, expenditures and cash balance will be submitted to FP&A, OAA and SFC for review.
- All fees will be reviewed on a regular basis
- Recommend that all fee requests be reviewed by SFC each year. This process will be added to the existing process.

The FY 2015 Regional Allocation process was discussed further. Comparison of the FY 2015 options to the FY 2014 allocations was presented. Further discussion will occur.

February 10, 2015

Tom Walsh from the Office of Government Affairs attended the meeting and presented an overview of the Governor's SFY 2106-2017 Biennial Budget. He focuses on the Higher Education budget recommendations, student debt relief, college credit, campus safety, research incentives. In addition, the Ohio Task Force on Affordability and Efficiency on Higher Education was discussed. Geoff Chatas will be the chair of the task force, with recommendations due by October 1. Tom also discussed legislative initiative that may end up impacting funding for the universities.

Dick Dietrich gave a quick update on the Budget Model Ad Hoc recommendation implementation. Meetings are on-going.

Zia Ahmed, Dave Wiseley presented the proposed dining plans for students for the upcoming fall, as proposed by the dining plan task force. After much discussion, it was determined that additional work was needed to take into account additional concerns of the students. The plans will come back to SFC at the next meeting.

February 24, 2015

Tom Ewing presented the proposed FY 2016 Overhead Rate for the committee's review and recommendation. Harald provided the information on the CDS discussion of the rate and that it was recommended for full committee. SFC recommended the overhead rate be approved and requested that an annual report be presented next year.

Zia Ahmed and Dave Wiseley and Dr. J. provided additional information on the process used to develop the dining plans presented at the last meeting. They discussed the consultant work, benchmarking, student involvement and the final task force group and the role that each played in the process. SFC recommended approval of the dining plans, with incorporation of the USG document. In addition, SFC would like to address several issues next year related to the dining plans:

- Traditions Dining and an analysis of its operations
- Alternative delivery methods
- Simplifications of plans in the future
- Changes to dining plans need to be presented to SFC by the end of Autumn term

March 10, 2015

Lynn Readey and Kristany Berger presented the proposed FY 2016 POM rate to the committee. All changes and drivers were explained and a lengthy discussion ensued. Six scenarios that were presented to CDS were given to SFC, along with three additional scenarios requested by CDS at their meeting. After much discussion, Scenario 1 from the CDS request was approved for recommendation to Geoff Chatas and the provost.

FY 2016 Student Fee requests were presented to SFC for their review, input and recommendation. Suzi Ballinger presented the details of each requests along with concerns. After discussion, all voucher fee requests were approved, all differential fee requests were held for more information and all course fee requests were denied, except the ASC fee. The differential fees will be discussed at the next SFC meeting. The ASC fee was held to next meeting due to lack of time to discuss.

April 7, 2015

Due to the high level of interest in the employee health plans and the financial impact they have on the university, along with concerns of the ACA impact, Randy Smith was asked to attend the meeting and give an overview and update on the activities of the Health Plan Oversight Committee, which was established to review health plans. This committee does not evaluate financial impact however; therefore it was decided that a special task force made up of SFC and HPOC would work on health plan issues and financial impacts over the summer and bring recommendations back to both committees. SFC members on the task force will be Dave Wiseley, Renne Komula, Carl Zulauf. The motion to approve this approach passed.

Fisher College of Business provided a letter from Dean Makhija for justification for approving their differential fee requests. There were some concerns on the justification, but the committee wants to allow the new dean some room to make changes, so they were recommended for approval, with the understanding that supporting documentation would be provided by September.

An initial discussion was held on the structure of SFC and how it should be changed to be more effective and to be able to handle the additional workload expected over the next couple of years. Further discussions will be held.

April 21, 2015

The first financial review by CSS was presented to the committee. This review was for the Office of Advancement (see attached report and recommendations). The report will be brought back

on May 19th for final approval after some edits were requested. However, the overall report was supported by the committee

The proposed Office of Study Abroad funding structure was presented by Brad Harris and Betsy Lindsey. There are three components of the office that need funded: Risk Management, Program Coordination and Delivery and Administration. Each of the areas will be funded through either existing PBA, fee-for-serve or through an assessment added to the Student Services Assessment. Further discussion will occur at the next meeting, after the Executive Deans and Council of Deans have a chance to review and provide input.

Dolan Evanovich and Gail Stephenoff presented the new Enrollment Plan for FY 2017 – FY 2021. This plan will focus on access, affordability and inclusive excellence. Unlike the last enrollment plan, increase in enrollment is not a goal of this plan. This presentation included the programmatic portions of the plan. The budget and financing of the plan will be presented at the next SFC meetings, as it is still being fine-tuned.

May 12, 2015

The Regional SSI allocation proposal for FY 2016 and beyond was presented to the committee by Harald Vaessin. The proposal was developed by CDS, the regional deans, OAA and B&F. The recommendation is one that follows closely the funding allocation from the State of Ohio, with the one caveat that the associate degree earnings for Columbus Campus would not be distributed to Columbus. All associate degree earnings will go to the regionals. The recommendation as presented passed, with the caveat that as the at-risk degree data becomes available, we will use that actual data rather than the at-risk course completion data as a proxy.

Betsy Lindsey and Brad Harris provided additional information on the Office of Study Abroad Funding proposal. The proposed assessments were discussed extensively and a request for clarification of the calculations was requested. This will be provided at the next meeting.

Dolan Evanovich and Gail Stephanoff and Kris Devine provided follow up to the Enrollment Plan discussion from the prior meeting. This includes the budget and financing of the plan, which was not available at the last meeting. SFC was not asked to provide a recommendation, but their questions will be taken into account. The plan will be presented to the Board of Trustees in June. Dolan will meet with Deans in September, October and November with an update. He will also return to SFC each year to provide an update as well.

The second CSS report was presented to the committee – The Office of Student Life (see attached report). The recommendations and report was recommended for approval to the leadership.

May 19, 2015

This meeting was the final meeting of the year. Dick Dietrich thanked members going off the committee and welcomed the new members that were able to attend.

The next item on the agenda was the election of next year's committee chair. Dick Dietrich ran unopposed and was re-elected for next year.

Brad Harris, Suzi Ballinger and Chris Doll presented the additional information on the Study Abroad calculations. After discussion, the motion was approved.

Kris Devine provided an update on the FY 2016 budget and decisions and parameters for the budget. This included tuition changes, enrollment, non-resident and international surcharges, support office reductions and AMCP targets.

The third CSS review was presented to the Committee – the Office of Research (see attached report). The motion to accept the report was agreed to after discussion.

The CSS report on the Office of Advancemetn was brought to the committee for final review and approval. Motion to accept the recommendations was passed.

Suzi Ballinger presented a change to the recommendations in the Student Fee Structure report as approved. Originally, the recommendations included a “one fee, one fund” approach. This level of control for course fees was not feasible due to the large number of these fees. We requested a change to the recommendation to allow the development of an accounting structure that will still meet the intent of being able to follow the revenue and expenditures for each fee while keeping the accounting system flexible. The recommendation was discussed and approved.

The Budget Ad Hoc Implementation Plan was presented by Dick Dietrich (see attached plan). Dick stated that Senate Steering still has acted on the recommendations as proposed from the report last year due to time constraints. However, the implementation plan was developed to move forward on the recommendations as soon as Senate Steering was ready to approve the plan.

Remaining Tasks and Topics:

- As part of the review of the Health Care Plans and Composite Benefit Rates, it was decided that a task force to review health plans and possible change that will help to control costs would be established over the summer, with its work to be completed by early in the Fall Semester. Their report will be submitted to SFC during the Fall Semester for review, analysis and action.
- SFC Procedure Manual – Developed over the summer by the Office of Financial Planning and Analysis.

Possible Topics for the 2014-2015 Senate Fiscal Committee

- Establishment of new subcommittees and additional members
- Support Office Financial Reviews by CSS
 - Any idea which office we will be reviewing?
 - Ditto
- Support Office Budget Requests Timeframe and Process
- Benefit Rate Deep Dive and Health Plan Review
- Stability of SSI for OSU as a whole
- Financial Sustainability of the University
- Financial Analysis of the \$200 M revenue increase and \$200 M reduction in current costs as addressed in the Presidents Investiture Speech
- Budget Model
- Review of Dining Plans (mid-November)
- IT Assessments (fall)
- Enrollment Plan Annual Review
- Brick and Mortar education support
- Advancement Budget Model
- University Health Plan Review and Cost Containment Options
- Medical Center
- Parking
- Summer Calendar Structure and Financial Options and Outcomes
- FY 2017 Budget tasks (fees, support office budget requests, overhead, benefit rates, POM, tuition and fees, housing and dining)
- Student Fee Review – develop process for reviewing fees per the Student Fee Structure Recommendation of SFC in FY 2015.
- Risk Management
- MOOCs
- HR – Executive Compensation and Classification. (Steering needs to direct this; may establish a joint committee for SFC and FCBC)
- Discovery Themes
- North Residential District
- STEP
- Capital Budget

The following members are finishing their terms on the committee and I would like to thank them personally:

- Harald Vaessin
- Carl Zulauf

- Morgan Cichon
- Keti Sulaj (not sure ever attended?)
- Justin Costa

Central Services Subcommittee Annual Report

The CSS subcommittee focused on one main item this year - support office reviews. After much discussion and an analysis of the availability of funding for the support office budget request process, it was decided that the process would be put on hold for one year and would be re-instated in FY 2017.

The subcommittee was tasked with review of three support offices: the Office of Research, the Office of Advancement and the Office of Student Life. The three reports of the subcommittee, which were recommended for approval by the full committee, are attached.

Central Distribution Subcommittee Annual Report

CDS had a very busy year which included the finalization of the Student Fee Structure review, a review of the proposed Office of Study Abroad budget structure and the development of a proposal for the Regional Campus SSI allocation methodology for FY 2016 and beyond.

The subcommittee also addressed the standard FY 16 budget tasks as outlined in the meeting summaries above. These included:

- FY 16 Benefit Rates
- FY 16 Overhead Rates
- FY 16 POM Rates