University Budget Committee Meeting  
November 18, 2022  
Covell 117 and via Zoom

MINUTES

Agenda

1. Budget Model (SRBM) Revision and Process – Intro & Updates (40)
   a. Update on Budget Model structural changes and workbook
   b. “One OSU”
   c. Ecampus Incentive
   d. Space Management Incentive
   e. Assessment approach
   f. Calibration
   g. Service/Support/Management allocations

2. Beginning Contribution Margin Analysis & Measures (30)
   a. Contribution margin guidelines and structure – overview of the analysis
      i. Understanding the relative financial cost or return of a college requires assigning revenue, direct costs, and indirect costs (for example a share of the library or a share of facilities).
      ii. Cost driver discussion for Administrative units

3. Cohort Tuition (15)
   a. How many cohorts should we have?

4. Concerns, Suggestions, Needed Information (5)

Committee Members Present: Nicole von Germeten, Jon Boeckenstedt, Joe Page, Terri Libert, Staci Simonich, Tim Carroll, Jeff Luck, Mya Kuzmin, Marc Norcross, Xander Robertson, Zackery Allen, Lonni Ivey, John Gremmels

Committee Members Absent: Islam Elwefati, Lisa Gaines, Jessica DuPont

University Staff Present: Sherm Bloomer, Nicole Dolan, Kayla Campbell, Mealoha McFadden

1. Cohort Tuition – Recommend a limited number of cohorts (6)
2. Beginning Contribution Margin Analysis & Measures
   a. Purpose:
      i. Understand Academic Unit’s net contribution to University E&G
      ii. “Follows each dollar” for both revenue and expense
iii. Basis for the analysis was the Rebasing exercise

b. Goal:
   i. Not require every academic unit to be a net revenue contributor
   ii. Understand the dynamics of E&G finances
   iii. Assess if units are contributing too much or consuming too much
   iv. Only one approach to assess

c. General Assumptions
   i. Revenue Allocations
      1. Tuition & State support for instruction are allocated based on credit hours taught with the assumption that the college providing a credit hour of instruction appropriately receives credit for generating those revenues.
      2. Not reflect the “why” students come to OSU
   ii. Alternate Options
      1. Assign all credit hour revenues based on major college and “sub-contract” non-major coursework to other colleges at a discounted rate per credit hour as a “transfer payment”
      2. Mixed Metric – 90% to the teaching college, 10% to the major college
   iii. Expense Allocations
      1. Direct expense - identifies actual expenditures made by academic and support units
      2. Indirect expense – attribute support costs to academic units based on various cost drivers
   d. Revenue less Direct and Indirect Expense = Contribution Margin Budget Mode

Follow up: Members to look at the handouts and tables and see if there would be a better way to distribute the cost as a cost driver; set up a workgroup meeting and then present workgroup findings to UBC at our next meeting.

3. (SRBM) Revision and Process – Intro & Updates
   a. Actual allocation of funds
   b. Year-long review and consultation
   c. Synthesis and review of goals for revision
   d. Proposed revisions (and calibration discussion)
   e. Implementation (likely phased)

4. How are we doing? Concerns, Suggestions, Needed Information?

Follow up: Schedule workgroups

Follow up: Check with deans about differential tuition, professional tuition and preliminary budgets and report back to committee