

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