

The OSU Budget Model

How the funds flow within the university

Office of Financial Planning & Analysis (FP&A)

October 2026



Questions This Presentation Will Answer

1. What funds make up the university operating plan?
2. How does the budget model revenue flow from the university to colleges and support units?
3. How is the budget model **General Funds Allocation (GFA)** calculated?
4. What drives changes in my GFA budget from year to year?
5. Where can I find additional FP&A budget planning resources?



University Operating Plan: Fund Types & Restrictions

Fund Group	Fund Type	Typical Funding Sources	Restrictions
Unrestricted	General Funds	Tuition and student fees, state share of instruction, short term interest income, grant facilities and administrative cost allowances, cost allocations from earnings funds and Health System	Unrestricted funding that supports allowable expenses, as defined by university policy
	Designated	Originally from General Funds or unrestricted gifts, internally designated for a specific purpose	Not legally restricted but internally restricted for stated purposes
Earnings	Auxiliary Earnings	User fees, e.g., housing, dining, athletics ticket revenue	Not legally restricted, but customer/user may expect specific fees to only support specific goods or services
	Departmental Earnings	User fees, including internal billings, e.g., instructional clinic revenue, lab services revenue, etc.	Not legally restricted, but customer/user may expect specific fees to only support specific goods or services
Restricted Endowment and Development	Current Use Gifts	Donor gifts without either a requirement to be deposited into an endowment or used for a capital project	Restricted based on donor intent, may be governed by a gift agreement
	Endowment Income/Expense	Income from investment of donor gifts in the endowment	Restricted based on donor intent as memorialized in fund description
Restricted Grants and Contracts	Grants and Contracts	Grant or contract dollars received from external entities; includes specific line-item appropriations from the State of Ohio	Restricted based on grant agreement, contract, or line-item appropriation description

For an overview of funds and funds management, see link to the Controller's publication: <https://busfin.osu.edu/university-business/controller/accounting/funds-overview>



How Does Budget Model Revenue Get to Me?

OSU's budget model funding begins with tuition, state subsidy distributed via the **State Share of Instruction (SSI)**, and **indirect cost recoveries (IDCs)**. The budget model allocates these resources to colleges and support units using defined methodologies. Once allocated, Deans and Vice Presidents determine how those resources are distributed within their organizations.

Columbus Colleges

GFA: Tuition, State Subsidy and IDCs

Allocated to Colleges after taxes based on credit hour production & headcount majors

Dean determines allocation of funds to the departments

Department budget determined by Chair based on College allocation

Support Units

GFA: Primarily sourced from Central Tax or Assessments

Allocated to Support Units based on prior year GFA and marginal support unit guidelines (AMCP* and Benefits)

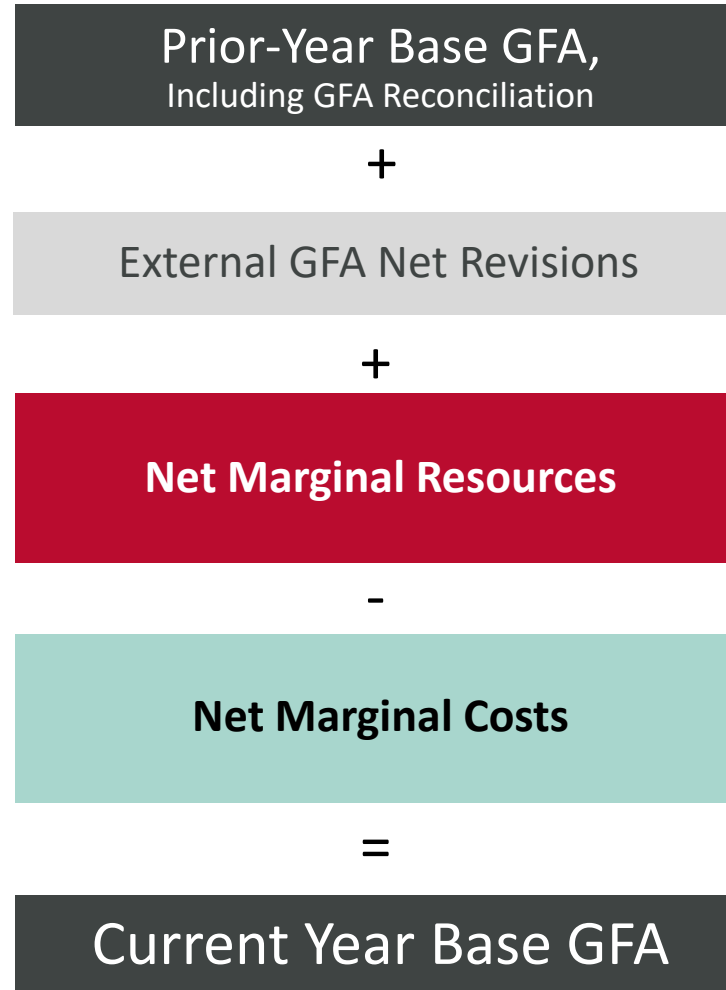
Vice President determines allocation of funds within its organization in support of the university mission

*The Annual Merit Compensation Process (AMCP) raise pool is determined by Executive Leadership as part of budget planning assumptions.



Unit-Specific General Funds Allocation (GFA)

Ohio State utilizes a modified Responsibly Centered Management (RCM) budget model. The **marginal model** applies incremental changes to both resources and costs against prior-year base GFA. Rather than begin each year by building a new budget from scratch, the current year's base budget begins where last year's base budget ended.



Unit-Specific General Funds Allocation (GFA): Resources

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

Drivers of GFA Reconciliation:

- Actual vs Plan:
 - Undergraduate Tuition (FP&A)
 - Graduate/Professional College Enrollments

Drivers of Net Marginal Resources

- Annual changes to undergraduate credit hours and headcounts (using primary major), by College
- **Tuition: Enrollments, Rates, and Mix** (by residency and on-campus/online)
- Graduate/Professional Enrollment projections, from Colleges
- **SSI: State Appropriation, credit hours, and completions**
- IDC: College and Unit Research projections

Prior-Year Base GFA,
Including GFA Reconciliation

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External GFA Net Revisions

+

Net Marginal Resources

- Columbus Tuition & Fees
- State Share of Instruction
- Indirect Cost Recoveries
- Support Unit Guidelines
- Budget Model Reallocations

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Net Marginal Costs

- Student Services Assessments (SSA)
- Physical Plant Assessments (PPA)
 - Research Assessment (RA)
- Central & Provost Taxes on eligible resources
- Distance Ed Assessment on eligible resources

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Current Year Base GFA



GFA Resources: Definitions

Columbus Tuition & Fees

Direct charges to students in undergraduate, graduate and professional programs of study; undergraduate revenue is allocated according to both credit hour delivery (90%) and academic major (10%) while graduate and professional revenue is allocated exclusively based on credit hour delivery.

State Share of Instruction

Annual allocation of state operating support based on a statewide formula supporting all public institutions of higher education.

Indirect Cost Recoveries

Administrative costs charged against both private and public grants facilitated by various units throughout campus.

Support Unit Guidelines

Central subsidies provided to support units throughout campus that cover the annual inflationary growth in general fund personnel salary and benefit costs.

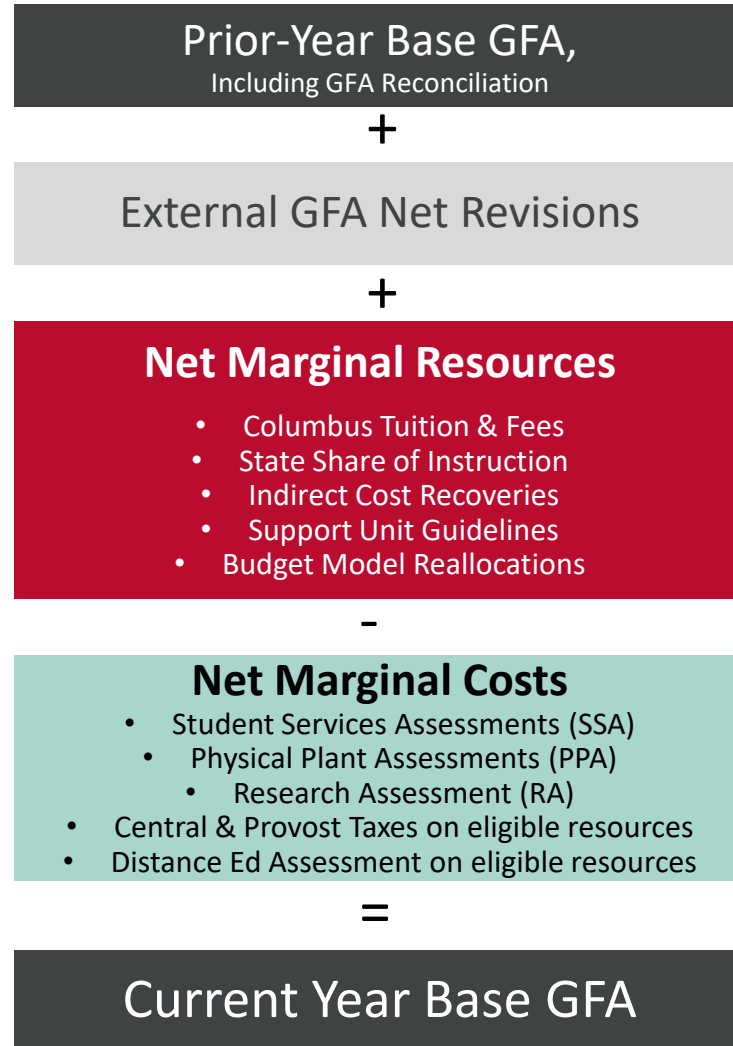
Budget Model Reallocations

Adjustments that are made case by case to implement new strategies or reconcile historic imbalances; often referred to as subvention.



Unit-Specific General Funds Allocation (GFA): Costs

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



Drivers of Net Marginal Assessments:

- SSA1: Undergraduate Institutional Financial Aid
- SSA2: Graduate Fee Authorizations
- PPA: Utility inflation, maintenance inflation, and changes in square footage
- Taxes on incremental revenue
- All marginal assessments are driven by changes to the AMCP and Composite Benefit Rate, tied to their respective support unit guidelines calculation
- Approved Investment Requests, reviewed by shared governance and approved by Leadership



GFA Costs: Definitions

Physical Plant Assessments (PPA)

Activity based assessment that recovers operating costs associated with Plant Operations & Maintenance (POM), driven primarily by individually assigned square footage and rates subjected to inflationary growth.

Student Services Assessments (SSA)

Activity based assessment that recovers funding that supports operations, institutional student aid, fee authorization reimbursements, and various student activity-based fees. Activity allocations based on credit hours, headcounts and inflationary operational costs.

Research Assessment (RA)

Activity based assessment that recovers operating costs for Enterprise for Research, Innovation, and Knowledge (ERIK) and its support for university research, driven by shares of modified total direct costs (MTDC).

Central (19%) & Provost (5%) Taxes

A combined 24% tax on applicable tuition and state subsidy resources that funds operational costs within university support offices and Office of Academic Affairs (OAA) investments in new programs, strategies and university initiatives.

Distance Education Tax

A 30% tax on revenues net of Central and Provost taxes driven by online program activities in support of Ohio State Online operations.



Unit-Specific General Funds Allocation (GFA): Resources & Costs

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Drivers of Net Marginal Resources

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Prior-Year Base GFA,
Including GFA Reconciliation

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External GFA Net Revisions

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Net Marginal Resources

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Net Marginal Costs

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Current Year Base GFA

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Appendix: Sample Marginal GFA



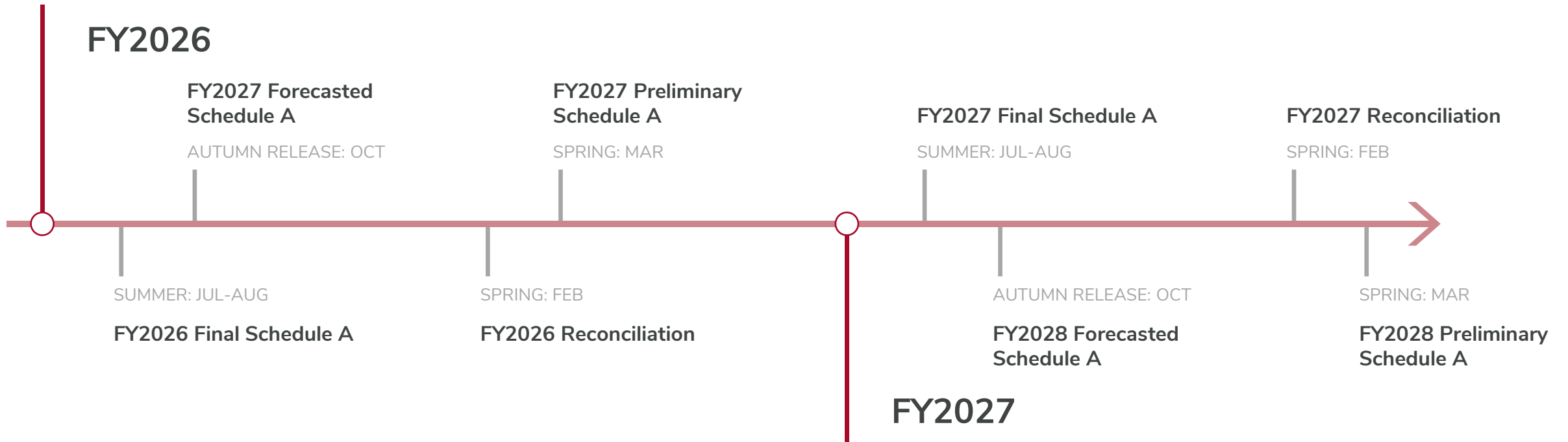
Marginal GFA: College Example & Drivers

	Schedule A	What factors impact marginal resources?	
Base Allocation	\$ 30,549,993	College Activity	Central Planning Assumptions
Undergraduate Fees – Credit Hours	436,344	Shares of Total Undergraduate Credit Hours	Tuition Rate Increases, NFYS Cohort and Total Enrollments
Undergraduate Fees – Majors	924,739	Shares of Full-Time, Degree Seeking Enrollments (Primary Majors)	Tuition Rate Increases, NFYS Cohort and Total Enrollments
Undergraduate Subsidy	(19,856)	Shares of Undergraduate Completed Credit Hours	SSI appropriation increase, based on state budget
Graduate/Professional Fees	572,949	Shares of Graduate and Professional Credit Hours	Tuition Rate Increases and Total Enrollments
Graduate/Professional Subsidy	190,228	Shares of Graduate Completed Credit Hours	SSI appropriation increase, based on state budget
Professional Med I Subsidy	-	Reserved for College of Medicine	SSI appropriation Increase, based on state budget
Professional Med II Subsidy	-	Reserved for College of Dentistry and Vet Medicine (only)	SSI appropriation Increase, based on state budget
Professional Differential Fees	487,967	College projection, using approved differentials (SFRS)	N/A
Program & Tech Fees	-	College projection	N/A
Indirect Cost Recoveries	70,590	College Research Projections	N/A
Subvention	485,502	N/A	Strategic Reallocations: FY2027-FY2029 Budget Smoothing
Marginal Resources	\$ 3,248,463		
PPA Assessments	115,943	Changes in Assignable Square Footage (ASF)	Marginal POM Rates
Research Assessment	23,467	Shares of Modified Total Direct Costs (MTDCs)	Support Unit Guidelines & Appoved Investments
Student Services Assessments (SSA)	389,566	Shares of applicable Credit Hours, Headcounts, and Primary Majors	Support Unit Guidelines & Marginal Operational Costs
Distance Education Assessment	(208,678)	Online Program Credit Hours	Tax Rate = 30% of after tax college revenues, see below
Support Unit PPA Inflation Assessment	135,517	Percentage of Marginal Taxable Resources	Marginal POM Rates
Central Tax	399,837	Shares of applicable Credit Hours, Headcounts, and Primary Majors	Tax Rate = 19%
Provost Tax	105,220	Shares of applicable Credit Hours, Headcounts, and Primary Majors	Tax Rate = 5%
Marginal Assessments	\$ 960,873		
Total Margin	\$ 2,287,590		
Total Allocation	\$ 32,837,583		

Marginal GFA: Support Unit Example & Drivers

	Schedule A	What factors impact marginal resources?	
		Unit Activity	Central Planning Assumptions
Base Allocation	\$ 380,667,000		
Indirect Cost Recoveries	11,925,739	Unit Research Projections	N/A
Support Unit Guidelines	13,061,701	Personnel Salary and Benefits costs on General Funds	Support Unit Guidelines: AMCP & Benefits
SU PPA Inflation	1,639,549	Base Assignable Square Footage (ASF)	Marginal POM Rates
Marginal Resources	\$ 26,626,990		
PPA Assessments	1,973,154	Changes in Assignable Square Footage (ASF)	Marginal POM Rates
Research Assessment	400,081	Shares of Modified Total Direct Costs (MTDCs)	Support Unit Guidelines & Approved Investments
Marginal Assessment	\$ 2,373,235		
Total Margin	\$ 24,253,755		
Total Allocation	\$ 404,920,754		

GFA Planning Timeline



Questions?



Additional Resources

- Budget Model 101
- GFA Projection Template
- University Long-Range Financial Plan
- 5-Year Financial Proforma
- Efficiency Initiatives
- Strategic Planning

