The Ohio State University

April 13, 2016

**TOPIC:**

Proposed Regional Campus Service Charge (RCSC) Rate for FY 2017

**CONTEXT:**

* This is the annual calculation of the Regional Campus Service Charge (RCSC) rates charged by the University as a percentage of revenue to the Regional campuses and ATI for facilities, administration, student services, and library use.

**RECOMMENDATION:**

 Proposed rate for FY 2017 is indicated in the following chart:

|  |  |  |  |
| --- | --- | --- | --- |
| Category | Proposed FY 2017(based on FY15 costs) | Actual FY 2016(based on FY14 costs) | Actual FY 2015(based on FY13 costs) |
| Regional Campus Service Charge | **4.72%** | 5.01% | 5.23% |

**RATE SUMMARY:**

**Proposed Allocation of Indirect Overhead by Cost Pool**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cost Pool** | **Cost Pool Description** | **Total CPL Amount** | **Exclusions** | **Total CPL net of Exclusions** | **Allocated ASF%** **or MTDC%** | **Gross Allocated Amount** | **% Use** | **Net Allocated Amount** |
| 1000 | Property & Liability Insurance | $4,969,152 |  | $4,969,152 | 4.27% | $212,308 | 100% | $212,308 |
| 1035 | Facilities Plan & Development | 5,057,033 | (2,724,287) | 2,332,746 | 4.27% | 99,667 | 100% | 99,667 |
| 1045 | Environmental Health & Safety | 5,245,603 |  | 5,245,603 | 4.27% | 224,120 | 100% | 224,120 |
| 2100 | Central Administration Cost Pool | 81,920,413 | (1,031,150) | 80,889,263 | 1.01% | 815,612 | 100% | 815,612 |
| 2200 | Academic Administration Cost Pool | 16,785,025 | (1,096,053) | 15,688,972 | 2.40% | 376,501 | 100% | 376,501 |
| 2260 | Academic Computing | 7,088,064 | (761,811) | 6,326,253 | 2.93% | 185,422 | 100% | 185,422 |
| 7550 | Student Services Cost Pool | 54,292,576 |  | 54,292,576 | 2.80% | 1,518,878 | 50% | 759,439 |
| 8000 | University Libraries | 52,122,501 | (4,428,174) | 47,694,327 | 2.80% | 1,334,287 | 33% | 440,315 |
|  |  |  |  |  |  | **Total allocations** | **$3,113,385** |

|  |  |
| --- | --- |
| **Total Regional Campus Revenue**  | **$65,953,270** |
| **Calculated Rate** | **4.72%** |

**Notes:**

* The calculation allocated approximately 17% of its costs from the facilities cost pools and 83% of its costs from the general administration cost pools. This was consistent with historical calculations.
* The current year’s calculated rate employed a methodology similar to the one used for the internal overhead rate calculation.
* Decreases in allocated costs of approximately $0.3M (9%) more than offset a 3% or $2.3M decline in the revenue base and resulted in a (0.29%) decrease, representing a (6%) decline in the proposed RCSC rate as calculated.
* A summary of the FY2014 and FY2015 rates and total regional campus service charges for each campus is provided in Appendix A.

**Appendix A**

|  |  |  |
| --- | --- | --- |
| **Fiscal Year (Rate)** | **FY2014** | **FY2015** |
|  | **(5.63%)** | **(5.23%)** |
|  |  |  |
| ATI | $ 452,314 | $425,024 |
| Lima | 643,963 | 616,433 |
| Mansfield | 728,979 | 701,446 |
| Marion | 760,317 | 701,654 |
| Newark | 1,261,007 | 1,270,670 |
|  |  |  |
| Total | $3,846,580 | $3,715,227 |