

The Ohio State University
July 19, 2017

TOPIC:

Proposed Regional Campus Service Charge (RCSC) Rate for FY 2018

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 2018 is indicated in the following chart:

Category	Proposed FY 2018 (based on FY16 costs)	Actual FY 2017 (based on FY15 costs)	Actual FY 2016 (based on FY14 costs)	Actual FY 2015 (based on FY13 costs)
Regional Campus Service Charge	5.14%	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	\$4,396,413		\$4,396,413	4.38%	\$192,626	100%	\$192,626
1035	Facilities Planning & Development	5,577,212	(2,265,295)	3,311,917	4.38%	145,109	100%	145,109
1045	Environmental Health & Safety	5,517,108		5,517,108	4.38%	241,728	100%	241,728
2100	Central Administration Cost Pool	89,243,015	(1,150,187)	88,092,828	0.97%	856,671	100%	856,671
2200	Academic Administration Cost Pool	20,355,829	(3,138,362)	17,217,467	2.35%	404,221	100%	411,884
2260	Academic Computing	10,230,029	(240,625)	9,989,404	2.92%	291,659	100%	291,659
7550	Student Services Cost Pool	55,826,825		55,826,825	2.90%	1,617,776	50%	808,888
8000	University Libraries	52,695,310	(4,477,668)	48,217,642	2.90%	1,397,273	33%	461,100
						Total allocations		\$3,402,002

Total Regional Campus Revenue	\$66,219,127
Calculated Rate	5.14%

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.
- A marginal increase of \$0.3M in the revenue base only partially offset increases in allocated costs of approximately \$0.3M (9%), and resulted in a 0.42% increase in the proposed RCSC rate as calculated.
- A summary of the FY2014 - FY2016 rates and total regional campus service charges for each campus is provided in Appendix A.

Appendix A – Total Regional Campus Service Charges, FY2014-FY2016

Fiscal Year (Rate)	FY2014 (5.23%)	FY2015 (5.01%)	FY2016 (4.72%)
ATI	\$452,314	\$425,024	416,470
Lima	643,963	616,433	525,213
Mansfield	728,979	701,446	654,133
Marion	760,317	701,654	585,401
Newark	1,261,007	1,270,670	1,151,775
Total	3,846,580	3,715,227	3,332,992

Appendix B – Summary of Overhead Costs to be Recovered, FY 2014-FY 2016

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Property & Liability Insurance	513,072	212,308	192,626
Facilities Plan & Development	109,372	99,667	145,109
Environmental Health & Safety	230,908	224,120	241,728
Central Administration Cost Pool	890,455	815,612	856,671
Academic Administration Cost Pool	348,109	376,501	404,221
Academic Computing	113,129	185,422	291,659
Student Services Cost Pool	798,505	759,439	808,888
University Libraries	415,872	440,315	461,100
Total Overhead Costs to be Recovered	3,419,422	3,113,384	3,402,002
Regional Campus Revenue	68,263,999	65,953,270	66,219,127
Calculated Rate	5.01%	4.72%	5.14%