



THE OHIO STATE UNIVERSITY

Bruce A. McPheron
Executive Vice President and Provost

Office of Academic Affairs

203 Bricker Hall
190 N. Oval Mall
Columbus, OH 43210

614-292-5881 Phone
614-292-3658 Fax

To: James Cogdell, Chair, Senate Fiscal Committee

From: Bruce A. McPheron, Executive Vice President and Provost *RAM*
Michael Papadakis, Interim Senior VP & CFO, and University Treasurer *MP*

Date: April 10, 2018

Subject: Regional Campus Service Charge (RCSC) for FY 2019 Approval

We have discussed the recommended proposal for the Regional Campus Service Charge (RCSC) Rates for FY 2019, and we have approved the proposal for implementation in Fiscal Year 2019.


If you have any questions, please contact Scott Klute at klute.6@osu.edu.

cc: Kris Devine
Brad Harris
Scott Klute
Tom Ewing
Senate Fiscal Committee



March 8, 2018

To: Bruce McPheron, Executive Vice President and Provost
Mike Papadakis, Interim Senior Vice President and Chief Financial Officer

From: James W. Cogdell, Chair 
2017-2018 Senate Fiscal Committee

Subject: Regional Campus Service Charge for FY 2019

Process

The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Regional Campus Service Charge (RCSC) Rate for FY 2019 at its February 20, 2018, meeting. CFS voted unanimously in support of the proposed RCSC rates.

The CFS brought their recommendation to the full SFC at its February 27, 2018, meeting, where it was discussed and approved.

Recommendations

1. Senate Fiscal recommends approval of the proposed Regional Campus Service Charge Rate for FY 2019.

Please contact me at cogdell.1@osu.edu if you have any questions about these recommendations.

Cc: Kris Devine
Brad Harris
Scott Klute
Harald Vaessin
Tom Ewing

The Ohio State University
February 20, 2018

TOPIC:

Proposed Regional Campus Service Charge (RCSC) Rate for FY 2019

CONTEXT:

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

RECOMMENDATION:

Proposed rate for FY 2019 is indicated in the following chart:

Category	Proposed FY 2019 (based on FY17 costs)	Actual FY 2018 (based on FY16 costs)	Actual FY 2017 (based on FY15 costs)
Regional Campus Service Charge	5.28%	5.14%	4.72%

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	\$5,023,330		\$5,023,330	4.09%	\$205,522	100%	\$205,522
1035	Facilities Planning & Development	7,266,305	(2,278,152)	4,988,153	4.09%	204,083	100%	204,083
1045	Environmental Health & Safety	7,114,059		7,114,059	4.09%	291,061	100%	291,061
2100	Central Administration Cost Pool	99,635,805	(1,146,000)	98,489,805	1.30%	1,280,548	100%	1,280,548
2200	Academic Administration Cost Pool	15,387,081	(2,769,857)	12,617,224	2.30%	290,554	100%	290,554
2260	Academic Computing	2,994,212		2,994,212	4.33%	129,644	100%	129,644
7550	Student Services Cost Pool	54,959,215		54,959,215	2.72%	1,492,551	50%	746,275
8000	University Libraries	52,751,883	(4,563,014)	48,188,869	2.72%	1,308,685	33%	431,866
						Total allocations		\$3,579,553

Total Regional Campus Revenue	\$67,758,891
Calculated Rate	5.28%

Notes:

- The calculation allocated approximately 20% of its costs from the facilities cost pools and 80% 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 \$1.5M in the revenue base only partially offset increases in allocated costs of approximately \$0.2M (5%), and resulted in a 0.14% increase in the proposed RCSC rate as calculated.
- Increases in central administration costs were only partially offset by decreases in Academic Administration and Academic computing costs. Net increases in central administration and academic computing relate primarily to a non-recurring prior year credit adjustment within the OCIO; decreases in Academic Administration costs relate to removal of select organizations associated with the Instruction function.
- A summary of the FY2015 - FY2017 rates and total regional campus service charge collections for each campus is provided in Appendix A.
- A summary of the FY2015 – FY2017 surcharge costs to be recovered and calculated rates is provided in Appendix B.

Appendix A – Total Regional Campus Service Charge Collections FY2015 - FY2017

Fiscal Year (Rate)	FY2015 (5.23%)	FY2016 (5.01%)	FY2017 (4.72%)
ATI	\$ 425,024	416,470	369,726
Lima	616,433	525,213	469,026
Mansfield	701,446	654,133	545,992
Marion	701,654	585,401	500,384
Newark	1,270,670	1,151,775	1,043,348
Total	3,715,227	3,332,992	2,928,476

Appendix B -- Summary of Regional Campus Surcharges to be Recovered, Base Years FY 2015 -- FY 2017

	FY2015	FY2016	FY2017
Property & Liability Insurance	\$ 212,308	\$ 192,626	\$ 205,522
Facilities Plan & Development	99,667	145,109	204,083
Environmental Health & Safety	224,120	241,728	291,061
Central Administration Cost Pool	815,612	856,671	1,280,548
Academic Administration Cost Pool	376,501	404,221	290,554
Academic Computing	185,422	291,659	129,644
Student Services Cost Pool	759,439	808,888	746,275
University Libraries	440,315	461,100	431,866
Total Surcharge Costs to be Recovered	\$ 3,113,384	\$ 3,402,002	\$ 3,579,554
 Regional Campus Revenue	 65,953,270	 66,219,127	 67,758,891
 Calculated Rate	 4.72%	 5.14%	 5.28%