



To: Brian Turner, Chair, Senate Fiscal Committee

From: Bruce A. McPheron, Executive Vice President and Provost 
Mike Papadakis, Senior Vice President and Chief Financial Officer 

Date: March 4, 2019

Subject: Regional Campus Service Charge (RCSC) for FY 2020 Approval

We have discussed the recommended proposal for the Regional Campus Service Charge (RCSC) Rates for FY 2020, we have approved the proposal for implementation in Fiscal Year 2020.

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

cc: Kris Devine
Scott Klute
Tom Ewing
Senate Fiscal Committee



THE OHIO STATE UNIVERSITY

University Senate
Senate Fiscal Committee

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February 15, 2019

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

From: Brian A. Turner, Chair *BT*
2018-2019 Senate Fiscal Committee

Subject: Regional Campus Service Charge for FY2020

Process

The College Finance Subcommittee (CFS) of the Senate Fiscal Committee (SFC) reviewed the proposed Regional Campus Service Charge (RCSC) Rate for FY 2020 at its January 22, 2019, meeting. CFS voted in support of the proposed RCSC rates.

The CFS brought their recommendation to the full SFC at its February 12, 2019, meeting where it was discussed and approved unanimously.

Recommendation

1. Senate Fiscal recommends approval of the proposed Regional Campus Service Charge Rate for FY 2020.

This recommendation and the attached report are submitted to you for your review and approval.

Please contact me at turner.409@osu.edu if you have any questions about these recommendations.

Cc: Kris Devine
Scott Klute
Eric Sieber

The Ohio State University
January 22, 2019

TOPIC:

Proposed Regional Campus Service Charge (RCSC) Rate for FY20

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 2020 is indicated in the following chart:

Category	Proposed FY 2020 (based on FY18 costs)	Actual FY 2019 (based on FY17 costs)	Actual FY 2018 (based on FY16 costs)
Regional Campus Service Charge	5.02%	5.28%	5.14%

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	\$4,578,892		\$4,578,892	3.77%	\$172,843	100%	\$172,843
1035	Facilities Planning & Development	7,155,284	(549,077)	6,606,207	3.77%	249,370	100%	249,370
1045	Environmental Health & Safety	6,904,901		6,904,901	3.77%	260,645	100%	260,645
2100	Central Administration Cost Pool	103,547,309	(1,142,651)	102,404,658	1.24%	1,269,834	100%	1,269,834
2200	Academic Administration Cost Pool	16,551,179	(2,476,639)	14,074,540	2.35%	330,617	100%	330,617
2260	Academic Computing	2,889,641		2,889,641	3.72%	107,458	100%	107,458
7550	Student Services Cost Pool	52,166,454		52,166,454	2.46%	1,283,825	50%	641,913
8000	University Libraries	52,816,181	(4,756,660)	48,059,521	2.46%	1,182,753	33%	390,308
						Total allocations		\$3,422,988

Total Regional Campus Revenue	\$68,191,001
Calculated Rate	5.02%

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 \$432,110 (1%) in the revenue base combined with a decrease in allocated costs of \$156,567 (4%) resulted in a 0.26% decrease in the proposed RCSC rate as calculated.
- Increases in Facilities and Plan Development allocated costs were offset by decreases in Property & Liability Insurance and Environmental Health and Safety allocated costs. Increases in Academic Administration allocated costs were offset by decreases in Central Administration and Academic Computing allocated costs. The Regionals' relative share of the Student Services and University Libraries cost pools decreased slightly, resulting in a small decrease in allocated costs.
- A summary of the FY2016 - FY2018 rates and total regional campus service charge collections for each campus is provided in Appendix A.
- A summary of the FY2016 – FY2018 surcharge costs to be recovered and calculated rates is provided in Appendix B.

Appendix A – Total Regional Campus Service Charge Collections FY2016 - FY2018

Fiscal Year (Rate)	FY2016 (5.01%)	FY2017 (4.72%)	FY2018 (5.14%)
ATI	416,470	369,726	458,452
Lima	525,213	469,026	574,301
Mansfield	654,133	545,992	627,535
Marion	585,401	500,384	631,606
Newark	1,151,775	1,043,348	1,336,386
Total	3,332,992	2,928,476	3,628,281

Appendix B -- Summary of Regional Campus Surcharges to be Recovered, Base Years FY 2016 - FY 2018

	FY2016	FY2017	FY2018
Property & Liability Insurance	\$ 192,626	\$ 205,522	\$ 172,843
Facilities Plan & Development	145,109	204,083	249,370
Environmental Health & Safety	241,728	291,061	260,645
Central Administration Cost Pool	856,671	1,280,548	1,269,834
Academic Administration Cost Pool	404,221	290,554	330,617
Academic Computing	291,659	129,644	107,458
Student Services Cost Pool	808,888	746,275	641,913
University Libraries	461,100	431,866	390,308
Total Surcharge Costs to be Recovered	\$ 3,402,002	\$ 3,579,554	\$ 3,422,987
Regional Campus Revenue	66,219,127	67,758,891	68,191,001
Calculated Rate	5.14%	5.28%	5.02%