

Money Matters: The OSU Budget Model

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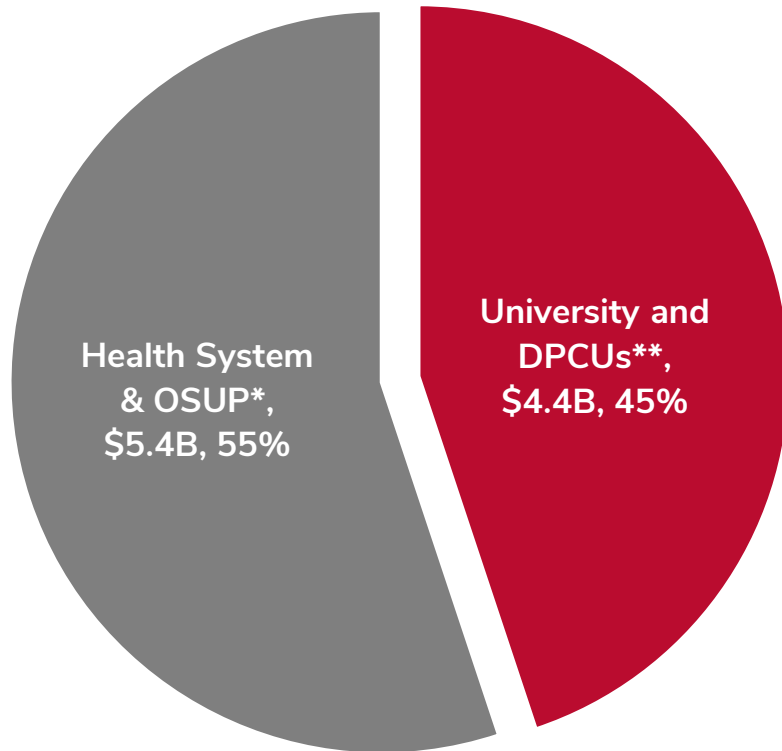


University Plan Overview – FY 2025

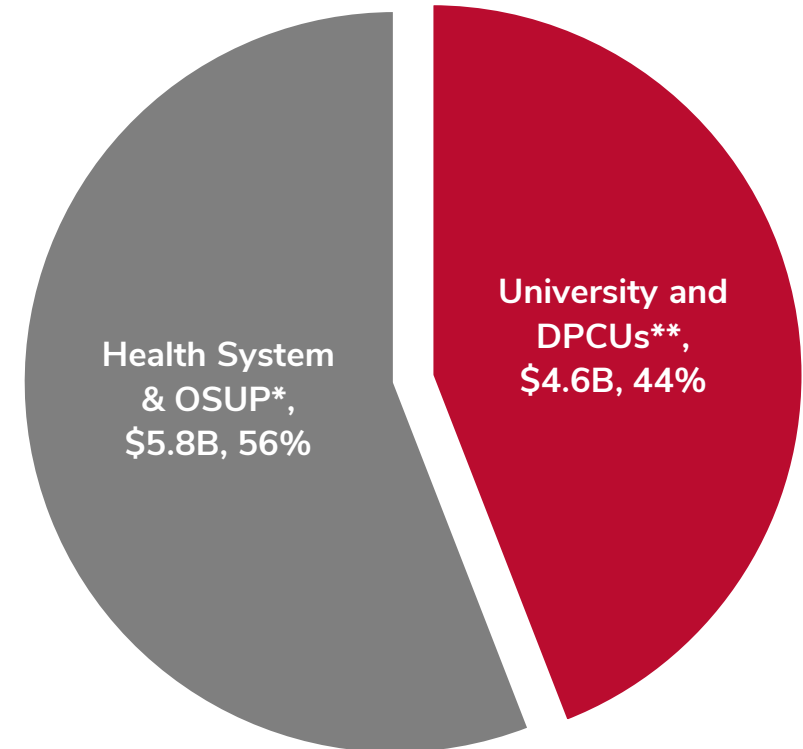


Consolidated Financials – Total External Sources

FY24 Forecast
\$9.9B



FY 2025 Plan
\$10.4B

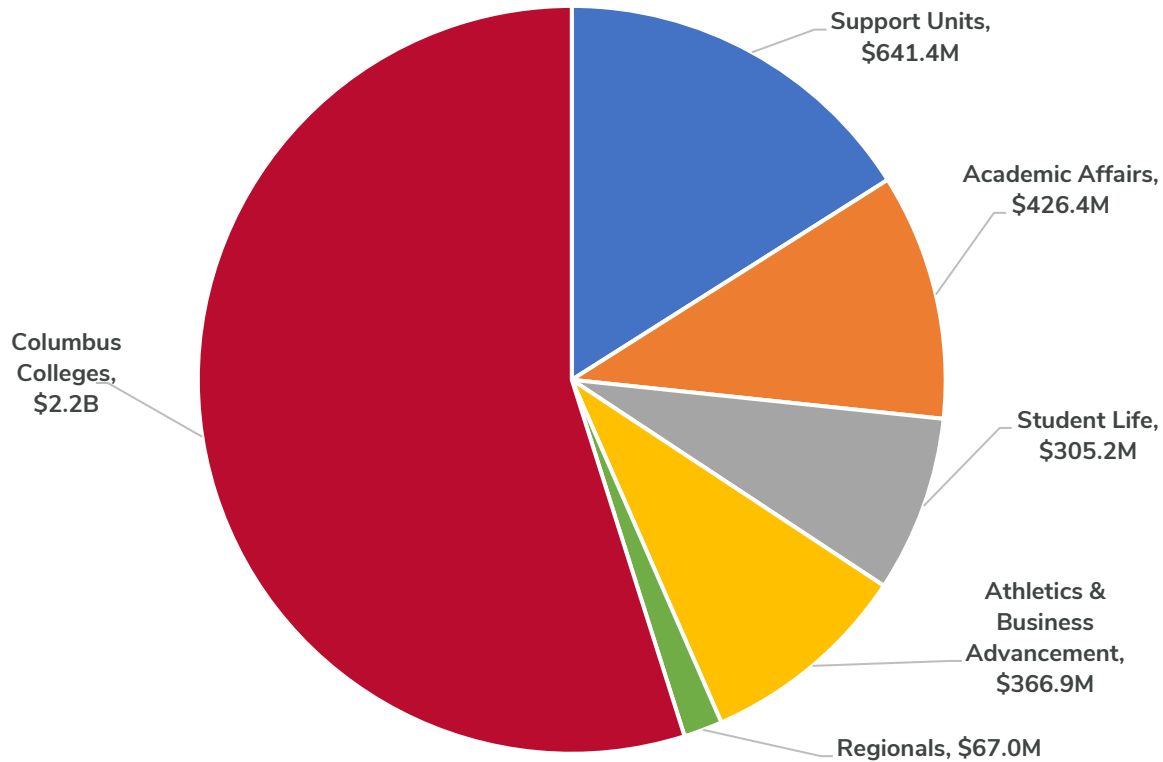


* The Ohio State University Physicians, Inc.

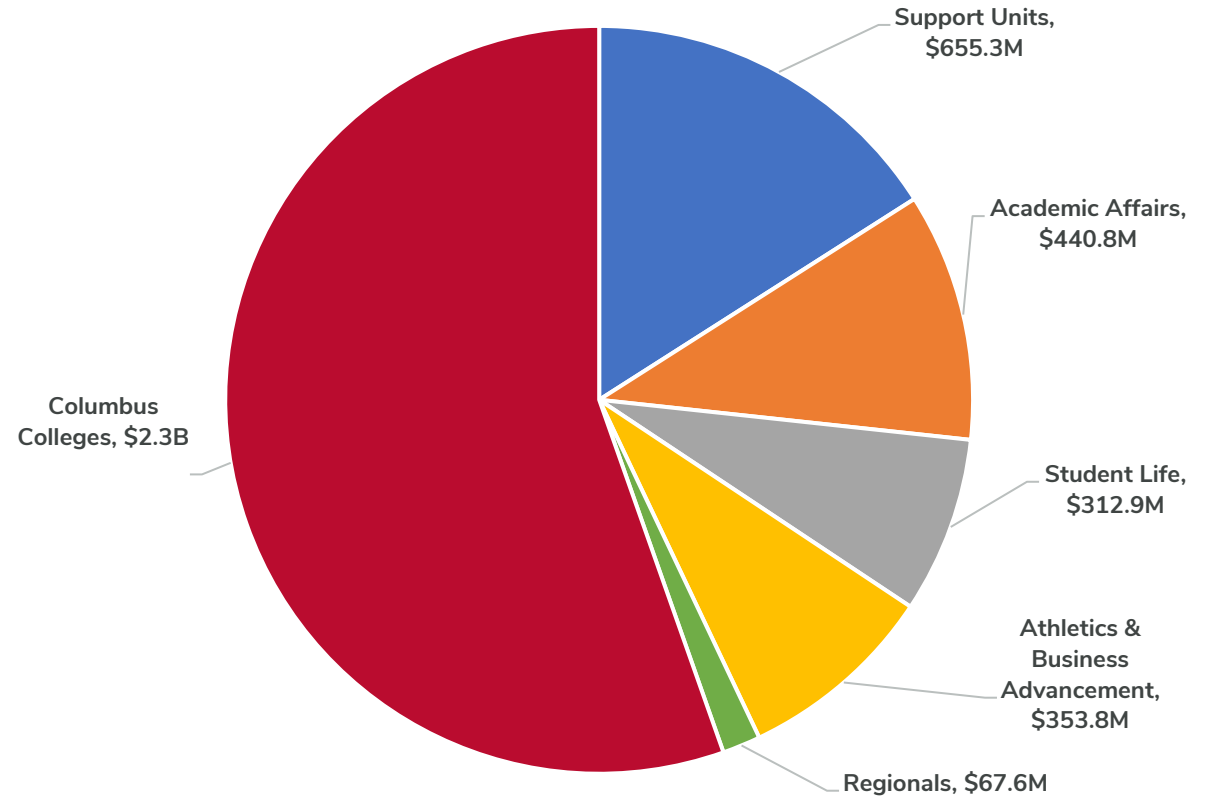
** Discretely Presented Component Units (DPCUs) include Campus Partners, Transportation Research Center, Dental Faculty Practice, and SciTech.

University Sources by Academic & Support Unit*

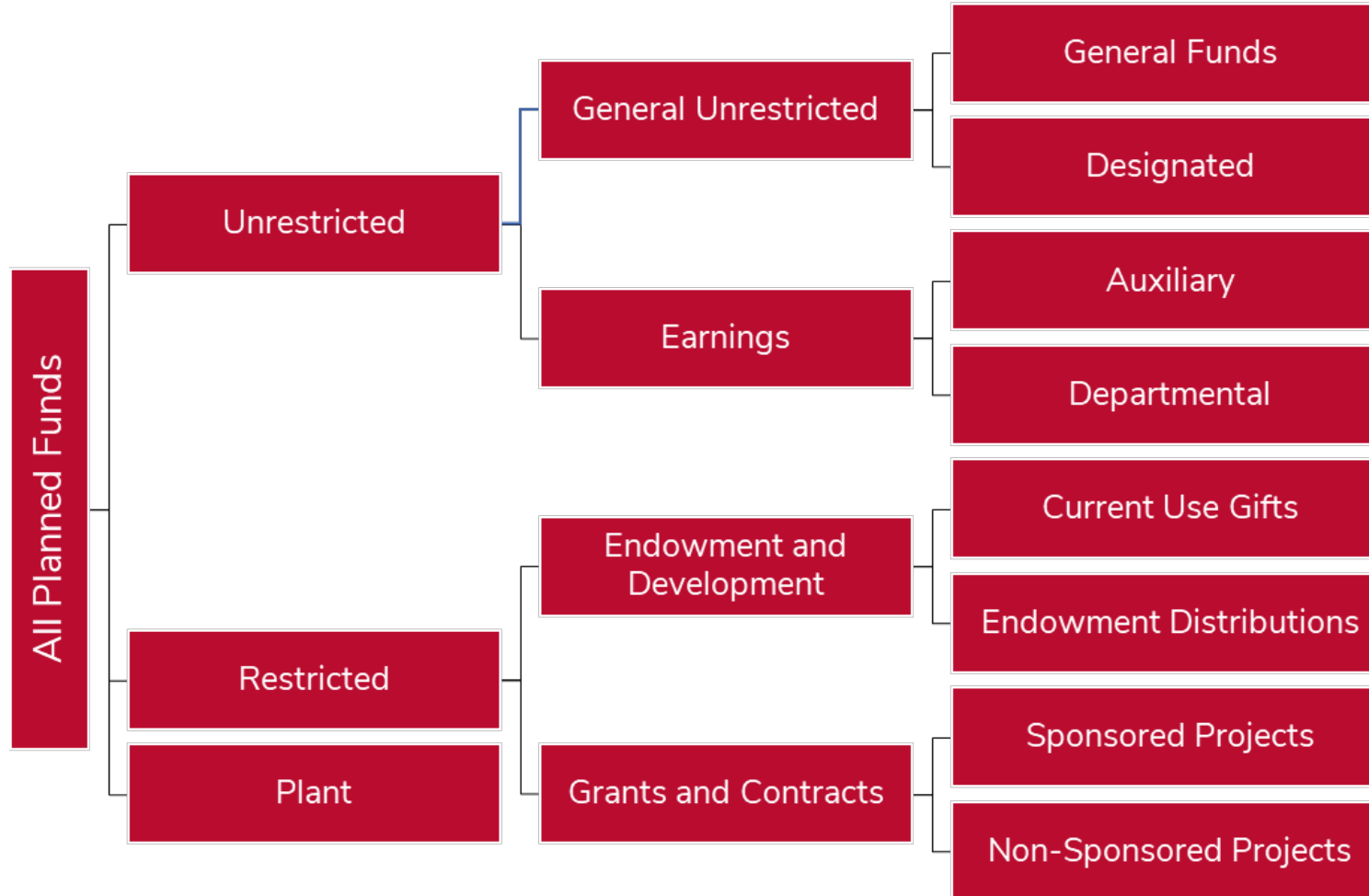
FY24 Forecast
\$4.0B



FY25 Plan
\$4.1B



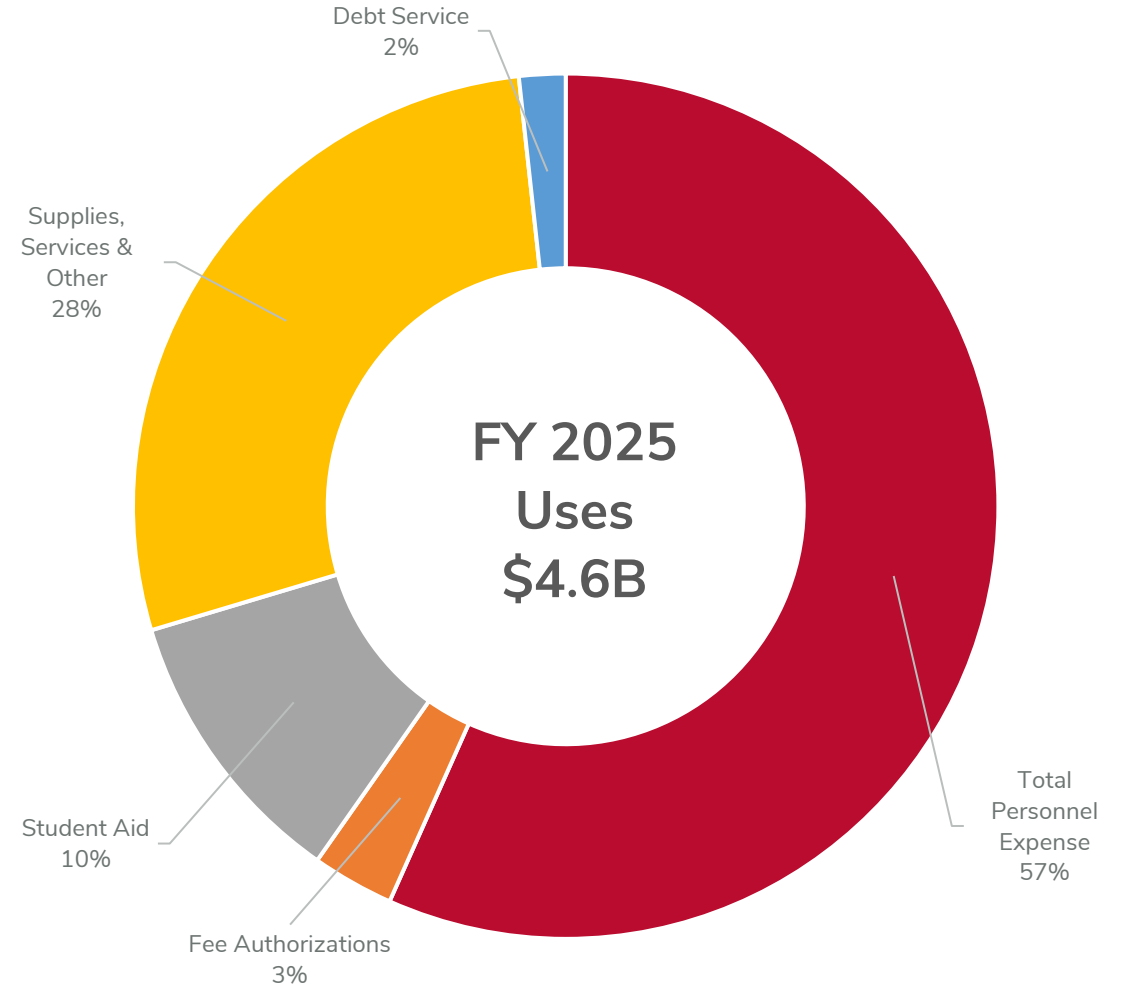
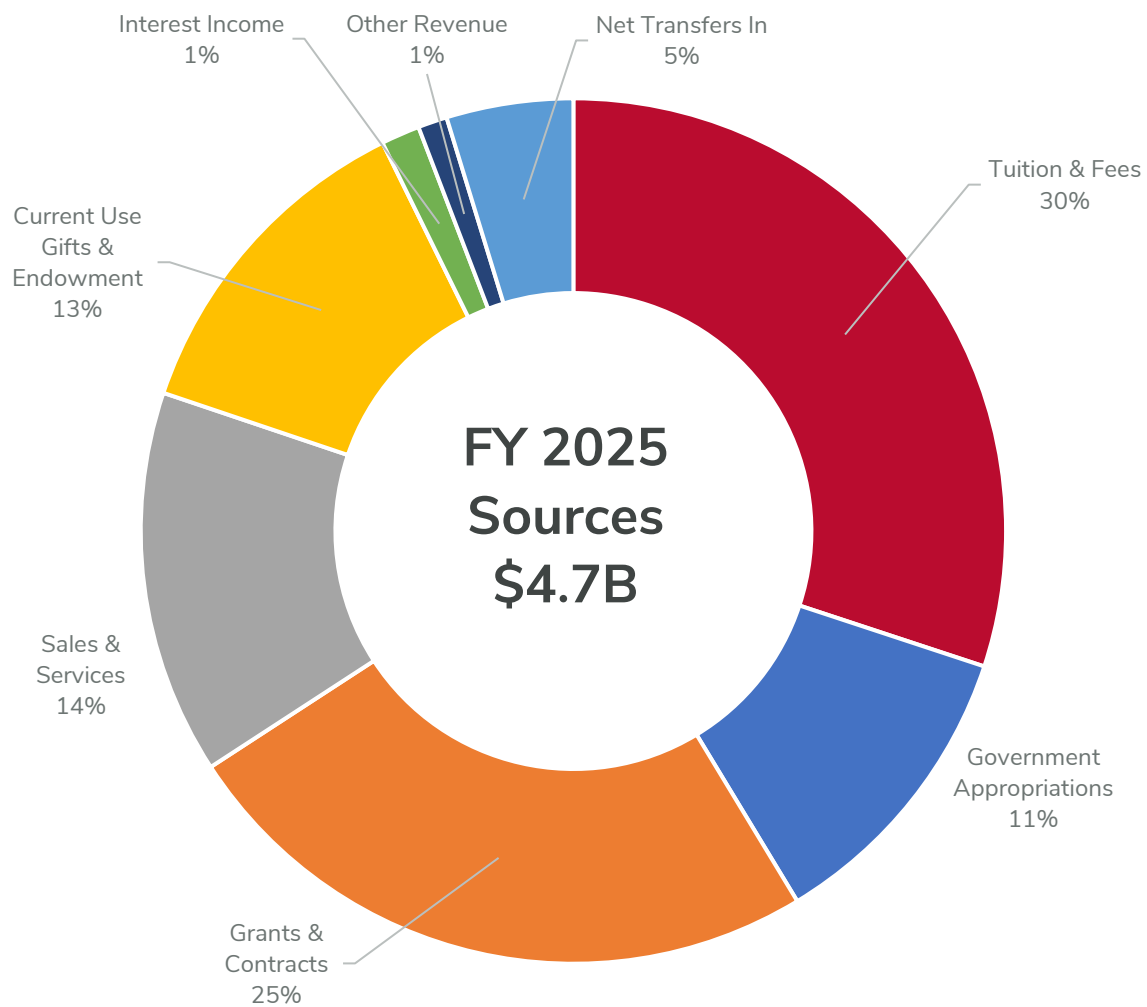
University Operating Plan: Fund Groups



Strategies to Optimize External Revenues

Fund Group	Levers	
Unrestricted	Tuition & Fees <ul style="list-style-type: none"> • Price • Enrollment Volume • Mix Program, Tech & Differential Fees <ul style="list-style-type: none"> • Market Elasticity 	Distance Education/Online Programs State Share of Instruction <ul style="list-style-type: none"> • Focus on higher weighted courses • Course/Degree Completion Resource Optimization
Earnings	Core vs Non-Core Operations <ul style="list-style-type: none"> • Contribution to academic mission • Community responsibility Pricing Compared to External Market	
Restricted Endowment and Development	Fundraising Strategy	
Restricted Grants and Contracts	Research Strategy <ul style="list-style-type: none"> • Federal • State • Private 	Government Funding

FY 2025 Plan - University Sources and Uses



FY 2025 Plan - University Sources & Uses, by Fund Group

For the FY 2025 Plan:

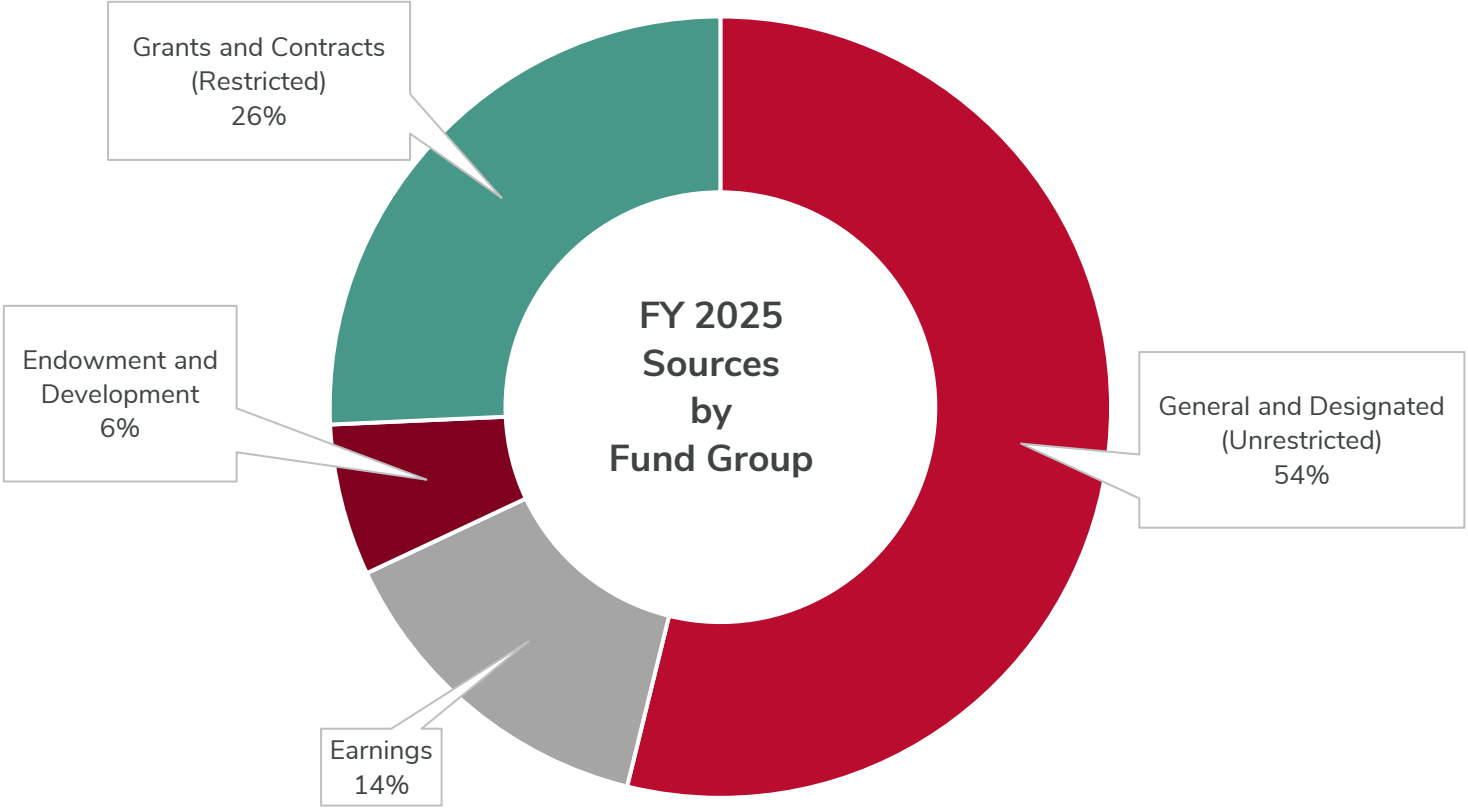
- Unrestricted General and Designated funds generate a margin of \$104.8M, which is mainly used for operating reserve, capital investment and strategic investments.
- Earnings operations are planned to generate a positive margin of \$23.4M, which supports capital investments.
- Endowment and Development funds generate a margin of \$32.6M mainly due to anticipated timing differences between gift receipt and spend.
- Restricted Grants and Contracts generate a margin of \$11.2M due to the timing of reimbursements on research projects.



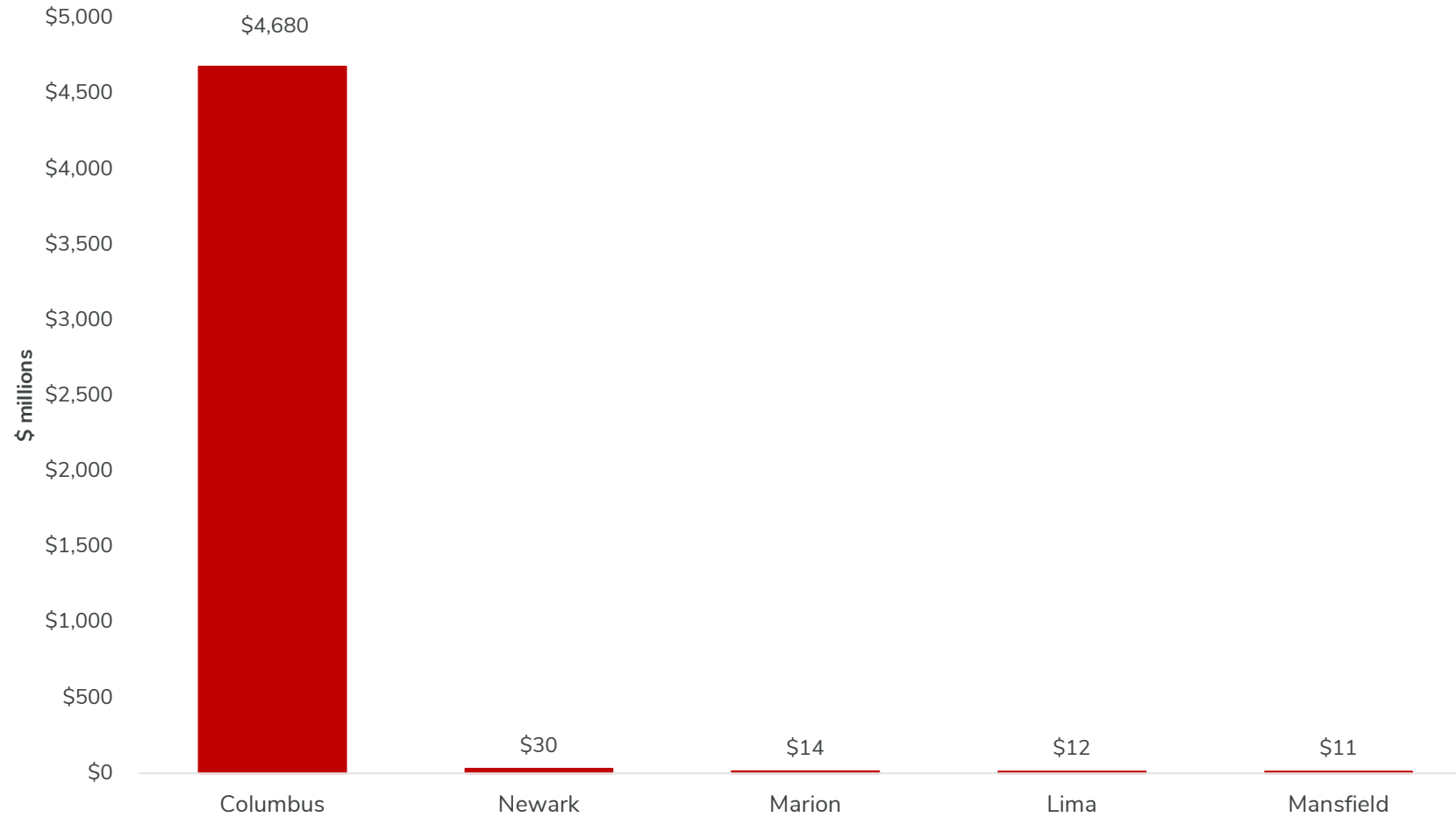
[View or download the FY25 Plan](#)

	General and Designated (Unrestricted)	Earnings	Endowment and Development	Grants and Contracts (Restricted)	Total FY2025 University
Total Sources (\$ thousands)					
Tuition and Fees (gross)	\$1,425,426	\$1,102	\$18	\$793	\$1,427,339
State Share of Instruction	\$432,344	\$-	\$-	\$-	\$432,344
Other Operating Appropriations	\$-	\$-	\$-	\$102,880	\$102,880
Exchange Grants & Contracts	\$42,710	\$1,447	\$1,396	\$983,399	\$1,028,952
Non-Exchange Grants & Contracts	\$-	\$400	\$-	\$132,590	\$132,990
Sales and Services - Auxiliaries	\$-	\$473,617	\$-	\$-	\$473,617
Sales and Services - Departmental	\$56,942	\$150,482	\$350	\$-	\$207,775
Current Use Gifts	\$650	\$-	\$172,350	\$-	\$173,000
Endowment Distributions	\$238,660	\$-	\$184,297	\$-	\$422,957
Interest Income	\$64,436	\$3,322	\$845	\$28	\$68,631
Other Revenue	\$29,556	\$21,444	\$98	\$724	\$51,822
Total External Sources	\$2,290,726	\$651,815	\$359,354	\$1,220,413	\$4,522,307
Net Transfers In (Out)	\$265,074	\$21,100	(\$61,342)	\$-	\$224,832
Total Internal Sources	\$265,074	\$21,100	(\$61,342)	\$-	\$224,832
Total Sources	\$2,555,800	\$672,915	\$298,011	\$1,220,413	\$4,747,139
Total Uses (\$ thousands)					
Salaries	\$1,199,123	\$352,663	\$52,096	\$404,911	\$2,008,793
Benefits	\$349,773	\$108,980	\$14,066	\$111,261	\$584,079
Total Personnel Expense	\$1,548,895	\$461,643	\$66,161	\$516,173	\$2,592,872
Fee Authorizations	\$115,441	\$1,389	\$5,247	\$18,175	\$140,251
Student Aid	\$273,360	\$36,064	\$57,289	\$119,755	\$486,467
Supplies, Services & Other	\$433,996	\$150,370	\$136,669	\$555,096	\$1,276,132
Debt Service	\$79,311	\$-	\$-	\$-	\$79,311
Total Non-Personnel Expense	\$902,109	\$187,822	\$199,205	\$693,026	\$1,982,162
Total Uses	\$2,451,004	\$649,465	\$265,367	\$1,209,198	\$4,575,034
Sources Less Uses, Operating	\$104,796	\$23,450	\$32,645	\$11,215	\$172,106

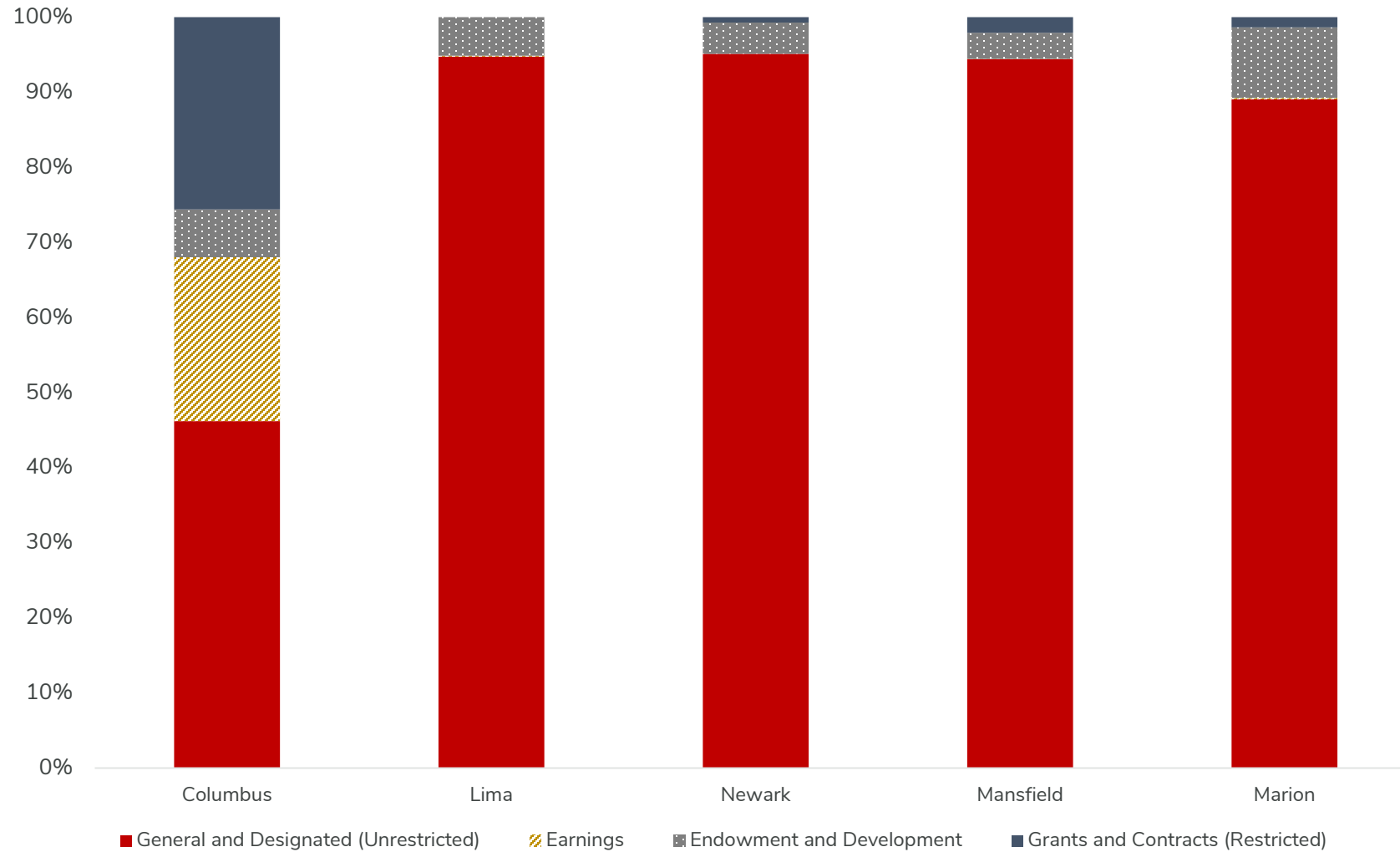
FY2025 Plan - University Sources by Fund Group



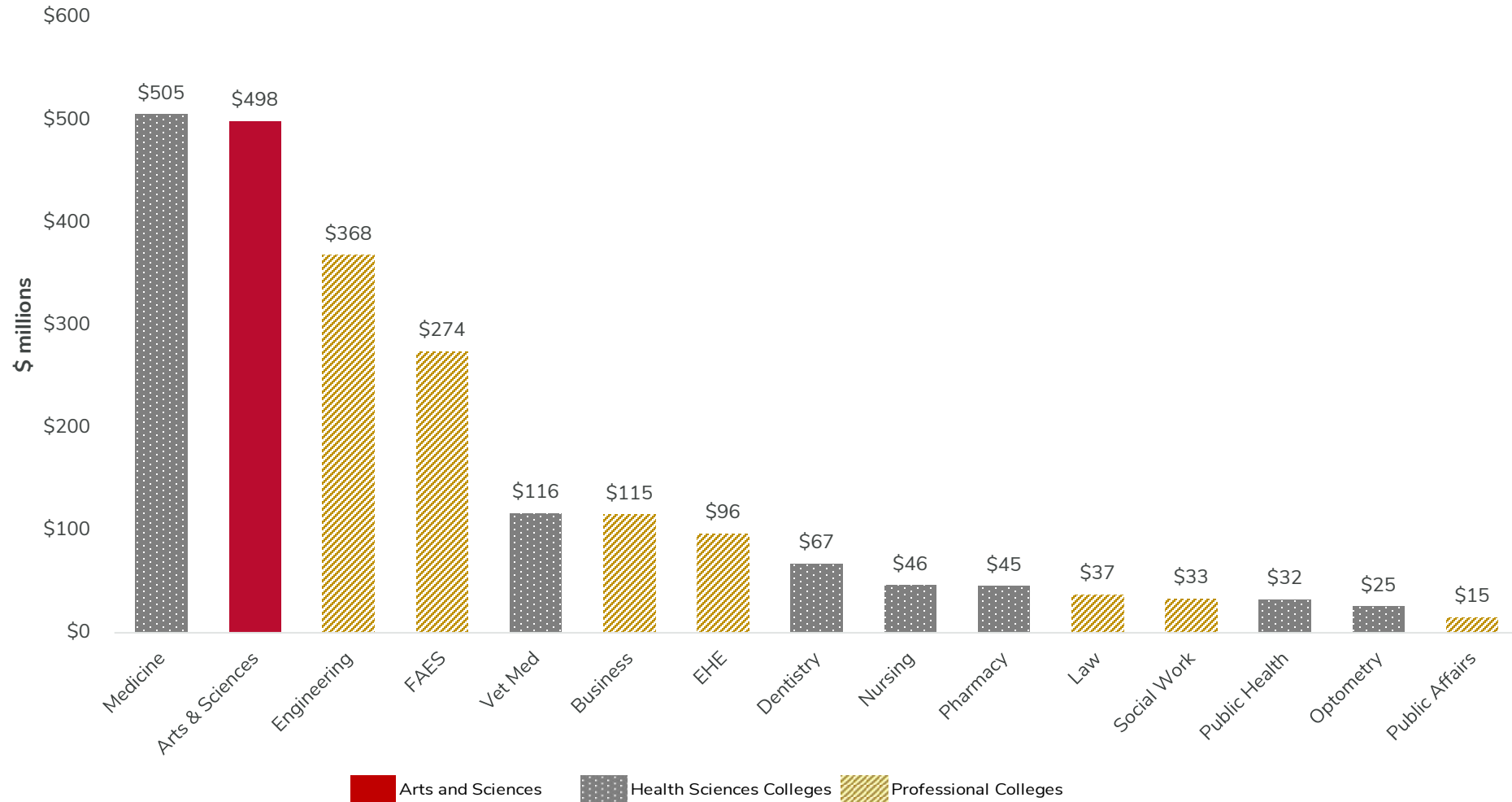
FY2025 Plan: Sources by Campus



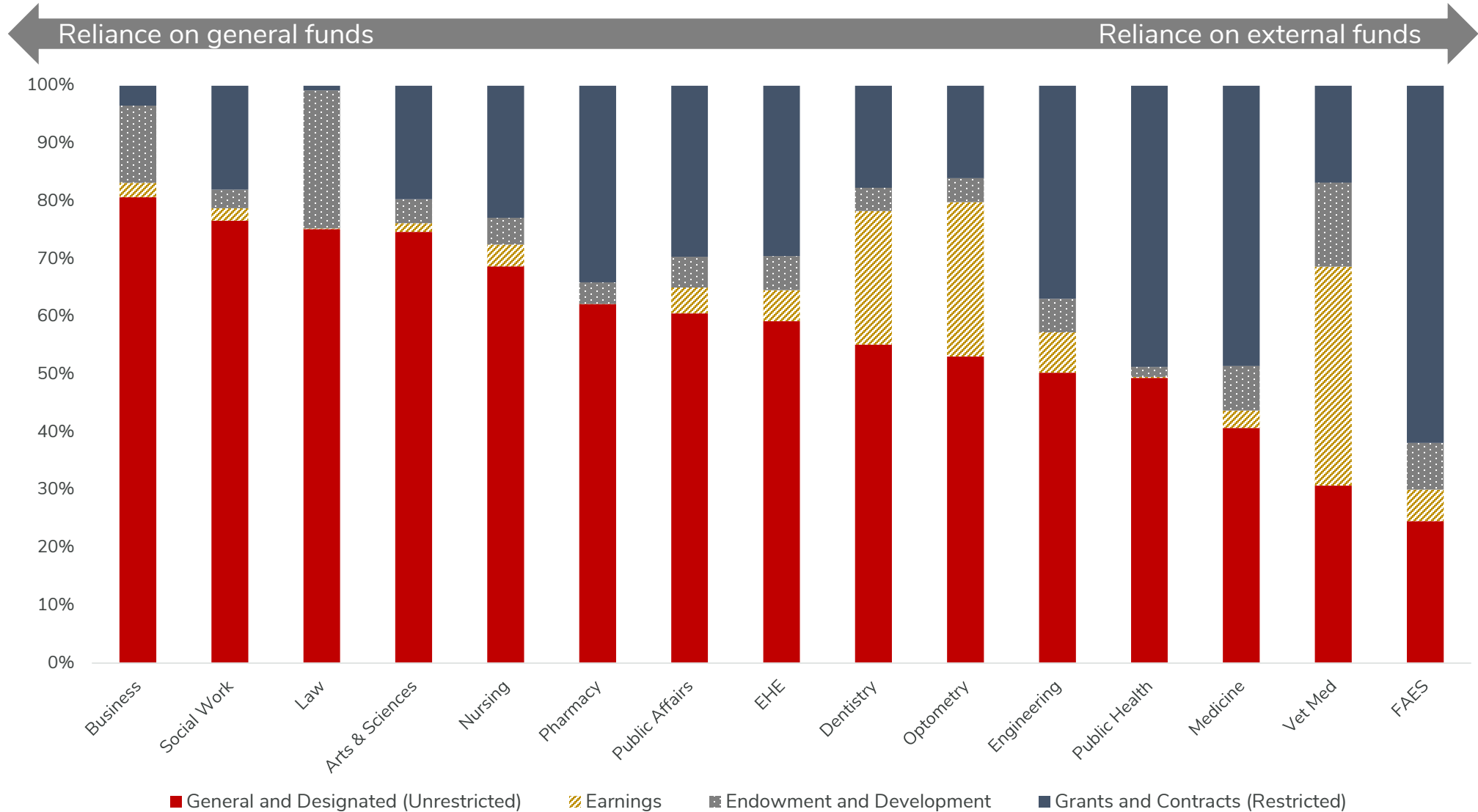
FY2025 Plan: Sources by Fund Group by Campus



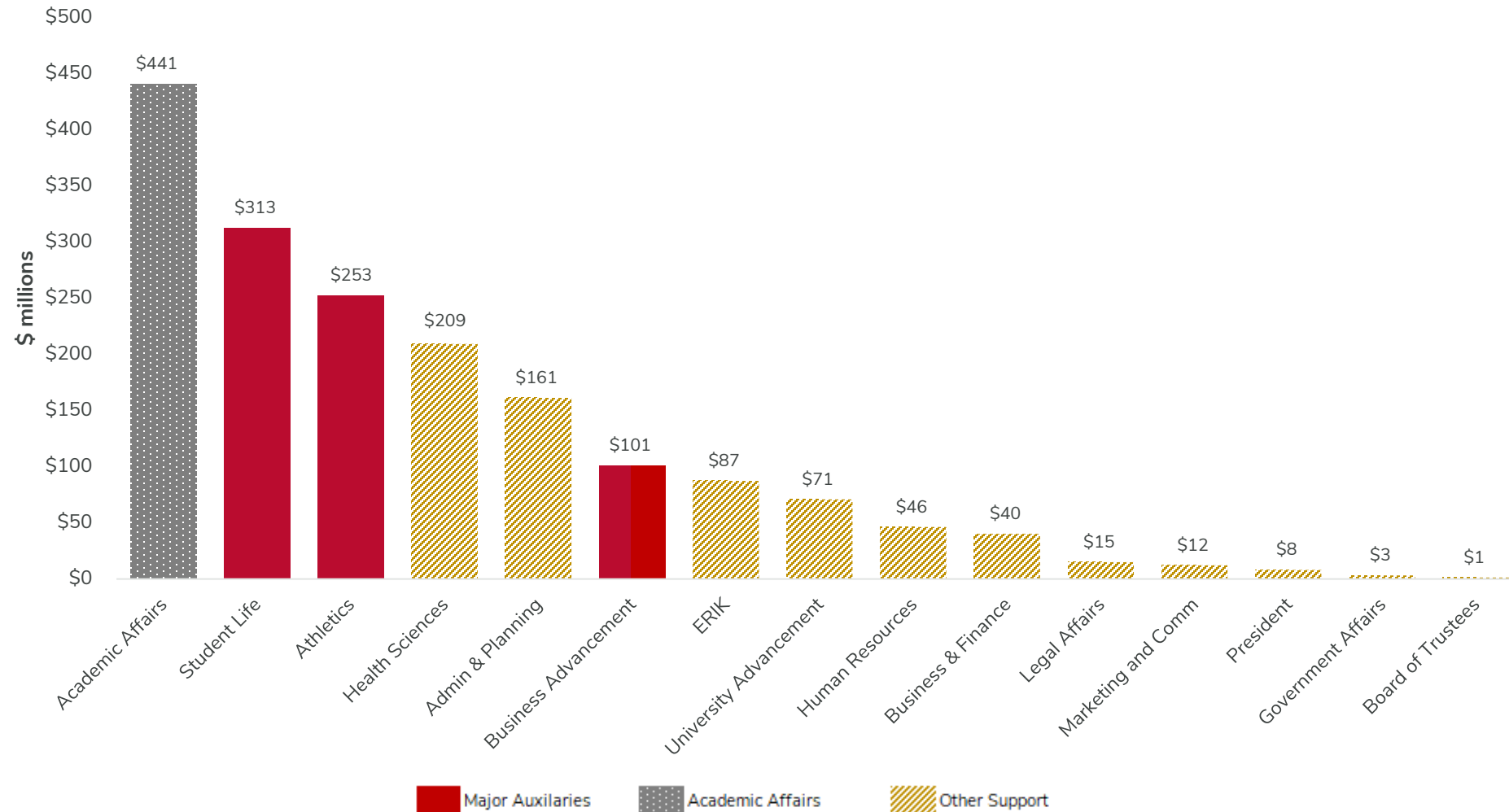
FY2025 Plan: Sources by College



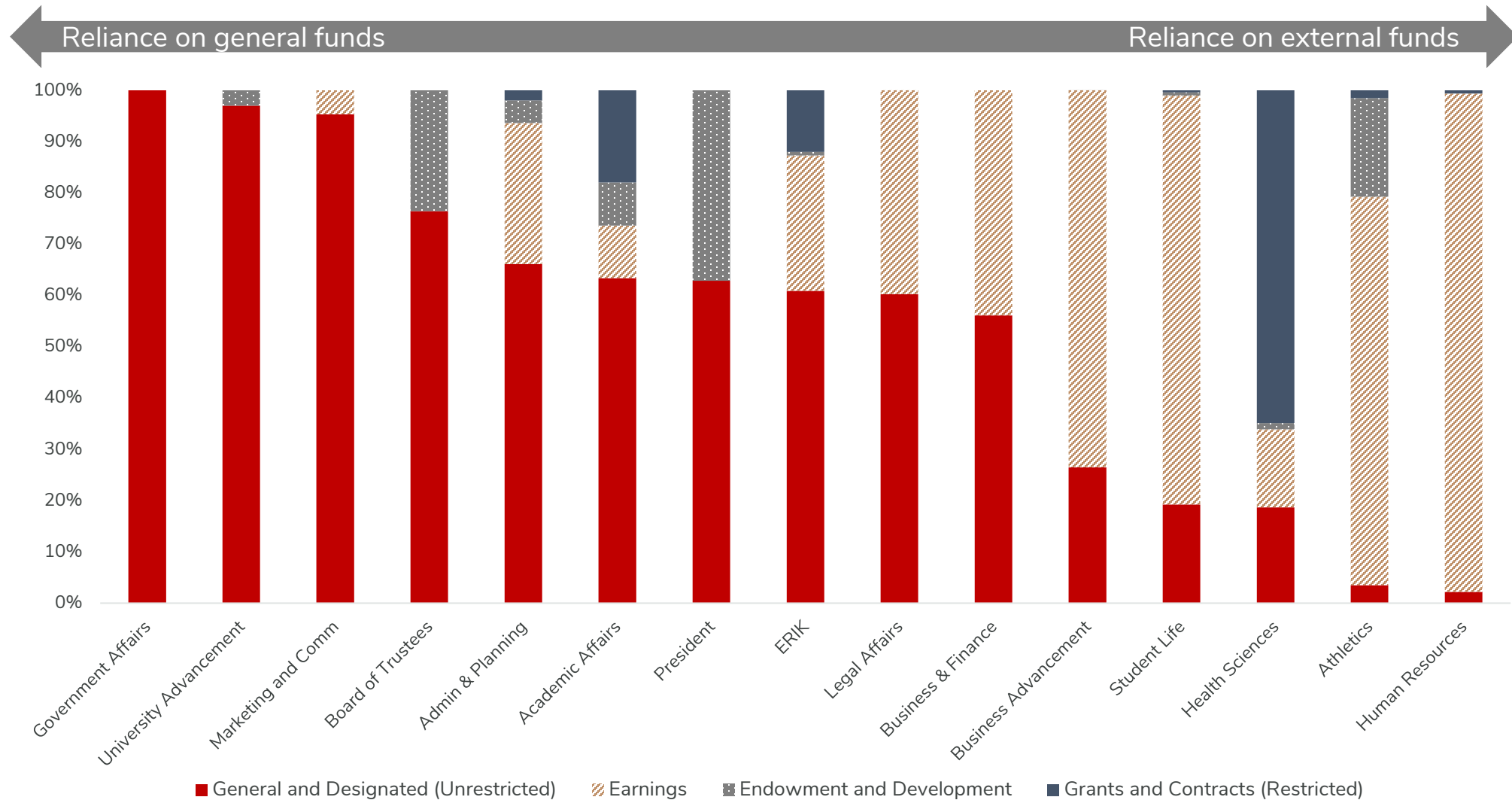
FY2025 Plan: Sources by Fund Group by College



FY2025 Plan: Sources by Support Unit

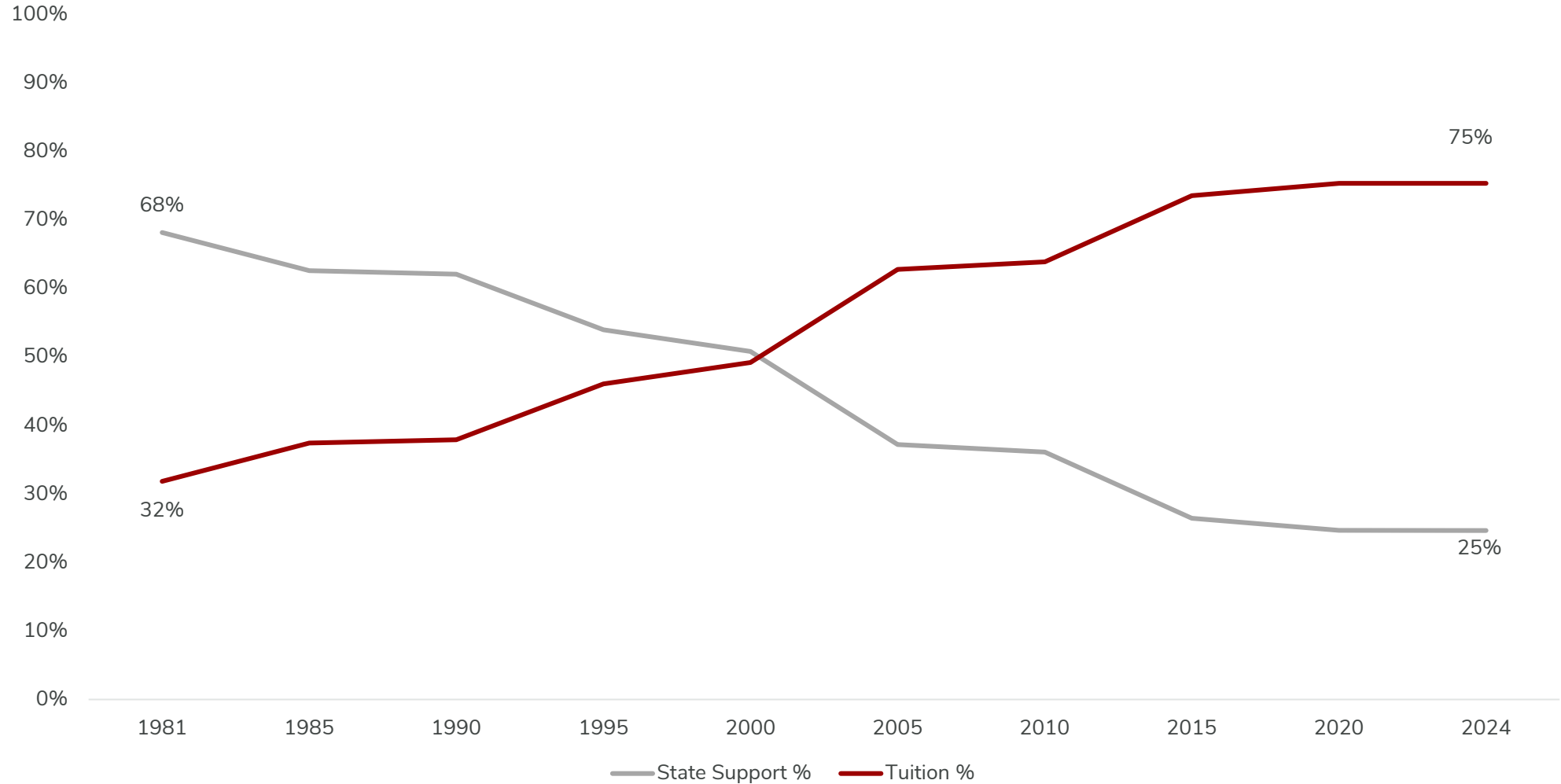


FY2025 Plan: Sources by Support Unit by Fund Group



Comparison of State Support to Tuition Income: Columbus

Historical Trend (Total Student Support)
% State Support vs % Tuition



So, we are Big and Complicated and now.....lots of Change

- Changes in leadership and strategic priorities
- Expanding online programs
- Ongoing mix-shift between Tuition & SSI
- Enrollment levels & mix
- Melt (and faster graduation rates)
- OSU Wexner Medical Center margins
- Research – Fed, State, Industry
- Recovery from COVID-related impacts on Earnings funds
- Cranes, cranes, everywhere....

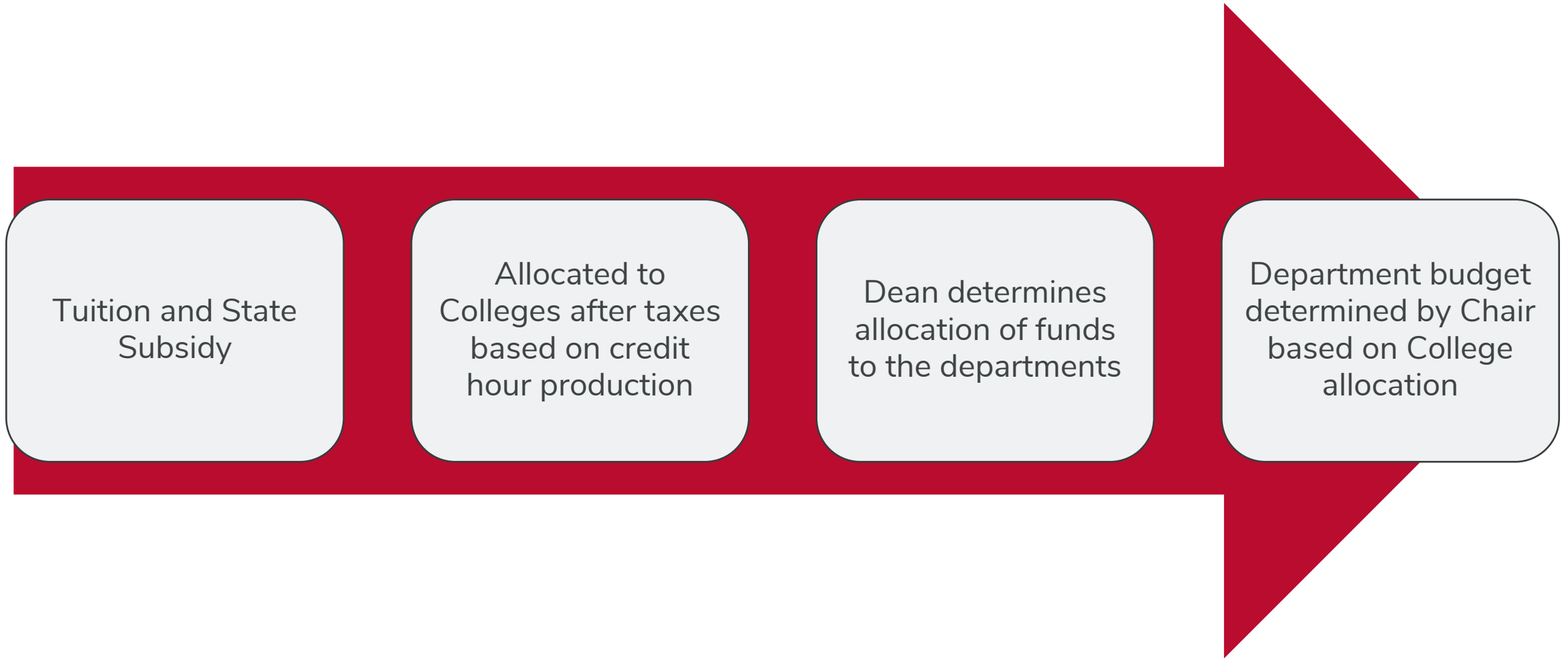
How Funds Flow within the University



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	None
	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

How Does Revenue Get to Me?



Unit-Specific General Funds Allocation (GFA)

Marginal model applies incremental changes to both 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

- Undergraduate Credit Hour Changes, by College
- **Tuition: Enrollments, Rates, and Mix**
- Graduate/Professional Enrollment projections, Colleges
- **SSI: State Appropriation, credit hours, and completions**
- IDC: College and Unit Research projections

Prior-Year Base GFA

+

Prior-Year GFA Reconciliation & Net Revisions

+

Net Marginal Resources (+85.4M)

- Columbus Tuition & Fees
- State Share of Instruction
- Indirect Cost Recoveries
- Faculty Promotion & Tenure
- Support Unit Guidelines, if applicable

-

Net Marginal Assessments (22.9M)

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

=

Current Year Base GFA

Drivers of Net Marginal Assessments:

- SSA1: Undergraduate Institutional Aid
- SSA2: Graduate Fee Authorizations, driven by graduate enrollments and non-resident rate changes
- PPA: Utility inflation, maintenance inflation, and changes in square footage space
- AMCP and Composite Benefit Rate, tied to incremental assessment
- Taxes on incremental revenue
- Approved Investment Requests

Questions?



Appendix



Annual Marginal Change in Commitments: Sources

- **Taxable resources** include:
 - Undergraduate & Graduate Subsidy, including Med I and Med II
 - Undergraduate & Graduate Instructional & Non-Resident Fees
- **Revenues excluded from tax** include:
 - Indirect Cost Recoveries
 - Differential Fees
 - Program Fees
 - Technology Fees
- Central Tax of 19%: Supports units such as the President's Office, OAA, Treasurer's Office, Controller, Public Safety, and University Landscaping. In addition, this funding supports promotion and tenure and strategic initiatives.
- Provost Tax of 5% funds Strategic Investments

Annual Marginal Change in Commitments: POM

Plant Operations & Maintenance (POM)

- Annual changes in POM expenses are allocated to the units via Physical Plant Assessments (PPA) based on the assigned general funds square footage recorded in the university's space inventory
- The square footage is multiplied by a flat rate per square foot for four types of costs: utilities, custodial services, maintenance, and deferred maintenance
- Units who have leased space are responsible for additional leased space and rent increases
- Units who have earnings square footage are assessed for utilities, custodial services, and maintenance outside of their GFA

Annual Marginal Change in Commitments

Research Assessment

- Research cost allocation covers the budgets of units that support sponsored research
- Individual colleges are allocated a set research cost proportional to their relative share of Modified Total Direct Cost expenditures
- Central tax funds the administrative components of the Office of Research that have university-wide responsibilities (e.g. Office of Responsible Research Practices)

Annual Marginal Change in Commitments

Student Services Assessment (SSA)

There are three separate Student Service Cost Pools:

- **Cost Pool 1 (Undergraduate):** 90% of this cost pool is Undergraduate Financial Aid. Also includes operating budgets for Financial Aid and First Year Experience. Expense is allocated by average undergraduate credit hours.
- **Cost Pool 2 (Graduate):** 83% of this cost pool is Non-Resident Fee Authorizations and Graduate Fellowships. This is the largest cost pool and includes operating budget of the Graduate School. Expense is allocated by average graduate credit hours.
- **Cost Pool 3 (All Students):** This is the smallest cost pool and includes portions of operating budgets for Student Affairs, Academic Affairs, and new Library Acquisitions. Expense is allocated by an average of ALL credit hours. A majority of the study abroad assessment is included in this pool.

Annual Marginal Change in Commitments

Development Assessment

- Used to support University Advancement's development efforts.
- Allocation for colleges, support units, and auxiliaries was set based on their historical proportionate share of development expenses and funds raised.

Annual Marginal Change in Commitments

Distance Education

- College delivering the distance education credit hours earns the revenue
- Assessment on marginal distance education revenue is 30%, after central and strategic taxes
- Funds generated support programming in Ohio State Online (OSO)

Student Program	Student Classification*	Distance Ed Course	Brick and Mortar Course
Non-Distance Education Program	Non-Distance Education	●	●
Distance Education Program	Distance Education	●	●
Double Major (at least 1 Distance Education program)	Distance Education	●	●
Secondary plan, minor and/or certificate Distance Education Program	Distance Education	●	●

● = Allocated as Distance Education (subject to distance education assessment)

● = Not Allocated as Distance Education (allocated as traditional credit hour)