

# **Budget 1010: RCM Budget Orientation**

Budget Planning Council  
9/19/14

RHE Leadership April 2015

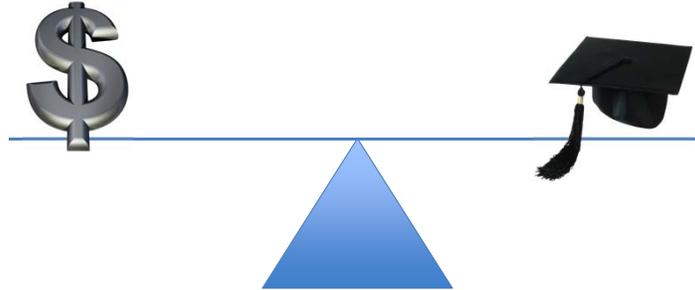
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## **Guiding Principles**

The following set of principles will guide the implementation and application of Responsibility Center Management (RCM) at Ohio University. These principles, which also will inform the five-year review of the model and affirm that RCM's application in planning and decision-making should:

- Ensure the sustained strength of Ohio University by aligning resources with university priorities to support academic excellence.
- Support strong academic governance that promotes collaboration across units and builds on the strengths of the university.
- Present a holistic view of the university budget that provides a clear connection between performance and incentives.
- Empower unit-level decision making authority to promote academic excellence and institutional efficiency that is balanced by responsibility and accountability.
- Create a simple and transparent budget process driven by the goals of financial predictability, and stability.

## The Balance



**RCM simply reveals the underlying economics associated with academic activity**  
**Resource allocation decisions must be a balance between financial considerations and academic priorities**

## Academic Quality Indicators

Indicators that can be used to ensure that academic units do not focus solely on financial aspects of the model but also maintain academic quality consistent with the mission of the unit. Changes in these indicators would be monitored and discussed to ensure that they are consistent with the academic strategy of the unit.

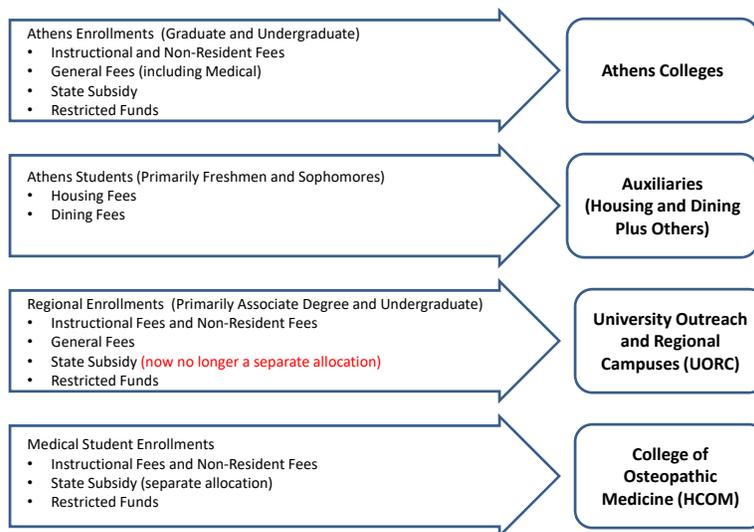
- Maintenance of Appropriate Mix of Full-Time Faculty
- Maintenance of Tenure-Track Faculty Workload
- Maintenance of Research and Creative Activity Production
- Minimal Course Duplication and Credit Hoarding
- Controlling Section Size
- Controlling Time to Graduation
- Controlling Grade Inflation
- Maintaining Incoming Student Profile
- Maintaining Program Accreditation
- Maintaining Support for Honors Programs
- Maintaining Support for Interdisciplinary Programs

## Current Status of the RCM Model

- The model is an approximation of the underlying economics of our academic activity
- The primary goal is to provide incentives for growth and fairly align resources with academic activity using a model that is as simple and transparent as possible
- This model is the result of two years of collaboration with the Deans with input from Huron Consulting in building the FY14 Budget
- We are now in the second iteration of the model with the FY15 budget and is still designed to be a neutral conversion as we establish a trend that will essentially be a baseline RCM model

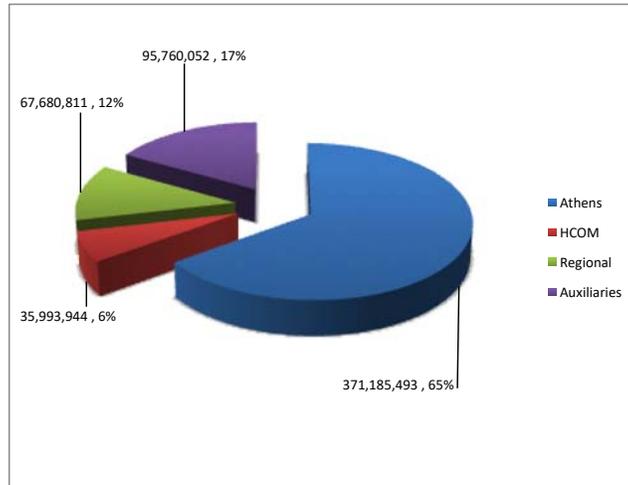
## Four Major University Budget Areas

Different Environments/Funding Sources



# Four Major University Budget Areas

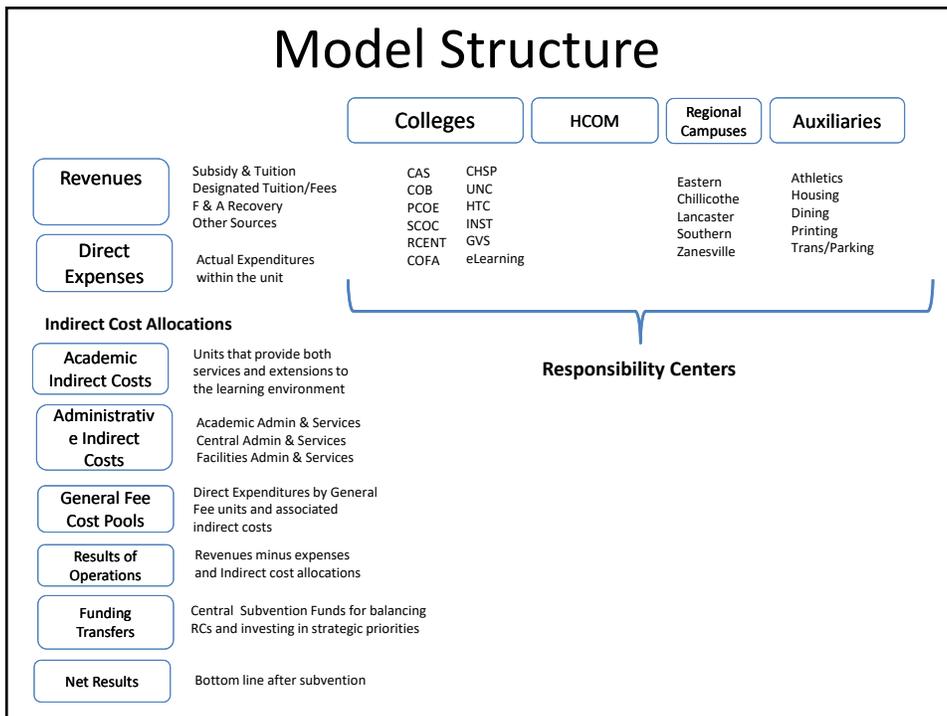
Relative Proportions of Operating Revenue

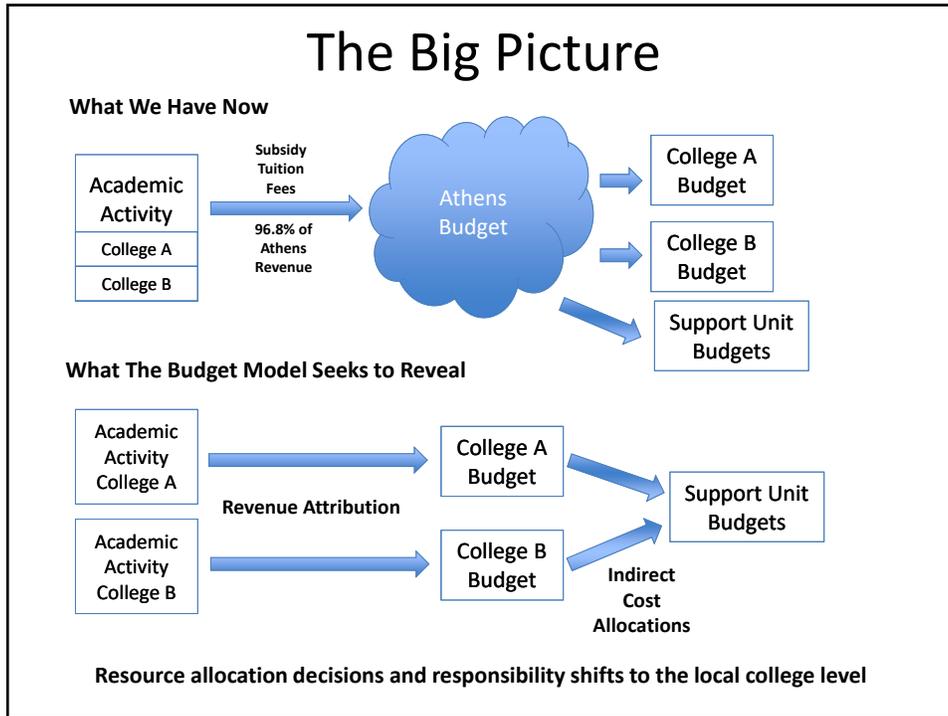


Net of scholarships and waivers

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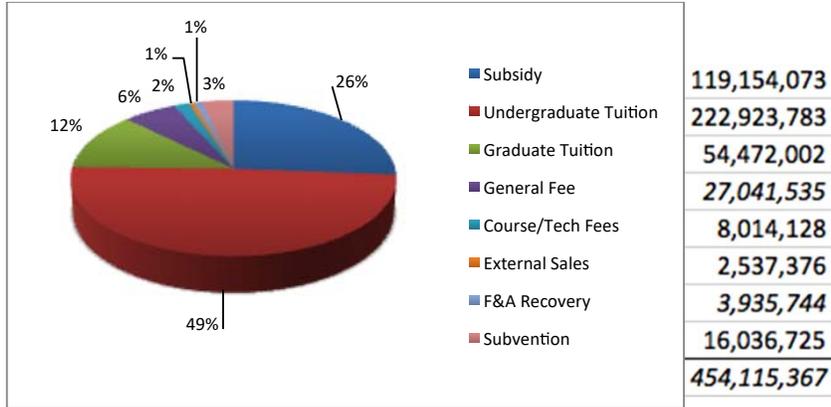
# Model Structure



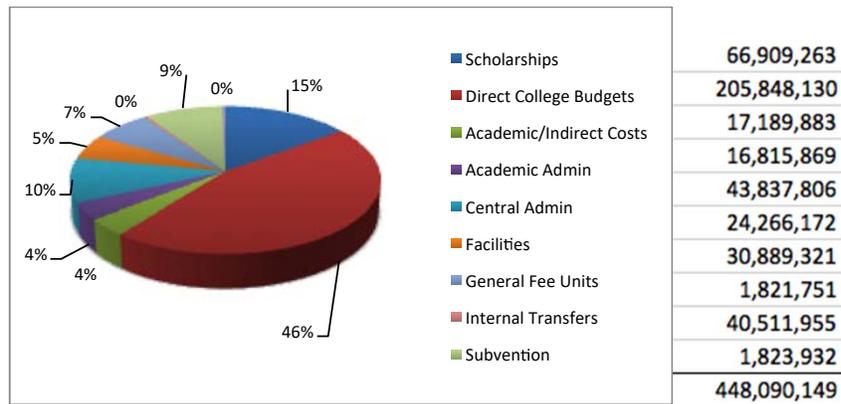


|  | FY2015       | FY2015       | FY2015            | FY2015      |
|--|--------------|--------------|-------------------|-------------|
|  | BUDGET       | BUDGET       | BUDGET            | BUDGET      |
|  | Colleges     | HCOM         | Regional Campuses | Auxiliaries |
| 2 State Appropriations                               | 119,154,073  | 11,863,624   | 17,924,749        | -           |
| 18 Tuition & Educational Fees (net of financial aid) | 245,542,186  | 22,727,390   | 33,747,264        | (645,133)   |
| 21 Room & Board                                      | -            | -            | -                 | 86,777,378  |
| 26 Grants and Contracts                              | 16,071       | -            | 1,120,000         | -           |
| 27 Facilities & Admin Costs Recovery                 | 3,935,744    | 403,000      | 1,230             | -           |
| 28 Gifts   | -            | -            | -                 | -           |
| 29 Endowment Distributions                           | 43           | -            | -                 | -           |
| 30 Investment Income                                 | -            | -            | -                 | -           |
| 31 Other External Sales                              | 2,537,376    | 999,930      | 985,476           | 14,146,174  |
| 32 Total Revenues Before Internal Allocations        | 371,185,493  | 35,993,944   | 53,778,719        | 100,278,419 |
| 34 Total Internal Revenue Allocations                | (40,511,955) | (3,987,069)  | (6,414,261)       | 0           |
| 35 Total Revenues                                    | 330,673,538  | 32,006,875   | 47,364,458        | 100,278,419 |
| 36 EXPENSES & INDIRECT COST ALLOCATIONS              | -            | -            | -                 | -           |
| 49 Salaries, Wages, & Fringe Benefits                | 177,764,475  | 29,651,712   | 47,658,678        | 31,866,186  |
| 58 Supplies, Services, & Capitalized Costs           | 28,083,655   | 10,383,502   | 9,337,772         | 33,162,300  |
| 59 Total Direct Expenses                             | 205,848,130  | 40,035,214   | 56,996,450        | 65,028,486  |
| 67 Total Internal Allocations & Sales                | 1,821,751    | (4,467,241)  | 1,194,713         | (7,579,271) |
| 74 Academic Indirect Costs Allocations               | 17,189,883   | 709,269      | -                 | 178,502     |
| 81 Academic Admin & Services Indirect Costs          | 16,815,869   | 604,147      | 3,107,877         | 62,149      |
| 91 Central Admin & Services Indirect Costs           | 43,837,806   | 2,535,212    | 10,300,048        | 1,715,995   |
| 99 Facilities Admin & Services Indirect Costs        | 24,266,172   | 2,739,543    | -                 | 10,804,845  |
| 100 Administrative Indirect Costs Allocations        | 84,919,847   | 5,878,902    | 13,407,924        | 12,582,989  |
| 112 General Fee Indirect Costs Allocations           | 30,889,321   | 788,438      | -                 | (3,749,063) |
| 113 Total Indirect Costs Allocations                 | 132,999,051  | 7,376,609    | 13,407,924        | 9,012,428   |
| 114 Total Internal Allocs & Indirect Expenses        | 134,820,801  | 2,909,368    | 14,602,636        | 1,433,158   |
| 115 Total Expenses, Allocations & Indirect Costs     | 340,668,931  | 42,944,583   | 71,599,086        | 66,461,644  |
| 116 Results of Operations                            | (9,995,393)  | (10,937,707) | (24,234,628)      | 33,816,776  |
| 119 Provisions for Replacement & Depreciation        | -            | -            | 1,742,994         | 32,197,141  |
| 122 Debt Service                                     | 1,823,932    | 16,261       | 263,175           | 6,360,150   |
| 125 Transfers to (from) Operations                   | (18,260,544) | (10,805,015) | (20,567,171)      | (5,487,830) |
| 126 Total Funding Transfers                          | (16,036,725) | (10,788,754) | (18,561,002)      | 33,069,501  |
| 127 Total Expenses & Funding Transfers               | 324,632,206  | 32,155,829   | 53,038,084        | 99,531,145  |
| 128 Net Results                                      | 6,041,332    | (148,953)    | (5,673,626)       | 747,275     |

## Sources



## Uses



## Subsidy

**Aggregate Operating Budgets**

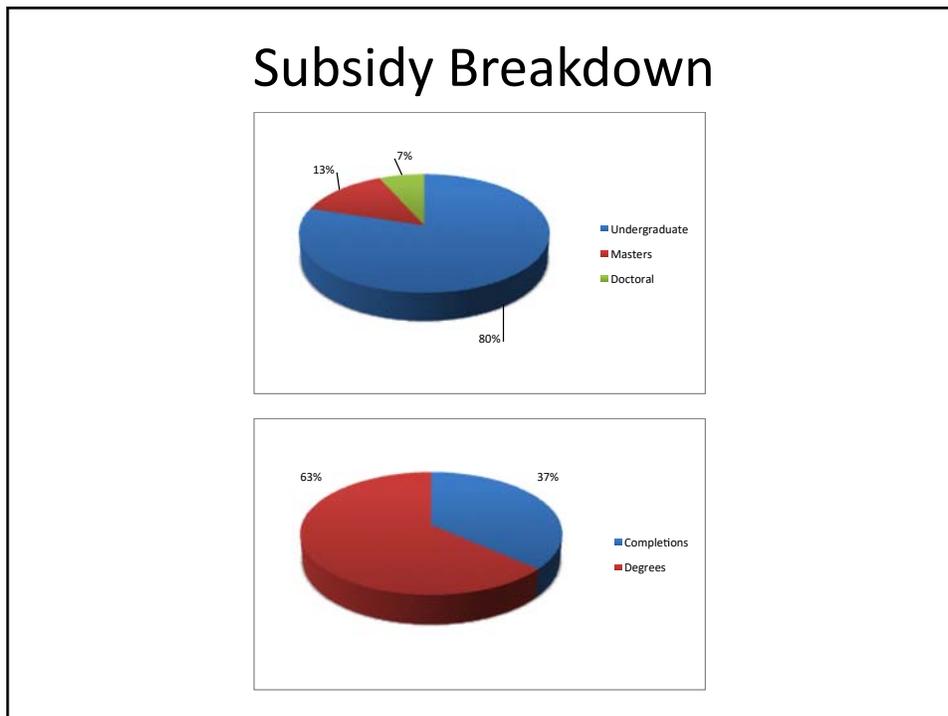
|    | FY2015  |              | FY2015          |          |
|----|---|--------------|-----------------|----------|
|    | BUDGET  |              | BUDGET          |          |
|    | Arts & Sciences                                   | Business     | Arts & Sciences | Business |
| 1  | <b>REVENUES</b>                                   |              |                 |          |
| 2  | State Appropriations                              | 26,268,453   | 8,549,225       |          |
| 3  | UG Tuition & Fees Guarantee                       | 74,162,369   | 21,397,611      |          |
| 4  | UG Tuition & Fees Non-Guarantee                   | 8,028,469    | 961,070         |          |
| 5  | UG Regional Ed Tuition & Fees                     | 160,000      | 72,494          |          |
| 6  | UG e-Learning Tuition & Fees                      | 1,020,000    | 639,433         |          |
| 7  | Total Undergraduate Tuition & Fees                | 83,370,838   | 23,070,608      |          |
| 8  | Graduate RDP-Designated Tuition & Fees            | 1,386,572    | 5,895,437       |          |
| 9  | Graduate Tuition & Fees                           | 9,500,000    | 659,250         |          |
| 10 | Total Graduate Tuition & Fees                     | 10,886,572   | 6,554,687       |          |
| 11 | Total Tuition and Fees                            | 94,257,410   | 29,625,295      |          |
| 12 | UG Student - Financial Aid                        | (17,203,438) | (4,454,897)     |          |
| 13 | Graduate Student - Financial Aid                  | (8,500,000)  |                 |          |
| 14 | Employee Fee Waivers                              | (1,124,295)  |                 |          |
| 15 | Total Financial Aid                               | (26,827,733) |                 |          |
| 16 | General Fee                                       | 12,263,724   |                 |          |
| 17 | Student Educational Fees (Tech, Course, etc)      | 1,253,000    |                 |          |
| 18 | Tuition & Educational Fees (net of financial aid) | 80,946,401   |                 |          |

**Revenue Attribution Principle:**

- Attribute subsidy to colleges based on the same method used by the State to determine the allocation to the University

|                        | Completions | Degrees    | Doctoral  | Total Before POM Adjustment | Total Allocations |
|------------------------|-------------|------------|-----------|-----------------------------|-------------------|
| Arts & Sciences        | 11,060,725  | 11,156,464 | 4,116,008 | 26,333,197                  | 26,268,454        |
| Business               | 2,969,307   | 5,600,988  | -         | 8,570,295                   | 8,549,225         |
| Communication          | 2,227,059   | 7,224,116  | 874,265   | 10,325,440                  | 10,300,053        |
| Education              | 2,782,232   | 6,953,662  | 2,036,848 | 11,772,742                  | 11,743,798        |
| Engineering & Technol  | 2,726,719   | 4,554,928  | 1,641,584 | 8,923,231                   | 8,901,292         |
| Fine Arts              | 2,902,371   | 2,529,495  | 222,173   | 5,654,039                   | 5,640,137         |
| Health Sciences & Prof | 10,259,872  | 32,834,594 | 228,907   | 43,323,373                  | 43,216,858        |
| Honors Tutorial        | 21,825      | -          | -         | 21,825                      | 21,771            |
| International Studies  | 106,729     | 566,099    | -         | 672,828                     | 671,174           |
| University College     | 207,200     | 3,468,277  | -         | 3,675,477                   | 3,666,440         |
| Voivovich School       | 175,300     | -          | -         | 175,300                     | 174,869           |
| Regional Higher Educat | 77,410      | 2,430,181  | -         | 2,507,591                   | 2,501,426         |
| Chillicothe            | 2,033,791   | 2,428,481  | -         | 4,462,272                   | 4,451,301         |
| Eastern                | 725,664     | 136,479    | -         | 862,143                     | 860,024           |
| Lancaster              | 1,914,423   | 882,002    | -         | 2,796,424                   | 2,789,549         |
| Southen                | 1,716,648   | 1,892,105  | -         | 3,608,753                   | 3,599,881         |
| Zanesville             | 2,015,729   | 1,716,017  | -         | 3,731,745                   | 3,722,570         |
| Total                  | 43,923,005  | 84,373,888 | 9,119,785 | 137,416,678                 | 137,078,823       |

Formula subsidy – generated through course completions  
 Degree subsidy – generated through degree completions  
 Non-resident degrees are valued at 25%  
 Doctoral includes allocation for federal (NSF – NIH) research levels as well as course completions and degrees



# Tuition Revenue

|                   | Total       | 85%<br>Credit Hours | 15%<br>Enrollment |
|-------------------|-------------|---------------------|-------------------|
| Instructional Fee | 160,605,481 | 136,514,659         | 24,090,822        |
| NonResident Fee   | 22,047,613  | 18,740,471          | 3,307,142         |

- Using the projected enrollments provided by Institutional Research for Resident and NonResident undergraduates, a projection of the total Instructional Fee and NonResident Fee revenues is made.
- This produces a revenue projection for Instructional Fees (\$160M) and NonResident Fees (\$22M)
- Each of these revenue pools are split into two allocation pools for the model.
  - One is 85% of the revenue pool to be allocated to colleges in proportion to their three-year average Weighted SCH
    - Instructional Fee pool of \$136M allocated on the WSCH taken by all students (Resident and NonResident)
    - NonResident Fee pool of \$18M allocated on the WSCH taken by NonResident students
  - The other is 15% of the revenue pool to be allocated to colleges in proportion to their three-year average FTE major enrollments
    - Instructional Fee pool of \$24M allocated on the total FTE Majors in the college (Resident and NonResident)
    - NonResident Fee pool of \$3M allocated on the total FTE Majors in the college that are NonResident

# Tuition and Fees

## Aggregate Operating Budgets

|  | FY2015<br>BUDGET | FY2015<br>BUDGET |
|--|------------------|------------------|
|  | Arts & Sciences  | Business         |
| 1 REVENUES   |                  |                  |
| 2 State Appropriations                               | 26,268,453       | 8,549,226        |
| 3 UG Tuition & Fees Guarantee                        | 74,162,369       | 21,162,369       |
| 4 UG Tuition & Fees Non-Guarantee                    | 8,028,469        | 961,070          |
| 5 UG Regional Ed Tuition & Fees                      | 160,000          | 72,494           |
| 6 UG e-Learning Tuition & Fees                       | 1,020,000        | 639,433          |
| 7 Total Undergraduate Tuition & Fees                 | 83,370,838       | 23,070,608       |
| 8 Graduate RDP-Designated Tuition & Fees             | 1,386,572        | 5,895,437        |
| 9 Graduate Tuition & Fees                            | 9,500,000        | 659,250          |
| 10 Total Graduate Tuition & Fees                     | 10,886,572       | 6,554,687        |
| 11 Total Tuition and Fees                            | 94,257,410       | 29,625,295       |
| 12 UG Student - Financial Aid                        | (17,203,438)     | (4,454,887)      |
| 13 Graduate Student - Financial Aid                  | (8,500,000)      | (405,640)        |
| 14 Employee Fee Waivers                              | (1,124,295)      | (241,419)        |
| 15 Total Financial Aid                               | (26,827,733)     | (5,101,946)      |
| 16 General Fee                                       |                  |                  |
| 17 Student Educational Fees (Tech, Course, etc)      |                  |                  |
| 18 Tuition & Educational Fees (net of financial aid) | 67,429,677       | 24,523,349       |

Most of the undergraduate tuition revenue is allocated to the colleges under a guarantee which means we project the revenues centrally, and if the projection is off, the colleges do not have to adjust budgets mid-year in response

|                               | Instructional Fee | Non Resident Fee | Total Guarantee |
|-------------------------------|-------------------|------------------|-----------------|
| Arts & Sciences               | 65,920,903        | 8,241,465        | 74,162,369      |
| Business                      | 17,588,528        | 3,809,082        | 21,397,611      |
| Communication                 | 13,869,123        | 2,558,768        | 16,427,891      |
| Education                     | 11,678,236        | 985,073          | 12,663,309      |
| Engineering & Technology      | 15,339,764        | 2,265,026        | 17,604,790      |
| Fine Arts                     | 12,735,734        | 1,996,613        | 14,732,346      |
| Health Sciences & Professions | 18,817,518        | 1,558,847        | 20,376,365      |
| Honors Tutorial               | 34,471            | 5,211            | 39,682          |
| International Studies         | 418,506           | 88,913           | 507,419         |
| University College            | 4,131,873         | 533,454          | 4,665,327       |
| Voinovich School              | 70,825            | 5,160            | 75,985          |
|                               | 160,605,481       | 22,047,613       | 182,653,093     |

Other Tuition Revenues are projected by the colleges and they spend only what they earn.

- Some special programs capture tuition (non-guaranteed) directly (OPIE in A&S, GCP in Business, etc).
- RHE shares revenues for upper level courses offered on their campuses
- eLearning shares revenue from Bachelor Completion Programs offered online

## Instructional Fee Distribution

| Instructional Fee             | 2011-12         | 2012-13         | 2013-14                        | Weighted<br>Three-Year<br>Average | Instructional<br>Fee Revenue<br>From SCH | FTE<br>Majors | Instructional<br>Fee Revenue<br>From FTE | As Earned<br>Three-Year<br>Average<br>FTE | As Earned<br>Instructional<br>Fee | Effect of<br>Weighting |
|-------------------------------|-----------------|-----------------|--------------------------------|-----------------------------------|--|---------------|--|---|-----------------------------------|------------------------|
|                               | Weighted<br>FTE | Weighted<br>FTE | Weighted<br>FTE<br>(Projected) |                                   |  |               |  |   |                                   |                        |
| Arts & Sciences               | 14,710          | 13,665          | 13,899                         | 14,091                            | 60,140,464                               | 3,502         | 5,780,439                                | 8,439                                     | 79,409,849                        | (13,488,945)           |
| Business                      | 3,401           | 3,336           | 3,605                          | 3,447                             | 14,712,419                               | 1,742         | 2,876,110                                | 2,014                                     | 18,950,000                        | (1,361,471)            |
| Communication                 | 2,489           | 2,508           | 2,648                          | 2,548                             | 10,875,377                               | 1,814         | 2,993,746                                | 1,544                                     | 14,529,525                        | (660,402)              |
| Education                     | 2,143           | 2,125           | 2,112                          | 2,127                             | 9,076,689                                | 1,576         | 2,601,547                                | 1,274                                     | 11,986,893                        | (308,657)              |
| Engineering & Technology      | 2,780           | 2,958           | 3,536                          | 3,091                             | 13,192,653                               | 1,301         | 2,147,111                                | 829                                       | 7,796,808                         | 7,542,956              |
| Fine Arts                     | 2,967           | 2,591           | 2,576                          | 2,711                             | 11,571,674                               | 705           | 1,164,059                                | 1,270                                     | 11,950,304                        | 785,430                |
| Health Sciences & Professions | 3,322           | 3,503           | 3,905                          | 3,577                             | 15,264,776                               | 2,152         | 3,552,742                                | 1,439                                     | 13,537,378                        | 5,280,140              |
| Honors Tutorial               | 24              | -               | -                              | 8                                 | 34,471                                   | -             | -  | 3   | 26,766                            | 7,704                  |
| International Studies         | 56              | 66              | 80                             | 67                                | 287,020                                  | 80            | 131,486                                  | 43  | 403,431                           | 15,075                 |
| University College            | 225             | 312             | 370                            | 302                               | 1,290,015                                | 1,722         | 2,841,858                                | 209                                       | 1,968,327                         | 2,163,547              |
| Voinovich School              | 10              | 18              | 21                             | 16                                | 69,101                                   | 1             | 1,724                                    | 5   | 46,200                            | 24,624                 |
|                               | 32,126          | 31,081          | 32,751                         | 31,986                            | 136,514,659                              | 14,594        | 24,090,822                               | 17,067                                    | 160,605,481                       | 0                      |

**Revenue Attribution Principles:**

- Credit hours and majors are averaged over three years to smooth out swings in enrollments
- Undergraduate credit hours are weighted by statewide costs – essentially creates differential tuition
- 85% of revenue allocated by weighted credit hours to reflect the fact that the majority of cost is in the staffing and offering of courses
- 15% is allocated on FTE major headcounts to reflect cost of attracting, advising and retaining students.

As Earned tuition is also tracked to understand true tuition flow but does not enter into the distribution

## Non-Resident Fee Distribution

| Non Resident Fee              | 2011-12         | 2012-13         | 2013-14                        | Weighted<br>Three-Year<br>Average | Non Resident<br>Fee Revenue<br>From SCH | FTE<br>Majors | Non<br>Resident Fee<br>Revenue<br>From FTE | As Earned<br>Three-Year<br>Average<br>FTE | As Earned<br>Instructional<br>Fee | Effect of<br>Weighting |
|-------------------------------|-----------------|-----------------|--------------------------------|-----------------------------------|---|---------------|--|---|-----------------------------------|------------------------|
|                               | Weighted<br>FTE | Weighted<br>FTE | Weighted<br>FTE<br>(Projected) |                                   |   |               |  |   |                                   |                        |
| Arts & Sciences               | 1,600           | 1,688           | 1,797                          | 1,695                             | 7,634,987                               | 459           | 606,479                                    | 1,067                                     | 10,230,329                        | (1,988,863)            |
| Business                      | 613             | 636             | 733                            | 660                               | 2,975,390                               | 630           | 833,692                                    | 388                                       | 3,722,699                         | 86,383                 |
| Communication                 | 395             | 431             | 482                            | 436                               | 1,965,144                               | 449           | 593,624                                    | 265                                       | 2,539,412                         | 19,356                 |
| Education                     | 149             | 180             | 219                            | 183                               | 822,948                                 | 123           | 162,125                                    | 111                                       | 1,066,154                         | (81,081)               |
| Engineering & Technology      | 331             | 413             | 555                            | 433                               | 1,949,545                               | 239           | 315,481                                    | 118                                       | 1,127,440                         | 1,137,586              |
| Fine Arts                     | 416             | 378             | 428                            | 407                               | 1,835,119                               | 122           | 161,493                                    | 193                                       | 1,852,846                         | 143,766                |
| Health Sciences & Professions | 271             | 248             | 352                            | 290                               | 1,307,081                               | 190           | 251,765                                    | 121                                       | 1,159,348                         | 399,499                |
| Honors Tutorial               | 3               | -               | -                              | 1                                 | 5,211                                   | -             | -  | 0   | 3,908                             | 1,303                  |
| International Studies         | 10              | 12              | 25                             | 16                                | 70,547                                  | 14            | 18,367                                     | 9   | 90,533                            | (1,620)                |
| University College            | 23              | 39              | 51                             | 38                                | 169,338                                 | 275           | 364,116                                    | 26  | 251,036                           | 282,418                |
| Voinovich School              | 1               | 1               | 1                              | 1                                 | 5,160                                   | -             | -  | 0   | 3,908                             | 1,252                  |
|                               | 3,812           | 4,025           | 4,643                          | 4,160                             | 18,740,471                              | 2,501         | 3,307,142                                  | 2,298                                     | 22,047,613                        | 0                      |

**Revenue Attribution Principles:**

- Non-Resident fee is allocated based on credit hours taken by non-resident students and majors that non-resident students take – essentially gives credit to courses and majors that attract non-residents
- Credit hours taken and majors are averaged over three years to smooth out swings in enrollments
- Undergraduate credit hours are weighted by statewide costs – essentially creates differential tuition
- 85% of revenue allocated by weighted credit hours taught to reflect the fact that the majority of cost is in the staffing and offering of courses
- 15% is allocated on FTE major headcounts to reflect cost of attracting, advising and retaining students.

As Earned tuition is also tracked to understand true tuition flow but does not enter into the distribution

# Graduate Tuition

| Aggregate Operating Budgets |  | FY2015              |                    |
|-----------------------------|--|---------------------|--------------------|
|                             |  | BUDGET              | BUDGET             |
|                             |  | Arts & Sciences     | Business           |
| 1                           | <b>REVENUES</b>  |                     |                    |
| 2                           | State Appropriations   | 26,268,453          | 8,549,226          |
| 3                           | UG Tuition & Fees Guarantee                                  | 74,162,369          | 21,397,611         |
| 4                           | UG Tuition & Fees Non-Guarantee                              | 8,028,469           | 961,070            |
| 5                           | UG Regional Ed Tuition & Fees                                | 160,000             | 72,494             |
| 6                           | UG e-Learning Tuition & Fees                                 | 1,020,000           | 639,433            |
| 7                           | <b>Total Undergraduate Tuition &amp; Fees</b>                | <b>83,370,838</b>   | <b>23,070,608</b>  |
| 8                           | Graduate RDP-Designated Tuition & Fees                       | 1,386,572           | 5,895,437          |
| 9                           | Graduate Tuition & Fees                                      | 9,500,000           | 659,250            |
| 10                          | <b>Total Graduate Tuition &amp; Fees</b>                     | <b>10,886,572</b>   | <b>6,554,687</b>   |
| 11                          | <b>Total Tuition and Fees</b>                                | <b>94,257,410</b>   | <b>29,625,295</b>  |
| 12                          | UG Student - Financial Aid                                   | (17,203,438)        | (4,454,887)        |
| 13                          | Graduate Student - Financial Aid                             | (8,500,000)         | (405,640)          |
| 14                          | Employee Fee Waivers   | (1,124,295)         | (241,419)          |
| 15                          | <b>Total Financial Aid</b>                                   | <b>(26,827,733)</b> | <b>(5,101,946)</b> |
| 16                          | General Fee  | 12,263,724          | 3,111,647          |
| 17                          | Student Educational Fees (Tech, Course, etc)                 | 1,253,000           | 2,036,293          |
| 18                          | <b>Tuition &amp; Educational Fees (net of financial aid)</b> | <b>80,946,401</b>   | <b>29,671,289</b>  |

Since most of the graduate tuition on the Athens campus is waived, these revenues will be distributed directly to the colleges along with the waivers they give. Any revenue net of waivers remains with the college. This puts colleges in control of waiver decisions. RDP revenues for off-campus graduate programs have always flowed directly to the colleges and most of the net graduate revenue comes from these programs. The result is that now all graduate revenues will flow directly to the colleges as earned in the year that it is earned – essentially treating all graduate programs as RDP programs.

**Revenue Attribution Principles:**

- Treat all graduate activity the same and provide all revenues and associated waivers to the college in the year earned.
- Revenues are not averaged or weighted since most of the revenue from Athens programs is waived and that would require averaging and weighting waivers
- Graduate revenues are not split between credit hours and major since graduate students typically take all of their credits in the department in which they major

# Scholarships

| Aggregate Operating Budgets |  | FY2015              |                    |
|-----------------------------|--|---------------------|--------------------|
|                             |  | BUDGET              | BUDGET             |
|                             |  | Arts & Sciences     | Business           |
| 1                           | <b>REVENUES</b>  |                     |                    |
| 2                           | State Appropriations   | 26,268,453          | 8,549,226          |
| 3                           | UG Tuition & Fees Guarantee                                  | 74,162,369          | 21,397,611         |
| 4                           | UG Tuition & Fees Non-Guarantee                              | 8,028,469           | 961,070            |
| 5                           | UG Regional Ed Tuition & Fees                                | 160,000             | 72,494             |
| 6                           | UG e-Learning Tuition & Fees                                 | 1,020,000           | 639,433            |
| 7                           | <b>Total Undergraduate Tuition &amp; Fees</b>                | <b>83,370,838</b>   | <b>23,070,608</b>  |
| 8                           | Graduate RDP-Designated Tuition & Fees                       | 1,386,572           | 5,895,437          |
| 9                           | Graduate Tuition & Fees                                      | 9,500,000           | 659,250            |
| 10                          | <b>Total Graduate Tuition &amp; Fees</b>                     | <b>10,886,572</b>   | <b>6,554,687</b>   |
| 11                          | <b>Total Tuition and Fees</b>                                | <b>94,257,410</b>   | <b>29,625,295</b>  |
| 12                          | UG Student - Financial Aid                                   | (17,203,438)        | (4,454,887)        |
| 13                          | Graduate Student - Financial Aid                             | (8,500,000)         | (405,640)          |
| 14                          | Employee Fee Waivers   | (1,124,295)         | (241,419)          |
| 15                          | <b>Total Financial Aid</b>                                   | <b>(26,827,733)</b> | <b>(5,101,946)</b> |
| 16                          | General Fee  | 12,263,724          | 3,111,647          |
| 17                          | Student Educational Fees (Tech, Course, etc)                 | 1,253,000           | 2,036,293          |
| 18                          | <b>Tuition &amp; Educational Fees (net of financial aid)</b> | <b>80,946,401</b>   | <b>29,671,289</b>  |

UG-R is the allocator code for Undergraduate Revenues (Guaranteed)

For A&S, they have \$74M of the \$182M of the undergraduate tuition guarantee revenue which is 41%

Undergraduate financial aid is distributed to the colleges in proportion to their undergraduate revenue so A&S pays 41% of the scholarships

**Revenue Attribution Principle:**

- Undergraduate financial aid is distributed to the colleges in proportion to their guaranteed undergraduate revenue - essentially taking it "off-the-top" so that the model is blind to where students with need actually enroll – avoids the perverse incentive for colleges to not accept students with financial need.

# Other Tuition and Fee Revenue

## Aggregate Operating Budgets

|    | FY2015               |                   | FY2015            |                   |
|----|----------------------|-------------------|-------------------|-------------------|
|    | BUDGET               |                   | BUDGET            |                   |
|    | Arts & Sciences      | Business          | Arts & Sciences   | Business          |
| 1  | <b>REVENUES</b>      |                   |                   |                   |
| 2  | State Appropriations |                   |                   |                   |
| 3  | 26,268,453           | 8,549,226         | 26,268,453        | 8,549,226         |
| 4  | 74,162,369           | 21,397,611        | 74,162,369        | 21,397,611        |
| 5  | 8,028,469            | 961,070           | 8,028,469         | 961,070           |
| 6  | 160,000              | 72,494            | 160,000           | 72,494            |
| 7  | 1,020,000            | 639,433           | 1,020,000         | 639,433           |
| 8  | 83,370,838           | 23,070,608        | 83,370,838        | 23,070,608        |
| 9  | 1,386,572            | 5,895,437         | 1,386,572         | 5,895,437         |
| 10 | 9,500,000            | 659,250           | 9,500,000         | 659,250           |
| 11 | 10,886,572           | 6,554,687         | 10,886,572        | 6,554,687         |
| 12 | 94,257,410           | 29,625,295        | 94,257,410        | 29,625,295        |
| 13 | (17,203,438)         | (4,454,887)       | (17,203,438)      | (4,454,887)       |
| 14 | (8,500,000)          | (405,640)         | (8,500,000)       | (405,640)         |
| 15 | (1,124,295)          | (241,419)         | (1,124,295)       | (241,419)         |
| 16 | (26,827,733)         | (5,101,946)       | (26,827,733)      | (5,101,946)       |
| 17 | 12,263,724           | 3,111,647         | 12,263,724        | 3,111,647         |
| 18 | 1,253,000            | 2,036,293         | 1,253,000         | 2,036,293         |
| 19 | <b>80,946,401</b>    | <b>29,671,289</b> | <b>80,946,401</b> | <b>29,671,289</b> |

Employee fee waivers are another form of scholarship where employees and their dependents receive waivers when taking courses

This cost is distributed on the basis of the college share of Full-Time Equivalent Employees that are Benefits Eligible

Course and technology fees are allocated directly to colleges the same way they always have been

**Revenue Attribution Principle:**

- Employee waivers are charged to colleges in proportion to the number of employees they have as opposed to actual use of waivers by employees to avoid the perverse incentive of encouraging employees not to use them or not hiring employees with dependents

# General Fee

## Aggregate Operating Budgets

|    | FY2015               |                   | FY2015            |                   |
|----|----------------------|-------------------|-------------------|-------------------|
|    | BUDGET               |                   | BUDGET            |                   |
|    | Arts & Sciences      | Business          | Arts & Sciences   | Business          |
| 1  | <b>REVENUES</b>      |                   |                   |                   |
| 2  | State Appropriations |                   |                   |                   |
| 3  | 26,268,453           | 8,549,226         | 26,268,453        | 8,549,226         |
| 4  | 74,162,369           | 21,397,611        | 74,162,369        | 21,397,611        |
| 5  | 8,028,469            | 961,070           | 8,028,469         | 961,070           |
| 6  | 160,000              | 72,494            | 160,000           | 72,494            |
| 7  | 1,020,000            | 639,433           | 1,020,000         | 639,433           |
| 8  | 83,370,838           | 23,070,608        | 83,370,838        | 23,070,608        |
| 9  | 1,386,572            | 5,895,437         | 1,386,572         | 5,895,437         |
| 10 | 9,500,000            | 659,250           | 9,500,000         | 659,250           |
| 11 | 10,886,572           | 6,554,687         | 10,886,572        | 6,554,687         |
| 12 | 94,257,410           | 29,625,295        | 94,257,410        | 29,625,295        |
| 13 | (17,203,438)         | (4,454,887)       | (17,203,438)      | (4,454,887)       |
| 14 | (8,500,000)          | (405,640)         | (8,500,000)       | (405,640)         |
| 15 | (1,124,295)          | (241,419)         | (1,124,295)       | (241,419)         |
| 16 | (26,827,733)         | (5,101,946)       | (26,827,733)      | (5,101,946)       |
| 17 | 12,263,724           | 3,111,647         | 12,263,724        | 3,111,647         |
| 18 | 1,253,000            | 2,036,293         | 1,253,000         | 2,036,293         |
| 19 | <b>80,946,401</b>    | <b>29,671,289</b> | <b>80,946,401</b> | <b>29,671,289</b> |

### General Fee

| General Fee                   | Total Gen Fee Revenue |
|-------------------------------|-----------------------|
| Arts & Sciences               | 12,263,724            |
| Business                      | 3,111,647             |
| Communication                 | 2,303,644             |
| Education                     | 2,407,057             |
| Engineering & Technology      | 1,442,898             |
| Fine Arts                     | 2,019,873             |
| Health Sciences & Professions | 2,663,131             |
| Honors Tutorial               | 3,834                 |
| International Studies         | 75,461                |
| University College            | 281,935               |
| Voinovich School              | 56,242                |
|                               | 26,629,446            |
| Medicine                      | 788,438               |
|                               | 27,417,884            |

General Fee revenues are allocated to colleges based on the three-year average of un-weighted credit hours

In the Indirect Cost Allocations, each college is "charged" for the cost of general fee units based on the amount of general fee revenue attributed to them

**Revenue Attribution Principle:**

- General Fee charges are triggered by the offering of credit hours by colleges so General Fee revenue is attributed to the colleges but the same amount is charged to the colleges to pay for the General Fee units – basically creating a "pass-through"

# Other Tuition and Fee Revenue

## Aggregate Operating Budgets

|  | FY2015          | FY2015      |
|--|-----------------|-------------|
|  | BUDGET          | BUDGET      |
|  | Arts & Sciences | Business    |
| 1 REVENUES   |                 |             |
| 2 State Appropriations                               | 26,268,453      | 8,549,216   |
| 18 Tuition & Educational Fees (net of financial aid) | 80,946,401      | 29,412,289  |
| 21 Room & Board                                      | -               | -           |
| 26 Grants and Contracts                              | -               | -           |
| 27 Facilities & Admin Costs Recovery                 | 1,500,000       | -           |
| 28 Gifts   | -               | -           |
| 29 Endowment Distributions                           | -               | -           |
| 30 Investment Income                                 | -               | -           |
| 31 Other External Sales                              | -               | 565,500     |
| 32 Total Revenues Before Internal Allocations        | 108,714,854     | 38,786,015  |
| 33 12.5% Subvention/Strategic Pool Allocation        | (11,755,123)    | (4,060,831) |
| 34 Total Internal Revenue Allocations                | (11,755,123)    | (4,060,831) |
| 35 Total Revenues                                    | 96,959,731      | 34,725,184  |

F&A revenue is the overhead from grants designed to cover facility and administrative costs associated with grants. Each college is assigned the revenue earned from their grants.

Other External Sales are non-tuition revenues from external contracts, clinic revenues, sales of services, etc. The college projects these revenues

The Subvention/Strategic Pool Allocation will be discussed on a later slide

### Revenue Attribution Principle:

- F&A Recovery should go directly to the colleges where the Dean can determine how best to use and invest it.
- This allocation is not intended to be a signal that the historical distribution of those revenues must be changed. It is anticipated that initially the distribution will remain unchanged and that colleges can determine how it should be allocated in the future in consultation with their research faculty and centers.

# Direct Expenses

## Aggregate Operating Budgets

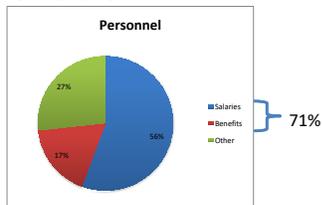
|  | FY2015          | FY2015     |
|--|-----------------|------------|
|  | BUDGET          | BUDGET     |
|  | Arts & Sciences | Business   |
| 36 EXPENSES & INDIRECT COST ALLOCATIONS          |                 |            |
| 45 Total Salaries, Wages, & Other Payroll        | 49,979,001      | 15,822,403 |
| 48 Total Benefits                                | 13,540,461      | 4,007,173  |
| 49 Salaries, Wages, & Fringe Benefits            | 63,519,462      | 19,829,576 |
| 58 Supplies, Services, & Capitalized Costs       | 3,269,397       | 3,739,850  |
| 59 Total Direct Expenses                         | 66,788,859      | 23,569,426 |
| 67 Total Internal Allocations & Sales            | 1,740,888       | 247,546    |
| 74 Academic Indirect Costs Allocations           | 3,669,881       | 1,896,433  |
| 81 Academic Admin & Services Indirect Costs      | 3,623,723       | 1,379,584  |
| 91 Central Admin & Services Indirect Costs       | 10,083,125      | 4,834,189  |
| 99 Facilities Admin & Services Indirect Costs    | 8,868,472       | 1,023,099  |
| 100 Administrative Indirect Costs Allocations    | 22,575,320      | 7,236,872  |
| 108 Total General Fee Revenue Allocations        | 12,263,724      | 3,111,647  |
| 109 Athletics Indirect Costs                     | 1,075,751       | 320,771    |
| 110 Student Affairs Indirect                     | 176,873         | 52,741     |
| 111 Campus Recreation Indirect                   | 164,912         | 49,174     |
| 112 General Fee Indirect Costs Allocations       | 13,681,261      | 3,534,334  |
| 113 Total Indirect Costs Allocations             | 39,926,463      | 12,667,639 |
| 114 Total Internal Allocs & Indirect Expenses    | 41,667,351      | 12,915,185 |
| 115 Total Expenses, Allocations & Indirect Costs | 108,456,210     | 36,484,611 |

Each college projects their direct expenses for salaries and benefits and supplies/services

The amount includes what was historically included in a college budget control total and expenses associated with designated revenue budgets (RDP, tech fees, course fees, etc.)

The old separation between operating and designated budgets is being eliminated.

Internal Allocations and Sales are mostly transfers from colleges for IT positions and transfers of F&A recovery revenue to RI accounts



# Indirect Cost Allocations

| Aggregate Operating Budgets |   | FY2015            | FY2015            | FY2015             |
|-----------------------------|---|-------------------|-------------------|--------------------|
|                             |   | BUDGET            | BUDGET            | BUDGET             |
|                             |   | HCOM              | Regional Campuses | Auxiliaries        |
| 69                          | FTE-T Kennedy Museum                                    | 17,063            | -                 | 6,210              |
| 70                          | FTE-T WOUB  | 88,446            | -                 | 32,191             |
| 71                          | FTE-T Athena  | 10,785            | -                 | 3,925              |
| 72                          | FTE-E Child Development Center                          | 87,406            | -                 | 87,124             |
| 73                          | FTE-E Wellworks   | 49,211            | -                 | 49,052             |
| 74                          | <b>Academic Indirect Costs Allocations</b>              | <b>709,269</b>    | -                 | <b>178,502</b>     |
| 75                          | FTE-T Provost   | 157,777           | 1,242,679         | 57,424             |
| 76                          | FTE-T ISFS  | 12,981            | 102,241           | 4,725              |
| 77                          | FTE-UG Enrollment Management                            | -                 | 1,744,135         | -                  |
| 78                          | FTE-G Graduate College                                  | -                 | -                 | -                  |
| 79                          | EXP-GR VP Research                                      | 433,389           | 18,822            | -                  |
| 80                          | Executive Dean - Regional Campuses                      | -                 | -                 | -                  |
| 81                          | <b>Academic Admin &amp; Services Indirect Costs</b>     | <b>604,147</b>    | <b>3,107,877</b>  | <b>62,149</b>      |
| 82                          | FTE-T President   | 114,743           | 903,733           | 41,761             |
| 83                          | FTE-T Marketing & Communication                         | 64,199            | 505,646           | 23,366             |
| 84                          | DEG-T VP Advancement                                    | 49,842            | 107,921           | -                  |
| 85                          | FTE-T Office of Information Technology                  | 865,267           | 4,371,468         | 472,961            |
| 86                          | FTE-T VP Finance & Administration                       | 408,656           | 3,218,641         | 148,733            |
| 87                          | FTE-E Human Resources                                   | 338,464           | 467,299           | 337,372            |
| 88                          | FTE-E Airport Support                                   | 168,677           | -                 | 168,133            |
| 89                          | FTE-E Central Pool                                      | 525,364           | 725,341           | 523,669            |
| 90                          | Reserves  | -                 | -                 | -                  |
| 91                          | <b>Central Admin &amp; Services Indirect Costs</b>      | <b>2,535,212</b>  | <b>10,300,048</b> | <b>1,715,995</b>   |
| 92                          | NASF Utilities  | 1,390,448         | -                 | 1,510,683          |
| 93                          | NASF Facilities Management                              | 342,836           | -                 | 2,889,343          |
| 94                          | NASF Maintenance  | 383,596           | -                 | 3,232,857          |
| 95                          | NASF Custodial  | 375,614           | -                 | 3,165,585          |
| 96                          | FTE-T Grounds   | 47,490            | -                 | 6,377              |
| 97                          | NASF Capital Improvement                                | 199,560           | -                 | -                  |
| 98                          | NASF Debt Service (Existing)                            | -                 | -                 | -                  |
| 99                          | <b>Facilities Admin &amp; Services Indirect Costs</b>   | <b>2,739,543</b>  | -                 | <b>10,804,845</b>  |
| 100                         | <b>Administrative Indirect Costs Allocations</b>        | <b>5,878,902</b>  | <b>13,407,924</b> | <b>12,582,989</b>  |
| 108                         | Total General Fee Revenue Allocations                   | 788,438           | -                 | -                  |
| 109                         | REV-G Athletics Indirect Costs                          | -                 | -                 | (3,749,063)        |
| 110                         | REV-G Student Affairs Indirect                          | -                 | -                 | -                  |
| 111                         | REV-G Campus Recreation Indirect                        | -                 | -                 | -                  |
| 112                         | <b>General Fee Indirect Costs Allocations</b>           | <b>788,438</b>    | -                 | <b>(3,749,063)</b> |
| 113                         | <b>Total Indirect Costs Allocations</b>                 | <b>7,376,609</b>  | <b>13,407,924</b> | <b>9,012,428</b>   |
| 114                         | <b>Total Internal Allocs &amp; Indirect Expenses</b>    | <b>2,909,368</b>  | <b>14,602,636</b> | <b>1,433,158</b>   |
| 115                         | <b>Total Expenses, Allocations &amp; Indirect Costs</b> | <b>42,944,583</b> | <b>71,599,086</b> | <b>66,461,644</b>  |

**Indirect Cost Allocation Principle:**

- Central costs are spread across the responsibility centers using an allocator that is simple, avoids perverse incentives and is roughly aligned with the impact of each RC on that cost pool

We have already seen two allocator examples with undergraduate scholarships and employee fee waivers

Costs pools are grouped into five categories as outlined on later slides

# Indirect Cost Allocations - Exclusions

| Aggregate Operating Budgets |   | FY2015            | FY2015            | FY2015             |
|-----------------------------|---|-------------------|-------------------|--------------------|
|                             |   | BUDGET            | BUDGET            | BUDGET             |
|                             |   | HCOM              | Regional Campuses | Auxiliaries        |
| 69                          | FTE-T Kennedy Museum                                    | 17,063            | -                 | 6,210              |
| 70                          | FTE-T WOUB  | 88,446            | -                 | 32,191             |
| 71                          | FTE-T Athena  | 10,785            | -                 | 3,925              |
| 72                          | FTE-E Child Development Center                          | 87,406            | -                 | 87,124             |
| 73                          | FTE-E Wellworks   | 49,211            | -                 | 49,052             |
| 74                          | <b>Academic Indirect Costs Allocations</b>              | <b>709,269</b>    | -                 | <b>178,502</b>     |
| 75                          | FTE-T Provost   | 157,777           | 1,242,679         | 57,424             |
| 76                          | FTE-T ISFS  | 12,981            | 102,241           | 4,725              |
| 77                          | FTE-UG Enrollment Management                            | -                 | 1,744,135         | -                  |
| 78                          | FTE-G Graduate College                                  | -                 | -                 | -                  |
| 79                          | EXP-GR VP Research                                      | 433,389           | 18,822            | -                  |
| 80                          | Executive Dean - Regional Campuses                      | -                 | -                 | -                  |
| 81                          | <b>Academic Admin &amp; Services Indirect Costs</b>     | <b>604,147</b>    | <b>3,107,877</b>  | <b>62,149</b>      |
| 82                          | FTE-T President   | 114,743           | 903,733           | 41,761             |
| 83                          | FTE-T Marketing & Communication                         | 64,199            | 505,646           | 23,366             |
| 84                          | DEG-T VP Advancement                                    | 49,842            | 107,921           | -                  |
| 85                          | FTE-T Office of Information Technology                  | 865,267           | 4,371,468         | 472,961            |
| 86                          | FTE-T VP Finance & Administration                       | 408,656           | 3,218,641         | 148,733            |
| 87                          | FTE-E Human Resources                                   | 338,464           | 467,299           | 337,372            |
| 88                          | FTE-E Airport Support                                   | 168,677           | -                 | 168,133            |
| 89                          | FTE-E Central Pool                                      | 525,364           | 725,341           | 523,669            |
| 90                          | Reserves  | -                 | -                 | -                  |
| 91                          | <b>Central Admin &amp; Services Indirect Costs</b>      | <b>2,535,212</b>  | <b>10,300,048</b> | <b>1,715,995</b>   |
| 92                          | NASF Utilities  | 1,390,448         | -                 | 1,510,683          |
| 93                          | NASF Facilities Management                              | 342,836           | -                 | 2,889,343          |
| 94                          | NASF Maintenance  | 383,596           | -                 | 3,232,857          |
| 95                          | NASF Custodial  | 375,614           | -                 | 3,165,585          |
| 96                          | FTE-T Grounds   | 47,490            | -                 | 6,377              |
| 97                          | NASF Capital Improvement                                | 199,560           | -                 | -                  |
| 98                          | NASF Debt Service (Existing)                            | -                 | -                 | -                  |
| 99                          | <b>Facilities Admin &amp; Services Indirect Costs</b>   | <b>2,739,543</b>  | -                 | <b>10,804,845</b>  |
| 100                         | <b>Administrative Indirect Costs Allocations</b>        | <b>5,878,902</b>  | <b>13,407,924</b> | <b>12,582,989</b>  |
| 108                         | Total General Fee Revenue Allocations                   | 788,438           | -                 | -                  |
| 109                         | REV-G Athletics Indirect Costs                          | -                 | -                 | (3,749,063)        |
| 110                         | REV-G Student Affairs Indirect                          | -                 | -                 | -                  |
| 111                         | REV-G Campus Recreation Indirect                        | -                 | -                 | -                  |
| 112                         | <b>General Fee Indirect Costs Allocations</b>           | <b>788,438</b>    | -                 | <b>(3,749,063)</b> |
| 113                         | <b>Total Indirect Costs Allocations</b>                 | <b>7,376,609</b>  | <b>13,407,924</b> | <b>9,012,428</b>   |
| 114                         | <b>Total Internal Allocs &amp; Indirect Expenses</b>    | <b>2,909,368</b>  | <b>14,602,636</b> | <b>1,433,158</b>   |
| 115                         | <b>Total Expenses, Allocations &amp; Indirect Costs</b> | <b>42,944,583</b> | <b>71,599,086</b> | <b>66,461,644</b>  |

Some Responsibility Centers are excluded from certain cost pools as follows:

- Regional campuses do not participate in cost pools related to Athens space, for other services they pay directly, or for Athens services that are inaccessible at their locations.
- Auxiliaries are excluded costs of academic services like the library, enrollment management and research.
- Housing and Dining pay utilities directly and are excluded in the central utilities allocation. They don't generate any general fee revenue to pay for general fee costs.
- HCOM is excluded from enrollment management and graduate college cost pools since they manage their own admissions and financial aid.

# Indirect Cost Allocations

## Academic Indirect Costs

| Aggregate Operating Budgets |                                     |                          |  | FY2015          | FY2015    |
|-----------------------------|-------------------------------------|--------------------------|--|-----------------|-----------|
|                             |                                     |                          |  | BUDGET          | BUDGET    |
|                             |                                     |                          |  | Arts & Sciences | Business  |
| 67                          | Total Internal Allocations & Sales  |                          |  | 1,740,888       | 247,546   |
| 68                          | FTE-T                               | Library                  |  | 2,720,553       | 1,465,649 |
| 69                          | FTE-T                               | Kennedy Museum           |  | 101,721         | 54,800    |
| 70                          | FTE-T                               | WOUB                     |  | 527,265         | 284,055   |
| 71                          | FTE-T                               | Athena                   |  | 64,297          | 34,639    |
| 72                          | FTE-E                               | Child Development Center |  | 163,816         | 36,654    |
| 73                          | FTE-E                               | Wellworks                |  | 92,230          | 20,637    |
| 74                          | Academic Indirect Costs Allocations |                          |  | 3,669,881       | 1,896,433 |

Academic Indirect Cost Pools are units that are closely related to instruction by serving as learning laboratories but also serve as a common benefit to the university and community. These units are often embedded within a college budget but have been removed and the costs are shared across all RCs.

Allocations are in proportion to either Total FTE students and employees (FTE-T) or Employee (FTE-E) as indicated above

# Indirect Cost Allocations

## Academic Admin & Services Indirect Costs

| Aggregate Operating Budgets |  |                                    |  | FY2015          | FY2015    |
|-----------------------------|--|------------------------------------|--|-----------------|-----------|
|                             |  |                                    |  | BUDGET          | BUDGET    |
|                             |  |                                    |  | Arts & Sciences | Business  |
| 74                          | Academic Indirect Costs Allocations      |                                    |  | 3,669,881       | 1,896,433 |
| 75                          | FTE-T                                    | Provost                            |  | 940,579         | 506,720   |
| 76                          | FTE-T                                    | ISFS                               |  | 77,386          | 41,690    |
| 77                          | FTE-UG                                   | Enrollment Management              |  | 1,076,850       | 647,416   |
| 78                          | FTE-G                                    | Graduate College                   |  | 362,559         | 160,924   |
| 79                          | EXP-GR                                   | VP Research                        |  | 1,166,349       | 22,834    |
| 80                          |  | Executive Dean - Regional Campuses |  | -               | -         |
| 81                          | Academic Admin & Services Indirect Costs |                                    |  | 3,623,723       | 1,379,584 |

These are units primarily support the academic activities of the colleges:

- The Provost area provides services to college faculty/staff and students so it is allocated in proportion to Total FTE (FTE-T) in a responsibility center
- ISFS is International Student and Faculty Services provides services to faculty/staff and students so it is allocated in proportion to Total FTE (FTE-T) in a responsibility center
- Enrollment Management includes financial aid, admissions and the registrar and is allocated in proportion to the number of undergraduate students in the college (FTE-UG)
- The Graduate College is allocated on the basis of the number of graduate students in a college (FTE-G)
- The VP Research is allocated on the basis of the total grant expenditures in a college (EXP-GR).

**Indirect Cost Allocation Principle:**

- The amount of F&A revenue was not used as the VPR allocator because that would penalize units that seek F&A. This creates an incentive to maximize F&A since they would get those revenues and it would not change their allocation of VP Research costs.

## Indirect Cost Allocations

### Central Admin & Services Indirect Costs

**Aggregate Operating Budgets**

|    |   | FY2015           | FY2015           |
|----|---|------------------|------------------|
|    |   | BUDGET           | BUDGET           |
|    |   | Arts & Sciences  | Business         |
| 74 | <b>Academic Indirect Costs Allocations</b>          | <b>3,669,881</b> | <b>1,896,433</b> |
| 81 | <i>Academic Admin &amp; Services Indirect Costs</i> | 3,623,723        | 1,379,584        |
| 82 | FTE-T President                                     | 684,032          | 368,510          |
| 83 | FTE-T Marketing & Communication                     | 382,721          | 206,184          |
| 84 | DEG-T VP Advancement                                | 507,593          | 432,495          |
| 85 | FTE-T Office of Information Technology              | 4,137,487        | 2,081,566        |
| 86 | FTE-T VP Finance & Administration                   | 2,436,178        | 1,312,447        |
| 87 | FTE-E Human Resources                               | 634,347          | 141,937          |
| 88 | FTE-E Airport Support                               | 316,133          | 70,735           |
| 89 | FTE-E Central Pool                                  | 984,633          | 220,314          |
| 90 | Reserves  |                  |                  |
| 91 | <i>Central Admin &amp; Services Indirect Costs</i>  | 10,083,125       | 4,834,189        |

These are central units that provide services across the entire university:

- The President, Marketing & Communication, OIT and VP Finance and Administration are all allocated in proportion to Total FTE (FTE-T) in a responsibility center. Regional campuses are excluded from part of the OIT costs associated with services that are not accessible remotely
- Human Resources, the Airport and the Central Pool (legal services, worker comp, insurance, senates, etc) are all allocated on the basis of the total employees (FTE-E) in the responsibility center
- The VP Advancement is allocated on the basis of the number of degrees granted by a college since 1986 which is used as a rough approximation of the number of alumni from a college
- Old central reserves are now part of the subvention pool

## Indirect Cost Allocations - Space

|              | Net Assignable Square Footage | % of Total Included Space | Cost per NASF |
|--------------|-------------------------------|---------------------------|---------------|
| Cost Pool    | 2,190,971                     | 20.10%                    | \$ 10.01      |
| RC           | 2,765,791                     | 69.90%                    |               |
| <b>Total</b> | <b>3,956,764</b>              |                           |               |

| Costs to Allocate     | FY15 Budget   | Cost Pools    | RC's          |
|-----------------------|---------------|---------------|---------------|
| Utilities             | \$ 12,974,104 | \$ 3,905,163  | \$ 9,068,941  |
| Facilities Management | \$ 4,601,296  | \$ 1,384,975  | \$ 3,216,321  |
| Maintenance           | \$ 9,131,945  | \$ 2,748,585  | \$ 6,383,259  |
| Custodial             | \$ 12,897,264 | \$ 3,882,034  | \$ 9,015,230  |
|                       | \$ 39,604,609 | \$ 11,920,858 | \$ 27,683,751 |

70% of the Athens space is in the RCs (including HCOM, Housing, Dining, etc.) so 70% of the space costs are allocated here to the RCs – essentially charging them directly for only the space they control.

The remaining 30% of the space belongs to the academic resource centers, administrative units and general fee units. The costs associated with this space are added to each support unit's budget and the combined total is then spread across the RCs. For example, the library budget is \$11,020,361. It has 236,032 NASF, which equates to \$2,362,525 in space costs. The RCs are allocated the combination of these two costs (plus employee fee waivers for the cost pool) or \$13,596,904 in the model. This way RCs with larger amounts of space don't get charged a disproportionately larger portion of central space costs because of that.

# Indirect Cost Allocations

## Facilities Admin & Services Indirect Costs

| Aggregate Operating Budgets |  |                       | FY2015           |                  |
|-----------------------------|--|-----------------------|------------------|------------------|
|                             |  |                       | BUDGET           | BUDGET           |
|                             |  |                       | Arts & Sciences  | Business         |
| 74                          | <b>Academic Indirect Costs Allocations</b> |                       | <b>3,669,881</b> | <b>1,896,433</b> |
| 81                          | Academic Admin & Services Indirect Costs   |                       | 3,623,723        | 1,379,584        |
| 91                          | Central Admin & Services Indirect Costs    |                       | 10,083,125       | 4,834,189        |
| 92                          | NASF                                       | Utilities             | 4,222,327        | 335,432          |
| 93                          | NASF                                       | Facilities Management | 1,041,078        | 82,706           |
| 94                          | NASF                                       | Maintenance           | 1,164,852        | 92,539           |
| 95                          | NASF                                       | Custodial             | 1,140,613        | 90,613           |
| 96                          | FTE-T                                      | Grounds               | 283,111          | 152,521          |
| 97                          | NASF                                       | Capital Improvement   | 605,997          | 48,142           |
| 98                          | Debt Service (Existing)                    |                       | 410,493          | 221,146          |
| 99                          | Facilities Admin & Services Indirect Costs |                       | <b>8,868,472</b> | <b>1,023,099</b> |

These are central space costs:

- The Grounds costs are first allocated directly to Housing (30%) and Athletics (30%) since the largest areas belong to those responsibility centers. The remainder of the costs are then allocated to the other responsibility centers in proportion to their total FTE students and employees (FTE-T)
- The remainder of the facilities costs (70% of each pool as discussed on the previous slide) are allocated in proportion to the net assignable square footage (excludes, hallways, stairs, lobbies, mechanical, etc.) of space assigned to the responsibility center.
- Central debt is now assigned to cost pools and allocated along with their space.

**Indirect Cost Allocation Principle:**

- The allocation by NASF creates an incentive for RCs to manage their appetite for space. If a college relinquishes control of a classroom to the registrar, they can have the cost of that space spread across the model rather than paying for it all.

# The Athletics Responsibility Center

| Aggregate Operating Budgets |   | FY2015           |
|-----------------------------|---|------------------|
|                             |   | BUDGET           |
|                             |   | Athletics        |
| 1                           | <b>REVENUES</b>   |                  |
| 2                           | State Appropriations                                    | -                |
| 18                          | Tuition & Educational Fees (net of financial aid)       | (147,645)        |
| 21                          | Room & Board  | -                |
| 26                          | Grants and Contracts                                    | -                |
| 27                          | Facilities & Admin Costs Recovery                       | -                |
| 28                          | Gifts   | -                |
| 29                          | Endowment Distributions                                 | -                |
| 30                          | Investment Income                                       | -                |
| 31                          | Other External Sales                                    | 4,666,012        |
| 32                          | Total Revenues Before Internal Allocations              | 4,518,367        |
| 33                          | 12.5% Subvention/Strategic Pool Allocation              | -                |
| 34                          | Total Internal Revenue Allocations                      | -                |
| 35                          | <b>Total Revenues</b>                                   | <b>4,518,367</b> |
| 36                          | <b>EXPENSES &amp; INDIRECT COST ALLOCATIONS</b>         |                  |
| 49                          | Salaries, Wages, & Fringe Benefits                      | 7,929,371        |
| 58                          | Supplies, Services, & Capitalized Costs                 | 5,809,663        |
| 59                          | Total Direct Expenses                                   | 13,739,034       |
| 67                          | Total Internal Allocations & Sales                      | (8,556,837)      |
| 74                          | Academic Indirect Costs Allocations                     | 42,748           |
| 100                         | Administrative Indirect Costs Allocations               | 2,817,111        |
| 112                         | General Fee Indirect Costs Allocations                  | (3,749,063)      |
| 113                         | Total Indirect Costs Allocations                        | (889,204)        |
| 114                         | Total Internal Allocs & Indirect Expenses               | (9,446,041)      |
| 115                         | <b>Total Expenses, Allocations &amp; Indirect Costs</b> | <b>4,292,993</b> |
| 116                         | <b>Results of Operations</b>                            | <b>225,374</b>   |
| 119                         | Provisions for Replacement & Depreciation               | -                |
| 122                         | Debt Service  | 225,374          |
| 125                         | Transfers to (from) Operations                          | -                |
| 126                         | <b>Total Funding Transfers</b>                          | <b>225,374</b>   |
| 127                         | <b>Total Expenses &amp; Funding Transfers</b>           | <b>4,518,367</b> |
| 128                         | <b>Net Results</b>                                      | <b>0</b>         |

The Athletics Responsibility Center reflects its position as a supported auxiliary.

It brings in \$4.5M in revenue directly through sales which show up in line 32

\$8.2M in general fee revenue that flows originally in through the credit hour production of the academic units is transferred to Athletics (line 67) to support of their total direct expenses (line 59)

Like the other auxiliaries, indirect costs are then allocated as additional costs (lines 74 and 100) for which Athletics is not given revenue. This essentially means that some general fund revenues (tuition and subsidy) go to supporting these indirect costs. This additional support for Athletics is shown in line 112 (see next slide for allocation)

# Indirect Cost Allocations

## General Fee Unit Indirect Costs

| Aggregate Operating Budgets |   | FY2015          |            |
|-----------------------------|---|-----------------|------------|
|                             |   | BUDGET          | BUDGET     |
|                             |   | Arts & Sciences | Business   |
| 74                          | <b>Academic Indirect Costs Allocations</b>              | 3,669,881       | 1,896,433  |
| 81                          | Academic Admin & Services Indirect Costs                | 3,623,723       | 1,379,584  |
| 91                          | Central Admin & Services Indirect Costs                 | 10,083,125      | 4,834,189  |
| 99                          | Facilities Admin & Services Indirect Costs              | 8,868,472       | 1,023,099  |
| 100                         | <b>Administrative Indirect Costs Allocations</b>        | 22,575,320      | 7,236,872  |
| 108                         | Total General Fee Revenue Allocations                   | 12,263,724      | 3,111,647  |
| 109                         | REV-G Athletics Indirect Costs                          | 1,075,751       | 320,771    |
| 110                         | REV-G Student Affairs Indirect                          | 176,873         | 52,741     |
| 111                         | REV-G Campus Recreation Indirect                        | 164,912         | 49,174     |
| 112                         | <b>General Fee Indirect Costs Allocations</b>           | 13,681,261      | 3,534,334  |
| 113                         | <b>Total Indirect Costs Allocations</b>                 | 39,926,463      | 12,667,639 |
| 114                         | <b>Total Internal Allocs &amp; Indirect Expenses</b>    | 41,667,351      | 12,915,185 |
| 115                         | <b>Total Expenses, Allocations &amp; Indirect Costs</b> | 108,456,210     | 36,484,611 |

Like Athletics there are some indirect costs associated with other General Fee units - Student Affairs and Campus Recreation. These two units are not responsibility centers in the model so they do not have indirect cost allocations but they do have costs associated with their space that they are not required to pay.

So to allocate 100% of the space costs, there is a small amount of space in these units that must be covered by the responsibility centers.

The Athletics indirect costs and the space costs for these two units are allocated across the responsibility centers in proportion to the subsidy and guaranteed tuition revenues for the responsibility center. This basically has the effect skimming a fraction of the general fund revenues to pay these additional costs associated with these units in the model.

# Subvention/Strategic Initiative Pool

| Aggregate Operating Budgets |  | FY2015              |                    |
|-----------------------------|--|---------------------|--------------------|
|                             |  | BUDGET              | BUDGET             |
|                             |  | Arts & Sciences     | Business           |
| 33                          | 12.5% Subvention/Strategic Pool Allocation | (11,755,123)        | (4,060,831)        |
| 34                          | <b>Total Internal Revenue Allocations</b>  | <b>(11,755,123)</b> | <b>(4,060,831)</b> |
| 35                          | <b>Total Revenues</b>                      | <b>96,959,731</b>   | <b>34,725,184</b>  |

Revenues within a responsibility center are subject to a subvention "tax" which is used to create a Strategic Investment Pool. The rate is 12.5% and is applied to subsidy, undergraduate tuition (excluding splits from regional campuses and eLearning since those are taxed in those units before the splits), graduate tuition, and F&A recovery.

The central Strategic Investment Pool is then reallocated back to responsibility centers at the bottom of the model (see next slide) to accomplish two goals:

1. Since previous budgets have been balanced by basically allocating out all the revenues to cover the expenses in all the responsibility centers and support units, at the macro level all of the subvention tax collected must be allocated back out in this first year to maintain that balance.
2. Since the revenues allocated in the model will not match the direct and indirect expenses assigned to a responsibility center (some RCs will have revenues left over and other will have costs that exceed the revenues assigned to them) the allocation from the strategic investment pool will need to be differential to rebalance across responsibility centers to maintain neutrality and offset this historical imbalance created by the old incremental budgeting approach

# Subvention/Strategic Initiative Pool

## Aggregate Operating Budgets

|   | FY2015          |             |
|---|-----------------|-------------|
|   | BUDGET          |             |
|   | Arts & Sciences | Business    |
| 116 Results of Operations.....                | (11,496,479)    | (1,759,427) |
| 119 Provisions for Replacement & Depreciation | -               | -           |
| 120 Debt Service - Principal                  | 25,133          | -           |
| 121 Debt Service - Interest                   | 15,464          | -           |
| 122 Debt Service                              | 40,597          | -           |
| 125 Transfers to (from) Operations            | (13,276,809)    | (1,924,902) |
| 126 Total Funding Transfers.....              | (13,236,212)    | (1,924,902) |
| 127 Total Expenses & Funding Transfers.....   | 95,219,997      | 34,559,709  |
| 128 Net Results.....                          | 1,739,734       | 165,475     |

The Results of Operation (line 116) for nearly all the colleges (except CHSP) is negative because the subvention tax is removing revenue that has always been allocated in the budget

Therefore each college will receive an allocation from the Strategic Investment Pool (line 125) to bring their budget into rough balance

The Net Results lines will not be zero if a college has not entirely balanced all their non-guaranteed revenues and expenses. This will get sorted out as their expenses adapt to the actual revenue they realize during the year

The allocation from the Strategic Investment Pool (line 125) is designed to rebalance across the RCs by returning part of the subvention tax collected. This amount becomes a baseline from which future subvention decisions can be made to increase or decrease subvention over time:

- As new revenues flow into the system the 12.5% on the new marginal revenue can be maintained centrally
- If revenues for a college increase, subvention may decrease or revenues may be retained for investment
- Some level of subvention will be permanent or even grow over time in response to inflation
- There may be strategic plans to rebalance the amount of subvention over time

## Transition Timeline

- FY2013
  - Model Development
- FY2014 (last year)
  - Parallel Budget Process – Neutral Conversion
  - Hold Harmless and Hold Benefit
  - No Rebalancing
- FY2015 (this year)
  - Continuing Parallel Budget Process – Neutral Conversion
  - Hold Harmless and Hold Benefit
  - No Rebalancing
- FY2016
  - Hold Harmless Phasing Out
  - Set Rebalancing Levels
- FY2017
  - Five-Year Review

## Governance

- RCM Budget Implementation Committee (New)
  - Direct refinement and implementation of RCM Model.
  - Oversee the five-year review process which will involve feedback from Colleges and constituent groups
  - Regular Consultation with Colleges
- Academic Support Improvement Committee (New)
  - Reviews support units to make recommendations to BPC on appropriate funding levels, service levels, customer satisfaction and performance
- Facilities Planning and Advisory Council (Existing)
  - Works with and advises Facilities and University leadership about facilities master plan
- Space Management Committee (Existing)
  - Monitors use of space, tracking of space allocations to units and facilitates re-purposing of space and planning for new space needs
- University Curriculum Council (Existing)
  - Monitoring of Academic Quality Indicators related to the curriculum and report to EVPP
    - Course duplication
    - Curriculum hoarding
- Service Alignment Projects Oversight Committee
  - Review and monitor projects associated with the Service Alignment initiative
  - Communicate with campus constituents regarding projects
  - Report to EVPP and VP F&A

## Governance

- Budget Planning Council
  - Participate in the five-year review process
  - Normal review and recommendations for marco revenue and cost assumptions and strategic investment initiatives
    - Enrollment
    - Tuition and Fee Rates
      - Instructional Fee (Undergraduate and Graduate)
      - Non-Resident Fee (Undergraduate and Graduate)
      - General Fee
      - Housing and Dining Rates
    - State Subsidy
    - Compensation
      - Salary Increases
        - Faculty (Tenure Track and Non Tenure Track)
        - Administrators
        - Classified (Hourly)
        - Graduate Stipends
      - Health Care
      - Other Benefits
    - Utilities
    - Scholarships / Graduate Fee Waivers
    - Debt
    - Strategic Investments

These will be the major topics for BPC over the coming year

## Glossary

- **Fiscal Year** - The University's fiscal year begins on July 1 and ends on June 30 of the following calendar year.
- **Capital Budget** - Budget/plan for capital assets and infrastructure such as facilities, renovation, information technology, and certain equipment. Appropriations from the state of Ohio are the primary source.
- **Revenue** - Inflow of funds from sales, services, fees, gifts, or other external sources, including the state of Ohio and tuition.
- **Expenditure** – The use of funds to pay for activities related to the operation of the university
- **Base Budget** – Represents resources that are consistent and reasonably anticipated to continue from year to year. For example, salaries for permanent positions are expected to be base funded.
- **One-time Funds** - Resources that cannot be anticipated on a long-term or consistent basis and therefore should not be allocated to support ongoing expenses.
- **Carry-forward** - Funds that are not expended during the course of a fiscal year are “carried forward” typically in the form of segregated accounts within each unit’s budget.
- **Internal Transfers** - Represents financial activity between units within the university for services rendered.
- **Tuition Caps** - The Ohio General Assembly has authority to establish limits on increases to the combination of instructional and general fees. Typically applied to the tuitions assessed to undergraduate residents.
- **The State Share of Instruction (SSI)** - Unrestricted funding that supports a portion of instructional and administrative costs incurred by campuses. Uses an outcome-based funding model based the following outcomes: course and degree completion; retention of financially disadvantaged students; promotion of instruction in science, technology, engineering, mathematics, and medicine (STEM<sup>2</sup>).
- **Transfers In** - Resources transferred INTO one fund or unit FROM another fund or unit within the university. For example, the Housing transfers funds INTO the facilities budget to support maintenance of dorms. The facilities budget would show this as a Transfer In
- **Transfers Out** – Resources transferred FROM one fund or unit to another fund or unit within the university. For example, the same transfer described above would show up in the Housing budget as a Transfer Out

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## Glossary

- **Fund** - An income source established for the purpose of carrying on specific activities or objectives, in accordance with special regulations, restrictions or limitations.
- **Current Funds** - Those funds that are earned and expended in the current fiscal year. There are also “non-current” funds such as carry-forward, internal loans, and plant funds. Plant funds support capital projects.
- **Restricted Funds** - Funds whose use has been restricted by an external agency or individual. These funds are limited to support specific purposes and/or units. Examples include certain research awards and gifts.
- **Unrestricted Funds** - Refers to funds that have no external limitations on their use. Examples of unrestricted funds include *auxiliary funds* and *general funds*.
- **Auxiliary Funds** - Funds that exist to furnish goods or services to members of the campus community – examples include residence halls, food services, airport, parking, Intercollegiate Athletics.
- **General Funds** - Unrestricted funds that support instruction, administrative, and physical plant expenditures. Includes General Program, General Fee, and Designated Funds.
- **General Program**: Often referred to as the “General Fund,” are funds collected centrally, pooled, and allocated by the budget process. The primary revenue sources are instructional fees and unrestricted State support – the State Share of Instruction (SSI).
- **General Fee**: The General Fee is restricted funding for non-instructional student services. The fee is charged to every student who is enrolled in at least one class, and is used to promote the student's emotional and physical well-being, as well as their cultural and social development outside of formal instructional programs, most specifically through student services and student activities. .
- **Budget** - The annual plan for the expenditure of estimated resources to support the University's priorities and operations.
- **Operating Budget** - Detailed projection of all estimated income and expenses based on forecasted revenue during a given period (usually one year) to support the operations of the university, including instruction, scholarships and financial aid, and administrative activities.

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# ( Regional Higher Education)

*FY'16 Academic Budget Hearing*

*April 21, 2015*

## **Presentation Outline**

- **Opportunities and Challenges**
- **Academic Quality Indicators**
- **Net Results and Subvention**
- **FY16 Investment Request**

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# Opportunities

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Provide OHIO education in our communities of the five campuses and three centers through:

- *Sustainable academic programs*
- *Workforce Development and CEU's*
- *Certificate Programs*
- *Focus on advising undecided students to increase retention and completion*
- *Strengthen collaboration with Colleges*
- *Re-examine efforts and implement efficiencies*
- *Progress towards Promise Lives*
- *College Credit + Initiatives*

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# Challenges

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- Enrollment Shift
- Increasing Costs:
  - *Faculty Total Compensation and Promotion Stipends*
  - *Raise Pool*
  - *Healthcare/PPACA*
  - *Indirect Cost Allocations & duplication of charges*
- State Appropriation Funding Model
- *College Credit + Competition*
- *Staffing for delivery of current/new programs*

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# Academic Quality Indicators

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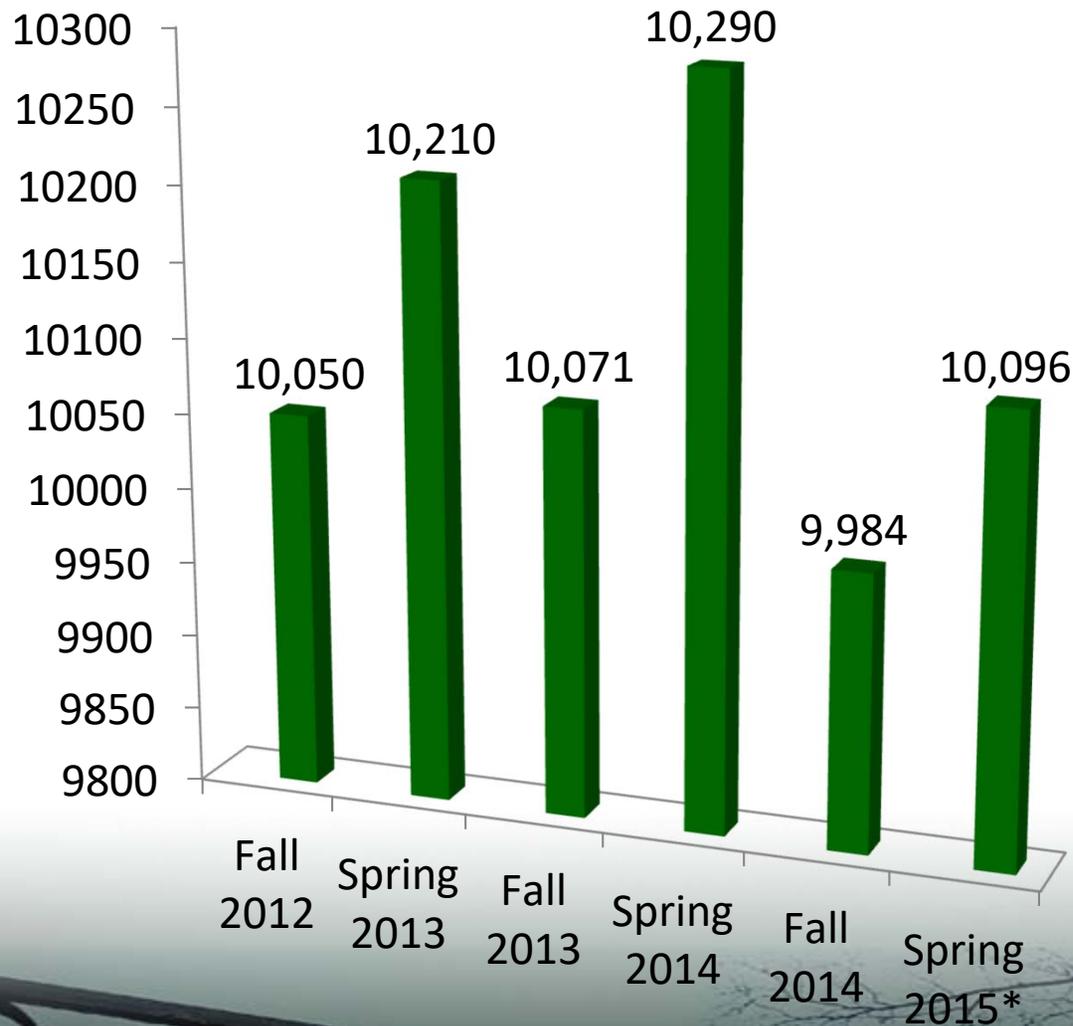
- Enrollment Trends
- Admission Statistics
- Retention Rates
- Graduation Rates
- NCLEX Pass Rates
- Faculty Composition/Productivity
- Accreditation

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# Enrollment Trends: Headcount (RHE)

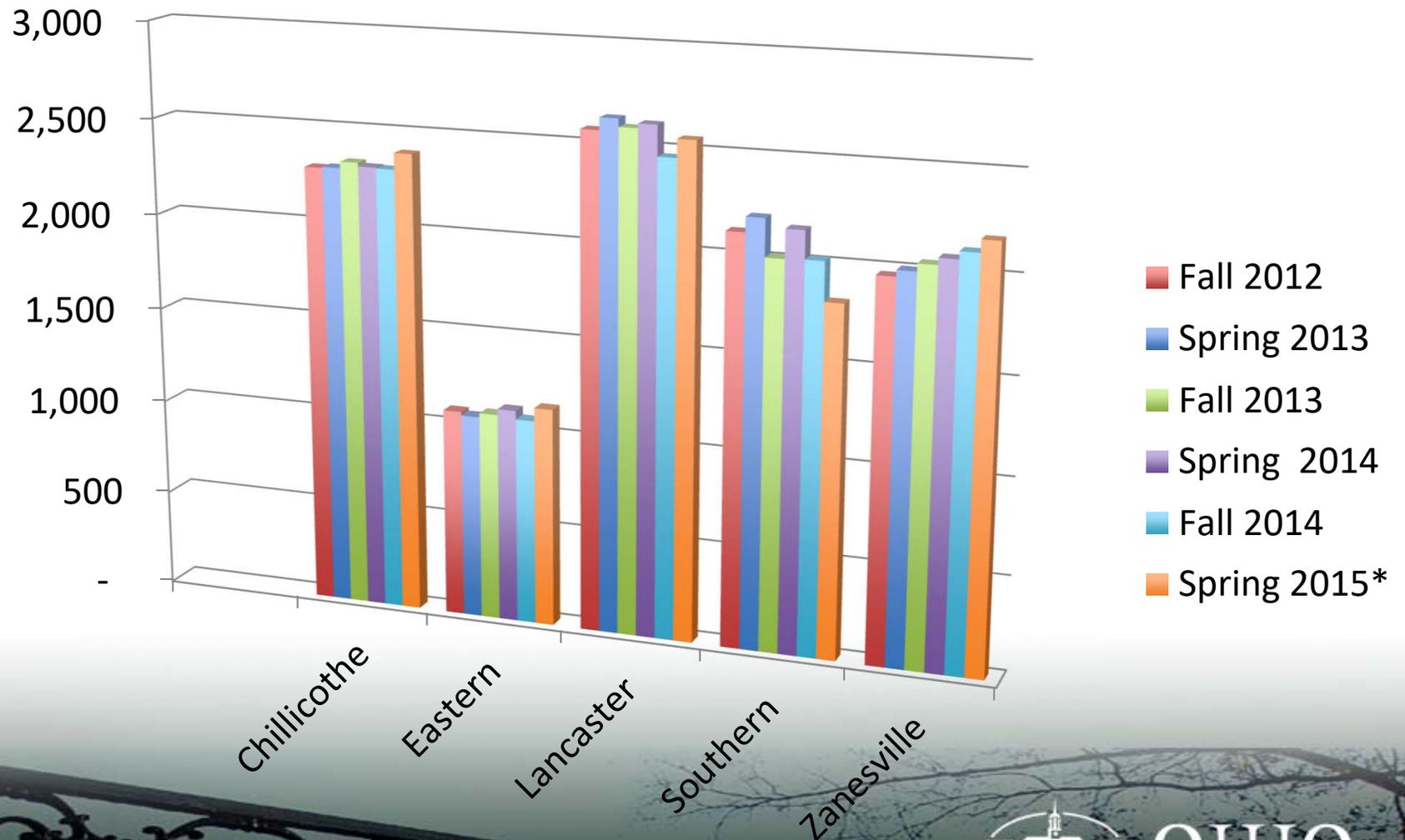


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# Enrollment Trends: Headcount by Campus

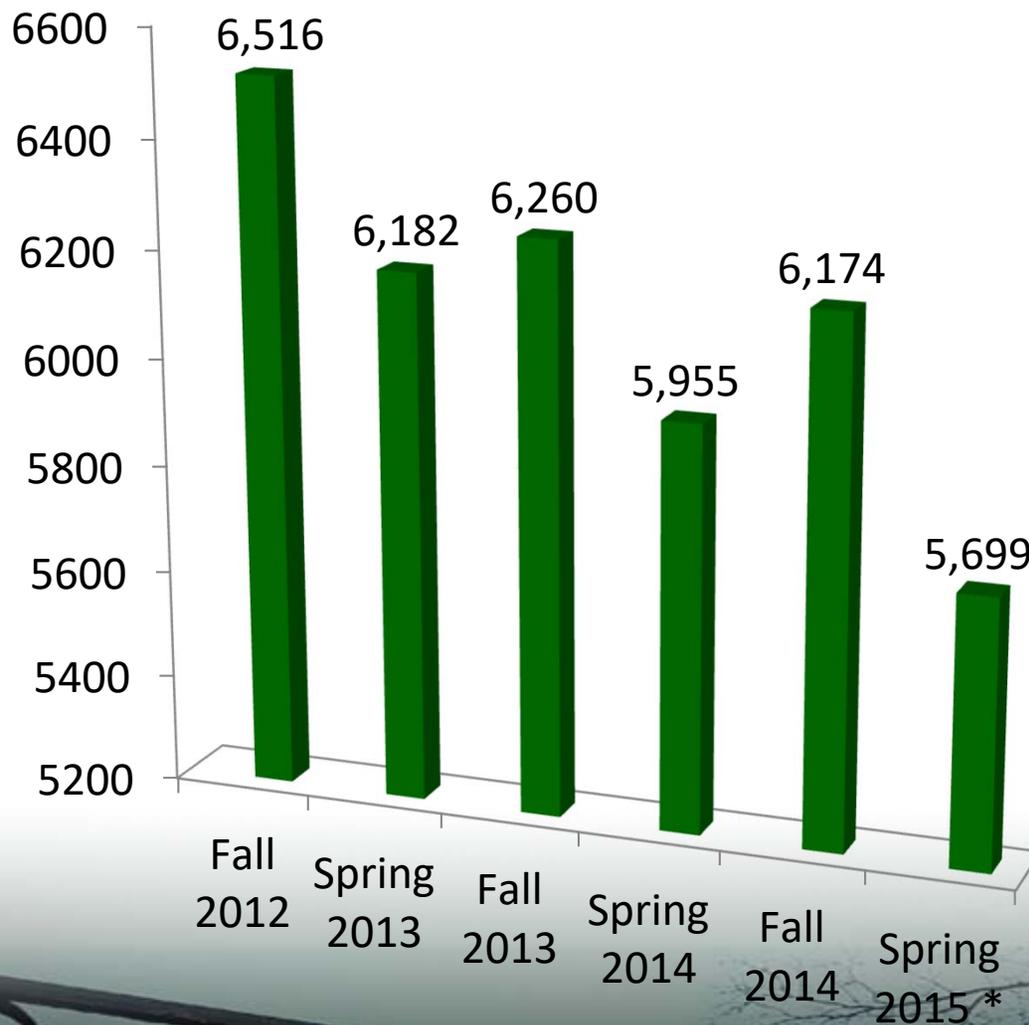


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# Enrollment Trends: FTE (RHE)

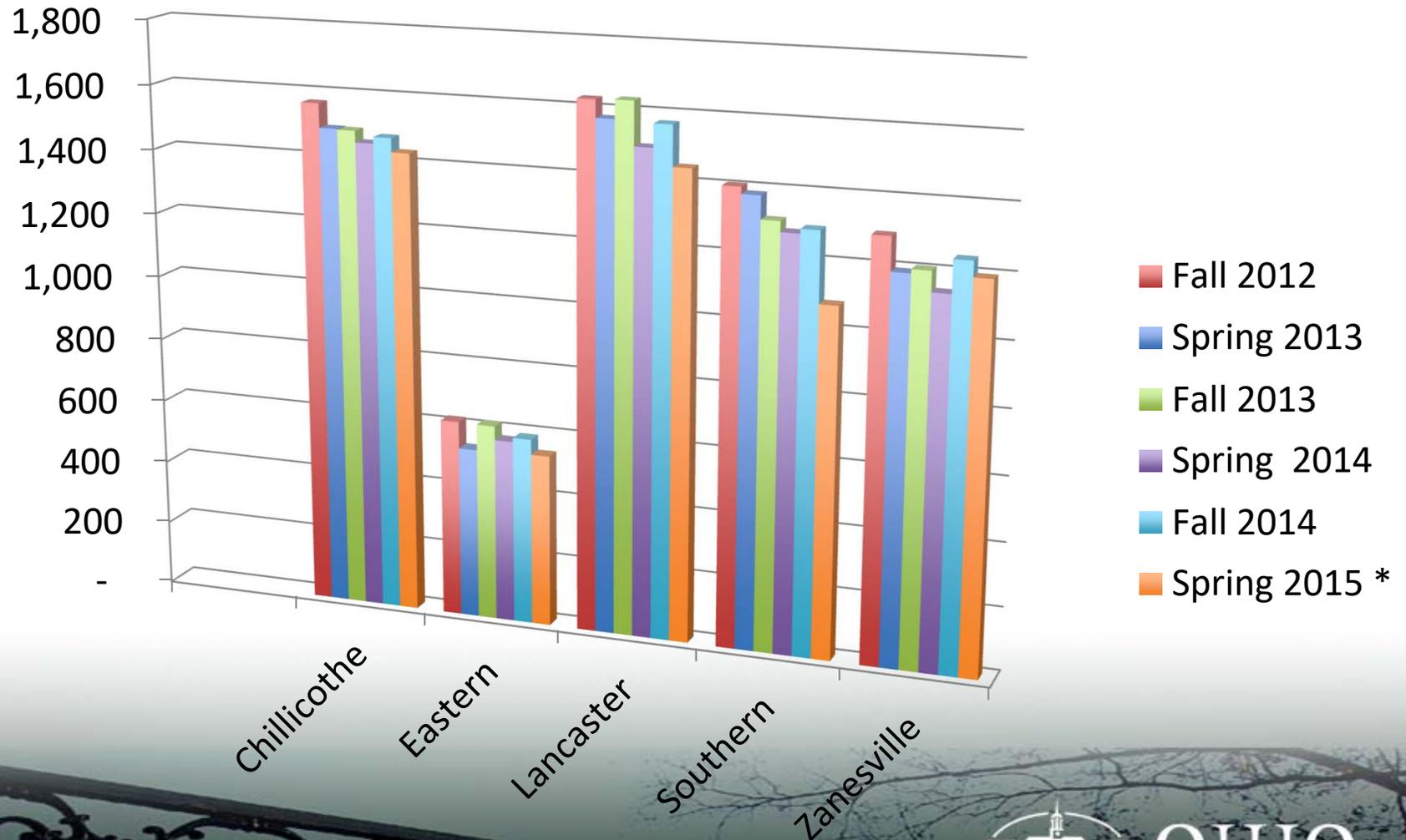


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# Enrollment Trends: FTE by Campus

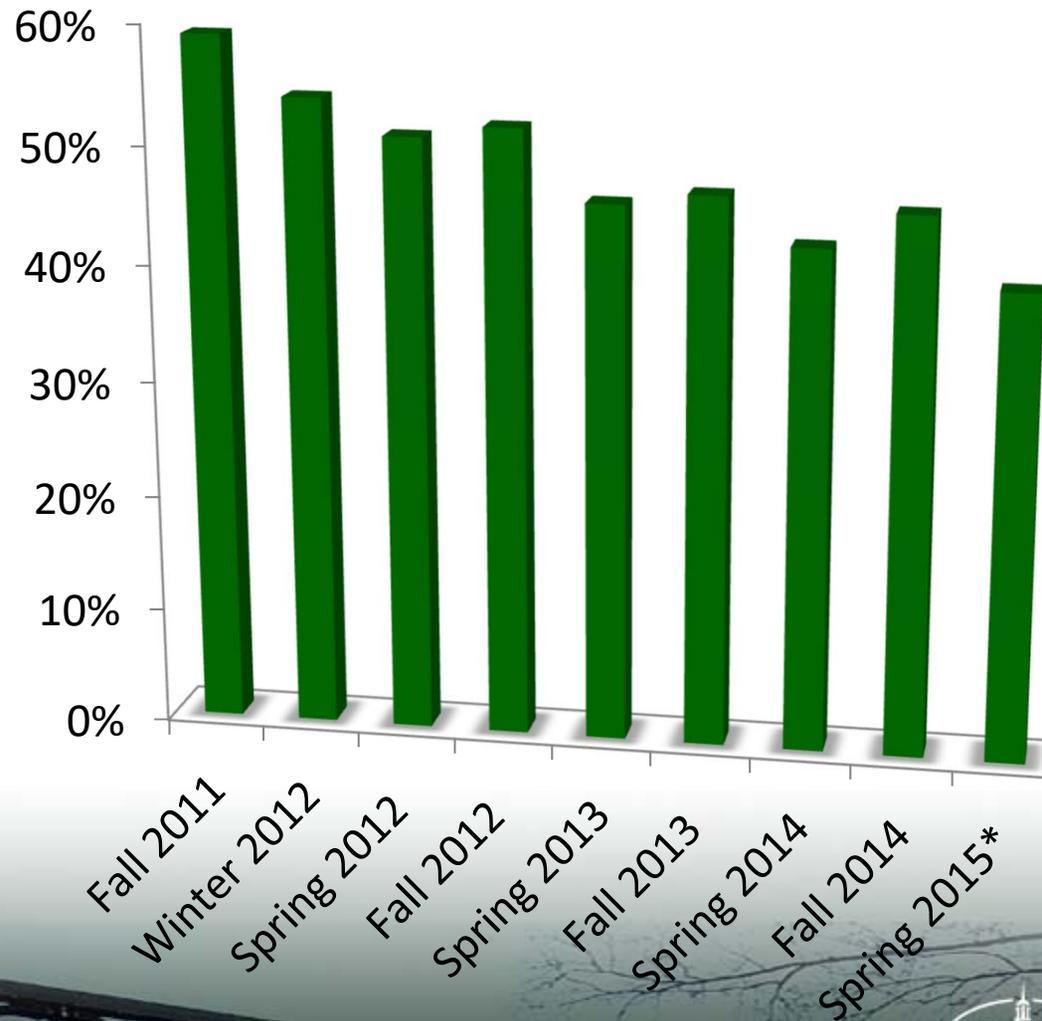


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# Enrollment Trends: % Full Time Students

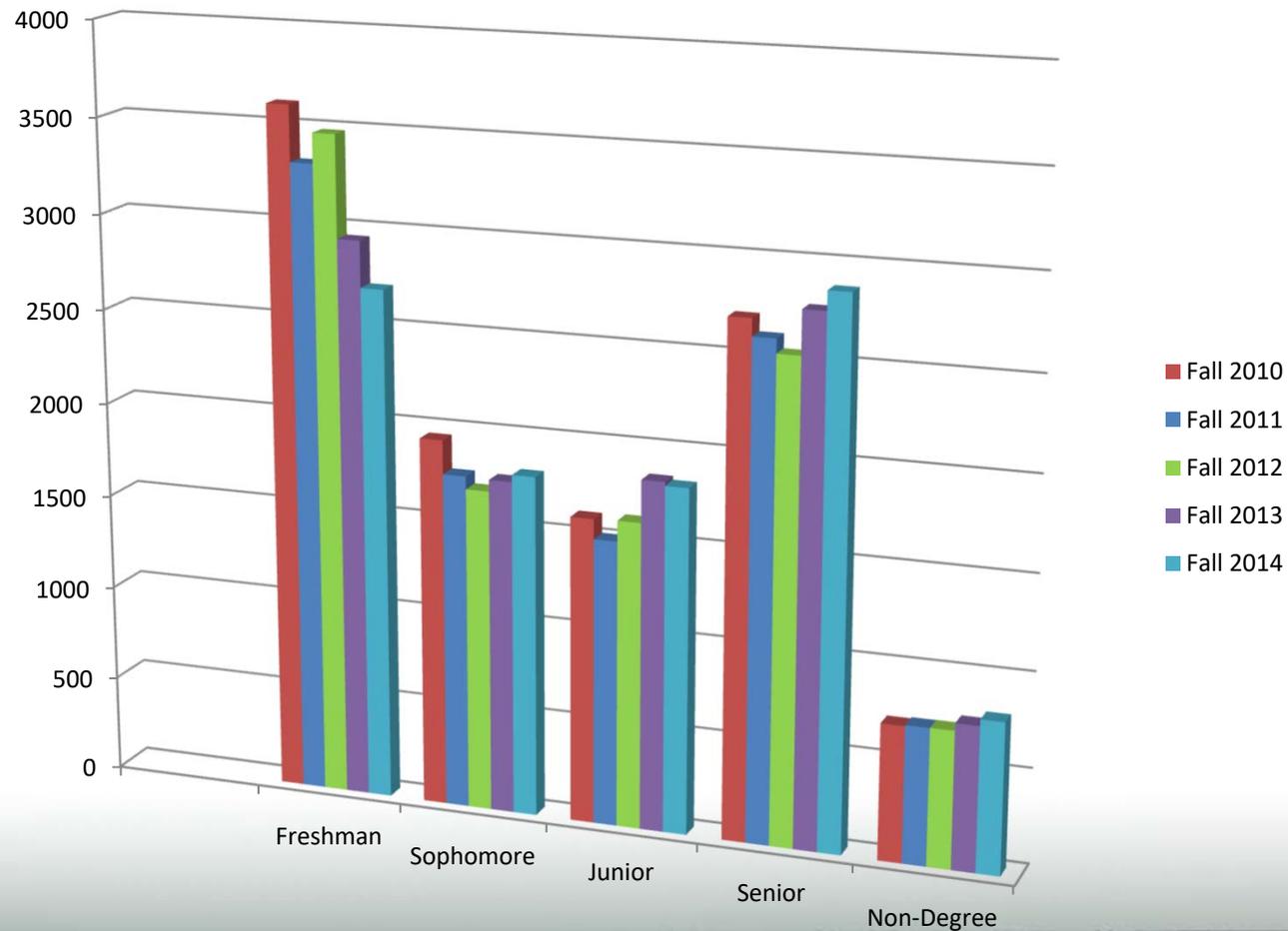


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# Enrollment Trends: Headcount by Rank



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# Admission Statistics

| 3/27/2015    | Fall 2014    |              | Fall 2015    |              | Change    |           | Change %  |           |
|--------------|--------------|--------------|--------------|--------------|-----------|-----------|-----------|-----------|
|              | Applied      | Admitted     | Applied      | Admitted     | Applied   | Admitted  | Applied   | Admitted  |
| Chillicothe  | 506          | 421          | 515          | 429          | 9         | 8         | 2%        | 2%        |
| Eastern      | 161          | 139          | 109          | 97           | (52)      | (42)      | -32%      | -30%      |
| Lancaster    | 395          | 325          | 408          | 357          | 13        | 32        | 3%        | 10%       |
| Southern     | 320          | 242          | 336          | 245          | 16        | 3         | 5%        | 1%        |
| Zanesville   | 367          | 318          | 403          | 358          | 36        | 40        | 10%       | 13%       |
| <b>Total</b> | <b>1,749</b> | <b>1,445</b> | <b>1,771</b> | <b>1,486</b> | <b>22</b> | <b>41</b> | <b>1%</b> | <b>3%</b> |

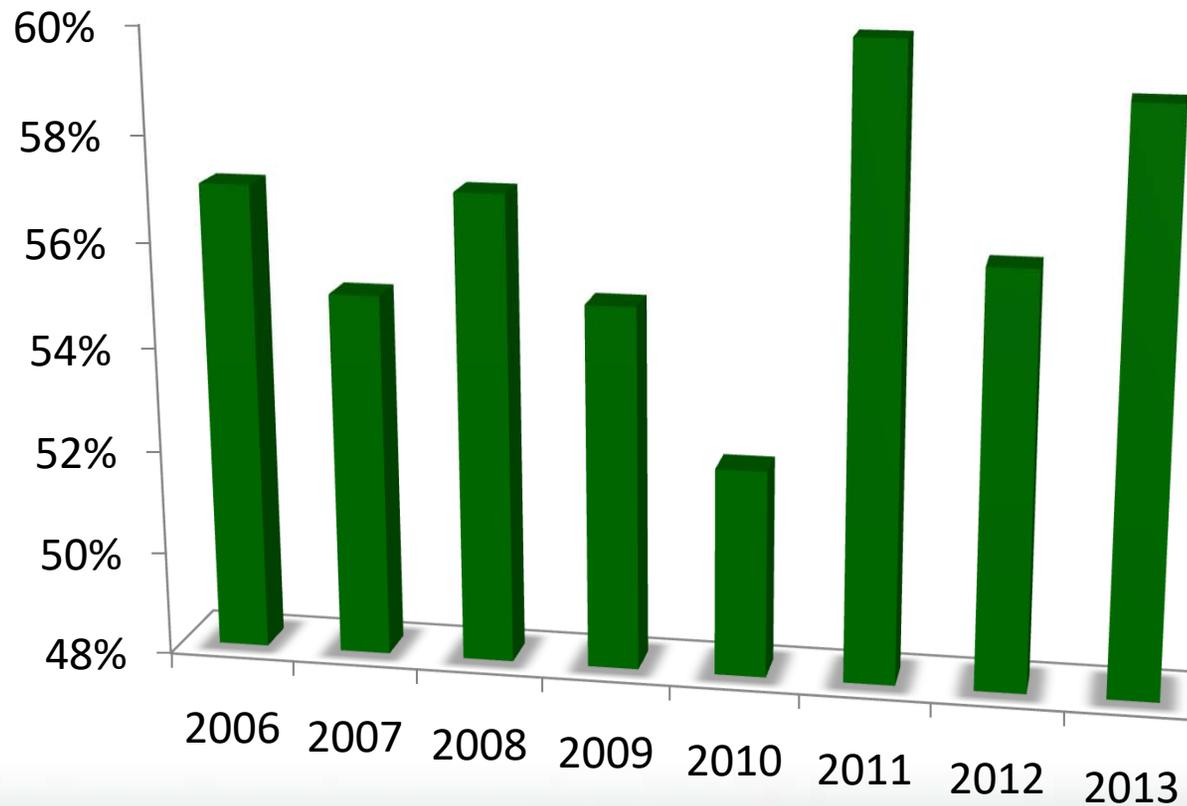
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# Retention Rates (Freshman)

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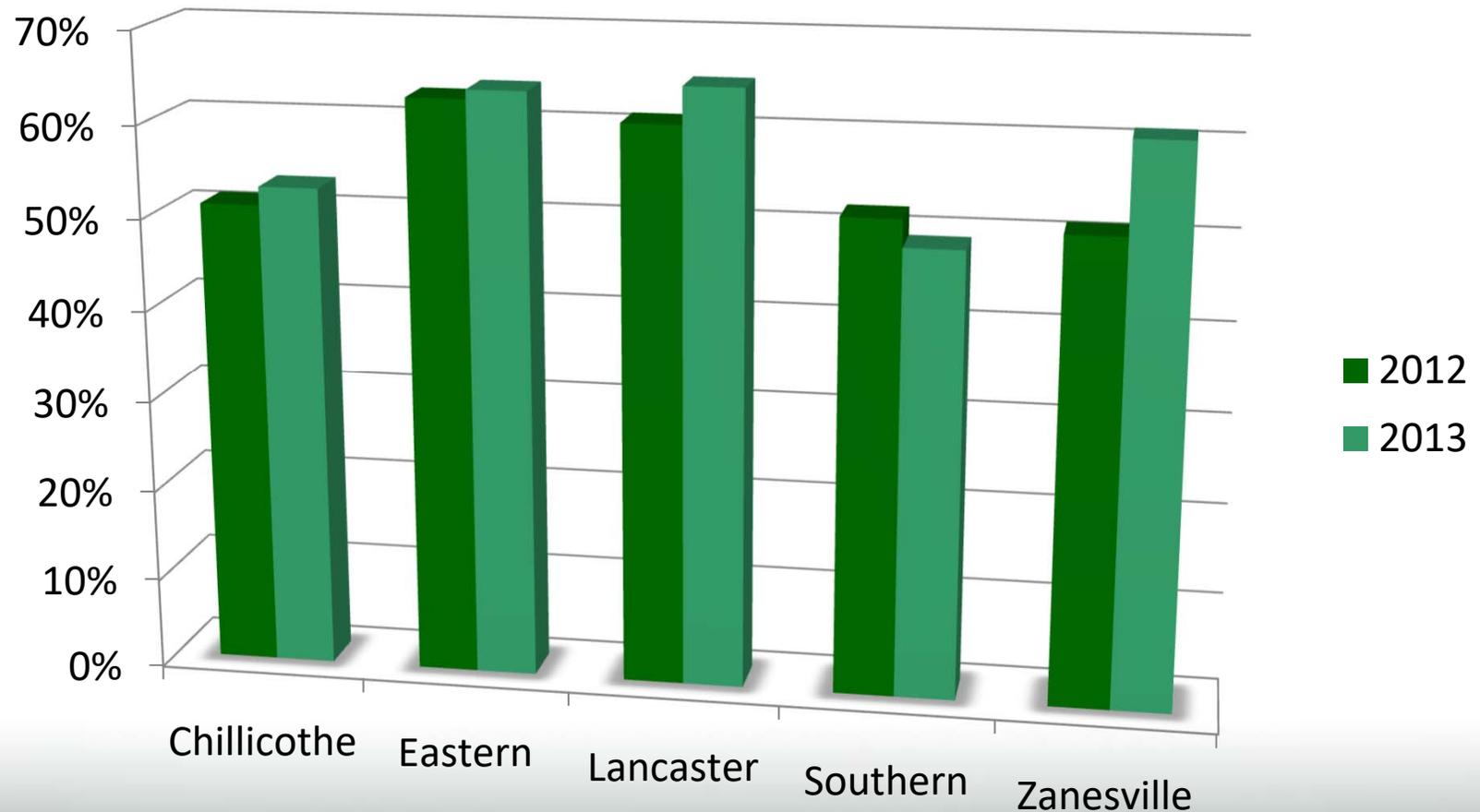
Source: Factors Associated with First-Year Student Retention at Ohio University – Regional Campuses, Office of Institutional Research, September 2014.

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# Retention Rates (Freshman)



Source: Factors Associated with First-Year Student Retention at Ohio University – Regional Campuses, Office of Institutional Research, September 2014.

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# Retention Information (Freshman)

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## Key Statistics for 2013:

Students in top half of graduating class had higher retention than those in the bottom half. (71%; 42%)

Students scoring above the 50% percentile nationally on the ACT had higher retention than students scoring below the 50<sup>th</sup> percentile. (69%; 53%)

The *attrition* rate for students with an OHIO GPA above 2.0 was 21% in 2013, compared to 80% for students with GPA's below 2.0.

Source: Factors Associated with First-Year Student Retention at Ohio University – Regional Campuses, Office of Institutional Research, September 2014.

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# NCLEX Pass Rates

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|      | Chillicothe                                       | Southern | Zanesville | Ohio  | National |
|------|---|----------|------------|-------|----------|
| 2010 | 81.6% (3 never tracked through testing)           | 95%      | 91.4%      | 85.5% | 87.4%    |
| 2011 | 92.3% (13 students never tracked through testing) | 94.8%    | 92.5%      | 88.9% | 87.9%    |
| 2012 | 78% (4 never tracked through testing)             | 97%      | 91.6%      | 89.9% | 90.3%    |
| 2013 | <i>Unavailable as of 4.8.15</i>                   |          |            |       |          |

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# Graduates: Academic Year 2013-14

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Total *bachelor* degree graduates at OHIO: 6,826

Last term regional campus: 721 or 11%

Excludes Education students whose last term may be Athens due to student teaching courses

Specific Program Examples: % of Total whose last term regional campus:

Criminal Justice: 63% from regional ( 35 of 56)

Communication: 21% from regional (89 of 418)

Health/Health Adm: 33% from regional (67 of 202)

Nursing (excludes Ecampus): 43% from regional (84 of 196)

Social Work: 65% from regional (39 of 60)

Specialized Studies: 38% from regional (80 of 211)

Additional data needed to determine course work and degree completion

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# Current Staffing Composition

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| Position Type             | Prior Year | Current Year<br><i>(as of 4.2.15)</i> |
|---------------------------|------------|---------------------------------------|
| Faculty (Tenure Track)    | 124        | 121                                   |
| Faculty (Career Teaching) | 81         | 92                                    |
| Faculty (Visiting)        | 6          | 5                                     |
| Faculty (Early Retirees)  | 18         | 22                                    |
| Administrators            | 89         | 88                                    |
| Classified                | 106        | 107                                   |
| <hr/>                     |            |                                       |
| TOTAL                     | 424        | 435                                   |

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# Accreditation

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## **Institutional Accreditation**

Higher Learning Commission of the North Central Association

## **Specialized Accreditation**

### Baccalaureate Programs:

Education: National Council for Accreditation of Teacher Education (NCATE)  
Nursing: Commission on Collegiate Nursing Education (CCNE)  
Ohio Board of Nursing (OBN)  
Social Work: Council on Social Work Education (CSWE)

### Associate Programs:

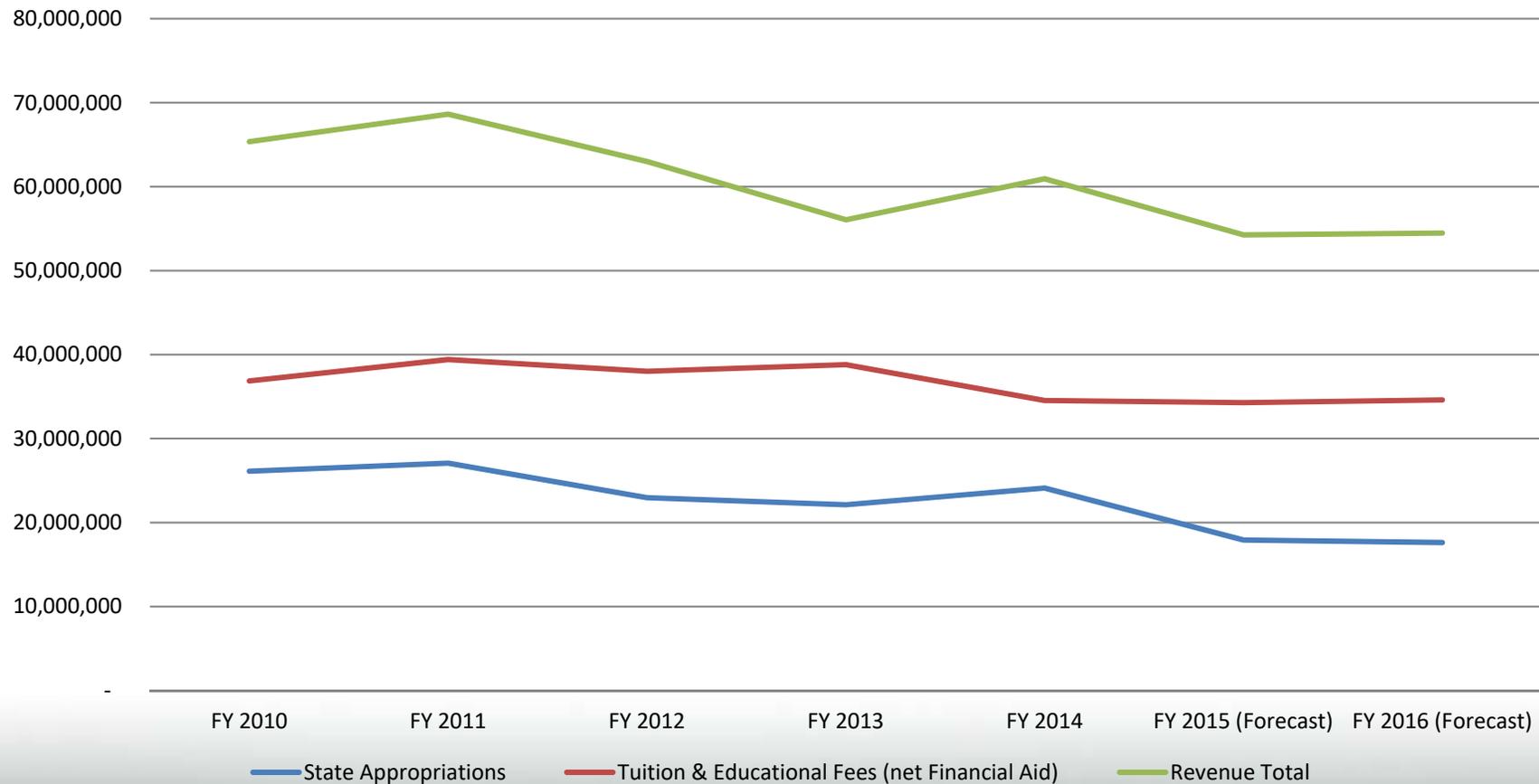
Nursing: National League for Nursing Accrediting Commission (NLNAC)  
Ohio Board of Nursing (OBN)  
Deaf Studies: Department of Education  
Child Development: Board of Regents, follow National Association for the Education of  
Young Children (NAEYC)  
Equine Studies: Professional Association of Therapeutic Horsemanship, Intl (PATH, Intl.)  
Medical Assisting: Commission on Accreditation of Allied Health Education Program  
(CAAHEP)

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# Revenue Trends & Forecast

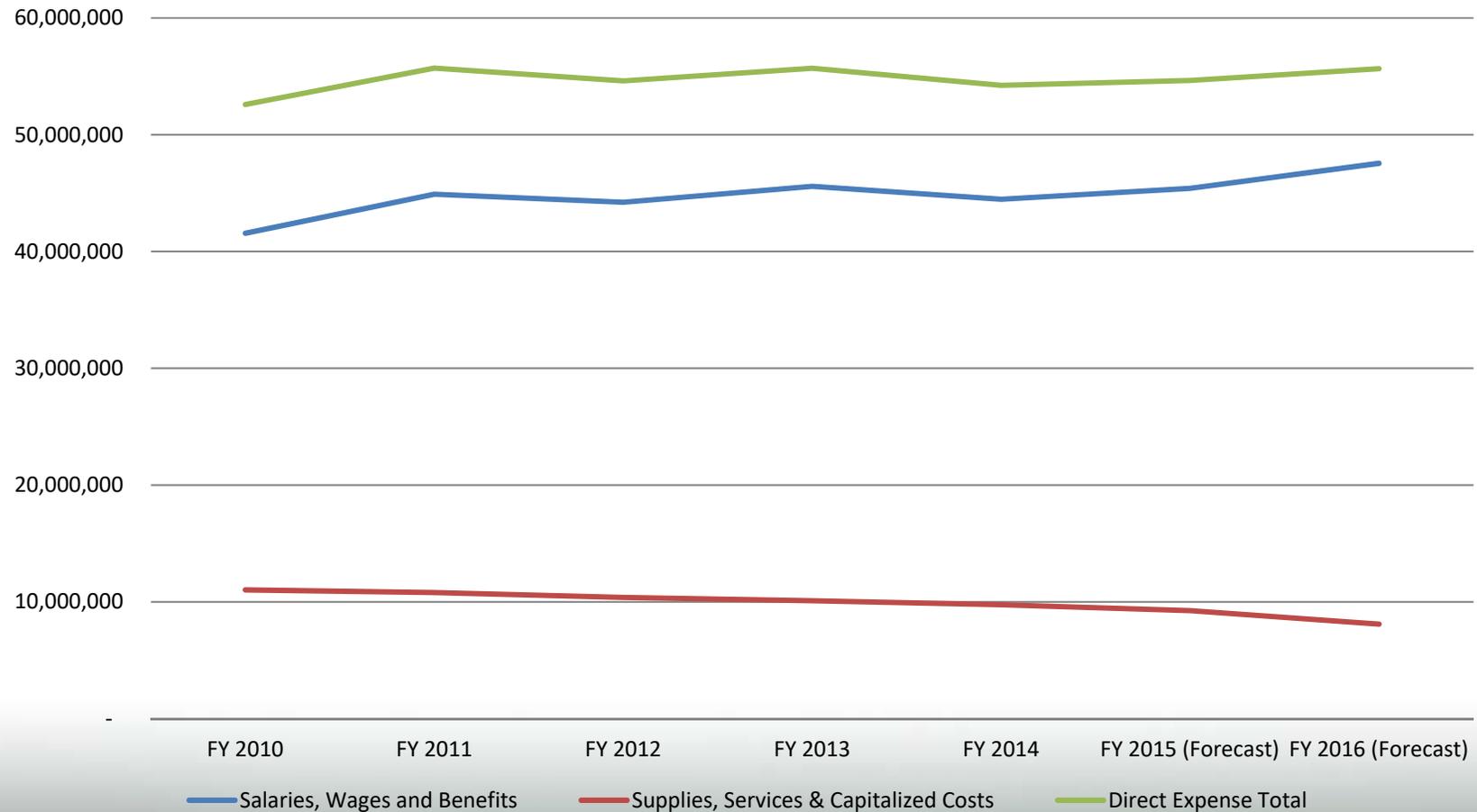


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# Direct Expense Trends & Forecast

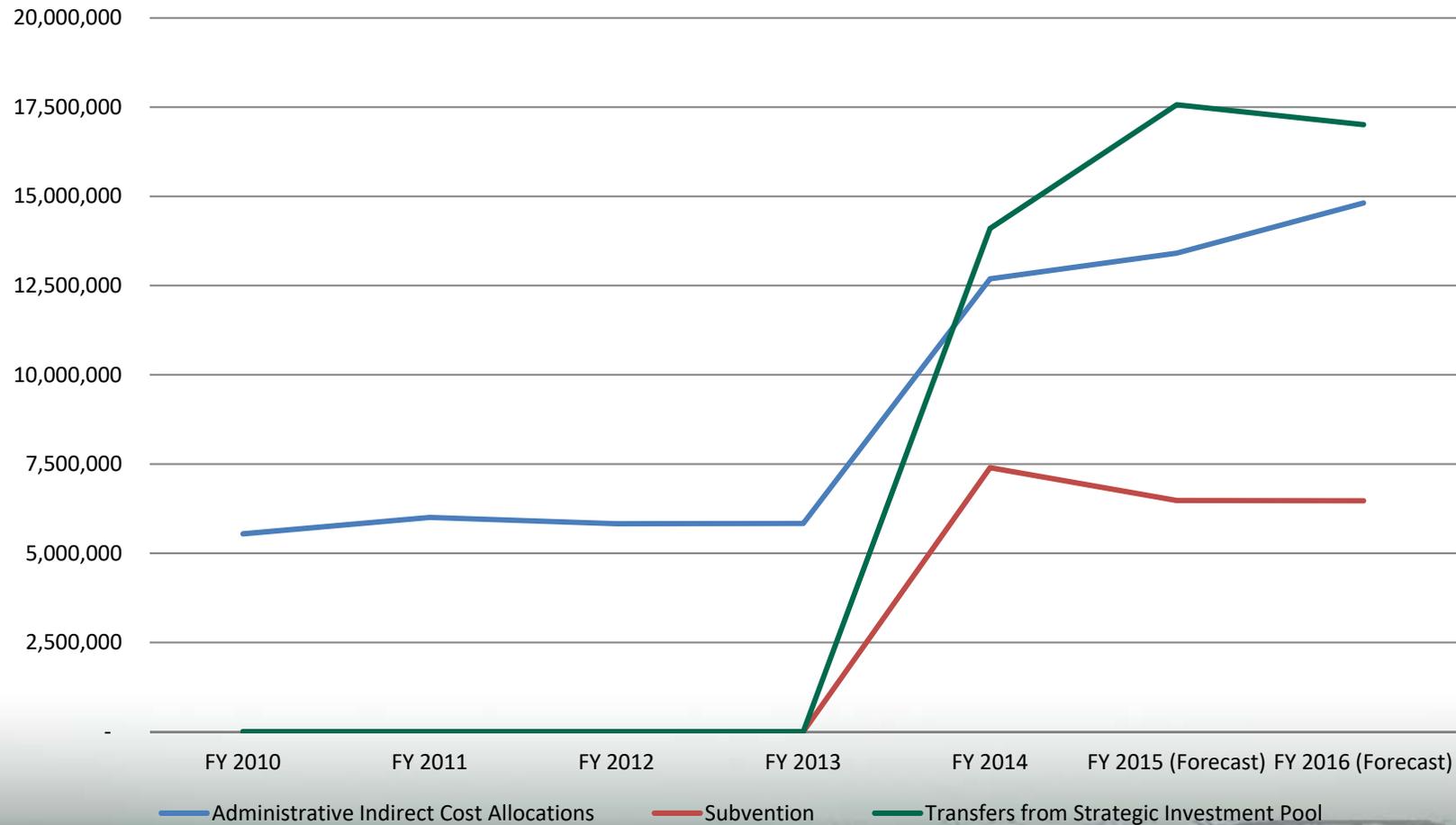


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# Indirect Costs, Subvention, SIP Funding



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# Net Results and Subvention

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- **Projected Revenues:**
  - State Appropriations -2%**
    - **Course Completions and Associate degrees**
  - Tuition 1%**
    - Potential tuition increase & enrollment decline**
  - Overall Projected Revenues .49%**
- **Projected Direct Expenses:**
  - Salaries, Wages & Benefits 5%**
    - Based on 19.4 FTE in staffing requests (Filling, New, Vacancies)**
  - Direct Expenses 0% from FY15 forecast**
    - Charge with 5% reduction in part time budget**
    - Charge with minimum 5% reduction in supplies/services**
  - Overall change in total direct expenses 2%**
- **Projected Indirect Expenses:**
  - Increase 10% or \$1.4 million**

**Overall net results FY16 estimated at -\$6.3 million**

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# Strategy Investment Requests

| Strategic Investments           | FY 15 | FY 16         | FY 16 | FY 17 |
|---------------------------------|-------|---------------|-------|-------|
| RHE Strategic Investment        |       | 27,431        |       |       |
| <b>Total Funding Needed</b>     | -     | <b>27,431</b> | -     | -     |
| College/School Portion (if any) |       |               |       |       |
| <b>Net Request</b>              | -     | <b>27,431</b> | -     | -     |

*In thousands*

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# Strategy Investment Request #1

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## RHE

This investment supports the overall mission of Regional Higher Education (RHE) by providing high quality OHIO education to students throughout Southern and Southeastern Ohio through Access, Affordability and Outreach to the communities surrounding our five campuses and three centers. This investment supports Total Faculty Compensation and COMP 2014 implementation. This investment supports the ability to expand degree opportunities such as Nursing, Biology, Sports & Lifestyle studies, Engineering Technology and Environmental Engineering Technology. This investment supports RHE where campuses will be highly involved in implementing College Credit Plus opportunities. This investment supports retention efforts through partnerships such as: Enrollment Management to implement effective financial advising initiatives to retain students and decrease default rates; and University College software package for early tracking and intrusive advising.

## Strategic Importance

Regional Higher Education (RHE) provides Outreach and Access to communities in Southeastern Ohio. Open admissions and substantially reduced tuition are cornerstones of this approach. The five regional campuses and three centers provide quality undergraduate instruction that emphasizes bachelor's degrees, two-year technical associate degree programs, and upper-division and graduate programs. In addition, RHE provides the first two years of almost all bachelor's programs offered at the main campus. The campuses offer a variety of community service programs, workshops and seminars in industrial and business training and retraining (workforce development), as well as credit and non-credit programming. Campuses provide leadership for the economic, social and cultural development of its citizens.

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# Strategy Investment Request #1

Investment Request: Multi-year under current model

| Description  | Amount                          |
|--|---------------------------------|
| RHE maintains RHE subvention   | 6,471,653                       |
| Level State Appropriation  | 6,487,968                       |
| Bachelor Completion State Appropriation                              | 8,000,000<br><i>(estimated)</i> |
| Realign cost allocators for indirect – student FTE 50% of Athens FTE | 6,472,237                       |
| Total  | 27,431,858                      |
| Current SIP Funding with RHE maintaining RHE subvention              | 17,010,950                      |
| <b>Additional Funding</b>  | <b>10,420,908</b>               |

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# Supporting Documents

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- **Updated Budget Sheet for the unit**
- **Updated Staffing Plan**

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