Possible Options to Generate Stable Funding Pool for One-Time Funding Requests for the CSS Support Office Budget Request Process

A. Pre-Request “Filters” that Should Be Applied Prior to Submission of Central Support Unit Budget Requests to SFC/CSS

1. Reinforce the expectation that each support unit will review its funding and reallocate within current operations, if possible, to generate funding for projects before requests are submitted.
   - Advantages
     o Requires units to prioritize
     o Encourages efficiencies within units
     o Unit pays for its own new initiatives
     o Encourages collaboration among units to complete larger or shared projects
   - Possible disadvantages
     o No single central review of initiatives as CSS currently does
     o May not generate sufficient funding to fully support new initiatives
     o Unit may be as efficient and focused as possible so no extra budget is available

2. Ensure that requests more properly supported by capital funds are directed to the capital request process and that requests more properly supported by central funds are directed to CSS. Would involve IPPLG and utilization of the forthcoming revised capital request process
   - Advantages
     o Involves IPPLG (Integrated Physical Planning and Policy Liaison Group)
     o Request channeled to most appropriate funding sources
   - Possible disadvantages
     o What is the definition of “capital” projects?
     o Need development and communication of guidance on what is and is not capital
     o Timing (being addressed as formerly biennial request process within OSU becomes annual)

B. Possible Alternative Funding Methods Utilizing Centrally-Generated Funds (not in any order of priority)

1. For projects spanning multiple units or enterprise-wide, determine funding options by request and assess for each item individually (example: replacement of Public Safety radio system)
   - Advantages
     o Associates costs with a specific project
     o Distributes cost by user/beneficiary
   - Possible disadvantages
     o To what degree does the proposed project benefit the university as a whole?
     o For multi-unit projects, how would the distribution of costs be determined—by use, by budget, by enrollment?
     o Hard to do budget planning if year-to-year assessments are variable
     o Should there be a minimum dollar threshold for a specific assessment?
2. Make a one-time assessment on PBA to establish a pool for cash requests. An annual assessment of 1% would generate $3M annually from centrally-held PBA and $6M annually from PBA held at the colleges. (Under current plans, FY 13 is the last year of the current three year 1% assessment)
   - Advantages
     o Simple calculation
     o Reliable/consistent funding pool to access annually
     o Might replace an expiring assessment
   - Possible disadvantages
     o Which units are assessed—only academic units or support units or both?
     o PBA is a scarce resource and not allocated evenly across units
     o How large would the assessment need to be?

3. Set aside a percentage (10%?) from the fee reconciliation to develop a funding pool.
   - Advantage
     o “Painless” source because results from difference between lower budgeted revenue and higher actual revenue
   - Possible disadvantages
     o Significant year-to-year variation in the amount available—could be nothing
     o The cash belongs to the colleges per the budget allocation process—how would this get shared with the support units?
     o The distribution is on an implied generated credit hour basis
     o The distribution is imbalanced from college to college
     o The cash would be available only after adjusting for negative categories

4. Set aside a portion of the funding (from centrally-held PBA) generated by the President’s 1% reallocation. Currently, unspent balances of $3M remain from FY 11 and $3M from FY 12 (projected); another $3M is expected to be generated in FY 13.
   - Advantages
     o Utilizes an established funding source
     o Reallocation fund comes from support offices only. Colleges not impacted
   - Possible disadvantage
     o Limits flexibility for President’s initiatives or strategic investments

5. Utilize a portion of the receipts from any new net marginal resource initiatives
   - Advantages
     o Utilizes new funding source(s)
     o Should provide an annually predictable/stable amount
   - Possible disadvantages
     o Uncertainty regarding how new funds might be received—annually, lump sum
     o How to divide these new funds between direct academic support and support office needs
     o Would the portions be provided by formula or by request
C. For Specific Projects To Create a More “Green” or “Sustainable” University

1. Utilize a percentage of the savings from energy efficiency/sustainability efforts to fund university-level projects that make Ohio State more “green” or “sustainable.” Funding amount unknown.

- Advantages
  - Utilizes funds that would have been spent anyway in the absence of efficiency/sustainability measures
  - Incent efficiency/sustainability as a means of generating these funds

- Possible disadvantages
  - Funds would not be available immediately
  - Some time would be required to fully develop this fund
  - Funding available would vary depending upon specific efficiency/sustainability activities and specific return per project
  - Perhaps best used as a supplementary source
  - Not to be used for capital projects