Extended Learning MOU Workgroup

Workgroup & Timeline

Members:
- Staci Beavers (CHABSS)
- Blake Beecher (CEHHS)
- Carmen Mitchell (Library)
- Godfrey Gibbison (EL Dean)
- Clint Roberts (Budget & Finance)
- Bill Kristan (CSTEM)
- Ben Cherry (COBA)
- Randy Duncan (Budget)
- Dennis Jaehne (Provost Office)

Website:
Documents, townhall recordings, presentation materials, etc
https://www.csusm.edu/el/about/mou.html
Extended Learning MOU Workgroup

Workgroup & Timeline

• Weekly meetings
  – Overview of current state
    - financial review, IDC review, IDC calculation
    - IDC allocation, Program Surplus calc
    - EO 1099
• Review Townhall meeting notes & Dean MOU review
• Review Subgroup feedback
• Development new strategies
Extended Learning MOU Workgroup

Feedback Topics

- Townhall & SubGroup Feedback
- Indirect Costs
- Other
- EL vs Stateside
- Surplus
- Focus on Students
- New Programs
- Direct Costs
- Workgroup Composition

Indirect Costs
Feedback Topics

- **Indirect Costs (IDC)**
  - Lack of clarity for what makes up IDC
    - Deep-dive review, examine efficiency of EL Ops, Opportunity for follow-up review & feedback from Programs of efficacy of EL support
  - Inequity of IDC allocation
    - Ceiling/floor (limited size for clinical & lab programs)
    - Undue burden on students in surplus programs to cover deficit programs
    - IDC represents a large % of program revenue
    - Doesn’t take into account factors like potentially lighten burden of online & satellite campus programs.
    - Global/International costs
Feedback Topics

• **Campus Support Units** feel IDC payments do not adequately cover their cost of supporting EL.
  - IP&A, Library, Mental Health, sections & lab scheduling coordination, College administration, etc.

• **New Programs** – two years is unrealistic timeline to achieve self-support.

• **Deficit Reallocation** – process of reducing each program’s surplus to cover deficits of other programs

• **Need for simplicity & predictability***
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Focus for Current Year Workgroup Effort

• **Current Year Focus:**
  • Address **Indirect Cost** challenges
    • Promote equity of allocation amongst programs
    • Promote predictability and simplicity for planning
    • Improve clarity of Indirect Cost
  • **Deficit Reallocation** – consider alternatives or methods to eliminate reallocation or at least mitigate impact.
  • Consider changes for **New Programs**

• **Next Year:**
  • Deep-dive review of Indirect Cost will likely need to be a parking lot for next phase.
  • Revisit new IDC allocation methodology for further changes/improvements.
## Extended Learning MOU Workgroup

### Review of IDC Allocation

#### Summary of Figures resulting from current MOU

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Review of Indirect Cost Allocation

Comparison of allocation methods & impact to IDC per College

- **CSTEM - Indirect Cost Comparison**
  - Current MOU
  - Headcount
  - FTES
  - $ per Unit
  - % of Revenue

- **CEHHS - Indirect Cost Comparison**
  - Current MOU
  - Headcount
  - FTES
  - $ per Unit
  - % of Revenue

- **COBA - Indirect Cost Comparison**
  - Current MOU
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- **CHABSS - Indirect Cost Comparison**
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Status of Proposal (in-progress)

New IDC Methodology

- Allocate IDC based on Hybrid 50% FTES/50% Headcount
- Apply IDC at program level (not individual cohorts)
- No ceilings or floors

Global/International costs to be removed from program IDC
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Status of Proposal (in-progress)

Program Deficits handled via EL Central

• Incorporate a budgeted reserve (example 3% revenue)
• Helps reduce the impact of Deficit Reallocation and improve predictability of program surplus share.
• Provides resource for EL to…
  • support deficit programs through financial challenges
  • support new programs facing start-up costs
• Promotes healthy financial position through reasonable reserve to buffer economic uncertainty
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Status of Proposal (in-progress)

New Program - revise Time-horizon

- Four year time horizon
- Lower initial IDC with graduated costs reaching full cost by fourth year (40% yr1, 50% yr2, 70% yr3, 100% yr4)
- “Loans” from EL Central to new programs to cover deficits and upfront development costs.
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Impact of Tentative Workgroup Proposals

Actual 2019/20 figures per Current MOU (top table) and same figures revised as hypothetical to illustrate impact of Workgroup proposed changes (bottom table)

- Note this is a limited analysis based on a prior point in time. Current year FY20/21 figures are favorable compared to FY19/20 and are projected to yield more positive surplus share amongst programs under the proposed MOU changes.

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50% Headcount/50% FTES, Remove International Program Cost, Upfront Reserve

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Questions?