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
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Feedback Topics

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

Townhall & SubGroup Feedback
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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
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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***
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.
### Review of IDC Allocation

#### Summary of Figures resulting from current MOU

<table>
<thead>
<tr>
<th>Current MOU</th>
<th>Revenue</th>
<th>Expense</th>
<th>Direct Margin</th>
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</tbody>
</table>
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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
- Headcount
- FTES
- $ per Unit
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CHABSS - Indirect Cost Comparison

- Current MOU
- Headcount
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- % of Revenue
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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 cost to be removed from program IDC
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.

<table>
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Questions?