

# Higher Education Operating Budget Instructions Addendum

2015-17 Biennium

These 2015-17 higher education operating budget instructions are in addition to the Office of Financial Management's (OFM) [2015-17 biennium operating budget instructions](#). The information below expands on the operating budget instructions. If a section is not referenced, there are no additional comments or exceptions.

Changes to note:

- › To better accommodate higher education's workload in late August and early September, we have shifted the due date for the additional higher education budget components and Tuition and Enrollment Change Model (TECM) submission to September 30. **Operating budgets are still due according to the due dates provided in [Appendix A-1](#) of the OFM operating budget instructions.**
  - › Excel spreadsheets have been created for the TECM data submissions, so tables are no longer illustrated in the TECM-related portion of these instructions. There is one TECM template for the four-year institutions and another for the community and technical colleges. Both are posted on the [OFM budget forms](#) web page along with the higher education budget forms for the 2015-17 biennium.
- › Questions related to fund balance have been added under 'Other Budget Reports.'
- › In the past, institutions have provided waiver information in both the higher education budget forms and the TECM submission. This year the TECM submission of waiver data has been eliminated. Institutions should submit forms B-1 and B-2 from the higher education budget forms, along with their TECM submission, to the Legislative Evaluation and Accountability Program Committee (LEAP).

OFM and the Legislature need this additional information to:

1. Update the Tuition and Enrollment Change Model (TECM). House, Senate, and OFM staff plan to use TECM to estimate: (a) the financial impact of 2015-17 tuition changes; and (b) the extent to which tuition revenues will offset instructional costs for new enrollments. As in the past, LEAP will need data from you in order to update the model. Please provide LEAP with this information when you submit your additional higher education budget forms on September 30.
2. Assist the collective bargaining process by helping OFM certify the financial feasibility of agreements reached with bargaining units on higher education campuses, and to better understand how faculty salaries are changing.
3. Understand the level of undergraduate student indebtedness at graduation, and how each campus uses financial aid and tuition waivers.
4. Collect consistent information regarding the enrollment growth proposed by each institution.
5. Provide clear guidance regarding requests for Maintenance and Operations funding.
6. Update our information on non-appropriated and local accounts (149, 148, 145, etc.)

## The Recommendation Summary

When completing the recommendation summary view of your budget, please submit detail for each institution and each campus (main and branch) showing all budgeted funds (see list below). Program level summary information should show all budgeted accounts for each institution as a whole and also for each branch campus.

### Budgeted Accounts

001	General Fund
03K	Industrial Insurance Premium Refund Account
08A	Education Legacy Trust Account
120	Administrative Contingency Account
143	Federal Appropriations Account
145	Grants and Contracts Account
148	Dedicated Local Account
149	Operating Fees Account
443	Data Processing Account
489	Pension Funding Stabilization Account
505	University of Washington - University Hospital Account
608	Accident Account
609	Medical Aid Account
788	Advanced College Tuition Payment Program Account

### Salary, Pension and Insurance Reports

For a number of years, Section 601 of the biennial appropriations acts has required that all locally funded salary increases in excess of the state-supported increases authorized by those acts be excluded from the compensation base used for calculation of future state-supported salary increases. Unfortunately, the Compensation Impact Model (CIM) design and instructions do not readily accommodate compliance with this statutory requirement. Therefore, please identify the estimated Fiscal Year 2014 **cumulative** value of such increases on Attachment A-1. On the form, please show only (a) the estimated locally-authorized incremental cost that (b) was reported as a General Fund-State or tuition-funded cost on your institution's 2014 CIM submission.

### Other Budget Reports

#### Local Fund Summaries

For account 148, please report each revenue source separately.

#### Fund Balance Management

Please provide a narrative summary of the historic management and uses of accounts 148 and 149, including an explanation of any reserve or working capital policies that govern fund balances in these accounts. If your institution does not have a reserve or working capital policy, please explain why.

## Special Reports

### Collective Bargaining Agreements – Classified Employees

For any collective bargaining agreement that is not negotiated by the OFM Labor Relations Unit, OFM must certify that the cost is financially feasible for the state. In order to provide this certification, OFM needs certain information from the institution.

1. A copy of the agreement reached between the institution and each bargaining unit in electronic format.
2. Each negotiated bargaining agreement should be submitted as a separate decision package, with a brief statement which shows the various components of the agreement and the cost estimate for each component. The cost of each individual component of each agreement should be shown separately, by fiscal year, as in this **example**:

Bargaining Unit 1 WFSE Supervisors Total 2014 Salary Base: \$XXXXX				
Fund Source	001-1		148-6	
	FY 1	FY 2	FY 1	FY 2
1% general increase 7/1/14	86,000	87,000	3,000	3,000
1% general increase 7/1/15	0	88,000	0	3,100
\$100 lump sum 9/1/13	28,000	0	1,000	0
<b>Totals</b>	<b>114,000</b>	<b>175,000</b>	<b>4,000</b>	<b>6,100</b>

3. The RecSum title should be clearly labeled with the name of the bargaining unit.
4. Contact information for a person who can speak about these calculations and discuss them with OFM.
5. If the unit contains any job classes that do not appear on the Washington State Human Resources list of approved classes, we need a cross-walk from the higher education class to a HR-approved class. Cross-walks must be provided in an Excel spreadsheet or delimited text file. Job class code 99999999 and others used exclusively for exempt employees are exceptions to the above requirement.
6. A completed A-2 worksheet (Attachment A-2, Collective Bargaining Agreement Template) for each agreement.

For other types of compensation changes, or for additional information, please contact Jane Sakson at 360-902-0549 or Pam Davidson at 360-902-0550.

### Collective Bargaining Agreements – Faculty

To better understand how faculty salaries have changed in recent years, OFM and the Legislature need information on collective bargaining agreements that the institutions have negotiated with faculty (if applicable).

For each negotiated agreement that is currently in effect or that has been negotiated but has not yet taken effect, we need a completed A-2 worksheet and cost information for each individual component of the agreement.

In order to put these contracts in context, we also require cost information for the **previous** faculty contract. Thus, we will also require salary base, fund source and component cost summaries on the A-3 worksheet.

Please provide a copy of each agreement reached between the institution and each bargaining unit, in electronic format, for all agreements in place between Fiscal Year 2008 and Fiscal Year 2015 (where applicable).

### **Tuition Waivers and Student Debt**

- › On Attachment B-1 for state-supported waivers, please provide actual headcount recipients and operating fee (account 149-6) dollars waived by primary waiver purpose, RCW citation where applicable, level of study (graduate/undergraduate) and residency status. Waiver recipients often qualify for waivers for multiple reasons: for example, the surviving child of a veteran may also have financial need and be an outstanding student. In such cases, please count the recipient and the dollars waived only once.
- › On Attachment B-2, please provide the same information for non-state-supported waivers.
- › On Attachment B-3, please provide actual headcount recipients and grants and loans disbursed from federal and private financial aid sources packaged for state-supported students by your institution's financial aid office.
- › On Attachment B-4, please report cumulative student loan debt at graduation for undergraduates receiving baccalaureate degrees in academic years 2012-13 and 2013-14. If you did not report figures for academic years 2008-09 through 2010-11 in your previous biennial request, please report those figures now.

### **2013-15 Student FTE Enrollment Requests – To accompany decision packages requesting new student FTE enrollments**

- › **Baccalaureate/masters-level institutions:** please specify enrollment requests by lower division, upper division, graduate and professional level, by year. Please identify the particular major programs of study that are expected to grow as a result of the new enrollment. Please provide separate attachments for the main campus, each branch campus and all of the university's off-campus university centers.
- › **Community and Technical Colleges:** please specify proposed enrollment growth by academic transfer track, vocational track, or basic skills, by year. Please also provide a separate attachment showing the estimated distribution of the planned enrollment growth by college.
- › To help assure the accuracy of future compensation bases, please identify the number of FTE staff associated with each proposed level and type of enrollment growth.
- › In your decision package, for each type of proposed enrollment growth, please clearly and completely explain the basis for the proposed enrollment cost per FTE.

## Calculations in Support of Requested Operations and Maintenance Funding for New Buildings Coming on Line in 2015-17

- › Please provide the information requested on Attachment E separately for maintenance level and for performance level requests, if any. At maintenance level, institutions may propose state support for operations and maintenance costs associated with facilities coming on line in 2013-15 that were constructed or expanded with direct financial support from the state capital budget. At performance level, institutions may request, and the Governor and Legislature may decide to provide, state support for instructional or research facilities that were constructed with non-state funds, particularly those for which prior authorization has been provided in a previous capital or operating budget.
- › Please be sure to include the state capital project number assigned to each facility for which funding is requested.
- › At the bottom of Attachment E, please show the proposed cost per square foot by component (utilities, maintenance, custodial and grounds and facilities support) and explain the basis for that estimate.
- › If facility square footage or intended use differs measurably from amounts identified on the Capital Project Request report (CBS002), please include a complete explanation for the variance in your decision package, and a justification for why any amounts higher than identified on the Capital Project Request report should be supported.
- › If funding is being requested for a facility that is replacing older space, please net out the maintenance and operations (M&O) cost of the facility that is being replaced. On Attachment E, show the total gross square feet that are being replaced, calculate the estimated total cost of maintaining and operating that space at your institution's actual average Fiscal Year 2012 average M&O cost per square foot, and deduct that cost from the calculated M&O cost of the new replacement space.
- › If funding is being requested for a renovated facility, please explain in the decision package why maintenance and operation of the renovated facility is expected to be more expensive than the old.

## Data for Updating the Tuition and Enrollment Change Model (TECM)

### Four Year Colleges and Universities

To keep the model reflective of changes in student mix, please provide the following information for the 2013-14 academic year. Please provide all information separately for each main and branch campus. Please provide your response by September 30 or as soon before then as possible so that LEAP can distribute a base model for use by universities, colleges, OFM and legislative fiscal staff by early October. Please fill out the TECM spreadsheet with the following information:

1. Actual average annual 2013-14 headcount distribution by credit hour for students enrolled in courses for which the tuition revenue was deposited in account 149 (Tab 1). By “average annual” we mean fall, winter and spring terms, not summer. Include all students enrolled in state-supported classes, including students who are enrolled under non-state-supported waivers. Please provide separate tabs for each campus. Please tailor the student categories in the spreadsheet to reflect the differential tuition categories that are relevant at your particular institution. For example, the University of Washington should provide data separately for each

of the “tuition tiers” within the “Other Graduate” category. Similarly, if your institution charges different rates for incoming versus continuing students within a particular program, please provide data for each group separately. Please create a separate tab for each campus.

2. Actual annual average FTEs and headcounts by student category for fall, winter and spring 2013-14 (Tab 2). Please use the same student categories as in the previous tab (e.g., the University of Washington should provide FTE and headcounts for “Other Graduate” students by “tier”). Please create a separate tab for each campus.
3. Actual account 149 revenue collections, interest earnings and transfer payments for fall, winter and spring 2013-14 (Tab 3). Please provide information by campus as indicated in the spreadsheet.
  - Net operating fees are those actually deposited to account 149 after waivers and the diversion of tuition collections into the institutional aid fund and before adding interest earnings and making bond payment transfers.
  - Bond payment transfers included in the spreadsheet should only include debt serviced by the operating fee portion of tuition. The amount should not include bond services from institutional building accounts (accounts 061 through 066).
4. Tuition fees charged to full-time students for academic year 2013-14. Please use the same student categories as in Tabs 1 and 2, and create a separate tab for each campus.

**Please prepare your TECM special reports in the Excel file located on the [OFM budget forms](#) web page and send them directly to Kevin Feltus at [Kevin.Feltus@leg.wa.gov](mailto:Kevin.Feltus@leg.wa.gov) at the LEAP Committee. Please provide this data by September 30 or as soon before then as possible.**

### **Community and Technical Colleges**

To keep the model reflective of changes in student mix, please provide information, via the TECM spreadsheet, for the 2013-14 academic year. Please provide your response by September 30 or as soon before then as possible so that LEAP can distribute a base model for use by universities, colleges, OFM and legislative fiscal staff by early October.

1. Actual average annual 2013-14 headcount distribution by credit hour for students enrolled in courses for which tuition is charged on a credit hour basis and deposited into account 149. This will include students at all community colleges, as well as students at those technical colleges that charge tuition by credit hour. Include all students enrolled in state-supported classes, including students who are enrolled under non-state-supported waivers. Summarize students taking 25 or more hours on the 25 credit hour line.
2. Actual annual average FTEs and headcounts by student category for 2013-14.
3. Actual account 149 revenue collections, interest earnings and transfer payments for 2013-14.
4. Tuition fees charged to full-time community college students for the academic year 2013-14 (as defined in Chapter 28B.15 RCW).
5. Tuition fees charged to students at technical colleges that charged on a credit-hour basis during the academic year 2013-14 (as defined in Chapter 28B.15 RCW).
6. Weighted average tuition fees charged to students at colleges that charged on a credit-hour basis during the academic year 2013-14 (as defined in Chapter 28B.15 RCW). Calculate this by multiplying the cells in Tables 4 and 5 by the corresponding cells in Table 1, and dividing the product by the sum of the total credit hours generated by resident and non-resident students enrolling at the corresponding number of credit hours.

7. Actual (a) state-supported, (b) non-state-supported and (c) total operating fee waivers for 2013-14. Please submit form B-1 and B-2 from the OFM higher education operating budget instructions addendum.

**Please prepare your TECM special reports in the Excel file located on the [OFM budget forms](#) web page and send them directly to Kevin Feltus at [Kevin.Feltus@leg.wa.gov](mailto:Kevin.Feltus@leg.wa.gov) at the LEAP Committee. Please provide this data by September 30 or as soon before then as possible.**