

**HIGHER EDUCATION OPERATING BUDGET INSTRUCTIONS
ADDENDUM
2013-15 BIENNIUM**

**OFFICE OF FINANCIAL MANAGEMENT
June 2012**

These 2013-15 operating budget instructions are in addition to the Office of Financial Management's (OFM) June 2012 Operating Budget Instructions. The information requested below expands on the June 2012 instructions. If a section is not referenced, there are no additional comments or exceptions to the June 2012 instructions.

This information is needed in order 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 2013-15 tuition changes; and (b) the extent to which tuition revenues will offset instructional costs for new enrollments. As in the past, the Legislative Evaluation and Accountability Program Committee (LEAP) will need data from you in order to update the model. Please provide LEAP with this information when you submit your budget request on September 10.
- 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.).

SECTION 1: THE RECOMMENDATION SUMMARY

Please submit recommendation summaries 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

SECTION 2: 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 2010 *cumulative* value of such increases on Attachment A. 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 2012 CIM submission.

SECTION 3: OTHER BUDGET REPORTS

Local Fund Summaries

For account 148, please report each revenue source separately.

SECTION 4: DECISION PACKAGES

All decision packages should specifically and sequentially address each bulleted item enumerated on pages 21-26 of the Operating Budget Instructions:

http://ofm.wa.gov/budget/instructions/operating/2013_15/default.asp

Particularly important are the distinction between one-time and ongoing costs, and providing specific expenditure assumptions and calculations. Decision packages that lack such information are less credible and effective.

SPECIAL REPORTS

Collective Bargaining Agreements – Classified Employees

For any collective bargaining agreement that is not negotiated by the Governor’s Labor Relations Office, 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:

<i>Fund Source</i>	001-1		148-6	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
	1% general increase 7/1/14	86,000	87,000	3,000
1% general increase 7/1/15	0	88,000	0	3100
\$100 lump sum 9/1/13	28,000	0	1,000	0
Totals	114,000	175,000	4,000	6,100

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 Department of Personnel’s list of approved classes, we need a cross-walk from the higher education class to a DOP-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 (360-902-0549) or Pam Davidson (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 (shown below).

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
All-Fund Salary Base								
Across-the-board increase¹ (State+149)								
Across-the-board increase (other funds)								
Longevity Increase (State+149)								
Longevity Increase (other funds)								
Assignment Pay; Chairs/Deans/Stipend (State+149)								
Assignment/stipends (other funds)								

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

Tuition Waivers and Student Debt

- On Attachment B-1, please provide actual headcount recipients and operating fee (fund 149-6) dollars waived for each specific type of waiver, citing the RCW reference for each waiver type.
- On Attachment B-2, please provide actual headcount recipients and operating fee (fund 149-6) dollars waived by primary waiver purpose,, 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

¹ Include effective date of increase in narrative submittal.

student. In such cases, please count the recipient and the dollars waived only once. Assign the recipient to the first purpose category (row) on Form B-2 that applies to them, and record all operating fees waived for that recipient there.

- 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 2010-11 and 2011-12. If you did not report figures for academic years 2008-09 and 2009-10 in your previous biennial request, please report those figures now.

2013-15 Student FTE Enrollment Requests

- ***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 2013-15

- 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 FY 2010 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 2011-12 academic year. Please provide all information separately for each main and branch campus. Please provide your response by September 10, or as soon before then as possible, so that the Legislative Evaluation and Accountability Program Committee (LEAP) can distribute a base model for use by universities, colleges, OFM, and legislative fiscal staff by early October.

- Actual average annual 2011-12 headcount distribution by credit hour for students enrolled in courses for which the tuition revenue was deposited in account 149. 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 tables for each campus. Please use the student categories shown below (e.g., PharmD, Graduate Nursing) as a guide only – tailor the categories 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.

Credit Hours	Undergraduate		Graduate Business		Other Graduate		Professional		Law		Pharm D		Graduate Nursing	
	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident	Resident	Non-Resident
25														
24														
23														
22														
21														
20														
19														
18														
17														
16														
15														
14														
13														
12														
11														
10														
9														
8														
7														
6														
5														
4														
3														
2														
1														

2. Actual annual average FTEs and headcounts by student category for fall, winter, spring 2011-12. Please use the same student categories as in the previous table (e.g., the University of Washington should provide FTE and headcounts for “Other Graduate” students by “tier”). Please provide separate tables for each campus.

	Actual FTE		Actual Head Count	
	Resident	Non-Resident	Resident	Non-Resident
Undergraduate				
Graduate Business				
Other Graduate				
Professional				
Law				
Pharm D				
Graduate Nursing (WSU)				

3. Actual account 149 revenue collections, interest earnings, and transfer payments for fall, winter, spring 2011-12. Please provide separate tables for each campus.

Account 149 – Fall, Winter, Spring 2011-12	Branch or Campus:
Net operating fee collections *	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer**	\$

*Net operating fees 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 shown here should only include debt serviced by the operating fee portion of tuition. The amount should not include bonds services from institutional building accounts (funds 061 through 066).

4. Actual (a) state-supported, (b) non-state-supported, and (c) total operating fee waivers for 2011-12 by campus.

5. Tuition fees charged to full-time students for academic year 2011-12. Please modify the table to use the same student categories as in tables 1 and 2, and provide information separately for each campus.

	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
Undergraduate – Resident			
Undergraduate – Non Resident			
Grad. Business– Resident			
Graduate Business – Non Resident			
Other Graduate Resident			
Other Graduate Non Resident			
Professional – Resident			
Professional – Non Resident			
Law – Resident			
Law – Non Resident			
Pharm D - Resident			
Pharm D – Non Resident			
Graduate Nursing - Resident			
Graduate Nursing – Non Resident			

Please prepare your TECM Special Reports in an Excel file, and send them directly to Kevin Feltus at the LEAP Committee. Kevin can be reached at "Kevin.Feltus@leg.wa.gov". Please provide this data by September 10, or as soon before then as possible

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

Community and Technical Colleges

To keep the model reflective of changes in student mix, please provide the following information for the 2011-12 academic year. Please provide your response by September 10, 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 2011-12 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.

Headcount Distribution of Students at Credit Hour Colleges				
Community Colleges			Technical Colleges	
Credit Hours	Resident	Non-Resident	Resident	Non-Resident
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

2. Actual annual average FTEs and headcounts by student category for 2011-12. Please fill in the table below.

	Actual FTE		Actual Head Count	
	Resident	Non-Resident	Resident	Non-Resident
Credit-Hour Colleges				
Clock-Hour Colleges				

3. Share (as a percentage) of system-wide enrollment growth at **colleges using credit hours** and **colleges using clock hours** for 2011-12. Please fill in the box below.

2011-12 New Enrollment Percentage		
	FTE	Percentage
Credit-Hour Colleges		
Clock-Hour Colleges		
Total		100%

4. Total 2011-12 Clock Hours at **colleges using clock hours**.
5. Budgeted 2011-12 FTEs at **colleges using clock hours**
6. Actual 2011-12 average revenue per clock hour at **colleges using clock hours**.
7. Actual account 149 and account XXX revenue collections, interest earnings, and transfer payments. Please fill in the table below.

2011-12	Colleges Using Credit Hours
Net Account 149-6 collections*	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer**	\$
Net Revenue from "Over-Enrollment"***	

2011-12	Colleges Using Clock Hours
Net Account 149-6 collections*	\$
Institutional aid fund transfer	\$
Actual interest earnings	\$
Bond payment transfer to State Treasurer**	\$
Net Revenue from "Over-Enrollment"***	

*Net operating fees 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 shown here should only include debt serviced by the operating fee portion of tuition. The amount should not include bonds services from institutional building accounts (funds 061 through 066).

***RCW 28B.15.515(2) allows colleges to charge fees lieu of tuition for enrollment in excess and deposit the revenue into a local account. Report the total amount of such fees collected in 2009-10 here.

8. Tuition fees charged to full-time community college students for the academic year 2009-10 (as defined in Chapter 28B.15 RCW). Please fill in the two tables below.

Community College Fees - Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Community College Fees - Non-Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
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21			
22			
23			
24			
25			

9. Tuition fees charged to students at technical colleges that charged on a credit-hour basis during the academic year 2011-12 (as defined in Chapter 28B.15 RCW). Please fill in the two tables below.

Technical College Credit Hour Fees - Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Technical College Credit Hour Fees - Non-Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
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25			

10. Weighted average tuition fees charged to students at colleges that charged on a credit-hour basis during the academic year 2011-12 (as defined in Chapter 28B.15 RCW). Calculate this by multiplying the cells in Tables 8 and 9 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.

Weighted Average Credit Hour Fees - Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Weighted Average Credit Hour Fees - Non-Resident Students			
# of Credits Hours	Tuition Operating Fee	Tuition Building Fee	Service and Activities Fee
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
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11. Actual (a) state-supported, (b) non-state-supported, and (c) total operating fee waivers for 2011-12.

Please prepare your TECM Special Reports in an Excel file, and send them directly to Kevin Feltus at the LEAP Committee. Kevin can be reached at "Kevin.Feltus@leg.wa.gov". Please provide this data by September 10, or as soon before then as possible.