

Higher Education Addendum to 2017-19 Operating Budget Instructions

These 2017–19 higher education operating budget instructions are in addition to, and expand upon, the Office of Financial Management’s (OFM) [2017–19 biennium operating budget instructions](#). If a section is not referenced, there are no additional comments or exceptions.

Note:

- Higher Education Budget Forms are due, along with the Operating Budget submittal, according to the due dates in [Appendix A-1](#) of the OFM operating budget instructions.
- Tuition and Enrollment Change Model (TECM) submission should include 2015-16 student data and an annualized average for academic year 2016-17 based on 10th day enrollment. Due to the inclusion of 2016-17 data, the **TECM submittal is due Oct. 17, 2016**.
- Institutions should submit a second copy of 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 TECM. The model is used to estimate: (a) the financial impact of any 2017–19 tuition changes, and (b) the extent to which tuition revenues will offset instructional costs for new enrollments. Excel spreadsheets for the TECM data submissions can be found on the [OFM budget forms](#) webpage, along with the higher education budget forms for the 2017–19 biennium. As in the past, LEAP will need data from you to update the model. Provide LEAP with this information by Oct. 17, 2016.
2. Assist the collective bargaining process by helping OFM certify the financial feasibility of agreements reached with bargaining units 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. Provide clear guidance regarding requests for Maintenance and Operations funding.
5. Update our information on nonappropriated and local accounts (145, 148, 149, etc.) and encourage the accuracy of expenditure levels for these accounts in the budget system.

The Recommendation Summary

When completing the recommendation summary view of your budget, please submit detail for each institution and each campus showing all budgeted funds (see list below).

Budgeted Accounts

001	General Fund
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 2016 **cumulative** value of such increases on Attachment A-1. On the form, 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 most recent CIM submission.

Other Budget Reports

Local Fund Summaries

For Account 148, report each revenue source separately.

Fund Balance Management

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, 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. To provide this certification, OFM needs the following 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 fund and fiscal year based on actuals, as in this example:

Bargaining Unit 1 WFSE Supervisors Total 2016 Salary Base: \$XXXXX						
Fund Source	001-1		148-6		149-6	
	FY 1	FY 2	FY 1	FY 2	FY 1	FY 2
1% general increase – date	86,000	87,000	3,000	3,000	162,000	165,000
1% general increase – date	-	88,000	-	3,100		166,000
\$100 lump sum – date	28,000	-	1,000	-	52,000	
Totals	114,000	175,000	4,000	6,100	214,000	331,000

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

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 2014 and fiscal year 2017, where applicable.

Tuition Waivers and Student Debt

- › On Attachment B-1 for state-supported waivers, 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. For the most part, state-supported waivers are outlined in RCW 28B.15.910(1),(2) and (4). 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, count the recipient and the dollars waived just once.
- › On Attachment B-2, provide the same information for nonstate-supported waivers. Nonstate supported waivers are described in RCW 28B.15.915 and 28B.15.910(3).
- › On Attachment B-3, 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, report cumulative student loan debt at graduation for undergraduates receiving baccalaureate degrees in academic years 2014-15 and 2015-16.

2017–19 Student FTE – New Enrollment Requests

- › **Baccalaureate/masters-level institutions.** In attachment C-1 or C-2, specify enrollment requests by lower division, upper division, graduate and professional level. Identify the particular major programs of study that are expected to grow as a result of the new enrollment. Provide separate attachments for the main campus, each branch campus and any off-campus university centers.
- › **Community and technical colleges.** In attachment C-3, specify proposed enrollment growth by academic transfer track, vocational track or basic skills. Also provide a separate attachment showing the estimated distribution of the planned enrollment growth by college.
- › **For all institutions.** To help assure the accuracy of future compensation bases, 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, 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 Online in 2017–19

- › 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 online in 2017–19 that were constructed or expanded with direct financial support from the state capital budget. At *performance* level, institutions may request state support for instructional or research facilities that were constructed with nonstate funds, particularly those for which prior authorization has been provided in a previous capital or operating budget.
- › Be sure to include the state capital project number assigned to each facility for which funding is requested.
- › At the bottom of Attachment E, 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), 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, net out the maintenance and operations (M&O) cost of the facility 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 2016 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, explain 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

Please provide the following information by Oct. 17, 2016.

Enrollment Information: Include all students enrolled in state-supported courses, including students who are enrolled under nonstate-supported waivers. For the purpose of the tuition model, state-supported means courses for which operating fee revenue is deposited into Account 149. Include the following information in your submittal:

- **Actual 2015–16 academic year headcount distribution** for students enrolled in courses for which operating fee revenue was deposited in Account 149. List this information by credit hour, campus, student category, residency status (resident vs. nonresident) and term. Reference the data template for more detail.
- **Annualized average 2016-17 academic year headcount distributions based on 10th day enrollment reporting** for students enrolled in courses for which operating fee revenue was deposited into Account 149. List this information by credit hour, campus, student category and residency status. Reference the data template for more detail. “Annualized average” means fall, winter and spring terms, but not summer.

Revenue Information: Include the following information in your submittal:

- **Gross actual Account 149 revenue collections for the 2015-16 academic year.** Provide information by campus and student type. In this case, there are only two student types: resident undergraduate and all other students.
- **Net operating fees.** These are fees actually deposited into 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.
- **Total operating fee waived for the 2015-16 academic year.** Use OFM budget forms B-1 and B-2. Data should be at the student category level for both resident and nonresident students. Use the same student categories as used to report enrollment information.
- **Cost per credit hour for the 2015-16 and 2016-17 academic years.** List operating, building and service and activity fee separately. Reference the data template for more detail. Data should be at the student category level for both resident and nonresident students. Use the same student categories as used to report enrollment information.

Prepare your TECM special reports in the template file located on the [OFM Budget Forms](#) webpage and send them to Kevin Feltus at Kevin.Feltus@leg.wa.gov at the LEAP Committee. Provide this data by Oct. 17, 2016.