



TASSCUBO BUDGET COMMITTEE

Winter Meeting
February 9, 2010

AGENDA

1. Welcome and Introductions
2. ARRA Reporting - Alan Werchan and Anthony Turrietta
3. 5% State Appropriation Reductions
4. Tuition and Fee Proposals

5. Merit Plans for FY 2010-11
6. Cost of Attendance and Tuition Set-Aside— Disclosure and Reporting Requirements
7. Consistency in methodology and reporting of tuition set-asides
8. State Reporting Requirements
9. LAR Process Improvements
10. Open Discussion, as Time Permits



ARRA Fund Reporting and Proportionality

Alan Werchan and Anthony Turrietta

Article XII ARRA Appropriations

- Funding is State Fiscal Stabilization Funds
– Government Services Fund
- Awards are still being processed by THECB
- THECB Issuing separate NOGAS for each element of funding (formula, incentive, Sec. 25 special items)
- THECB allowing pre-award costs back to October 1, 2009



Article XII ARRA Appropriations - Proportionality

- Formula-related
 - Proportional benefits paid.
 - Include ARRA funds along with GR in Section I of APS II
 - Benefits included in Section II and proportionality calculation applied
- Section 25 Special Items
 - No proportionality – excluded from APS II
 - All benefits funded by Sec. 25 appropriation

Article XII ARRA Appropriations – Proportionality (continued)

- Incentive Funding
 - Treated like GR Incentive Funds
 - *“The original appropriation for incentive funding should be treated in the benefits proportional calculation the same as it would have been treated had there not been a swap from GR to ARRA funds. The underlying assumption for the appropriation for incentive funding is that salary costs are an allowable and intended use of the appropriation. A draw on additional appropriations for employee benefits should be based on actual salary costs paid from incentive funding. To that end, the incentive funding will not be shown as a funding source on Schedule I but the actual costs for employee benefits may be shown as exclusions on Schedule II of the Benefits Proportional Calculation.”* (email from Darrell Edge, Texas State Comptroller’s Office 1/28/2010)

GSF - Time and Effort

- *Because of the nature of the SFSF program, there are no specific Federal time and effort requirements that apply to individuals whose salaries may be supported with SFSF funds. Thus, the entities must maintain documentation to support the time and effort of these individuals in the same manner that it supports the time and effort of individuals performing similar duties who are paid with State or local funds. (US Dept of Ed 12/24/2009)*



GSF - Uses

- No state- or local-level supplanting prohibition
- Support “broad array of activities” including general expenditures, operating expenditures, salaries and government services
- OMB Circular A-21 and A-87 Cost Principles do not apply but expenditures must be “reasonable and necessary” and consistent with applicable state requirements

(US Dept of Ed 12/24/2009)



Jobs Created/Jobs Retained – All ARRA Funds

- Updated Guidance Issued by OMB on 12/18/2009 and US Dept of Ed. on 12/24/2009
- Job created = new position created and filled, or an existing unfilled position that is filled, and funded by ARRA
- Job retained = existing position that is now funded by ARRA
- Simplifies job estimate calculations
- Requires total number of hours worked by employees in the most recent quarter (the quarter being reported)

Accounting for ARRA Funds

- TASSCUBO Accounting Principles Committee agreed on methodology
- Article XII Funds – Include in E&G Funds
 - Funds are appropriated by legislature
 - Likely will be reported in the LAR
 - Activities are typically budgeted in E&G
- Other ARRA Funds – Include in Restricted Funds

ARRA Reporting

- State Comptroller – Weekly Reports
- THECB Reports – Monthly on 5th once Notice of Grant Award is received/executed
- Federal 1512 Reports - Quarterly on the 10th (January, April, July, October)
- LBB/Article XII Section 5 Reports – Quarterly (4/12, 7/12, 10/11, Jan 2011, Apr 2011, Jul 2011, Oct 2011)



Federal Filing - September 30

- Best Description-Mass Confusion
- Overall guidance from Federal agencies was vague, incomplete, and inconsistent
 - Much of the required information on the templates was not provided by Granting agencies
 - Agencies were providing conflicting guidance



Federal Filing - September 30

- UT-El Paso submitted 14 templates
- 4 of these were flagged for corrections that I consider minor (wrong award date, incorrect file names)
- The report for Student Work-study had a major error that went undetected until December



OMB Letter – December 18, 2009

- Driven by GAO reviews of September 30th submissions
- Established Guidelines for Federal Agencies
 - Set requirements on Federal agencies to provide “key” award information to recipients
 - Outlined procedures for Federal agencies to review recipient submissions and assess patterns of non-compliance
- Established Guidelines for Recipient Agencies
 - Simplified jobs calculation
 - Made template information quarterly as opposed to cumulative

OMB Letter – December 18, 2009

- Results:
 - 1512 templates at Federalreporting.gov were made more user friendly
 - There was a flurry of guidance issued by Federal agencies between the last week of December and January 15th
 - Submission deadline was pushed to January 15th (although Texas entities were “encouraged” to meet the January 10th deadline)
 - Federal agencies appeared to take proactive steps to ensure deadline was met

December 31, 2010 Filing

- Much better guidance from Federal Agencies
 - Key information was easily found on agency websites
 - Key information was e-mailed to PI's by some agencies
- UT-El Paso submitted 17 templates:
 - 3 had significant vendor requirements
 - 1 included sub-recipient data
 - 4 did not yet have expenditure activity, but we included quarterly summaries to be safe

December 31, 2010 Filing

- Observations
 - 1512 templates were sensitive to certain configurations for upload
 - Field for quarterly summary was limited to 2,000 characters which required editing of most summaries submitted by our PI's
 - We submitted by January 9th, yet still received reminders by Federal agencies
 - We received two inquiries by the Governor's Office during the week of January 11th
 - Submission are currently in a Quality Assurance period, February 2 through March 15th, for the last submission



Outlook

- There is still no clear guidance on correcting templates from September 30th with errors undetected after initial review period
- Data will be updated on recovery.gov every other Wednesday beginning February 10th
- The final subset of data information for the December 31st period will be posted at recovery.gov on March 17th
- Many of the awards we receive as Higher Education Institutions are unique-they are not geared towards job creation
- We should expect continued inquiries from State oversight agencies



Outlook

- Information entered into Federalreporting.gov may not transfer properly to recovery.gov
- Reminder: information in recovery.gov is available to any interested party

Outlook

- Recommendations:
 - Stay proactive with PI's and Sponsored Research
 - Review Federal information often
 - Recovery.gov
 - Federalreporting.gov
 - GAO website
 - Specific agency websites have sections dedicated to ARRA grants
 - Be leery of “ARRA Vendors”
 - Be prepared to answer inquires quickly
 - Share information with other Institutions of Higher Education



Contact Information

Anthony Turrietta

UT-El Paso

915-747-7808

aturrietta@utep.edu

Alan Werchan

UT System Administration

512-499-4275

awerchan@utsystem.edu

ARRA Websites

- THECB ARRA site <http://www.thecb.state.tx.us/arra>
- State Comptroller ARRA Sites
 - FMX Site <https://fmx.cpa.state.tx.us/fmx/recovery/index.php>
 - Public Site <http://www.window.state.tx.us/recovery/>
- US Dept. of Education SFSF site
<http://www2.ed.gov/programs/statestabilization/index.html>
- US Dept. of Education Applicant Information Page
<http://www2.ed.gov/programs/statestabilization/applicant.html>
- US Dept. of Education 12/24/09 Guidance
<http://www2.ed.gov/programs/statestabilization/auditor-guidance.pdf>
- OMB 12/18/09 Guidance on ARRA Data Quality, Non-Reporting Recipients and Reporting of Job Estimates
http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf



5% Budget Reduction Plans

5% General Revenue Reduction Plans

January 15, 2010 Letter from Governor, Lieutenant Governor, and Speaker of the House

Prepare Plan in Priority Increments totaling 5% of General Revenue:

- Includes Higher Education Group Insurance
- Excludes Most General Revenue – Dedicated for Higher Education (Fund 704 and 770)
- Excludes Tuition Revenue Bonds
- Excludes Article XII ARRA appropriations

Submit to the LBB via ABEST by **February 15, 2010**

5% Reduction Plan Possibilities

- Hiring Freeze – Not filling vacancies
- Salary Freeze
- Strategic Budget Reductions by College and Vice President with goal of maintaining core missions
- Across-the-Board Budget Reductions by College and Vice President
- Contributions from Auxiliaries to Cover One-time Needs
- Increased Revenues
- Move Expenditures to other Appropriate Funding Sources
- Reductions in Travel Expenditures
- Delaying Capital Expenditures or Projects
- Commitment to Austerity Throughout Institution
- Retirement Incentives



Tuition and Fee Proposals



House Concurrent Resolution – H.C.R. No. 288 – Representative Branch

Make every effort to ensure that the total academic costs, including tuition, mandatory academic fees, and any other academic-related general fees and college course fees, charged to a resident undergraduate student for the 2010-2011, 2011-2012, or 2012-2013 academic year

**do not exceed the greater of 3.95 % or
\$280**

Tuition and Fee Proposals

UT Austin – Total Academic Cost

	Fall 2009	Tuition Increase	SAC Fee	Fall 2010	Tuition Increase	Fall 2012
Undergrad Amount	\$4,468	\$176	\$65	\$4,709	\$183	\$4,892
Undergrad %		3.95%	1.45%	5.40%	3.95%	3.90%

Plans at other Institutions?



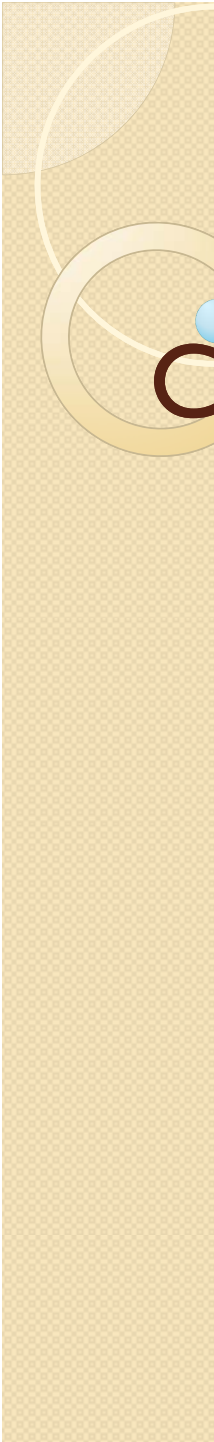
Merit Plans for FY 2010-11

UT Austin

FY 09-10 – No staff Merit Increases, some targeted Faculty salary increases

FY 10-11 – Pending. Possible 2% merit policy funded by units, no central funding provided.

Plans at other Institutions?



Cost of Attendance and Tuition Set-Aside—Disclosure and Reporting Requirements



SB 1764 – Standards for Reporting Cost of Attendance

The board shall prescribe uniform standards intended to ensure that information regarding the cost of attendance at institutions of higher education is available to the public in a manner that is consumer-friendly and readily understandable to prospective students and their families.



THECB – Adopted Rules for SB 1764

CHAPTER 21.

Student Services Subchapter PP.

Provisions for Uniform Standards for Publication of Cost of Attendance Information

THECB – Adopted Rules for SB 1764

21.2222. Internet Access to Cost Information.

- (a) Prominently display on website the cost of attendance for a first-time entering full-time student and provide link to Free Application for Federal Student Aid (FAFSA) website.
- (b) Conform to standards in any electronic or printed materials intended to provide information regarding the cost of attendance to prospective undergraduate students.



THECB – Adopted Rules for SB 1764

21.2222. Internet Access to Cost Information.

- (c) Consider standards when providing information regarding the cost of attendance for nonresident students, graduate students, or students enrolled in professional programs.
- (d) Institutions shall provide THECB, upon request (at least annually), any information necessary for to calculate the net cost of attendance for a first-time entering full-time student.
- (e) Comply not later than **April 1, 2010**.

THECB – Standards for Displaying Cost Information

	Resident on-campus	Resident off-campus	Resident at home with Parents
Tuition & Fees	6557	6557	6557
Books & Supplies	1140	1140	1140
Room and Board	7827	7827	7827
Transportation	1857	1857	1857
Personal and Misc.	2043	2043	2043
TOTAL	19424	19424	19424

Definitions of each category must be included.



SB 1304 – Notice to Students of Required Set-Aside (Section 56.014)

- (a) Provide to each student specific amount of designated tuition to be set aside
- (b) Must include notice with one of following:
 - (1) student's tuition bill
 - (2) student's tuition receipt
 - (3) prominent statement in e-mail
- (c) Comply not later than **spring semester 2010.**



THECB – Adopted Rules for SB 1304

CHAPTER 21.

Student Services Subchapter QQ

Provisions for Notice to Students
Regarding Tuition Set-Aside For Financial
Assistance

THECB – Adopted Rules for SB 1304

21.2232.

Notice:

Set-aside amount is based on the number of hours in which student originally enrolls and must be reported to the student. *

Calculation:

Number of hours Enrolled TIMES Designated Tuition Rate MINUS \$46, TIMES Percentage set aside for financial aid (including Texas B-on-time Loan Program)

*Note: When THECB met with the TASSCUBO Student Business Services committee in December, they said 20th class day enrollment was allowable. THECB adopted rules have not yet been amended to reflect that change.



Update on Previous Agenda Items

Consistency of Methodology and Reporting of
Tuition Set-Aside

State Reporting Requirements

LAR Process Improvements



Consistency in Methodology and Reporting of Tuition Set-Asides



State Audit – Selected State-Funded Student Financial Aid Programs

SAO Report No. 10-015, November 2009

<http://www.sao.state.tx.us/Reports/report.cfm/report/10-015/src/list>

FINDINGS - Improvements needed to the Calculations and Institutions Should Develop Detailed Documentation of Policies and Procedures

TPEG GRANTS

Chapter I-B, Page 14 of audit report

Texas Public Educational Grants (TPEG)

Sec. 56.033. SOURCE OF PROGRAM FUNDING.

15% Resident / 3% Non-Resident

90 % for Grants and not more than 10 % for emergency loans

Designated Tuition Set Asides

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

20% (in excess of \$46/SCH designated tuition) for resident undergraduate

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE.

15% (in excess of \$46/SCH designated tuition) for resident graduate students

TEXAS B-On-Time Loan Program

Sec. 56.465. TUITION SET ASIDE FOR PROGRAM.

5% (in excess of \$46/SCH designated tuition) for resident undergraduate



Doctoral (PhD) Set Aside

Sec. 56.095.

\$2 for each semester credit hour for which the student is enrolled.

Law School Tuition Set-Aside

Sec. 61.973 I

1% of resident Law students tuition



State Reporting Requirements and LAR Process



TASSCUBO Budget Committee Submission to Cost Efficiency Committee

In Response to Governor's Executive Order on Comprehensive Review of Higher Education Costs

(I) Ease Reporting Requirements –

Collect survey data at the time each report is submitted. A very brief, standardized and OPTIONAL survey form could be included as part of all reporting processes. The form would cite the legislation that created the required report and give the submitter an opportunity to justify a request for elimination or consolidation of existing reports. Need to develop a process to analyze the surveys, and to modify legislation.



TASSCUBO Budget Committee Submission to Cost Efficiency Committee

In Response to Governor's Executive Order on Comprehensive Review of Higher Education Costs

(2) Streamline the Legislative Appropriation (LAR) Process –

The TASSCUBO-Budget committee has discussed recommendations to streamline the LAR process and printed document requirements. The TASSCUBO-Budget committee would like to coordinate closely with the Legislative Budget Board and the Governor's Office on these possible efficiencies.

Also recommended several other Cost Efficiencies – some of which were already in process at some of our campuses.



Open Discussion



Contact Information

Mary Knight

UT-Austin

Budget Office

512-471-3727

bd.knightme@austin.utexas.edu