

# Public Comments Received During the Emergency Clearance Comment Period and NCES Responses

## Comments related to the Integrated Postsecondary Education Data System (IPEDS) 2015–2016 Pension Liabilities Update Comment Number: 2

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**Docket:** ED-2015-ICCD-0124

Integrated Postsecondary Education Data System (IPEDS), Web-Based Collection System

**Comment On:** ED-2015-ICCD-0124-0001

Agency Information Collection Activities; Comment Request; Integrated Postsecondary Education Data System (IPEDS) 2015–2016 Pension Liabilities Update

**Document:** ED-2015-ICCD-0124-0005

Comment on FR Doc # 2015-26598

### Submitter Information

**Name:** Izabella Sarkisian

**Address:** Kansas City, MO, United States,

### General Comment

Did you recognize additional expense, liability, and/or deferral related to the implementation of GASB Statement 68 for Fiscal Year 2015? YES

The three additional fields collect:

- Additional pension expense: \$348,664
- Additional pension liability: \$32,881,806
- Additional deferred resources:
  - Deferred Outflow: \$7,560,569
  - Deferred Inflow: \$23,938,784

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### RESPONSE:

Dear Ms. Sarkisian,

Thank you for your feedback dated November 9, 2015 responding to a request for comments on proposed changes to the Department of Education's Integrated Postsecondary Education Data System (IPEDS) 2015-16 Pension Liabilities Update published in the Federal Register. The National Center for Education Statistics (NCES) appreciates your interest in IPEDS. The Paperwork Reduction Act (PRA) provides an opportunity for an open and public comment period where comments on collections can be made. We are grateful for this process and your comment.

The implementation of the Government Accounting Standards Board (GASB)'s Statement 68 will impact the reporting of financial data to IPEDS. NCES has added the collection of a screening question and three

fields in order to accommodate this change and provide clarity to the IPEDS finance data. Thank you for submitting the figures for the requested additional fields in your comment and delivering added transparency to your institution's data. However, we request that you submit this information in the IPEDS Data Collection System (<http://surveys.nces.ed.gov/ipeds>), as part of the data collection process, when the IPEDS Finance survey opens on December 9, 2015. Additional instructions for reporting data to IPEDS can be found on our website at <http://nces.ed.gov/ipeds/Home/ReportYourData>. You may also call the IPEDS Help Desk at 877-225-2568 or send them an email at [ipedshelp@rti.org](mailto:ipedshelp@rti.org).

Sincerely,  
Richard J. Reeves  
Branch Chief Postsecondary Data, Administrative Data Division  
National Center for Education Statistics  
U.S. Department of Education

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Agency Information Collection Activities; Comment Request; Integrated Postsecondary Education Data System (IPEDS) 2015–2016 Pension Liabilities Update

**Document:** ED-2015-ICCD-0124-0005

Comment on FR Doc # 2015-26598

## Submitter Information

**Name:** Susan Menditto

## General Comment

November 10, 2015

I am writing on behalf of the National Association of College and University Business Officers (NACUBO). Thank you for the opportunity to comment on the Department of Education Notice, "Integrated Postsecondary Education Data System (IPEDS) 2015-2016 Pension Liabilities Update."

NACUBO's comments were informed by business officers who are members of our "Accounting Principles Council."

NACUBO supports adding additional questions to help quantify the impact of public institutions implementing GASB 68, "Accounting and Financial Reporting for Pensions," in FY15. However, NACUBO has three comments that collectively will improve information gathered, reduce administrative burden, and present the most accurate information related to implementing GASB 68.

I.NACUBO respectfully requests that the question about deferred resources be expanded into two questions to allow survey preparers to enter amounts for "deferred inflows of resources" as well as amounts for "deferred outflows of resources," as follows:

1. Additional pension expense (the unfunded expense resulting from Statement 68 measurement requirements)
2. Additional pension liability (as a result of Statement 68 measurement requirements)
3. Deferred inflows of resources (as a result of implementing Statement 68)
4. Deferred outflows of resources (as a result of implementing Statement 68)

We make this request for two reasons. First, deferred inflows and deferred outflows are two unique elements of net position. Second, because the above deferrals are unique elements of financial position they have unique meaning. It is less burdensome to report actual amounts rather than perform extra work to net the amounts.

II.NACUBO requests that the IPEDS Finance Survey also consider an additional question concerning the presence of a "Net Pension Asset."

Oregon public universities have informed NACUBO that there are two states that have a "net pension asset." Concerning Oregon public higher education, implementing GASB 68 has resulted in a "net pension asset" with the expectation of a significant increase in the pension expense (approximately \$100 million at one public university) in FY 16.

Adding a "net pension asset" line will allow certain public institutions to correctly report the impact of Statement 68 in FY15, and in subsequent years--as pension estimates change--increase accuracy.

III. Finally the survey collection process should clearly stress the following two points:

1. If a public institution is part of a higher education system and the system reflects the additional unfunded pension expense, liability, or deferrals (and does not allocate the expense and liability to individual institutions), then no additional reporting is needed by the institution.
2. If a public institution is part of a special funding situation and additional unfunded pension expense, liability, or deferrals are reported elsewhere, then no additional reporting is needed by the institution.

We believe that the above two points will reduce confusion on the part of survey preparers and result in more accurate reporting by the institution.

In conclusion, I'd like to thank you for your consideration and time in reviewing our comments.

Sincerely,

Susan M. Menditto

Director, Accounting Policy

National Association of College and University Business Officers

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## **RESPONSE:**

Dear Ms. Menditto,

Thank you for your feedback dated November 10, 2015 responding to a request for comments on proposed changes to the Department of Education's Integrated Postsecondary Education Data System (IPEDS) 2015-16 Pension Liabilities Update published in the Federal Register. The National Center for Education Statistics (NCES) appreciates your interest in IPEDS. The Paperwork Reduction Act (PRA) provides an opportunity for an open and public comment period where comments on collections can be made. We are grateful for this process and your comment.

The implementation of the Government Accounting Standards Board (GASB)'s Statement 68 will impact the reporting of financial data to IPEDS. NCES has added the collection of a screening question and three fields in order to accommodate this change and provide clarity to the IPEDS finance data. Thank you for writing on behalf of the National Association of College and University Business Officers (NACUBO) to

support our effort to quantify the impact of GASB Statement 68 and to provide us with recommendations on how to improve the information being collected.

In response to NACUBO's first recommendation, NCES will expand Line 03 - the field collecting "Additional deferral" which asked for a net amount - to two fields collecting "Deferred inflows of resources" and "Deferred outflows of resources." We agree that this expansion will alleviate some burden from public institutions, as they will no longer need to net the two amounts together to report to IPEDS.

In response to NACUBO's second recommendation, NCES has clarified the instructions for Line 02, which previously collected "Additional pension liability." The field will now collect "Additional pension liability (or asset)" and the instructions have been revised to guide institutions with net pension asset to report negative values in this field. We believe that the added clarifications should result in improved accuracy and quality of the data being reported.

In response to NACUBO's third recommendation, NCES has added instructions to the screening question to clarify cases in which institutions will not be directly impacted by GASB 68 and thus not required to report additional pension information in Part M. These cases include:

- If the public institution does not have a defined pension benefit plan
- If the public institution is part of a higher education system and the system reflects the additional unfunded pension expense and liability (and does not allocate the expense and liability to the individual institutions)
- If the institution is a branch campus that did not have pension expense and liabilities allocated to it
- If the institution is part of a special funding situation and additional unfunded pension expense, liability, or deferral are reported elsewhere

This guidance should ensure that institutions not impacted by the implementation of GASB Statement 68 will not be required to report additional information. Thank you again for your feedback.

Sincerely,  
Richard J. Reeves  
Branch Chief Postsecondary Data, Administrative Data Division  
National Center for Education Statistics  
U.S. Department of Education