

Public Comment Received During the 30-day Comment Period and NCES Responses

Comments related to the Integrated Postsecondary Education Data System (IPEDS) 2015–2016 Pension Liabilities Update Comment Number: 1

Docket: ED-2015-ICCD-0124

Integrated Postsecondary Education Data System (IPEDS) 2015-2016 Pension Liabilities Update

Comment On: ED-2015-ICCD-0124-0010

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Submitter Information

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General Comment

February 11, 2016

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To Whom It May Concern:

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 “Integrated Postsecondary Education Data System (IPEDS) 2015-2016 Pension Liabilities Update.”

NACUBO supports adding additional questions to help quantify the impact of public institutions implementing GASB Statement No. 68, “Accounting and Financial Reporting for Pensions,” in FY15. However, we have several brief comments that we believe will improve the accuracy and consistency of information gathered related to implementing GASB 68. NACUBO’s comments were informed by business officers who have already submitted their FY15 Finance Survey data.

Higher education institutions or systems with defined benefit pension plans are instructed to answer the following questions in Part M of the survey for the most recent fiscal year, which will be FY15 for the vast majority of public colleges, universities, or systems:

1. Additional (or decreased) pension expense
2. Additional pension liability (or asset)
3. Deferred inflows of resources
4. Deferred outflows of resources

Although the questions appear straightforward, because Statement 68 is applied retroactively and adjusts beginning net position, NACUBO has heard that several public institutions have questioned the wording in the questions and the amounts that should be reported for FY15. Consequently, our overarching recommendation is that the survey instructions—and wording in the above questions—be clarified to indicate that the first question is looking for increases or decreases to pension expense in FY15 (as a result of Statement 68) and the remaining three questions should be ending FY15 balances from the FY15 audited financial statements.

Further, NACUBO specifically recommends the following:

- To ensure that reporting burden is minimized, the instructions and wording should clearly indicate that amounts reported must come directly from the FY15 audited financial statements (Face of the Statement of Net Position or Notes):
 - Pension liability (or asset) should be an ending balance.
 - Deferred inflows of resources (pension related) should be an ending balance.
 - Deferred outflows of resources (pension related) should be an ending balance.
- The additional (or decreased) pension expense is a reporting period amount. As such, the instructions should clearly acknowledge that any Statement 68-related unfunded period cost or recovery would be reported in the notes to the financial statements or is derived based on knowledge of GASB 68 entries.
- NACUBO believes that the cumulative impact on net position (as a result of implementing Statement 68) should have been a separate question, if ED considers the amount important (emphasis added). However, because adjustments to the beginning net position balance (a calculated value on Schedule D) will likely be predominantly caused by implementing Statement 68, if adjusted values are significant, ED might consider verifying the cumulative impact of implementing Statement 68 or adding an additional question to the 2016-17 collection.
- All of the above suggestions should be used if ED wants to gather information on other post-employment benefits in a future collection, as a result of implementing Statement 73, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.”
- The finance survey instructions should clearly direct institutional researchers to the business office to work with those knowledgeable about the external audited financial statements of the IPEDS reporting entity and the requirements of GASB Statement 68.

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

RESPONSE:

Dear Ms. Menditto,

Thank you for your feedback posted on February 11, 2016, 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 IPEDS Finance collection has been open since December 9, 2015. During this time, the IPEDS call center has not received a high volume of calls related to the newly added questions. While it is possible that the new pension items may result in some additional questions from survey respondents, it has not been the experience of the IPEDS call center that numerous institutions are experiencing the issues you have outlined in your email. Given that the Call Center has not received many calls for the issues noted in your feedback and the fact that the Finance survey component is currently open, changing/updating instructions at this time would cause unnecessary confusion.

Furthermore, current instructions already emphasize that figures reported in Part M:Pension should come from the audited financial statements. Please refer to the instructions specific to the screen of the survey at https://surveys.nces.ed.gov/ipeds/VisInstructions.aspx?survey=5&id=30068&show=all#chunk_1259. The IPEDS Finance Survey Component also directs respondents to confirm reported data with their business officers prior to completing the survey, while survey materials also make numerous references to NACUBO's published products for additional clarification. IPEDS allows the institution's keyholder to assign access credentials to additional individuals responsible for completing IPEDS survey components, who are often the institution's business officers, including a "Finance contact". As such, we believe additional guidance in this regard is unnecessary.

At this time, the Department of Education has not yet released the proposed collection for future cycles. NACUBO's comments about the organization of future collections will be considered after the currently underway 2015-16 IPEDS data collection is concluded.

Thank you again for your comment.

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