

Board of Trustees Study Session  
November 14, 2018

What does federal regulation really cost Barton. 10/09/2018

A study by Vanderbilt University (report was at the request of U.S. Senate Committee) is cited widely. This study found that Vanderbilt spends 11 percent of the total budget on compliance. Vanderbilt is different from Barton because Vanderbilt is a research university and will have more costs meeting the mandates of research grants. One independent group states, "It's very difficult to give a number," said Anne Gross, vice president for regulatory affairs at the National Association of College and University Business Officers. "Trying to quantify the cost of regulation is something we've talked about for years, but frankly we've never figured out how to do it." According to the independent, nonpartisan Government Accountability Office, or GAO. The GAO found that the U.S. Department of Education determined it takes colleges and universities 19 to 41 hours a year to provide the data they're obligated to collect about such things as tuition, fees, enrollment, and graduation rates, at a total combined cost of \$6 million per year nationwide. For 18 out of 22 schools analyzed by the GAO, the actual time this took was more than that—twice as long, at more than half—and came to as much as 590 hours per year on one campus.

Given the above caveats (keeping in mind that federal grants and contract management requires the most investment of time) non-research expenditures were found to range from 2 percent to 8 percent. For Barton the range would be \$660,000 to \$2,640,000.

Students attending college are likely to experience reduced access to student services when human resources are shifted to meeting government mandates. Meeting these mandates is not just time spent producing data or filling out reports. Other activities include: policy development and review, oversight and management (including answering questions from employees, students, parents, etc.); time spent interpreting regulations; preparing and implementing operational changes; responding to potential issues of noncompliance; interacting with regulators and auditors; and any day-to-day activities resulting from the practical impact of regulations; outsourcing of the above activities to external vendors; external trainings and conferences (including travel costs); materials, supplies, and services to support the above activities (e.g., equipment, facilities); software licensing fees; and fees associated with permits, licenses, applications, and registrations; minor equipment (e.g., computers), insurance, professional development, recruitment, travel, telephone, office supplies, computer software, printing, and postage.

According to the [Higher Education Compliance Matrix](#) Barton has to review and determine compliance of 265 regulations. Of these regulations nine relating to Research Universities do not apply, other regulations relating international activities do not apply at this time.

Below is a tally of regulations.

Academic Programs	8	Accounting	14	Accreditation	1	Admissions	5	Athletics	2
Auxiliary Services	1	Campus Safety	11	Contracts and Procurement	8	Copyright & Trademark	7	Disabilities	3
Diversity/Affirmative Action	14	Environ. Health & Occ. Safety	27	Ethics	2	Export Controls	5	Financial Aid	23
Fundraising & Develop.	6	Governance	2	Grants Management	7	Health Care & Insurance	3	Housing	3
Human Resources	40	Immigration	2	Information Technology	13	Intellectual Property & Technology	13	International Activities & Programs	2
Lobbying & Political Activity	4	Privacy & Information Security	11	Program Integrity Rules	5	Research	9	Sexual Misconduct	4
Tax	17								