



HLC Accreditation 2016-2017

## **Evidence Document**

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Administration and Finance

Budget Office

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### **FY 2017 General Student Fees: Estimating Maximum Available Revenue**

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**Additional information**

## General Student Fees - FY '17

### Estimating Maximum Available Revenue

#### 1. Fee Rates: State Tuition & Campus-Wide Fee Cap

- State FY '16/17 appropriation bill included a proviso placing a cap on tuition increases of 2% above the CPI-US City Average. The Board of Regents choose to also apply the cap to campus-wide fees, and we anticipate the same practice in FY '17.
  - a. FY '16 Cap: 3.6% (1.6% CPI)
  - b. FY '17 Cap: Not yet known as Dec. '15 CPI not yet posted. Anticipate range between 2.5% to 2.1% dependent on CPI growth in Dec.
    - i. If estimate based on Nov. '14 to Nov. '15 = 2.5% cap (0.5% CPI)
    - ii. If based on average from Jan. '15 to Nov. '15 = 2.1% cap (0.1% CPI)
  - c. For estimating maximum available revenue, I've used 2.5% for now.
    - i. Traditional General Student Fee – from \$31.45 to \$32.23
    - ii. Online Fee – from \$9.00 to \$11.30 (The total online area fee is currently \$92, with \$9.00 going to General Student Fees and \$3.00 to ICAA.)

#### CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U), NOT SEASONALLY ADJUSTED

U.S. City Average All Items 1982-84=100 (R)=Revised

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Avg.
2013	230.28	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957
2014	233.916	234.781	236.293	237.072	237.9	238.343	238.25	237.852	238.031	237.433	236.151	234.812	236.736
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	---	---
PERCENT CHANGE FROM 12 MONTHS AGO, NOT SEASONALLY ADJUSTED													
2013	1.6	2	1.5	1.1	1.4	1.8	2	1.5	1.2	1	1.2	1.5	1.5
2014	1.6	1.1	1.5	2	2.1	2.1	2	1.7	1.7	1.7	1.3	0.8	1.6
2015	-0.1	0	-0.1	-0.2	0	0.1	0.2	0.2	0	0.2	0.5	---	---

Source: US Bureau of Labor Statistics on 2/23/2016

#### 2. Total Credit Hours: Impact of Traditional Classroom and Online Credit Hours

- Students have a different General Student Fee schedule depending on if they are selecting traditional vs. online classes. Based on that schedule, as students who would have otherwise selected a traditional class migrate to online classes, the overall contribution to Student General Fees declines.

Fiscal Year	Traditional	Online
2015	\$31.00	\$0.00
2016	\$31.45	\$9.00

- Overall, online class hours have demonstrated strong growth, while traditional hours have fallen.

For the fall and spring sessions of the current fiscal year (2016), total credit hours have declined by 2.9%, while online credit hours have grown by 26.9%.

<b>Table 2: Actual Credit Hours</b>			
<b>Fiscal Year</b>	<b>Traditional</b>	<b>Online</b>	<b>Total</b>
2012	322,993	25,467	348,460
2013	316,913	30,286	347,199
2014	307,323	36,065	343,388
2015	304,478	42,080	346,558
Snapshot (Fall – Spring Only)			
2015	283,453	35,067	318,520
2016	264,744	44,522	309,266
% Chg.	-6.6%	26.9%	-2.9%
Source: Office of Planning and Analysis - WSU, data from the 20 <sup>th</sup> day.			

- To estimate maximum available revenue, the following **preliminary** credit hour estimates were used. Office of Planning and Analysis will have refined credit hour estimates in April.

<b>Table 3: Estimated Credit Hours</b>			
<b>Fiscal Year</b>	<b>Traditional</b>	<b>Online</b>	<b>Total</b>
2016	285,067	52,517	337,584
% Chg. From '15	-6.4%	24.8%	-2.6%
2017	270,942	(1) 63,235	334,177
% Chg. From '16	-5.0%	20.4%	-1.0%
(1) – Online hours estimate for FY 2017 includes MBA program changing to a hybrid online model – 3,366 annual credit hours.			

### 3. Fees Uncollected

- Maximum available revenue estimates include a 2% uncollectable rate that has historically been used on the tuition side of collections, but not previously used with Student General Fees.

<b>Table 4: Budget vs. Actual Fee Collections</b>				
<b>Fiscal Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>	<b>Cause</b>
2014	\$11,565,400	\$11,411,816	\$(153,584)	\$(25,421) – 307,323 actual vs. 308,000 estimated traditional credit hours @ \$37.55. \$(128,163) uncollected fees (1.1%)
2015	\$9,548,000	\$9,187,667	\$(360,333)	\$(109,182) – 304,478 actual vs. 308,000 estimated traditional credit hours @ \$31.00. \$(251,151) from uncollected fees (2.7%)

**Table 5: General Student Fee Estimated Maximum Available Revenue Estimates  
Fiscal Years 2016 and 2017 - 2.5% Cap in 2017**

		Credit Hours			Revenue Estimate
		Traditional	Online	Total	
<b><u>FY '16</u></b>					
1	Original adopted budget estimate	300,000	16,667	316,667	\$ 9,585,000
2	credit hour fees \$	31.45	\$ 9.00		
3	Revised estimate	285,067	52,517	337,584	9,438,010
4			Less 2% uncollectible rate		(188,760)
5			Estimated FY '16 Collections		\$ 9,249,250
6		Estimated FY '16 revenue shortfall (row 5 less row 1)			<u><u>(\$335,750)</u></u>

**Solution**

7 Use FY '15 cash carry-forward in Unallocated Student Fees (101989) of \$329,491 to cover current year shortfall.

<b><u>FY '17</u></b>					
8	Estimate	270,942	63,235	334,177	\$ 9,447,016
9	credit hour fees \$	32.23	\$ 11.30		
10			Less 2% uncollectible rate		(188,940)
11			Estimated FY '17 Collections		\$ 9,258,076
12		Estimated FY '17 revenue shortfall from FY '16 budget (row 11 less row 1)			<u><u>(\$326,924)</u></u>

\*\*\*Assumes Student Fee Committee Recommends flat budget in FY '17 of \$9.585M. Total requests are for \$11.433M.

**Table 6: General Student Fee Estimated Maximum Available Revenue Estimates  
Fiscal Years 2016 and 2017 - 2.1% Cap in 2017**

	Credit Hours			Revenue Estimate	
	Traditional	Online	Total		
<b><u>FY '16</u></b>					
1	Original adopted budget estimate	300,000	16,667	316,667	\$ 9,585,000
2	credit hour fees	\$ 31.45	\$ 9.00		
3	Revised estimate	285,067	52,517	337,584	9,438,010
4			Less 2% uncollectible rate		(188,760)
5			Estimated FY '16 Collections		\$ 9,249,250
6		Estimated FY '16 revenue shortfall (row 5 less row 1)			<u><u>(\$335,750)</u></u>

**Solution**

7 Use FY '15 cash carry-forward in Unallocated Student Fees (101989) of \$329,491 to cover current year shortfall.

<b><u>FY '17</u></b>					
8	Estimate	270,942	63,235	334,177	\$ 9,391,106
9	credit hour fees	\$ 32.11	\$ 10.93		
10			Less 2% uncollectible rate		(187,822)
11			Estimated FY '17 Collections		\$ 9,203,284
12		Estimated FY '17 revenue shortfall from FY '16 budget (row 11 less row 1)			<u><u>(\$381,716)</u></u>

\*\*\*Assumes Student Fee Committee Recommends flat budget in FY '17 of \$9.585M. Total requests are for \$11.433M.