



Associated Students of Western Washington University
Board of Directors
Alternative Transportation Fee Increase Request

Sponsor: Katie Savinski, ASVP for Student Life

Proposed Motion: Approve the recommendation made by the ATF committee to increase the Alternative Transportation Fee by 5% in fiscal year '14.

Proposed Fee Increase:

After program review and calculation of expected revenues and expenses, it is recommended that the 2013-2014 Student Alternative Transportation Fee be increased 5%. This would result in an academic year fee increase of \$1.25 per quarter, from \$25 to \$26.25; and a summer quarter fee increase of \$1, from \$20 to \$21. This fee level would be in effect starting fall 2013. This is the only proposed increase since the fee was implemented in Fall 2007.

Rationale:

An increase in the transportation fee will keep program finances stable. At the current fee amount expenses will exceed revenue in FY 14, and this trend will continue, resulting in an ever-increasing deficit. Student enrollment, which drives Revenue, is predicted to be “flat” over the next several years while Expenses will continue to increase. Particularly:

- Payments to WTA over the next 5 years:
 - FY 2013: \$793,462 (8.4% increase)
 - FY 2014: \$857,418 (8% increase)
 - FY 2015: \$923,670 (7.7% increase)
 - FY 2016: \$933,618 (1.1% increase)
 - FY 2017: \$946,596 (1.4% increase)
- Support to Western Card Office at 25% of their operating expenses beginning FY 14, estimated at \$10,000 per year to begin.
- Operation and maintenance contract for the late night shuttle will expire August 2013 and be renegotiated for FY 14, with an increase in cost likely.
- Fuel costs are expected to rise.

The program has been frugal and has a cash reserve, separate from the Capital Reserve for the replacement of shuttle buses. The suggested cash reserve or “minimum operating reserve” for the program is three months of operating expenses, or approximately \$300,000. Currently, the program’s cash reserve exceeds the minimum. In FY 14 the program will begin using the cash reserve to cover the deficit. With no fee increase in FY14, the suggested minimum cash reserve is reached in FY15 and drops sharply thereafter. With a 5% fee increase in FY 14, the suggested minimum cash reserve is reached in FY16.

Effect of Fee Increase on Student Transportation Cash Balance				
	FY14	FY15	FY16	FY17
No Fee Increase	\$ 525,000	\$ 366,000	\$ 190,000	\$ 2,000
5% Fee Increase FY14	\$ 573,000	\$ 460,000	\$ 335,000	\$ 195,000

BUDGET PROJECTION

Student Transportation Fee - Fund 23275

Suggested Reserves:

Minimum Operating Reserve (25% of Op Expenses for any year)

Capital Reserve (for bus replacement)

Emergency Reserve (included in \$50,000 maintenance Expense)

No fee ↑ , Enrollment Flat

	Actual FY12	Projected FY13	Projected FY 14	Projected FY 15	Projected FY 16	Projected FY17
Beginning Balance	\$ 715,060	\$ 609,361	\$ 614,296	\$ 525,298	\$ 366,352	\$ 190,649
Revenue						
Student Fee	1,070,684	1,070,684	1,070,684	1,070,684	1,070,684	1,070,684
Equipment surplus						
Total Revenue	\$ 1,070,684	\$ 1,070,684	\$ 1,070,684	\$ 1,070,684	\$ 1,070,684	\$ 1,070,684
Expense						
Salaries and Benefits	69,393	68,428	70,120	75,016	74,008	75,088
Other Operating Expenses						
WTA	731,844	793,462	857,418	923,670	933,618	946,596
Airporter	118,605	120,000	124,800	124,800	129,800	129,800
Maintenance/Repairs	18,289	50,000	50,000	50,000	50,000	50,000
Fuel	24,975	25,599	26,238	26,894	27,566	28,255
Other	13,276	8,260	20,400	18,543	20,688	18,836
Total Expense	976,383	1,065,749	1,148,976	1,218,923	1,235,680	1,248,575
Net Income/Deficit	94,301	4,935	(78,292)	(148,239)	(164,996)	(177,891)
Capital Reserve set-aside (new buses)	(200,000)		(10,707)	(10,707)	(10,707)	(10,707)
Cash Balance	\$ 609,361	\$ 614,296	\$ 525,298	\$ 366,352	\$ 190,649	\$ 2,051
Capital Reserve						
Beginning Balance	\$ 200,000	\$ 200,000	\$ 125,000	\$ 60,707	\$ 71,414	\$ 74,121
1% of Revenue set aside beginning FY14			10,707	10,707	10,707	10,707
Expenses from Reserve (new bus)		(75,000)	(75,000)		(8,000)	
Total Reserve	\$ 200,000	\$ 125,000	\$ 60,707	\$ 71,414	\$ 74,121	\$ 84,827
Cash Balance + Reserve	\$ 809,361	\$ 739,296	\$ 586,004	\$ 437,765	\$ 264,769	\$ 86,878