Student Financial Services

2012 Assessment Report

Expected Outcome: Net Tuition Revenue

Auburn’s gross tuition assessed to each student, less student scholarships and waivers, will provide for projected tuition used in the university’s budgeting process in order to provide the necessary operating funds each fiscal year.

Assessment method:

After the census day of each term, gross tuition and fee data, as well as scholarship and other pertinent information is used to calculate a net tuition amount and compared to the prior year tuition assessment at that date. That information is also compared to the operating budget.

Findings:

In the academic year of 2011-12, net tuition compared to budget was favorable, indicating that the net tuition revenues were more than adequate to sustain the budget. However, erosion of net tuition revenues over the prior year of $5 million was noted, due to increased unfunded scholarship awards.

How did you use findings for improvement?

The erosion of a cushion for net tuition was used to develop changes in the scholarship program. These changes include the institution of a proration fee to be paid by most students, regardless of scholarship status, the elimination of 1/3 tuition waiver for non-resident students who are recipients of non-funded scholarships and the change to fixed dollar scholarships for non-resident students.

Expected Outcome: Management of Student Accounts Receivable

Student Financial Services must ensure that tuition, fees and other student charges are assessed and collected from students and sponsors so that delinquent accounts receivable balances do not increase. If delinquent accounts receivable balances increase, it most likely will result in increases in numbers of accounts sent to collections and increases in write-offs of revenue.

Assessment method:

Fiscal year-end annual review of aged (by date billed) accounts receivable balances is performed, with numbers of delinquent accounts and dollars of delinquent accounts compared to previous years.

Findings:

91+ day aged receivables were 739 accounts at 6.4 million as of Sept 30, 2012.
The 91+ day aged receivables were 951 accounts at 2.9 million as of Sept 30, 2011.

The number of accounts decreased from prior year by 212 accounts, and the dollar value increased $3.5 million. Analysis of the findings revealed that the dollar value increase was attributed to third party billing and collection timing.

**How did you use findings for improvement?**

Monitoring of the third party billing collection and timeliness of payment is already in place on a month-end basis, but will continue and there will be specific follow-up at September 30, since that is fiscal year-end.

**Additional Comments:**

The decrease in the number of accounts in 2012 from prior year is attributed to implementing an automated e-mail notification process that sends an e-mail to the student’s tigermail account advising them of their delinquent status. Also, an electronic work flow queue was implemented for staff to monitor delinquent accounts and facilitate outreach to students via telephone and e-mail.

**Expected Outcome: Cohort Default Rate**

Auburn University desires to maintain a student loan default rate below national average.

**Assessment method:**

Each year, the Department of Education calculates and distributes the annual cohort default rate for every institution of higher education that participates in the Title IV loan programs. It is based on the number of students in repayment that are defaulting on their loans. It is calculated per school and as average of all the schools.

**Findings:**

For 2012 Auburn University continues to maintain a cohort default rate well below the national average. Auburn University’s default rate of 6.8% is almost half that of the national average of 13.4%.

**How did you use findings for improvement?**

Financial aid counseling provided by Student Financial Services staff will continue to be stress in order to help keep Auburn University’s default rate under the national average. If Auburn University’s cohort default rates edge closer to the national average, procedures will be analyzed to ensure maximum efforts are made to decrease the default rate.