

DEPARTMENT OF HIGHER EDUCATION
FY 2017-18 JOINT BUDGET COMMITTEE HEARING AGENDA

Wednesday, January 4, 2017
9:00 am – 12:00 noon

**9:00-10:30 METROPOLITAN STATE UNIVERSITY OF DENVER AND
COLORADO MESA UNIVERSITY**

INTRODUCTIONS AND OPENING COMMENTS (5 MINUTES PER GOVERNING BOARD)

Note: the JBC requests only one speaker per governing board

Tuition, General Fund, Institutional Financial Health, and the Executive Request

- 1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?
- 2 Discuss the resident tuition increase proposed for your governing board in the Executive request.
 - a) How much of an increase in education and general *revenue* do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.
 - b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?
 - c) How much of a General Fund increase would you need to keep tuition flat?
 - d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?
- 3 How much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?
- 4 Are you comfortable with the funding allocation model as submitted? Why or why not?
- 5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

Financial aid

- 6 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?
 - a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?

- b. How much of your “education and general” tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?
- 7 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

- 8 What can be done to reduce the cost of education for students and the burden of student debt?
- 9 Can higher education institutions be more efficient? Do we need new educational models?
- 10 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?
- a. Changes in remediation/supplemental academic instruction policies
 - b. Dual/concurrent enrollment programs
 - c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)
- 11 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?
- 12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.
- (a) Support a grant program to develop and disseminate open access educational materials for Pathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.
 - (b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

Do you have any feedback on these ideas?

10:30-10:45 BREAK

10:45-12:00 ADAMS STATE UNIVERSITY, FORT LEWIS COLLEGE, WESTERN STATE COLORADO UNIVERSITY

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- 12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.
 - (a) Support a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.
 - (b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

Do you have any feedback on these ideas?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - GOVERNING BOARDS

- 1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

- 2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?
- 3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

- 4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

Capital Construction

- 5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.
- 6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).
- 7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

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Metropolitan State University of Denver

Tuition increases are driven by institutional needs. Mandatory cost increases, for items such as health insurance, retirement, utilities, on-going contracts for software, library holdings, Auraria Higher Education Center (AHEC) charges, student-voted fees, mandatory increases to minimum wages, proposed increases in required overtime pay, and increases in costs of technology are significant drivers of tuition changes. Additionally, increases in the costs of facilities drives tuition considerations. We completed three facilities projects to accommodate rapid enrollment growth at MSU Denver and to aid in student success during the past 4 years. The total new operating expenses for these facilities is approximately \$1.5 million per year. We will complete the Aerospace and Engineering Sciences building at the beginning of fiscal year 2017, which will add an additional \$750K in new operating expenses.

The University also seeks to invest in the success of our students by increasing the number of full-time faculty available to students, as well as increasing the support services for students. For example, to improve student retention and graduation rates beginning in FY 15, the University sought to increase the number of academic advisors to counsel students about effective academic options, financial aid counselors to help students more wisely

look at low cost ways to pay for college, and tutors to help improve academic success. The total investment in student success with this initiative was \$1.8 million. These kinds of investments have increased our retention rate from 61% to 77.5% in just four years and increased the number of graduates by 12% to 3,509 degrees granted in FY 16.

Additionally, we look to invest in our current faculty and staff in the form of salary increases. The past few years, the University has sought to keep current salary levels on pace with changes to CPI. For fiscal year 2016, we increased faculty and administrative staff two percent effective October 1st.

Metropolitan State University of Denver receives the least funding per student from the State among all of the universities. Despite this inequity in funding on a per student basis, MSU Denver maintains the lowest tuition rate among Colorado universities. According to the Staff Budget Briefing document, provided to the JBC members by Amanda Bickel dated December 13, 2016, MSU Denver's annual tuition for 30 credit hours is \$1,950 less than the average of the other 4 years institutions (CSU Pueblo, Fort Lewis, Adams, Northern Colorado, Mesa, and Western). These institutions charge tuition rates 28% higher than MSU Denver. CU Boulder and CSU Ft. Collins charge tuition rates 63% higher than MSU Denver.

As General Fund contributions to Higher Education in Colorado have decreased over the years, both in total dollars and in funding per student, all universities have looked to tuition increases to replace the lost dollars and to keep up with inflation factors within the goods and services we purchase. In particular the extraordinarily strong Colorado economy in the post Great Recession era has placed upward pressures on salaries in excess of inflation rates.

Colorado Mesa University

There are several drivers behind tuition increases at Colorado Mesa University (CMU): (1) demand in the form of enrollment growth, (2) the success of under-served and under-prepared populations, (3) a decrease in state funding, (4) high quality education, (5) student expectations, (6) financial aid and (6) regulatory impacts.

1. Demand: enrollment growth

CMU has had the single largest increase in enrollment over the past 10 years (period 2005-06 to 2015-16) of any Colorado institution, with over a 65% growth in FTE enrollment. This demand requires more classes, more faculty, an increase in related support services, as well as accommodations to meet student needs.

2. Ensuring success of under-served and under-prepared students

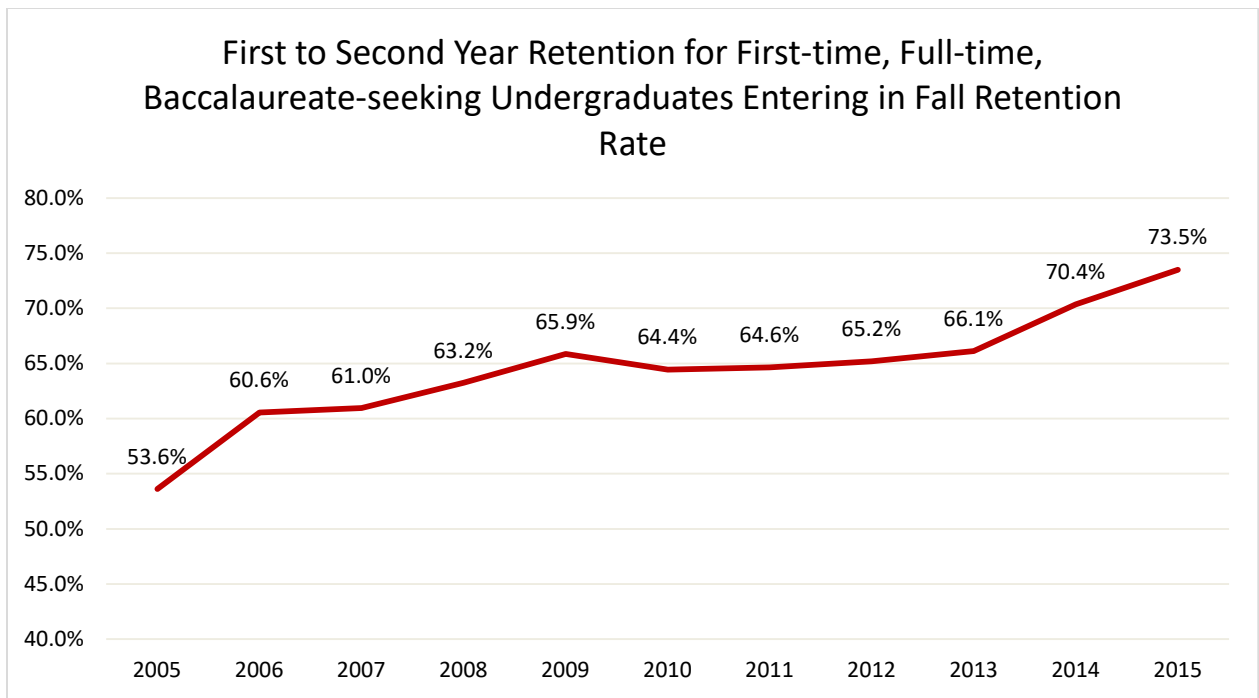
Pell and low-income: CMU serves the second highest percentage of Pell-eligible students in Colorado; 40% of resident enrollment is Pell-eligible. This parallels the fact that Mesa County has a lower median household income than the state \$48,610 vs. \$59,448. Looking at the income distribution, there is a higher share of households with incomes under \$40,000 compared to the state.

First generation and under-served: At CMU, approximately, 1/3 of the entering cohort is first generation and approximately 1/3 of the entering cohort is underserved.

Under-prepared: Over 20% of CMU's first-time undergraduates have a high school GPA of less than 2.5. Western Colorado Community College (WCCC), a separately branded division of CMU, serves as an open enrollment community college creating a landing place for under-prepared students or students who are interested in a career and technical education program.

CMU's response: Success for this student demographic is dependent on smaller class sizes, adequate support services and robust financial aid programs. Support services include tutoring, peer mentoring programs, student physical and mental health services, financial counseling, offering hardship assistance, etc.

CMU's success: CMU has been exceptionally successful at improving student retention, with a 20% increase over the past ten years.



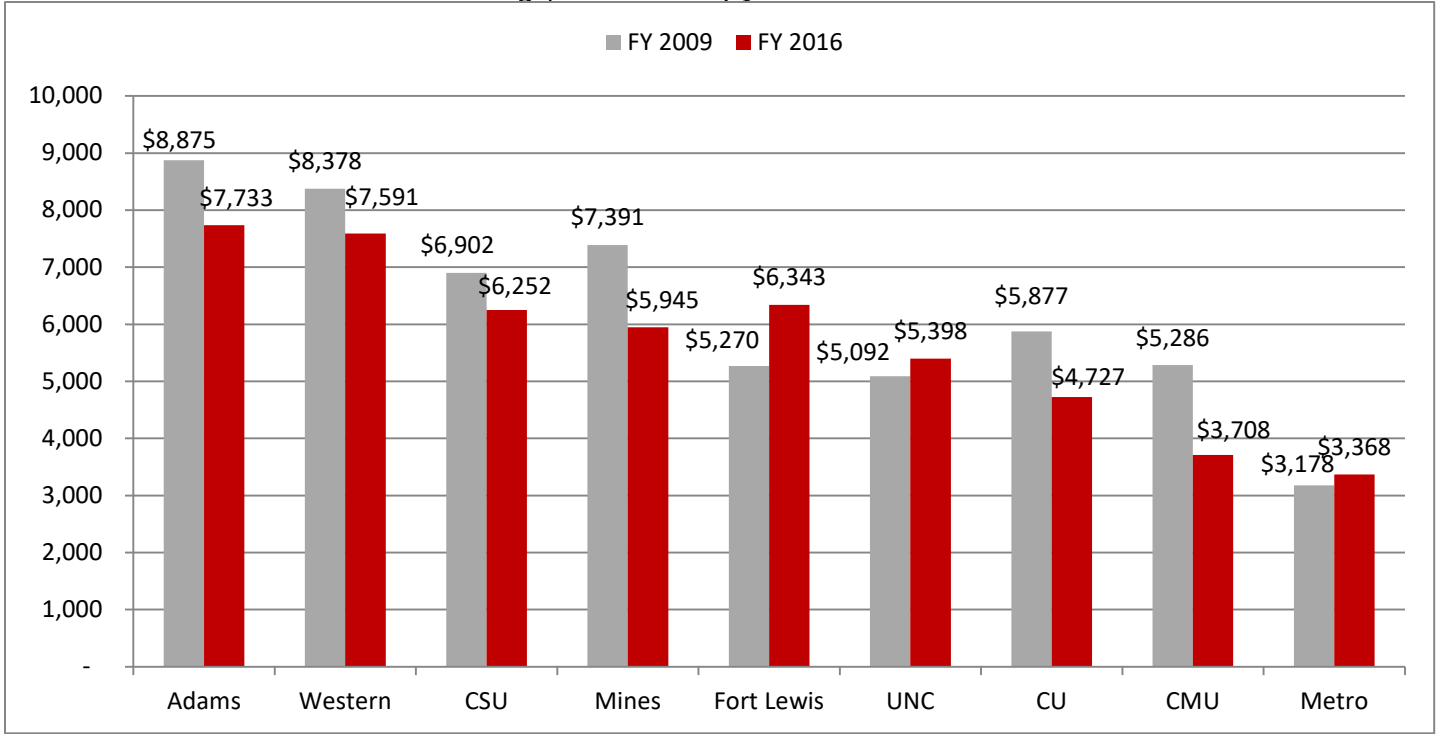
Additionally, CMU has taken steps to retain under-served and under-prepared students at similarly high retention rates.

3. Funding sources: decrease in state support for higher education

It is no secret that state support for higher education in Colorado has declined significantly over the past several years. What is equally as impactful for CMU has been our growth in student enrollment which has exacerbated the funding decline even more as shown in the chart below.

This, taken together with the enrollment increase experienced at CMU has resulted in CMU consistently having among the lowest per resident student funding allocations.

State Funding (COF and FFS) per Resident FTE



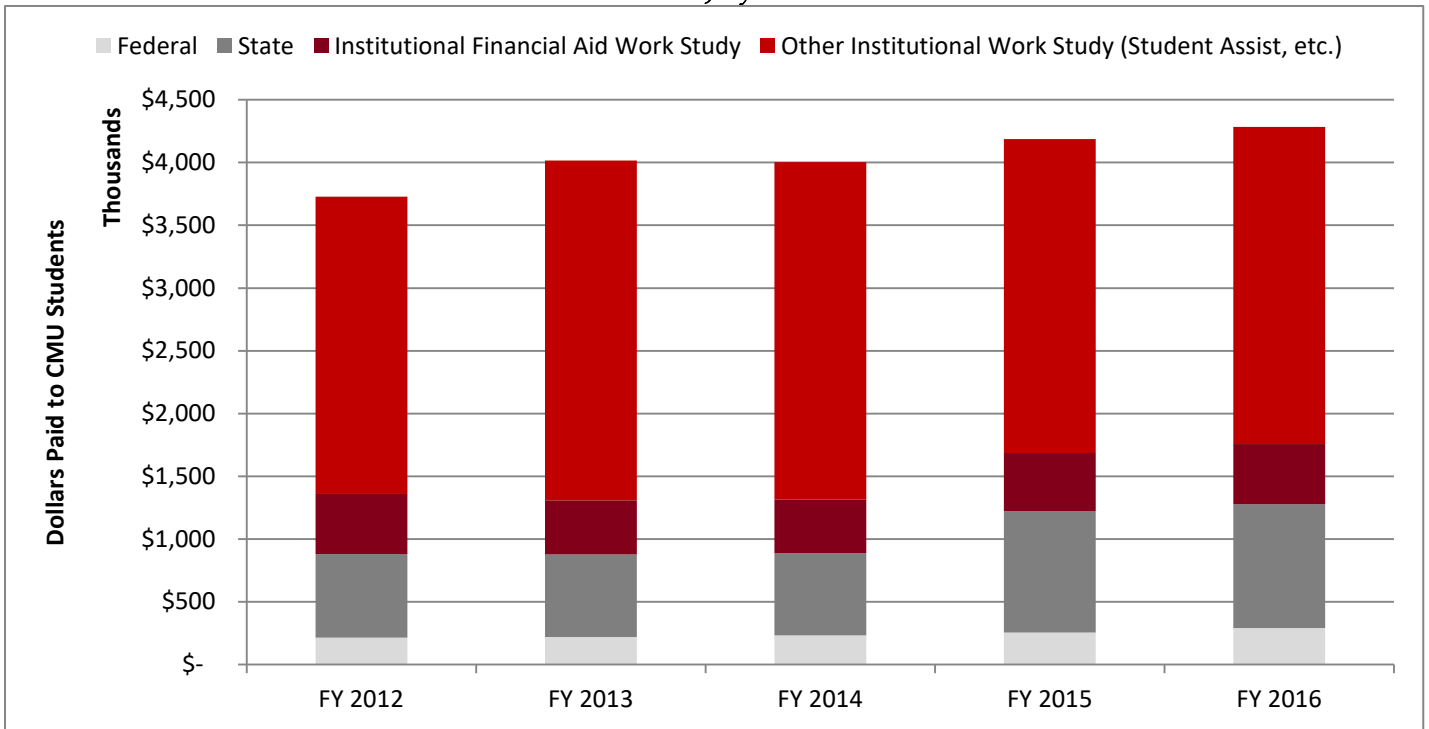
4. Quality

Research suggests that academic excellence and reputation is among one of the top five reasons students select a college or university. Faculty, and their perceived and real quality, play a large part in student’s choice of colleges and programs. Furthermore, high quality and caring faculty are critical to ensuring student success once enrolled. CMU must be able to continue attracting and retaining high quality faculty. The institution competes in a national marketplace for faculty and must pay nationally and regionally competitive salaries. This challenge is further complicated by overcoming barriers of location in western Colorado.

Additionally, CMU actively promotes student engagement through work study opportunities on campus as a primary means of providing an overall quality educational experience. Annually, CMU assists about 900 students through work study opportunities requiring a large campus financial investment. CMU work study students have a success rate of 90% compared to other students without work study of about 73%.¹

¹ Success is defined as those students who either graduated or returned the following year.

Work Student Funds, By Source

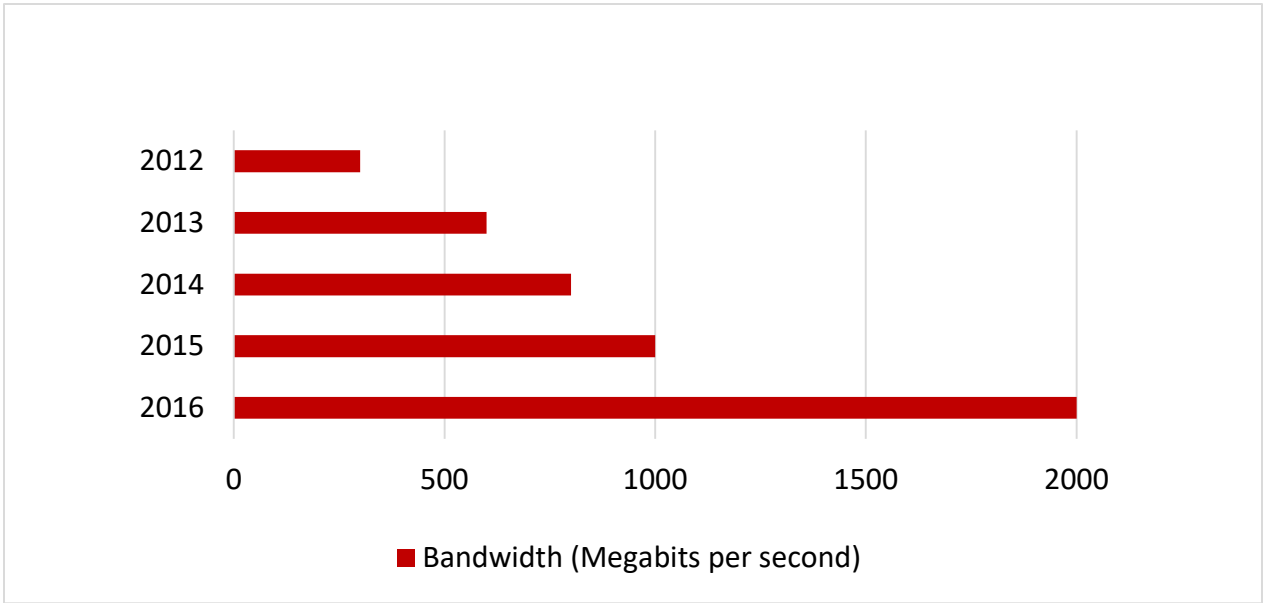


5. Student expectations

Today's students come to college with high expectations regarding technology, facilities and other amenities. Technologies that offer customized solutions to meet individual needs are important. It isn't just about computers and the internet, but also about digital devices and applications to meet individual student needs. Students expect faculty to use technology in the classroom to enhance the quality of the learning experience. This requires investments in classroom technology

Students also demand ubiquitous access to technology anywhere and anytime. This drives other costs such as bandwidth demands, which have grown significantly overtime as noted below.

CMU Internet Bandwidth



6. Regulatory impacts

While regulatory requirements provide important protections to students and families, there is a cost associated with enforcing and monitoring requirements. Examples impacting CMU are: Affordable Care Act (ACA), Title IX, state and federal reporting, financial aid, accreditation, environmental and buildings, etc.

How much is driven by General Fund cuts versus other factors?

While state support only comprises about 20% of CMU’s educational and general budget, it is still significant enough that changes in state funding have a meaningful impact on the operations of CMU, especially since CMU is a teaching university with fewer resources available from other sources like the federal government and general research activities. Changes in state funding are further complicated when limits are imposed on other revenue sources such as tuition. Past experience suggests that CMU has been judicious in the authority granted by the legislature and with CMU’s actual increases well below the maximum limit set by the legislature for the past five years.

Tuition Cap Limits Compared to Actual CMU Rate

Increase

	FY12	FY13	FY14	FY15	FY16	FY17
imposed cap/limit	9%	9%	6%	6%	6%	8%
CMU tuition rate increase	5%	6%	6%	6%	5%	5%
unused balance	4%	3%	0%	0%	1%	3%

Standard inflationary measures are not a good indicator of higher education cost drivers. The consumer price index measures price changes in a market basket of consumer goods and services purchased by households. It looks at changes in housing, apparel, transportation, etc.

Inflation does not:

- *Factor in differences in geography and related cost differences.*
 - *Health care: A recent report issued by the State Office of Demography (2016 Colorado Planning & Management Region Report) with regard to Region 11, western Colorado, notes: "Health care costs continue to be among the highest in the nation for this region." A standard cost calculation does not recognize employee health care cost increases impacting CMU.*
 - *Construction costs: Construction costs in Grand Junction are frequently higher than they are in Metropolitan Denver.*
- *Consider the cost of new facilities expected to come on-line in the new fiscal year, including the added debt requirements, utility costs and operational costs. CMU has over 100,000 square feet of new space coming on line in the near future.*
- *Take into account costs associated with recently passed law to increase minimum wage, which has an estimated +\$1.0 million total cost impact to CMU, with about 1/2 from the state.*
- *Take into consideration growing enrollments and costs associated with adding courses and associated faculty and support services to meet those demands. In the current year, CMU added (20) new positions to support continued growing enrollments.*
- *Consider funds needed to sustain financial aid programs, especially to high need, students based on current enrollments.*
- *Provide adequate funds to cover costs associated with new graduate credentialing rules for faculty teaching concurrent enrollments.*

2 Discuss the resident tuition increase proposed for your governing board in the Executive request.

- a) How much of an increase in education and general revenue do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.

Metropolitan State University of Denver

All of the following responses regarding tuition rates and annual expenses are highly dependent on student enrollment. Revenue is driven by a combination of tuition rates and student enrollment changes. MSU Denver waits until as late as possible each year to estimate the following year's enrollment. This allows us to estimate if we expect losses or gains in revenue based on enrollment before we seek tuition rate setting.

MSU Denver has not projected the potential increase, and the MSU Denver Board of Trustees has not approved any tuition or fee changes. This will occur at the May 2017 Board meeting. Our goal, every year, is to seek the lowest tuition increase possible. Therefore we work closely with the Legislature to increase State support so that tuition increases are minimized. We anticipate completing our analysis of projected expense changes driven by the factors discussed in question one in mid to late February. This, in combination with the anticipated changes in state funding, will drive our tuition recommendations. We would require \$4.2 million in new revenues to meet the 2.8% FY 17 inflation rate increase (pg.

28, Staff Budget Briefing). With a projected increase of \$200,000 from the State for MSU Denver, that leaves \$4.0 million to maintain inflation alone. In addition we will have \$750,000 in new operating expenses for the AES facility.

State funding for new construction and controlled maintenance is likely to be greatly limited due to pressures on the State budget. Given that all universities have significant deficits in deferred maintenance, more funds must be directed to facilities maintenance and due to those constraints on the State, more funds must come from some source such as tuition, to ensure safe and comfortable buildings for student learning.

All of these factors, and others, could potentially play into tuition increases in excess of inflationary costs.

Colorado Mesa University

The CMU requested "limit" of 6% is based on the Governor's proposed general fund budget increase of \$1.6 million at CMU. This increase recognizes the increase in enrollment in 2015-16 and the sustained Pell enrollments; however, it does not recognize the growth experienced by CMU in 2016-17. So, this increase is to cover costs already incurred to serve the current student population and CMU's improvement in retention.

As noted above, the application of standard inflationary assumptions does not cover costs to continue operations, nor provide sufficient funds to enhance quality and offerings. In fact, CMU might need in excess of a 6% tuition increase; however, we are cognizant of affordability to pay. Therefore, depending on the state's budget we would hope not to increase tuition by more than 6%.

The summary below suggests that CMU estimates, at this point in time, a funding need of nearly \$6.5 million in 2017-18, leaving an uncovered balance of \$4.6 million, net of the proposed general fund increase in the Governor's budget. Although a tuition increase of nearly 7.5% is needed to fill this gap, CMU does not estimate exceeding a tuition rate increase of more than 6%. However, it should be noted that we are still early in the 2017-18 budget planning process and much can change over the next six months before the start of the fiscal year. The reasons that an increase might need to be greater than the increase in the Boulder-Denver-Greeley CPI are many but include the factors listed above which range from a competitive labor market, mandatory minimum wage increases, health insurance costs, on-going maintenance costs, increasing demands and costs relative to technology.

The chart below demonstrates that CMU's revenues from the state and students through tuition and fees have not grown much beyond inflation when increasing resident enrollment is taken into account.

- b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?

Metropolitan State University of Denver

The increase proposed in the Executive request may or may not cover the inflation and other factors described above.

Colorado Mesa University

CMU believes the institution can manage within the 6% proposed limit assuming the level of general fund support included in the Governor's budget. CMU has been responsible with broad authority granted it in the past by staying well below imposed tuition limits, as noted in the chart above, and should therefore continue to have maximum flexibility to manage the institution.

It is worth noting that percentage increases are not the best measure of increasing costs as different institutions start with different base levels of tuition. As a result of these base rate differences a 1% increase in tuition has significantly different impacts on students and on the amount of revenue generated.

Comparison of 1% Tuition Rate Increase (Per Student)		
Institution	Revenue from 1% Resident Tuition Increase	Revenue from 1% Non-Resident Tuition Increase
University of Colorado - Boulder	\$98	\$333
University of Colorado - Colorado Springs	\$83	\$217
University of Colorado - Denver	\$94	\$290
Colorado State University	\$110	\$260
Colorado State University - Pueblo	\$62	\$177
Fort Lewis College	\$62	\$161
University of Northern Colorado	\$69	\$185
Adams State University	\$57	\$168
Colorado Mesa University	\$76	\$195
Metropolitan State University of Denver	\$57	\$189
Western State Colorado University	\$63	\$176
Colorado School of Mines	\$157	\$340
Colorado Community College System	\$41	\$169
<i>Source: DHE draft FY 2017 Tuition and Fee Survey Charts.</i>		

c) *How much of a General Fund increase would you need to keep tuition flat?*

Metropolitan State University of Denver

We have not completed our analysis of projected expenditure increases. At the current time, we anticipate needing an additional \$4.2 million in revenues to cover these inflationary increases and \$750,000 for new building expenses for a total of \$4.95 million. Due to the complexity of the allocation model we cannot precisely calculate how much of an increase to the General Fund it would take for MSU Denver to receive an additional \$4.95 million from the State. Based on the formula calculation, a 2.6% (\$20 million) increase in the General Fund will yield only \$200,000 in new funding for MSU Denver in FY 17-18. You can imagine that it would take an enormously large increase for MSU

Denver to receive \$4.95 million to cover the 2.8% inflation and the new AES facility costs, not considering new initiatives for student success.

Additionally, we work with the University community including student leadership, to identify other initiatives that may allow us to improve retention and graduation rates. We anticipate completing this in March 2017. As soon as the Long Bill is approved in April, the university will determine the least tuition rates increases necessary to meet our mandatory and inflationary cost increases and other improvements to student success initiatives.

Colorado Mesa University

Per the cost factors noted above CMU estimates at this time the need for an additional +\$4.6-5.0 million to cover all projected costs.

- d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

Metropolitan State University of Denver

Please see above. The rate increase would be based upon the analysis.

Colorado Mesa University

While a tuition increase of nearly 13% would be needed to cover all of CMU's projected cost increases, the administration realizes that is not feasible if we are to remain affordable and competitive. In a budget scenario of flat or reduced state general funds, CMU would likely consider a tuition increase between 6-8% and would instead make budget reductions for the balance. Those reductions would be difficult since many of the cost increases cannot be avoided and enrollments continue to grow.

- 3 How much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

Metropolitan State University of Denver

Please see above. Historically, non-resident tuition increases have been at the same percentage as resident increases. Non-resident students generate only 9% of our tuition income.

Colorado Mesa University

CMU, as traditionally done, would increase non-resident tuition at the same rate as resident tuition. CMU's non-resident enrollment of less than 15% of students is not significant, but the higher rates paid by non-residents helps to offset costs for resident students.

4 Are you comfortable with the funding allocation model as submitted? Why or why not?

Metropolitan State University of Denver

MSU Denver remains supportive and committed to the basics of the funding model. Although this year our increase is smaller in comparison to other institutions, we realize that this is due to enrollment shortfalls we have experienced since 2011. Regardless, MSU Denver believes that this allocation model is the best to help incent institutions to improve recruitment, retention, and graduation strategies.

We maintain, however, that the rate of change possible within the model does not rectify historic inequities in funding per student. While the model does account for current changes in enrollment and performance, it was not constructed in a fashion to provide equity in funding across similar institutions. We further are concerned that this model now includes non-resident students in calculations, which is a change from past practices which only used resident students as a basis for allocating State revenues.

Colorado Mesa University

The 2017-18 funding allocation model recognizes CMU's enrollment growth for 2015-16, which is appreciated, but it does not recognize the additional growth experienced in 2016-17. This lagged recognition of enrollment changes requires institutions to carefully balance other revenue sources to meet immediate demands, as it waits for state funding to catch up.

One of the state's major goals is to close the achievement gap in higher education. CMU has been very successful in this regard with over 40% of CMU's resident credit hours from Pell-eligible students and 1/3 of entering cohort being first generation students.

In keeping with this attainment goal, the current allocation model does not, in CMU's opinion, place enough weight on, and therefore provide enough support for, Pell and first generation student success if we the institution is to continue improving and serve more and more students to meet the state's goal. CMU suggests the legislature consider placing heavier weighting values in the model assigned to Pell students. Based on CMU's calculations, it appears that less than 5% of the total \$530 million in state funding allocated under the funding model is awarded based on Pell enrollment.

Also, the mission differentiation component of the model does not appropriately recognize CMU's dual mission as a regional comprehensive baccalaureate and graduate degree granting institution and its open enrollment community college role and mission. This community college role is delivered through a separately branded division known as WCCC. This dual approach provides students top rate access and transfer opportunities. It is a model that should be encouraged and adequately supported. For this funding component, CMU is placed in the same funding category as CSU-Pueblo and Ft. Lewis even though CMU's enrollment is at least twice the size of these two campuses. CMU has far more similarities to Metro including enrollment and the demographic of students served and therefore, believes CMU should be treated similar to Metro in this funding component. Furthermore, WCCC should be separately recognized as other community colleges for funding purposes. These two adjustments would result in the following:

HB1319 Performance Funding Model: Mission Differentiation Component

	<i>CMU</i>	<i>WCCC</i>
<i>Current:</i>		

<i>All other comprehensive 4 year institutions</i>	\$4,800,000	\$0
Proposed		
<i>Large comprehensive 4 year institution</i>	\$5,100,000	
<i>Community Colleges</i>		\$1,000,000
TOTAL Increase in mission differentiation funding component	\$300,000	\$1,000,000

- 5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

Metropolitan State University of Denver

Metropolitan State University of Denver is a financially healthy institution. When reviewing the last 5 years:

- *The University's net position has increased each year; with a total net position of \$99.9M at the close of fiscal year 2016.*
- *With a consistent Current Ratio of approximately 3 the University is positioned to meet its current obligations.*
- *The University's Composite Financial Index (CFI) has averaged 2.7, but has been trending upwards since fiscal year 2014. Fiscal year 2016 ended with a CFI of 3.36. A scoring range between 2-5 is considered healthy.*

The University's financial position continues to be stable. MSU Denver has maintained our exceptional A1 rating by Moody's and Standard and Poors. Bond obligations are being met and reserves allow us to meet the guarantee on those bonds.

Colorado Mesa University

Colorado Mesa University continues to exercise sound fiscal management partly due to conservative budgeting. Throughout the University's growth, the University has maintained current ratios of 2.13 (2016) and 2.28 (2015). The current ratio demonstrates the liquidity of assets and the relative availability of working capital to fund current operations

In addition, CMU received a credit opinion from Moody's Investors Service on January 8, 2016 sustaining CMU's A2 rating, with a stable outlook. An "A" rating suggests that obligations are judged to be upper-medium grade and are subject to low credit risk. Moody's noted several credit strengths including: dominant student market; very good operating cash flow margin; revenue growth; planned investments in housing; low tuition rates; and state intercept program. The noted credit challenges include CMU's financial leverage as university continues moderate debt issuance; high reliance on student revenues; and unstable state funding.

Financial aid

- 6 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?

Metropolitan State University of Denver

For the current year MSU Denver and our Foundation will provide \$17.4 million in financial aid (see below for breakdown). This represents 18% of all tuition charges. A full 25% of MSU Denver students receive grant aid that fully covers their tuition and fees. Our goal is to create a model that creates essentially a free education for our lowest income students, as demonstrated by the 25% who receive full coverage without the need for student loans.

We award institutional scholarships to Colorado residents, who file a FAFSA and have a 3.25 gpa. The goal is to reward students who have achieved academic excellence.

Colorado Mesa University

CMU awards institutional financial aid to students in order to attract and retain a diverse student population that differs widely in academic and economic backgrounds and to make higher education affordable for low income and middle income students. In order to assist a variety of students, CMU has developed an array of institutional financial aid.

Admission scholarships are awarded based on student's academic achievement and awarded based upon meeting 2 of 3 criteria; Class Rank, GPA, and/or ACT/SAT test score. Below are the criteria:

To assist students that begin their academic studies at a different institution but transfer to CMU to complete their degree, CMU offers transfer students scholarships.

To further assist in affordability, a First Generation Scholarship is awarded to freshmen students whose parents have not graduated with a four-year degree. Students must complete the Free Application for Federal Student Aid and have a minimum 3.0 cumulative GPA. The value is \$1000 annually.

In addition to the scholarships based upon admission criteria, CMU offers grants and scholarships based upon other criteria.

MavWorks, an institutional based work study program, provides work for students that are not eligible for need-based work programs. This program was developed to assist students that are not eligible for Pell Grants and have a 3.0 GPA.

By utilizing a variety of different institutional aid programs, CMU strives to maintain affordability for students that have documented high financial need and also for middle income families that struggle to meet the cost of higher education. Primarily, CMU rewards academic achievement but is keenly aware of using all forms of financial aid to cover documented financial need for students.

Institutional aid, which includes grants, scholarship, and work programs, has increased over the years at CMU as noted in the table below:

<i>FY 2012</i>	<i>FY 2014</i>	<i>FY 2016</i>
<i>\$8,451,973</i>	<i>\$10,871,992</i>	<i>\$12,018,336</i>

- a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?

Metropolitan State University of Denver

Of FY 15-16 resident student population (22,462 duplicated headcount):

1706 students or 7.6% received need-based institutional scholarships [excluding Athletics, Foundation, Special Programs (OWOW, CAMP, etc...)] totaling nearly \$3 million.

571 or 2.5% received merit-based institutional scholarships excluding Athletics, Foundation, Special Programs (OWOW, CAMP, etc...) totaling about \$1 million.

Institutional need-based grants which for 15-16 totaled close to \$2.1 million.

Foundation and donor grants to students totaling \$2.2 million.

Free tuition for students taking between 12 and 18 credit hours for more than \$9.1 million.

In addition MSU Denver students receive \$31.3 million in Pell grant aid and \$18.3 million in State grant aid. Both are based on financial need.

In total then, MSU Denver students will receive \$67 million in grant aid against \$114 million in total tuition and fee charges. This means that 59% of tuition and fee is paid by a combination of university, State, and Federal grant aid, not including and student loans which must be paid back.

Colorado Mesa University

When packaging financial aid, CMU focuses almost equally on merit and need in awarding. In the most current year, data shows that out of 7,200 Colorado resident students, 1511 (21%) received institutional aid. Of the 1511 students, 792 students had financial need (11%) and 719 were awarded based only on merit (10%). These figures do not include the approximately \$2.5 million dollars in student assistant pay in FY 2016 that is not assigned through the financial aid process.

- b. How much of your “education and general” tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

Metropolitan State University of Denver

Currently, the University has over 15% (18% including Foundation gifts) of its total tuition revenue for institutional scholarship as well as tuition window. MSU Denver has maintained its tuition window for the past ten years. This means all students are eligible for free credit hours taking between 13 and 18 credit hours each semester. All institutional funds are awarded to Colorado residents currently. 74.76% for need-based and 25.24% for merit-based scholarship.

Colorado Mesa University

Of the \$12,018,336 CMU invests in students, \$8,038,030 is in the form of grants and scholarships. For the 2015-16 academic year, 10.7% of tuition revenue was used for scholarships and grants. CMU believes investing in work programs as well as grants and scholarships helps retention.

- 7 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

Metropolitan State University of Denver

MSU Denver annually increases our direct financial aid at or above tuition rate increases. Over the past decade we have increased financial aid at a rate 2.3 times more than our tuition rate increases.

From FY 11 to FY 14 (5 years) MSU Denver increased our institutional financial aid by 190% while the other institutions in Colorado raised theirs by an average of 29.7% (DHE Tuition and Fees Report, January, 2016)

Colorado Mesa University

In 2016-17, CMU anticipates spending 9-10% of its 2016-17 increased resident revenues on financial aid. Based on current budget projections and assumed enrollment growth in 2017-18, CMU anticipates spending at least 17% (based on a 6% tuition increase and 2% enrollment growth) of its increased resident revenues on financial aid (i.e. need-based grants, scholarships and work study). This is needed to continue financial aid awards for students currently enrolled and awarded in 2016-17 and also to offer similar awards to expected enrollment growth in 2017-18. Since +85% of CMU's enrollment are resident students, most of this added aid will go to Colorado residents.

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

- 8 What can be done to reduce the cost of education for students and the burden of student debt?

Metropolitan State University of Denver

Increased support from the State is the most effective way to reduce student costs and debt. The primary difference between public and private university tuition rates is the subsidy provided by government. As that subsidy decreases on a per student basis a greater burden is on the students to cover the costs of their education. That said, MSU Denver offers these suggestions to dampen cost increases and reduce the rate of tuition increases:

- a) *Increase revenue streams from non-tuition sources through public private partnerships. MSU Denver has engaged in 3 of these partnerships in the past 4 years. Our hotel partnership allowed us to construct a new \$12 million dollar student classroom building at no cost to the State or students. This project has already generated \$2 million in net profits which are to be used for student scholarships and to improve educational excellence. Another partnership in the music industry should provide \$2.5 million per year in net revenues to our budget annually by the 4th year of operation. MSU Denver is widely recognized around the nation for leadership in revenue generating partnerships.*
- b) *Increase revenue by exploring corporate and industry non-credit education at market rates.*
- c) *Use principles from LEAN process transformation to eliminate all non-value added processes, reduce paper and processing costs, and freeing up thousands of work hours each year to be redistributed to other tasks, thereby avoiding hiring additional support personnel. MSU Denver has an aggressive Process Transformation office leading these efforts.*

MSU Denver has already decreased student costs by \$9.1 million per year by creating our “tuition window”. This window offers completely free tuition to students who take between 13 and 18 credit hours. This is specifically designed to reduce student debt and encourage on time completion.

As mentioned above, MSU Denver is the least expensive university in Colorado, with others rates between 28% to 63% higher than ours.

Recently, MSU Denver was the only institution in the state to be selected for the Loan Counseling Experimental Site. Through the Loan Counseling Experiment, the U.S. Department of Education hopes to test the effectiveness of requiring additional loan counseling for student borrowers beyond the statutorily required one-time entrance and one-time exit counseling. The additional loan counseling is expected to help borrowers better understand their obligations and make more informed decisions about their debt.

Colorado Mesa University

In 2012, in order to stem the increasing student loan debt and rising default trend, CMU created a Financial Literacy and Debt Management Counselor position. Debt Management counseling is provided to students at every orientation. Students that have 30-60 credits and \$11,000 or more in federal student loans are contacted to set up a “financial aid check-up.” At these check-ups students are provided information on ways to reduce costs and loan debt.

In addition to financial counseling, CMU has met repeatedly with federal officials and lawmakers regarding the need to empower campuses to reduce student borrowing. Currently, federal directives dictate that federal loans must be offered to students in their full amount, regardless of whether or not the student needs the full amount. Empowering campuses to reduce loan disbursements based on a variety of factors would assist low- and middle-income families in reducing over borrowing. Further, we have targeted low- and middle-income students for financial literacy and face-to-face counseling to reduce borrowing.

The state can assist campuses in supporting limits on student borrowing and increases in federal and state support for financial aid.

- 9 Can higher education institutions be more efficient? Do we need new educational models?

Metropolitan State University of Denver

Yes, there is an important conversation occurring nationally to create a radically improved business model for higher education. However, even those organizations funding enormous grants to study this issue (such as the Gates Foundation) have yet to see significantly altered models emerge. Our own administrative leaders are known nationally for leading in this conversation. However, most of this conversation has centered around new revenue streams and not on the basic cost model.

In recent years Massively Open Online Courses (MOOCs) and private for-profit colleges have been widely touted as reforms to the current business cost model. Unfortunately neither has been proven to be effective in quality education or in financial solvency. While they may yet prove worthy, each relied on part time employment and/or massive course sizes to reach financial sustainability. These important experiments have failed to materialize. In the case of the private for-profit universities, the survivors have only been able remain in business by charging private university prices, the antithesis of reducing costs and student debt burden.

Colorado Mesa University

One of the most egregious inefficiencies in our administrative overhead currently is regulatory compliance and reporting. When the totality of this burden is examined (i.e. federal and state compliance and reporting combined), CMU is spending thousands of hours generating hundreds of pages of reporting. At CMU, the Institutional Research office dedicates an entire six weeks of staff time to the IPEDS reporting alone. Include the Clery Act, EADA, Perkins, Gainful Employment reporting, and we have added approximately 12 more weeks of staff time. While some fraction of this information and reporting may be appropriate, there is vast amounts of red tape and waste in terms of staff time, not to mention the staff who are generating forms, reviewing needless information, and tracking all of this—much of it having little, if any, impact on quality or affordability.

In addition, the state limits and controls institutions' revenues, but mandates increases and performance measures. It is a challenge to provide new initiatives for success, and retention when any limited increases in funding is offset by mandated increases, declines in general fund, and tuition limits. While education models are already changing with efficiencies due to technology, regulatory reporting and controls handcuff the university while increasing expectations.

From an academic perspective, higher education continually looks for and employs best practice education models. This, by definition, means seeking and implementing ever-evolving education models and efficiencies. Examples of this evolution at CMU include:

- *Recent revision of our General Education outcomes to match 21st-Century student needs such as oral communication and interdisciplinary, integrative thinking. The development of supporting coursework for meeting those needs—an Essential Learning “Milestone” course and a one-credit speech lab—was made without increasing institutional credit hour requirements for students.*
- *Implementation of an ePortfolio system to support creative, multi-modal student work while also facilitating assessment and career services functions.*
- *Expanded use of online Learning Management System (D2L) to make grades and other materials of every course at CMU available to students on demand.*

Other options to “increase efficiency” such as indiscriminately raising class sizes, reducing student support services, reigning in technology costs, etc., also have (or would have) the effect of reducing access and/or lowering completion rates.

- 10 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?

Metropolitan State University of Denver

MSU Denver has significantly increased our outreach and marketing to encourage the full time tuition window (this includes communication campaigns via text messaging, advising, and new student orientation). We have also started intrusive advising and a transfer student success program (creating a sense of community and making sure they are on track to graduation).

- a. Changes in remediation/supplemental academic instruction policies

Metropolitan State University of Denver

The math and English departments have created stretch versions of core composition (2012) and algebra (2015). Students who do not place into these courses may enroll in the stretch version and receive credit toward general education and electives rather than enrolling in remedial coursework at the community college.

For Math, the column labeled “peer study” is the SAI. These are for students who don’t test college-ready but aren’t too far behind. The % pass are those that tested college-ready and didn’t take the SAI/peer study:

	% Pass	% Pass with Peer Study
MTH Modes of Thought	78%	83%
Finite MTH	65%	74%
College Algebra	68%	59%

For English: The stretch is for students who are fairly far behind. We have the first semester of Freshman Comp take two semesters. For the students who don’t test college-ready but are closer to ready, we use the Writing Lab (1 credit) as an SAI. The control are the students with no assistance because they tested college-ready.

ENG 1010 with no assistance	Stretch English ENG 1008	Stretch English ENG 1009	ENG 1010 + Writing Lab
Pass rate	Pass rate	Pass rate	Pass rate
75.90%	83.60%	92.92%	80.46%

In the 2013-14 Academic Year (including summer), we sent 2,033 students to the community colleges for remedial mathematics. In the 2015-16 Academic Year (including summer), we sent 1,087 to the community colleges for remedial mathematics. This demonstrates that we have cut the number we sent for remediation roughly in half or by 946 students by increasing our Mathematics SAI.

Colorado Mesa University

Beginning in 2010 CMU launched a Working Group to Improve Student Academic Success (WGISAS) comprised of faculty and staff. The focus of this group’s work “...was to begin a campus-wide discussion on how to improve the academic success of [CMU and WCCC] students...[and]...examine and evaluate policies, procedures, and practices associated with the admission of entering undergraduates...the assessment/placement of students in college- and/or developmental-level coursework, and their subsequent enrollment in classes, and make

recommendations to the President on improving student progress and success based on the group's findings” (Boundaries for Success, CMU WGISAS Report, 2011).

Since that initial work, over several years the group has continued to meet and a number of curricular and support-services changes have been made to assist students.

Curricular Changes - Remedial/Developmental Courses

- *Lower-level English remediation consolidated from two classes into one.*
- *Higher-level English remediation reduced to one credit and completed simultaneously with a college-level composition course.*
- *Math coursework implemented that, at multiple course-levels, provides rapid, partial-semester bridges for students whose testing demonstrates need for remediation, but who in actuality need more recent exposure to the material. Students move directly from the bridge course into the appropriate college-level math course.*

Multiple Early Alert communications

- *Faculty can identify and refer “students of concern” to support services when student attendance drops off.*
- *Faculty can refer students to tutoring and peer mentoring services based on their perceptions of students’ needs for additional help and support.*
- *Students receive early alert academic status communications at 2 different points in the semester to alert them to their course grade status.*

The creation of an Office of Student Success, which provides academic and peer coaching for students who were admitted through the window beneath the CMU baccalaureate minimum index score.

Learning and Study Strategies Inventory (LASSI) administered to all first-time new students to help identify strengths and weaknesses in their learning and study skills related to anxiety, attitude, concentration, information processing, motivation, selecting main ideas, self-testing, student aids, test strategies, and time management.

Also since 2010, our **Federally supported TRiO program** has provided a range of events and support for 150 select “at-risk” students, including a Success Conference with sessions on good student behaviors and financial literacy. 115 of the TRiO students are Pell-eligible, and 98 of those students had four or more staff contacts this semester. TRiO student support programming includes: Financial Literacy programs, help understanding and completing the FAFSA, Academic Advising, Graduate School preparation workshops (how to apply, how to seek financial support, etc.), Study Skills workshops, Life Skills/Stress Management workshops, Professional Development seminars (e.g., interviewing, networking, resume/cover letter writing, etc.), along with Community Building and Cultural Enrichment activities (e.g., volunteer opportunities, adopt-a-family service projects, etc.).

b. Dual/concurrent enrollment programs

Metropolitan State University of Denver

Spring 2016:

9 school districts

445 Students

58% Latino

Total revenue \$83,026

Fall 2016:
3 school districts
83 Students
64% Latino
Total revenue \$11,160

Spring 17:
Expand to 14 school districts

Recommendations for Concurrent Enrollment (CE):

Enhance our efforts in outreach and promotion to grow the program by hiring a part-time coordinator to be responsive to requests for expansion and establish closer collaboration with regional school districts. The concurrent educational program at MSU Denver has grown from less than 20 students to more than 400 above.

Explore appropriate niches where MSU Denver has strong academic programs to pursue differentiated concurrent enrollment as an enrollment tool for MSU Denver. For Example, the University currently has concurrent enrollment in the Hospitality, Tourism, & Events (H.T.E) and Aerospace Science majors. MSU Denver's goal is to expand into other majors.

Colorado Mesa University

Early Scholars, High School Scholars, and the ASCENT programs are all partnerships with school districts that in various ways allow students to start their CMU coursework while still in high school.

- c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

Metropolitan State University of Denver

- *MSU Denver only accepts credit from institutions of higher education holding full regional accreditation. Your school must be accredited by one of the following agencies: Middle States Association of Colleges and Schools, New England Association of Colleges and Schools, North Central Association of Colleges and Schools, Southern Association of Colleges of Schools, or Western Association of Colleges and Schools.*
- *We award up to 64 semester hours of transferable credit from two-year institutions and up to 90 semester hours from four-year institutions or from a combination of two-year and four-year institutions. Even if your previous college or university is regionally accredited, coursework is still evaluated on a course-by-course basis.*
- *Transfer credit is accepted only for those classes in which a grade of "C-" or better is earned and in which class content is similar to that of coursework offered at MSU Denver. Your GPA at MSU Denver will not include your grades from previous institutions.*
- *Colorado's Statewide Guaranteed Transfer Program is a set of general education courses that are guaranteed to transfer to MSU Denver and apply to a student's general education, major, minor, or elective requirements.*
- *Guaranteed transfer of 60 credit hours for A.A. or A.S. degrees completed at a Colorado community college, providing all courses completed with a grade of "C-" or above.*

- 11 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?

Metropolitan State University of Denver

Reasons why credits don't transfer:

- *Course was remedial/ developmental*
- *Course was career/ technical*
- *Student didn't earn a grade of "C-" or above in course*
- *Course was taken at non-regionally accredited institution and we don't have an articulation agreement in place with that school*

Are there steps that should be considered to address credit-loss at the institutional level? At the State level?

- *Institutions should be encouraged to review their transfer policies and procedures on a regular basis to minimize loss of credit as much as possible.*
- *Students should be encouraged to connect with the school they are interested in transferring to as early as possible in order to get advice on courses that will transfer to lessen the chance of taking courses that may not transfer.*
- *Institutions should be encouraged to develop more articulation agreements, specifically with schools that don't possess regional accreditation.*

Do you have input on JBC staff's recommendations on this?

- *Have CDHE provide a series of recommendations and guidance to institutions on the aforementioned items.*

Colorado Mesa University

Colorado Mesa University's recently submitted Transfer Credit Summary Report (CDHE Data Report 12/2016) shows that CMU consistently transfers-in academic credits that meet appropriate academic standards

A review of the Transfer Summary dataset revealed the following:

- *Institutional and state guidelines were met in the transfer of credit.*
- *The only time AP, CLEP, DANTES, and other PLA credit were not accepted in transferred were due to:*
 - *Scores lower than CDHE standards;*
 - *The student taking the same credit in two formats. A student cannot earn credit for the same course twice, thus only one instance was recognized;*
 - *PLA credit is limited to 30 credit hours. Military and challenge credits were the only instances where the 30 credit maximum was reached. However, all credits beyond 30 credits didn't have CMU degree applicable equivalents and/or exceeded the electives needed for any degree. We can say with certainty students did not lose any degree applicable credits.*
- *Credit was not brought in from non-regionally accredited institutions. HLC guidelines allow an institution to assure the quality of credit in transfer, as such CMU, restricts the transfer of credit from non-regionally accredited institutions.*

- 12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.
- (a) Support a grant program to develop and disseminate open access educational materials for Pathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.

Metropolitan State University of Denver

MSU Denver would be in favor of this approach.

Colorado Mesa University

*CMU strives to provide its students with low cost and no cost alternatives to expensive textbooks. Of the Essential Learning Core classes at CMU (our general education classes), more than 80% have some form of low-cost alternative. CMU is interested in a funding program that rewards and incentivizes these strategies. Keep in mind that, **Course comparability is essential for Higher Learning Commission (accreditation) compliance.***

The Maverick Store, the official bookstore of CMU, uses a number of different programs to ensure course materials are as affordable as possible to CMU students. For Fall 2016, CMU students have saved approximately \$375,000 off the purchase price of new materials by taking advantage of these programs. While faculty, not store employees, are responsible for choosing the materials used in each class, the CMU bookstore works to provide as many format choices as possible to students:

- *Used Books: traditional print books, previously used. Sourced from current students, national wholesale companies (up to 5 are used by the store), and the open market.*
 - *Used copies are available for most titles, with the exception of new editions and texts bundled with access codes that would make buying/selling Used books + new components cost-prohibitive.*
 - *The Maverick Store uses VERBA Compete tools to dynamically price Used materials to be competitive with the open market.*
- *Loose-leaf Books: unbound print books sourced from publishers, when available. Pricing can be up to 25% less than bound books. May be bought and sold Used. For Fall 2016, at least 73 lower-priced loose-leaf versions were available. Nine of these loose-leaf versions were custom for CMU, leading to even more savings to students.*
- *E-Books: digital access codes. E-book version of text, no print version included. May be priced less than a traditional book.*
 - *Digital access may be bundled with printed text or offered as a stand-alone option. Students may choose the format that best meets their needs. More than 40 stand-alone digital titles were available for Fall 2016.*
 - *An additional 134 titles were available in partnership with Redshelf (3rd party vendor). Titles available in this format offered access from 90 days to lifetime, depending on title. Many titles offer a choice in access time, and are priced accordingly.*
 - *No e-reader device is required; most allow access from any internet-capable device, including tablets and smart phones.*
- *Rental Books: traditional print book, rented for the semester at a reduced price and returned to the store at the end of the semester. New and Used books may be rented; prices are calculated based on selling price of title.*
 - *For the Fall 2016 semester, The Maverick Store offered 587 titles for rent, or 68% of all titles adopted for the semester. Students chose to rent more than 5,200 copies of these titles for the semester.*
- *Open Source (Open Educational Resources or OER's): open materials available to anyone to use online for free.*
 - *Two sections of one class (PHYS 111 001, 002) used Open Access materials, at least as indicated by our course materials records. This class used College Physics by Openstax (Rice University non-profit), and printed copies were made available for student purchase, because not all students prefer/are comfortable with*

online-only materials. Although the online materials are available free, printed copies have a minimal cost (usually just to cover printing expenses).

However, because open access materials are direct to students, CMU administration may not be in the loop on all materials faculty are using to reduce the burden to students. Many faculty at CMU were once struggling students themselves and empathize with CMU's students. Many of CMU's faculty therefore try to keep costs down for students by limiting the number of text purchased, choosing cheaper textbooks and allowing used copies, and using or making excerpts available online.

Finally, College Board's figure of \$1,800 annual expense for books and supplies is the budgeted amount used in Financial Aid calculations, but actual spending reported by students in the National Association of College Stores 2015-2016 survey is \$602 per student for the year. Average spending for CMU students during that year was \$406.39 for course materials (on-campus purchases only).

- (b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

Metropolitan State University of Denver

There could be IP and copyright implications that would need to be fully vetted before proceeding.

Colorado Mesa University

CMU already strives to make faculty research and publications available to the public through its library collections and journal subscriptions. However, one of the barriers is that not all journals and book publishers allow "open access." Open access refers to online research outputs that are free of all restrictions on access (e.g. access tolls) and free of many restrictions on use (e.g. certain copyright and license restrictions). This is why CMU attempts to purchase all faculty books and subscribes to all of the journals it does. Certain journals will allow open access, for an approximate \$5000 fee, but this is sometimes not an option at all. CMU supports this general initiative, but suggests that further research would need to be conducted to determine the feasibility of this request.

Different disciplines function differently. That said, attempting to implement archiving and availability would need to be negotiated with the publishers. This issue is not so much about faculty intellectual property as it is about publisher copyright. Nearly all refereed/juried (research) publication outlets require authors to sign a copyright agreement. This might need to be "negotiated" at the Commission or State level with publishers, perhaps following models currently being explored in other states (e.g., JBC Report examples). Even without this barrier, the implementation costs would likely be higher than the cost savings to students.

- (c) Do you have any feedback on these ideas?

Metropolitan State University of Denver

We should also examine whether or not there could be implications on restraint of commerce that might arise in limiting the time frame of current legal protections for work product.

Colorado Mesa University

See above.

10:30-10:45 BREAK

10:45-12:00 ADAMS STATE UNIVERSITY, FORT LEWIS COLLEGE, WESTERN STATE COLORADO UNIVERSITY

INTRODUCTIONS AND OPENING COMMENTS (5 MINUTES PER GOVERNING BOARD)

Note: the JBC requests only one speaker per governing board

Tuition, General Fund, Institutional Financial Health, and the Executive Request

- 1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?

Adams State University

Salaries and benefits are the biggest single expense category for Adams State, and by far the largest instructional cost. These expenses have consistently increased much faster than inflation. Over the past fifteen years, the health insurance premiums for our faculty and exempt staff have increased an average of 7% each year. Adams State's share of our classified employees' premiums have increased an average of 11% per year for the past ten years. Furthermore, the State of Colorado's Public Employee Retirement Account (PERA) has continually passed more and more retirement cost to the employers in attempt to cover their deficits. In January of 2010, Adams State contributed 13.85% of employee salaries to PERA. In January of 2017, the percentage will be 20.15%. That is over a 45% increase since January 2010.

Regulations, both federal and state, have also increased dramatically over the years. The increase in regulations have caused us to need additional positions just to keep up with reporting and compliance regulations.

As a small rural institution, Adams is more heavily reliant on State support. Our state appropriation is a larger piece of our total budget. Thus, when our state support is cut by a percentage, it is a larger percentage of our total budget. This leaves us less places to look to balance the budget.

Fort Lewis College

Fort Lewis has three primary sources of unrestricted revenue: State General Fund support (including COF and Fee for Service), making up 21% of the total, resident tuition (20%), and nonresident tuition (53%). The remaining 6% of revenue comes from mandatory student fees, interest income, donation revenue and various charges to students including, confirmation, enrollment, and application fees. The total revenue change will be the change of all three of these fund sources from one year to the next.

The primary drivers of tuition increases at Fort Lewis College include salary increases, health insurance and retirement (AED/SAED) escalation, other non-discretionary increases such as utilities (weather dependent) and funding for new quality initiatives. State General Fund reductions also play a role in the need to increase tuition rates. Salary and benefits costs make up 70% of Fort Lewis College's Education and General Fund budget. The college has worked hard to keep

salaries competitive with peer institutions. Six years ago, the Board of Trustees determined that bringing faculty and staff salaries up to peer levels was a priority. At the time of this decision, faculty salaries averaged 84% of peer salaries. The college achieved 101% of peer average salaries in FY 2015-16. This benchmark was achieved by providing an annual average faculty increase of 5.4% for the period of FY 2010-11 through FY 2015-16. The average Denver-Boulder-Greeley CPI (D-B-G CPI) during this same time was 2.3%. Regarding faculty hiring and retention, Fort Lewis College operates in a nationally competitive environment, and measuring against our peers allows us to attract and retain qualified faculty and staff.

Another factor in costs increasing faster than inflation is the makeup of the faculty. Over this same time period, the college has seen enrollments shift from the liberal arts to STEM fields. Enrollment in the Physics and Engineering department has grown by 94% since 2010. The starting salary for an Engineering Assistant Professor is \$62,000 where an English Assistant Professor is \$49,000.

Western State Colorado University

Over the past several years, it has been the large reductions in state support that have had the most impact on the cost to students. From FY2009-10 to FY2012-13 state appropriations at Western were reduced by over 25%. Offsetting this loss of support required larger than normal increases in tuition in order to prevent draconian cuts to academic programs even though Western reduced expenditures by approximately a quarter million dollars.

From an expenditure perspective, as identified in the Cost Driver Study conducted for the CDHE by NCHEMS, the largest factor determining the costs of higher education is personnel. Higher education is a people-intensive industry and the quality of the education provided is, in large part, driven by the quality of the people who are delivering and supporting instruction. At Western, over 50% of the annual budget is spent on faculty and staff compensation and the University continues to lag in average compensation as compared against peer sets defined by the CDHE.

In recent years, other elements of compensation, namely health and retirement benefits, have consumed a disproportionate share of compensation costs. While Western has tried to manage these cost increases through such actions as trimming benefits and passing costs on to employees, some increases are mandated (e.g., PERA contributions). However, in order to remain competitive in recruiting and retaining quality faculty and staff, Western must continue to provide competitive benefit packages which has increased the amount of budget directed toward these expenses.

Finally, costs associated with implementation and compliance of federal and state mandates have been escalating in recent years. As examples, the recent FLSA standard changes (while on temporary injunction, the ramp-up costs required to be compliant by December 1 were considerable) and the recent passage of Amendment 70 (minimum wage increase) have or will require the allocation of additional resources for salaries, training, and IT system modifications.

- 2 Discuss the resident tuition increase proposed for your governing board in the Executive request.
 - a) How much of an increase in education and general revenue do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.

Adams State University

To just cover inflation and PERA escalations in our education and general fund, Adams would need approximately \$1M additional education and general revenues. This is slightly greater than CPI, but only to account for the mandated PERA increases. This does not account for any revenues to backfill behind lost revenues or to fund new initiatives.

Fort Lewis College

Fort Lewis College needs to generate approximately \$2.2M in revenue during FY 2017-18 to keep salary levels competitive, cover non-discretionary cost increases and continue recruitment and retention initiatives. This amount

represents a 3.6% increase, which is greater than the projected D-B-G CPI. The additional funding above the CPI is needed for improvement initiatives.

Western State Colorado University

If Western were to receive the requested appropriation increase of \$286,970 and implemented the proposed tuition caps generating an estimated \$980,317 in additional tuition revenue, this would result in a total education and general fund revenue increase of approximately 5.7% over our current year adjusted budget. The projected increase in the Boulder-Denver-Greeley CPI is 2.9% for FY2017-18 (calendar year 2016).

What is not accounted for in the CPI are personnel costs. At Western, the majority of our budget is expended on personnel and compensation for our faculty and administrators lags behind national peer averages on a range of 5-10%. Compounding this is that the cost of living in Gunnison ranges between 5-10% above national averages. In order for Western to remain competitive in hiring and retaining quality faculty and administrators, our Board has committed to closing this gap which requires going beyond inflation with our compensation budgets.

In addition to compensation, federal and state mandates often require expenditures beyond the rate of inflation in order to implement and/or maintain compliance. For example, with the passage of Amendment 70, Western's student employment budget is expected to increase by 8.7%. The recent changes in FLSA and overtime regulations, if reinstated from the temporary injunction, is anticipated to cost Western an addition \$200,000 annually if no modifications to work schedules are made.

- b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?

Adams State University

We have yet to have these conversations with our governing board. However, Adams State administration is very cognizant of the student population we serve. Any tuition increases that result in enrollment declines do not achieve additional revenue. Additionally, while we do not have the results of our performance audit with HURON and the Office of the State Auditor yet, preliminary recommendations indicate an agreement that we cannot rely on tuition increases without effects on our enrollment. Based on this, we do not want to increase our tuition more than the proposed, and less if we are able.

Our goal is to keep tuition as low as possible, while still generating sufficient revenue to cover our minimum costs. Furthermore, we have guaranteed tuition to our returning undergraduate students, both resident and non-resident. Any tuition increase would apply only to new students. We estimate the number of returning students eligible for the guaranteed tuition to be approximately two-thirds of our student population. Thus, any increases in tuition rate only apply to one-third of our undergraduate student population. This also impacts our ability to generate additional revenue with tuition rate increases. Our goal is to make up for the loss of tuition flexibility with an increase in retention and completion of students.

Fort Lewis College

The maximum undergraduate resident tuition rate increase does not cover the entire college need. In addition to the maximum 6% resident tuition increase, the college will need to increase non-resident rates by up to 5% pending Board approval. These increases, assuming flat enrollment, will provide the funding level needed to maintain salaries at peer averages, cover non-discretionary costs and maintain the current recruitment and retention initiatives.

Western State Colorado University

Yes. As stated above, we believe a total revenue increase of approximately \$1.3 million to our education and general fund budget should be sufficient to cover mandated cost increases, continue to invest in our financial aid programs, and allow the University to make progress on closing the compensation gap.

- c) How much of a General Fund increase would you need to keep tuition flat?

Adams State University

Adams State administration estimates that if the State of Colorado allocated \$1.2M to fund our education and general inflationary increases and the mandatory PERA increases, that we would be able to keep our tuition flat.

Fort Lewis College

A 20% increase in general fund would be needed to keep resident and non-resident tuition flat.

Western State Colorado University

In order to keep resident tuition flat, Western anticipates that state appropriations to the University would have to increase by \$822,000 (including the \$287,000 already requested), or approximately 7.1%.

- d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

Adams State University

Again, this question comes before we have discussed tuition rates for FY2017-2018 with our governing board. However, as stated before, we are concerned about our ability to use tuition increases to generate additional revenue.

Fort Lewis College

This answer depends on the amount of nonresident tuition increase. Assuming a 5% increase in nonresident tuition, the college would need to increase resident tuition by a minimum of 6%.

Western State Colorado University

Western would anticipate the need for an additional 3-5% of resident tuition spending authority to replace the \$287,000 currently being proposed in state appropriation increase.

- 3) How much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

Adams State University

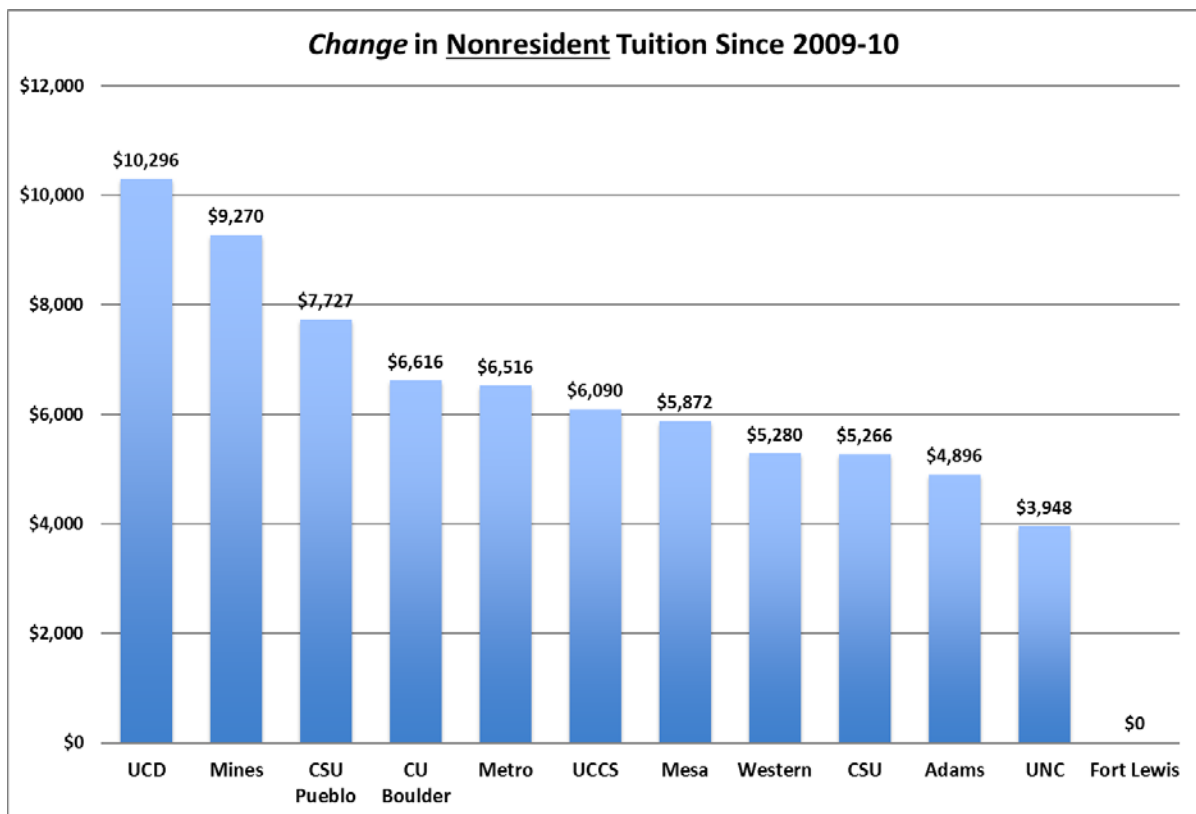
We have not yet had discussion about non-resident tuition with our governing board as well. However, we have also been watching the market with our non-resident student population. We are seeing a maxing out of the tuition rate in which we can successfully recruit and retain non-resident students. We don't anticipate being able to increase our non-resident rates more than 5%.

Adams State participates also in the Western Undergraduate Exchange (WUE) program. Students from participating states will be assessed a tuition rate equal to 150% of our undergraduate rate plus 150% of COF. Thus, the increase these students will see is directly correlated with our undergraduate rate changes.

Fort Lewis College

Non-resident tuition represents approximately 72% of the college’s total tuition revenue of \$39M. As seen on the following chart, Fort Lewis College has not increased non-resident tuition in seven years and **now has the lowest non-resident tuition of four year institutions across the state**. The college has been cognizant of the impact of increases in non-resident tuition rates to the Native American Tuition Waiver reimbursement. While this strategy has helped reduce the annual increases related to the waiver, the result has been foregone revenue to the college, as approximately 50% of the college’s non-resident students are not Native American.

The Board of Trustees has discussed the need to increase non-resident tuition rates in FY 2017-18. Over the last seven years, all tuition increases have been ENTIRELY borne by resident students. The Board of Trustees has not discussed a specific percentage increase to non-resident tuition at this time. The Governor’s request included a 5% non-resident increase, less than the maximum 6% resident increase. A 1% increase in the resident rate equates to \$64 per year for each full-time student, while a 1% increase in the non-resident rate is approximately \$160 per year for each full-time student.



Western State Colorado University

As of the end of December, we do not have a rate increase for nonresidents identified but we would anticipate that it will be higher than resident students on a dollar basis (the % increase most likely will be less). At Western, nonresident, undergraduate students compose approximately 25% of our total student FTE population and are an important revenue source for the University. In FY2015-16, Western generated \$8.8 million in nonresident tuition revenue which represents close to 45% of all undergraduate tuition (net of COF stipend).

Several years ago Western conducted an analysis on price sensitivity for both nonresident and resident undergraduate populations. Findings of this study suggested that our prospective nonresident students were highly sensitive to pricing and that large increases in tuition, without effective discounting strategies, would have the effect of driving down nonresident attendance. Given the results of that study, Western has limited nonresident tuition increases, and combined with more targeted, strategic discounting, the University has been able to increase nonresident enrollment by approximately 20% and net tuition by 37% since 2012.

- 4 Are you comfortable with the funding allocation model as submitted? Why or why not?

Adams State University

Adams State is aware that Joint Budget Committee staff and Department of Higher Education staff are working hard to make the model consistent, and agree that this is important. The model has shown enough consistency for the last two years to avoid having to use any guardrails. This has been a great improvement over previous attempts. Thus, we are satisfied with the funding allocation model as submitted. That said, we also hope to keep open the discussion and evaluation of the model on an annual basis. Small improvements to the model could still be made, and we would like to see these conversations take place and any possible changes explored prior to next year's budget request. As time goes on, the flexibility to adapt to new factors and/or unforeseen factors will be important in ensuring the model is sustainable long term.

Fort Lewis College

Yes, while the funding model is not perfect, the college believes the process was inclusive and institutional input was considered.

Western State Colorado University

Western supports the current iteration of the funding formula but believes that improvements can and should be made to recognize the growth outcomes at smaller institutions. From FY2013-14 to FY2015-16, Western's total FTE enrollment grew by 15.1%, by far the largest in the state on a governing board basis. However, the funding allocation model has not recognized this growth with increased appropriations. Rather, Western's allocation has hovered around the system-wide average since implementation of the new formula. This is due to the fact that Western, despite these gains, does not possess the volume needed to receive substantial increases through the formula. More recognition needs to be attributed to relative gains and not just absolute gains.

- 5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

Adams State University

Over the last several years, Adams State has been experiencing financial challenges. Our tuition increases affected the student population we serve. Our typical student is a low-income, historically underserved student. As we increased tuition, many of our potential students decided that school was not financially attainable, and opted not to go. We did not decrease cost as quickly as our revenues decreased. For the year ended June 30, 2015 our audit report included a finding regarding a "Trend of Declining Financial Condition." Furthermore, in January 2016, Moody's Rating Agency downgraded our bond rating and gave Adams State a negative outlook.

Also as of June 30, 2015 Adams State had a change of presidency. While our audit finding did not come out until later, our new President understood the situation and immediately began containing costs where possible. However, major cost structure changes take time. Adams State did not come into this situation overnight, and we won't come out of it overnight either. That said, there is clear progress in the right direction. Our audit finding referenced changes in net position, not

including State Appropriations, Capital. We have expanded this analysis to also show net of depreciation on state appropriated buildings as well as the capital appropriations to maintain them.

Fiscal Year Ended	Increase/(Decrease) in Net Position	State Appropriation, Capital Contribution	Increase/(Decrease) in Net Position, excluding State Appropriation, Capital	Estimated Education and General Share of Depreciation Expense	Increase/(Decrease) in Net Position, excluding State Capital Appropriation and State Depreciation
2016*	(2,280,351)	2,203,440	(4,483,791)	4,952,126	468,335
2015	6,007,728	13,039,450	(7,031,772)	4,828,490	(2,203,232)
2014	3,696,942	7,759,043	(4,062,930)	4,602,930	540,829
2013	(4,958,974)	321,140	(5,280,114)	4,404,970	(875,144)
2012	(3,799,589)	17,400	(3,816,989)	3,849,294	32,305
2011	681,191	16,515	664,676	3,125,523	3,790,199
*Unaudited					

Adams State is also striving to increase revenues through increased student retention. Many of our initiatives in this area also take time before the impact of them are seen on our financial statements. Some of these initiatives are: the implementation of a four year guaranteed tuition rate for our undergraduate students, purchase of Degree Works advising software to improve advising for students and faculty and reduce unnecessary credit hours (we begin implementation in January 2017 for anticipated launch in the fall of 2017), and an evaluation of our remedial education program. We have revamped our student orientation and are already seeing a positive impact.

Adams State also recognizes that we are very dependent on state support and student tuition. We are pursuing partnerships and relationships to identify other ways to bring support to our institution through additional revenue streams. Some examples are sector partnerships, public-private partnerships, private funding, and grants.

Fort Lewis College

The college measures financial health in a number of ways including, bond rating and composite financial index (CFI). In 2016, the college's bond rating was reaffirmed by Moody's Investor Services at the A2 level. The outlook for the reaffirmed rating is stable. As indicated in the budget briefing, page 21, the college's CFI has moved from 2.0 in FY 2014-15 to over 3.0 in FY 2015-16. Additionally, the college has adopted a long-term budget model, considering the impacts of financial decisions over a five and ten year planning horizon. In preparation for the FY 2017-18 budget process, the college is undergoing a base budgeting exercise, scrutinizing each operating budget and employee position. College staff takes the Colorado Future's Center report very seriously and is trying to position the college for difficult budget years ahead.

Western State Colorado University

On a cash basis, Western remains healthy and our strength in this area continues to grow. Two key financial metrics used by rating agencies, cash flow margin and unrestricted net assets to operations, show Western outperforming the median scores of institutions with higher bond ratings.

For FY2015-16, our composite financial index score, as calculated using the HLC methodology, is over 2.0 which puts Western "above the zone" according to the HLC scale, signifying financial health. The increase in Western's CFI was due

in large part to two factors: 1) the Quigley Hall project, which was funded with capital construction appropriations which more than offset our depreciation expense and grew total net assets and 2) significant increases in operating revenue due to enrollment growth without equivalent increases in expenditures.

However, it can be expected that when the Quigley Hall project has been completed Western's CFI will drop. As a state institution, Western does not have a tuition pricing structure that incorporates the costs of maintaining state facilities. This is because Western, like all institutions with state-owned facilities, has relied on state appropriations to address capital and controlled maintenance needs. Over the past decade, appropriations for capital projects has not been able to keep pace with need and Western has had to develop other means to address these needs. In particular, Western's students approved a facility fee in 2010 that allowed the University to bond projects that were a critical component of the University's facility master plan and growth objectives. As Western addressed these facility needs, it increased the amount of debt owed by the University and increased the depreciation expense as newer facilities have taken the place of older, fully depreciated buildings. It is because of these factors that Western will continue to be challenged by the composite financial index that was developed by the Higher Learning Commission and used by JBC staff.

More important, however, to Western's Board of Trustees in the assessment of financial health is the University's discipline in managing annual budgets and staying within Board-approved spending plans. In recent years, the Board has adopted cash reserve policies that protect Western from the fluctuations in state support and student enrollment. Currently, Western maintains an operating reserve of over 25% in the E&G fund in addition to a debt-service reserve fund with a current balance of over \$1 million.

Financial aid

- 6 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?

Adams State University

Adams State University offers scholarships on both the basis of merit and need. Levels of merit scholarships vary based on admissions index for first time students or GPA for continuing students. Need based awards are based on Pell eligibility. Work-study opportunities are offered to all students. Some scholarships include additional elements such as residency status, year in college, on-campus housing, and field of study. There are some scholarships which focus on the recruitment of new students, and others that focus on retaining our current students. Furthermore, a portion of our non-resident tuition is allocated to an "Experience Colorado" scholarship for non-residents meeting the index and GPA requirements. The Adams State University Office of Financial Aid's goal is to ensure that all students have access to multiple sources and amounts of financial assistance including need-based, merit, private scholarships, work-study before securing any student loans.

Fort Lewis College

Fort Lewis College awards various institutional aid including, merit scholarships, athletic scholarships, New Mexico reciprocal awards, Western Undergraduate Exchange scholarships and need-based institutional aid. The goals of the institutional merit program are recruitment, retention and four-year graduation of students. Merit scholarships are automatically awarded based upon admission index, ranging from \$2,000 to \$10,000 annually, with higher level awards going to students with higher admission indices. Merit awards are renewable up to eight semesters. Renewal criteria include earning a minimum of 30 credit hours per year and maintaining a 2.0 GPA. Institutional need based financial aid is offered to students to fill the gaps left after federal and state financial aid.

Western State Colorado University

Western awards institutional aid through merit scholarships, tuition discounts and need-based grants. There are varying levels of merit scholarship awards, and the criteria varies with the award level; the higher the merit award, the higher the academic criteria. At a minimum, students must have a 3.0 cumulative GPA with a 22 ACT or 1100 SAT score to be awarded any level of merit scholarship. Our goal is to attract academically prepared students, who will persist at Western, thereby increasing our retention rates. Our discount programs target states other than Colorado which have been identified as areas where Western can successfully recruit and retain non-resident students, which helps meet our enrollment goals. The need-based grants are awarded to students who meet certain EFC criteria (in-state) or who have demonstrated need through the FAFSA (out-of-state). Our goal in awarding institutional grant aid is to help keep educational costs affordable for PELL eligible, Level 1 and Level 2 students in Colorado and any out-of-state student with demonstrated need. Additionally, all of these programs help us keep our net price low.

- a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?

Adams State University

Almost all of our resident students receive some type of aid. 85% of our resident students receive federal need based aid, 53% receive state need based aid, and 27% receive other aid (private scholarships, etc.) We have modest institutional funds to fill some of the gaps. 13% of Colorado resident students receive an institutional aid scholarship based on need. 36% of Colorado resident students receive an institutional aid based on merit.

Fort Lewis College

In FY 2016-17, 35% of resident students were awarded institutional scholarships based upon merit and <1% of resident students were awarded institutional need based aid. While the students are awarded institutional scholarships based upon merit, approximately 57% of the institutional merit scholarships help meet student's financial need.

Western State Colorado University

For fall 2016, approximately 26% of our resident, undergraduate population receives some institutional merit-based aid, including E&G funds and auxiliary funds. For fall 2016, approximately 20% of our resident, undergraduate population receives some institutional need-based aid, including E&G funds and auxiliary funds.

- b. How much of your "education and general" tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

Adams State University

In FY2016, Adams State allocated \$3.5 million of education and general revenues to scholarships. In addition to education and general revenues, we also allocate approximately \$600K of auxiliary revenue towards room and board waiver scholarships.

Resident students received 77% of our institutional need based awards, while non-residents received 23% of our institutional need based awards. Resident students received 41% of the institutional merit based awards. The Experience Colorado accounts for 24% of our institutional merit based awards. Note that this is funded by non-resident tuition. A non-resident student pays \$15,960 in annual tuition without the Experience Colorado scholarship. A non-resident with the Experience Colorado scholarship pays \$10,960. A resident student pays \$5,448.

Fort Lewis College

In FY 2016-17, \$7.9M, or 15%, of the education and general fund is budgeted for all scholarships. The merit program totals \$3.9M and is split approximately 50/50 between funding for resident and non-resident students. The remaining \$4M represents Western Undergraduate Exchange, New Mexico Reciprocal, and athletic scholarships, as well as, need based aid and miscellaneous scholarships.

Western State Colorado University

In FY2015-16, Western expended \$5.0 million in institutional financial aid from our education and general fund. Of this amount, \$2.0 million was allocated to Colorado residents, resulting in a net tuition and fees cost of approximately \$4,000, on average, per full-time student; \$3.0 million was allocated to nonresident students, resulting in a net tuition cost and fees of approximately \$9,400, on average, per full-time student.

Of the \$5.0 million allocated, approximately 95% was distributed through merit programs and 5% was distributed through need programs. However, it is important to note that many scholarships distributed via merit programs meet some level of financial need as identified through the student’s EFC or through completion of the FAFSA. Also, funds generated from our facility fee, which is an auxiliary fund (non E&G), are used for need-based financial aid. Western allocates approximately \$600,000 annually from this fund.

- 7 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

Adams State University

Because the majority of our students qualify for need based aid, we are focused more on keeping the total cost down. If we served a different population, it would be easier to increase tuition and keep a small piece of that to allocate to our need based population, say if that was only 10% of our population. That would give us 90% of our student population to use to spread an increase in need based aid over 10% of our population. However, our reality is that the majority of our students qualify for need based aid. Trying to spread the need of majority across the minority non-need eligible is not feasible.

Fort Lewis College

The college does not anticipate using any increase in resident tuition for scholarships, as the scholarship program is currently fully funded. Additionally, scholarship values do not typically change with changes in tuition rates.

Western State Colorado University

Western’s institutional discount rate for Colorado residents has climbed from 15.8% in FY2012-13 to 21.4% in FY2015-16. The discount rate represents the percentage of total tuition and fees covered by institutional aid and can be a tool used to manage net costs (see answer #8 below) while tuition and fee rates increase. Many other institutions use discounting as a means to grow enrollment as well. While managing a discount rate, it is important to ensure that the institution maintains positive net income. As illustrated in the table below, Western has increased our discount rate which has kept net costs manageable for our student population while growing net income and enrollment.

Discount Rate Analysis: Western State Colorado University

	FY2012-13	FY2015-16	% Change
<i>Gross Colorado Resident Tuition and Fees (net of COF Stipend)</i>	<i>\$8,703,974</i>	<i>\$10,870,842</i>	<i>24.9%</i>
<i>Institutional Financial Aid</i>	<i>\$1,374,715</i>	<i>\$2,330,132</i>	<i>69.5%</i>
<i>Discount Rate</i>	<i>15.8%</i>	<i>21.4%</i>	<i>35.7%</i>

Discount Rate Analysis: Western State Colorado University

	FY2012-13	FY2015-16	% Change
Net Income	\$7,329,258	\$8,540,710	16.5%
Colorado Resident, Undergraduate Enrollment (FTE)	1,368.9	1,408.6	2.9%

Western will continue to assess our discount rate and make modifications in the context of net costs to students, net income to the University and our enrollment objectives.

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

8 What can be done to reduce the cost of education for students and the burden of student debt?

Adams State University

One way in which we can reduce the cost to students is to reduce the time it takes them to finish their degrees. We encourage our students to take at least fifteen credit hours per semester and graduate on time.

Starting in the fall of 2016, Adams State started a four year undergraduate guaranteed tuition policy. This will guarantee that the students will not see a rate increase as long as they finish their degree in four years. This not only encourages the students to graduate in four years, but also allows students and parents to anticipate and plan for the total cost of the degree. Adams State offers a free tuition and fee credit hour window from 12-21 credit hours. This enables a student to take 13-21 credit hours for no additional charge. This is another way in which we not only reduce cost to the students, but also encourage our students to complete their degrees timely.

We have been able to secure grant funding to support time to degree for a different student populations. Although they are for smaller targeted student populations, they still have a positive impact. One program is our Summer Scholars Program. This program serves low-income, first generation or students with disabilities, allowing incoming freshman to earn ASU credits in the summer prior to matriculation. Another program is our College Assistance Migrant Program (CAMP). This programs provides additional support to students from migrant families. It should be noted that all students in this program are documented or citizens.

While we continually look for ways to keep our cost and the costs to the students down, our rural, remote location and student demographic work against us. We don't have a large population to draw from, for both our students and adjunct instruction. We are often unable to outsource instruction to adjunct lines due to the lack of supply, a strategy that is often used by larger, urban institutions.

The students we serve are also historically underserved. This comes with a greater need for support, and also drives a higher cost per fte. This increase in cost per fte is not recognized in our state funding.

However, Adams State is so important to the San Luis Valley and the health of our region. Being able to meet the needs of our historically underserved students in a rural, remote location will take both us and the State of Colorado working together. State recognition of our unique mission and the challenges it brings is needed as we must rely on State support to keep the cost to our students at an attainable level.

Fort Lewis College

The biggest change that can be made to reduce the cost of education for students would be to increase state funding for higher education. The other driver in the cost of education is personnel costs. As mentioned earlier, approximately 70% of the Fort Lewis College Education & General budget is comprised of salary and benefits. Of this 70%, two-thirds is driven by

faculty and state of Colorado system personnel. Employees in these two categories have many rights related to continued employment, making downsizing decisions very difficult.

Western State Colorado University

Over the past several years, the average debt load carried by graduating seniors at Western has been one of the lowest in the state of Colorado. In FY2015-16, the average debt load of a graduating senior at Western was \$17,303 versus the system-wide average of \$18,031 for four-year institutions. In addition, the 3-year default rate of Western’s graduates on loan repayment was 5.6% in 2015 which is less than one-half of the national average of 11.3%. To achieve these results, Western has committed additional resources into financial aid, both in the form of merit and need-based programs, and in financial aid counseling. As the chart below illustrates, Western’s resident tuition from FY2012-13 to FY2015-16 increased by 26.3%. During this same time period, Western’s allocation of institutional aid to Colorado resident students increased by 69.5%. This investment in aid resulted in an increase in net costs (before the application of state and federal aid) of 2.8% which is well below the Denver-Boulder-Greeley CPI during this period of time.

Net Cost Analysis: Western State Colorado University

	FY2012-13	FY2015-16	% Change
Colorado Resident Tuition Rate (Full-Time)	\$4,627	\$5,844	26.3%
Institutional Aid Allocated to CO Residents	\$1,374,715	\$2,330,132	69.5%
Net Cost to CO Resident After Application of Institutional Aid	\$3,872	\$3,981	2.8%
<i>Denver-Boulder-Greeley CPI Change</i>			7.5%

- 9 Can higher education institutions be more efficient? Do we need new educational models?

Adams State University

Higher education struggles with efficiency in compliance and reporting regulations. Accreditation has become burdensome. Approval timelines, especially those required by the Higher Learning Commission can take over a year. This makes innovation and nimbleness on the part of the institution essentially impossible. Requirements are even duplicated in many instances. This takes significant time away from focusing on students and teaching and learning.

Another way in which higher education institutions could become more efficient would be to gain a better ability to generate additional revenue streams. One thing that could be considered is incentives for public/private partnerships.

Fort Lewis College

As indicated in the budget briefing, higher education in the State of Colorado is already very efficient compared to other states. Changes to personnel laws/rules would help create more efficiencies in higher education. Many institutions are able to lower costs by utilizing adjunct faculty. This strategy does not well work for Fort Lewis College. Because of Durango’s isolated location, there is a limited supply of qualified personnel to fill the adjunct role.

Efficiency could be gained by the consolidation of some institutional functions through purchasing partnerships. For example, Fort Lewis has entered into a consortium with other rural Colorado institutions to receive preferred pricing on some IT products.

Considering the needs of prospective employers could lead to new educational models. Does every student need a degree? Will a certificate or badge proving a competency suffice? These are much larger questions facing all of higher education.

Western State Colorado University

Controlling administrative costs is an important first step at ensuring overall institutional efficiency. At Western, our strategic plan calls for administrative efficiency and the goal is to annually expend a smaller portion of our overall budget on institutional support than our CDHE-defined peer set. In FY2013-14 (most recent comparative data available), Western spent 11.4% of our total budget on institutional support versus 14.0%, on average, for our peer set.

Western continues to strive for operational efficiency. As an example, Western refinanced a significant portion of our outstanding debt in August 2016. This will save the University \$4.7 million in cash flow over the next couple decades and allow us to re-invest these savings into areas of instruction, improving retention and graduation rates.

It is important to note that, as a system, Colorado compares favorably in terms of efficiency and productivity. According to “The Degree Dividend” published by the Department of Higher Education in November, 2010, Colorado’s higher education system was the second most productive in terms of total funding per degree or certificate.

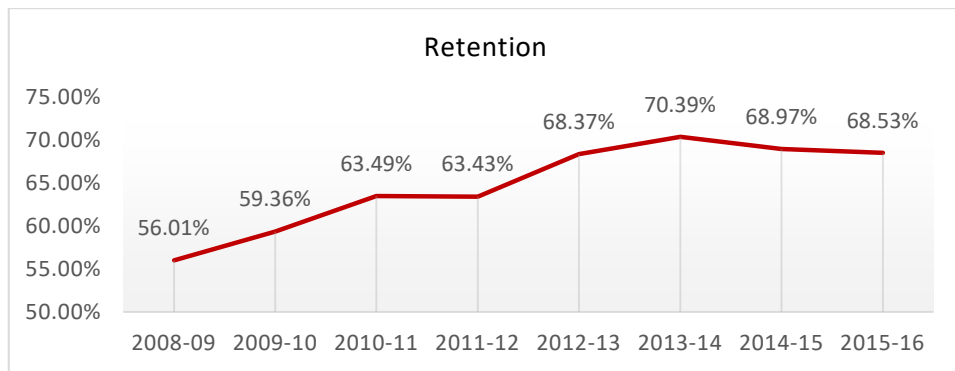
- 10 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?

Fort Lewis College

Fort Lewis College has been working towards implementation of the 2019 admission standards, which require students at 4 year institutions to be remedial free or qualifying for Supplemental Academic Instruction (SAI). In order to meet the requirements of the new admission standards without decreasing overall enrollment significantly, the college has implemented a number of academic initiatives that help move students through to a degree in the least amount of time possible. Some of these initiatives include: Math Pathways, degree maps, and requiring students to complete their math and composition requirements during their first year of enrollment.

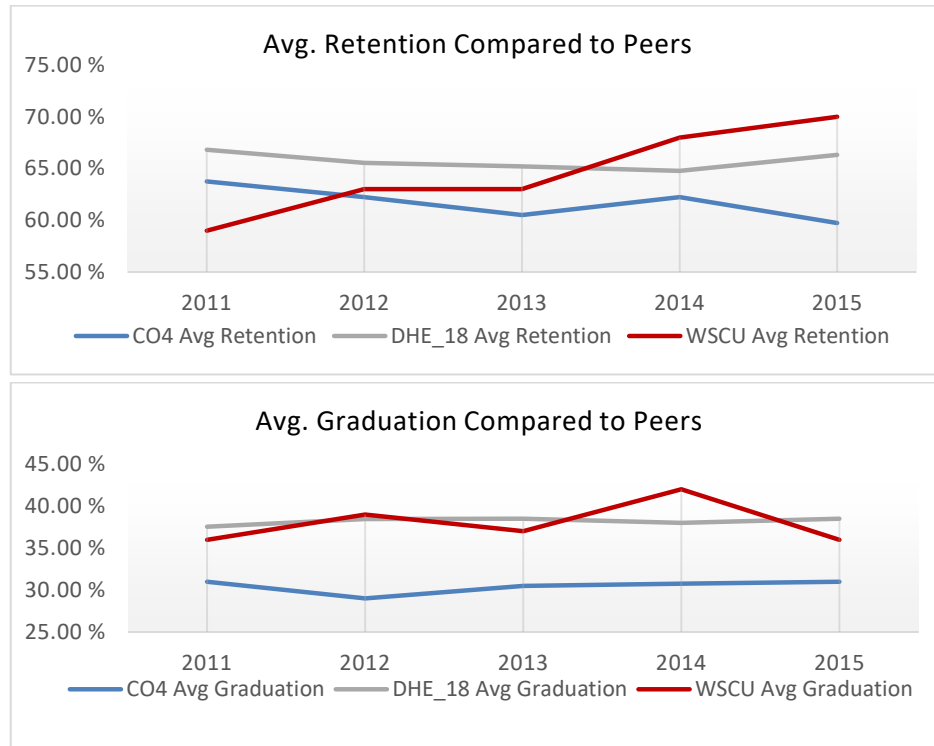
Western State Colorado University

At Western, past and current strategic plans have focused on developing targeted programming to promote student success toward retention and degree completion with significant gains.



In 2009 Western's retention rate was 56%; since then Western has dramatically increased its retention rate to average between 68-70%, surpassing peers. For self-identified minority students, our 4 year average is currently 63.7%, up from the prior four year average of 51.25%. While this data demonstrates a continued achievement gap, it also highlights substantial progress in closing the gap through the adoption of multiple evidence-based interventions aimed at increasing graduation rates for both underserved Colorado populations as well as all Western students.

As these higher retention rates filter through to the six year graduation rate we are predicting consistently higher graduation rates than our peers as well.



Our most significant intervention during this period was the implementation of a First Year Experience program which dramatically increased freshman to sophomore retention. Our First Year Experience program includes an extended orientation, an advising program targeting undeclared students called the Exploratory Majors program, the development of Living Learning Communities, and a for-credit first year seminar taught by Western's finest faculty. Western has developed additional programming aimed at increasing student success. For example, the Academic Resource Center (ARC) at Western is home to important assistance programming:

- *Advising, Tutorial Referral, and New Student Registration.*
- *Career Services.*
- *Disability Services.*
- *Four-Year Major Maps for All Academic Programs.*
- *International and National Exchange Programs.*
- *Peer Advising.*

- *Supplemental Instruction - An academic support program, utilizing peer assisted study sessions, targeting courses with high levels of D's, F's, and W's.*
 - *Turning Point Program for Students on Academic Probation*
 - *Assistance to gain Prior Learning credit through CLEP, Accuplacer, Correspondence and Challenge Exams*
- To reduce time to graduation we have implemented advising software that provides students and advisors with the ability to track student progress and map potential degree routes. DegreeWorks combines Western's degree requirements and completed coursework with easy-to-read online checklists.*

Finally, Western implemented the PRIME program (Promoting Readiness In Math and English) in 2007. The PRIME program is an academic learning community designed to support incoming students who are needing to build their skills at University-level math, reading and writing.

Several of these initiatives are in line with the CDHE's inventory of practices and technologies for student success and have led to increased retention rates at Western. Moving forward we are implementing the CDHE's Math Pathways initiative with a new entry-level statistics course to be offered beginning in the fall of 2017. Finally, in spring 2017, Western is developing its next Strategic Plan. As part of that process, we will be exploring additional high impact practices to enhance student completion.

a. Changes in remediation/supplemental academic instruction policies

Adams State University

Adams State is in the process of evaluating our remedial education program and seeking ways to improve and to streamline. We have gathered campus representatives from across a broad range of departments to identify and implement initiatives to make remediation more student centered and effective. Some examples of these initiatives are:

- *Evaluate the need for additional supplemental instruction*
- *Establish a policy having students declare a major within 45 credit hours (studies show students with declared majors have a higher success rate)*
- *Move from Accuplacer to Aleks to better place students in math classes and allow students to learn and test out of remedial math on their own*
- *Develop trainings in supplemental instruction and best practices in advising for our faculty and advisors*

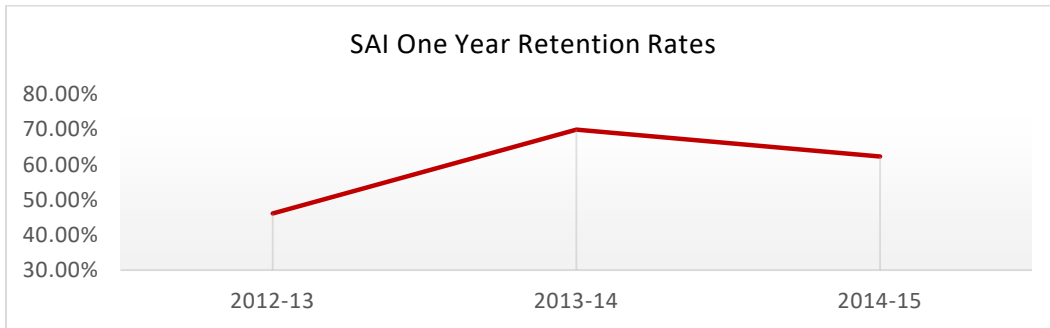
Fort Lewis College

Fort Lewis College has received approval to offer supplemental academic instruction (SAI) for gtPathway composition and mathematics courses. Placement into SAI is dependent on the combination of high school GPA and ACT/SAT test scores. Through intensive advising, the college was able to increase the number of students enrolled in composition SAI in the Fall 2016 compared to Fall 2015 by approximately 67%, to 50 students. The Math SAI courses have slightly over 50 students enrolled per semester. Taking SAI rather than remedial, appears to shorten a student's time to graduation by at least one semester. Students who are placed in SAI succeed at rates comparable to their class peers not placed in SAI. Given the 2019 admission standards, the ability to offer SAI is significant to Fort Lewis College enrollment levels.

Western State Colorado University

In February of 2014, Western received CCHE authorization to offer Supplemental Academic Instruction (SAI) coursework in response to developing CCHE Remediation Policy in late 2013. An ad hoc committee of faculty and staff assessed data regarding student success during the 2013-2014 year with a goal of recruiting the top 50% of incoming remedial students into SAI and university level courses, keeping the remaining students at the existing remedial level.

Since 2012-13, we have moved a total of 231 students into Math and English SAI with an average retention rate of 69%. Prior to the implementation of SLA, the average one year retention rate among remedial math students was 65%. The increase among English students was higher with a 55.6% retention prior to SAI. While these results appear promising, it is still early to assess the impact of SAI.



It is still too early to assess graduation rates with respect to SAI participants, as the program has only been in place since academic year 2013-2014.

b. Dual/concurrent enrollment programs

Adams State University

Approximately one-quarter to one-third of Adams State students are from the San Luis Valley. By partnering with our local K-12 districts, more students are able to get a jump start on their college education. This saves students time and resources and has a positive impact on AA/BA completion and time to degree/credential. Several high school students have even earned an Associates degree within the same month as high school graduation. We are currently partnering with twelve local school districts to expand dual/concurrent opportunities in a variety of ways:

- *College at high school enrollment – We are working with our local high schools to provide courses at the high school during the regular class schedule that allows students to earn college credit.*
- *Expanded face to face concurrent enrollment offerings- Course offerings that we offer on our campus, but that also count for high school credit.*
- *Expanded online dual enrollment offerings.*
- *Live-stream video dual enrollment – ASU secured grant funding to provide technology to each school district in the San Luis Valley that enables us to teach courses via video broadcast to the high schools. This has enabled many students to participate in one online dual enrollment course. This not only creates*

efficiency, it also opens access to students who were otherwise unable to attend dual courses due to location and district restraints.

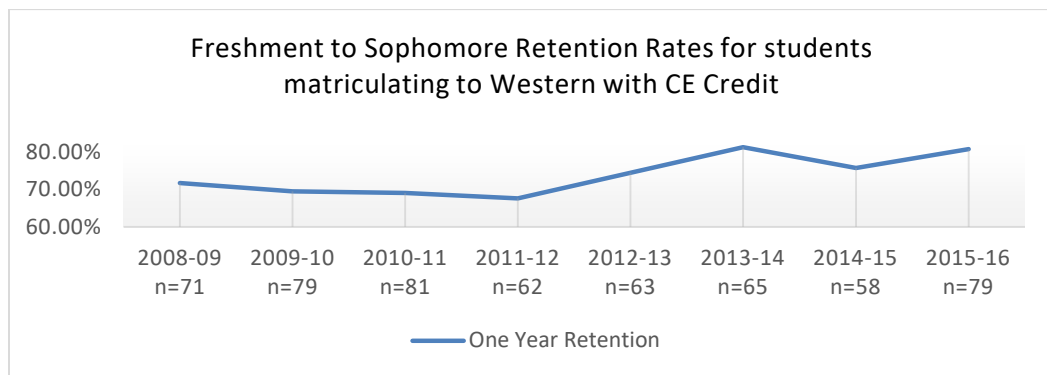
- Re-design of summer course offerings – ASU has re-vamped our summer program to offer general education credits at a time that better coincides with high school schedules (spread out over June and July, not just May). We have also staggered the courses across all summer sessions, offering equal sections of general education credits in each session. This allows students to take two or three courses in the summer where in the past there was more overlapping. This has helped our concurrent students, our incoming freshman who want to get a jump start, and also our regular undergraduate population better utilize summer.
- Pell grants offered to concurrent students- We are participating in a pilot program through the U.S. Department of Education that allows our concurrent students to utilize Pell grants to cover their concurrent enrollment courses.

Fort Lewis College

Fort Lewis is developing on-line gPathways courses for our students and dual/concurrently enrolled students in order to provide more convenience to dual enrolled students. Additionally, the Teacher Education department is developing courses of study for high school teachers to achieve the 18 credits of graduate education needed in order to teach college level courses (as required by the Higher Learning Commission). Once teachers have earned 18 graduate credits, they will be able to teach college level courses within the high school.

Western State Colorado University

Western has supported state policy in developing Concurrent Enrollment (CE), consistently growing its CE program to include 751 students for the 2015-2016 academic year, compared to 158 in 2012-2013. This program has proved advantageous for students: those who arrive from high school with CE credit have been successful at Western. While all Western students retain at 68%-70% over the past four years, students with CE credits have retained at 70%-80%.



Students matriculating to Western with prior learning credit for CE and AP also attain higher grade point averages while in college.

<i>Average GPA of Students Matriculating with Prior Learning Credit</i>	
<i>Students Matriculating with Both CE and AP Credits</i>	<i>3.31</i>
<i>Students Matriculating with AP Credits Only</i>	<i>3.08</i>
<i>Students Matriculating with CE Credits Only</i>	<i>2.84</i>
<i>Students Matriculating without CE or AP Credits</i>	<i>2.36</i>

These indicators demonstrate that CE and AP each contribute important preparation for higher education that assists students with academic success.

- c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

Adams State University

Adams State has a transfer coordinator position. This position is currently working with the President and constituent groups to consider the following steps to reduce the amount of credit hours lost during transfers:

- *Empowering the transfer coordinator to be more of a one-stop resource for students. Instead of being sent to individual departments, students would bring transfer issues to the transfer coordinator. The transfer coordinator would then work directly with the departments on behalf of affected students.*
- *Requiring academic departments to provide written justifications in instances when credit for exact or substantively similar courses requested for transfer is denied, with student appeal rights to the Vice President for Academic Affairs.*

Adams State has signed transfer agreements with Trinidad State Junior College and the University of New Mexico – Taos. These agreements articulate AA/AS degrees and the path to BA/BS degrees that are not covered by a STAA. We have recently gathered data to identify our top five feeder schools and are working to identify additional transfer agreements with these schools so that students can effectively complete coursework and maximize the allowable transfer credits.

Fort Lewis College

Before the current academic year, Fort Lewis College operated on a split credit hour model rather than primarily a 3- credit hour model. The split between 3 and 4 credit hour classes led to inefficient class scheduling, as well as transferability issues with other institutions. In FY 2014-15, the Board of Trustees approved moving to a 3-credit hour model, requiring all courses to undergo a curricular redesign.

Additionally, the college has adopted all of the Prior Learning Assessment (PLA) recommendations of the PLA statewide taskforce and CCHE. Fort Lewis also participates in statewide articulation agreements related to all of the degree programs offered. The college has a special agreement with Southwest Community College (SWCC) to ease the admission process for SWCC graduates. Fort Lewis College has adopted gtPathways as the general education/ liberal arts core. Other institutions do not use gtPathways solely to fill their general education program. These initiatives should ease the transfer issues for students.

Western State Colorado University

Western has been a full participant in the gtPathways and state-wide articulation agreement programs. Transfer students at Western have significant academic success, graduating with a close to equivalent number of credits as native students, and a higher GPA.

<i>Average Credits to Degree</i>		<i>Average GPA</i>
<i>Transfer</i>	<i>130</i>	<i>3.26</i>
<i>Native</i>	<i>129</i>	<i>3.14</i>

Western students are graduating with significantly less credit “overages” than the state average of 137 credits identified in the JBC staff recommendations document, “Improving Transfer.” As a part of Western’s strategic planning process, the assessment of our advising structure is planned, and may yield results for decreasing these additional credits over 120.

Finally, Western participates in Degree Within Reach, a CDHE initiative designed to encourage eligible students who have transferred from a Colorado community college to a Colorado university to finish their Associate’s degree while pursuing their Bachelor’s degree at a four year institution. According to the most recent CDHE report, Western has the third highest opt-in percentage among four-year institutions.

- 11 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff’s recommendations on this?

Adams State University

Adams State has been actively looking into identifying the reasons behind lost credits and ways to provide better pathways for transferring credits. There has been involvement from the Office of the President, Office of Academic Affairs, Office of Student Affairs, Director of Athletics, and others at Adams State.

The main reasons transfer credits are lost are:

- *Courses without ASU equivalents are only automatically applied towards general education or the major when they are part of an AA/AS degree. Other courses are given elective credit, and if the student has more elective credit than those required for the declared major, the additional credits are lost.*
- *Non GT courses are reviewed by department chairs. Some department chairs will only accept the course if the learning outcomes exactly match the equivalent ASU course, even when the course has the same title. ASU is working to ensure that students are not denied general education credit if a course is in the discipline, but not an exact equivalent. This is more of an issue for out of state transfers, or transfers from private institutions.*
- *ASU does not apply P.E. credits towards a degree. If a student transfers P.E. credits, they will be lost even if they are part of an AA/AS degree.*
- *Additional reasons for denying transfer credits include: failing grades, duplicate courses, course work over ten years old*

As discussed in #10 above, ASU has a transfer coordinator in place and is currently working to reduce the credits lost on an institutional level, as well as improve and add articulation agreements.

The Colorado Department of Higher Education continues to promote GT Pathways and courses to empower individual institutions to develop and validate content and delivery of GT Pathways courses. More transfer and articulation agreements, as well as clear state-wide information sharing will help students plan and transfer their credits. If students are advised to finalize their transfer plan early at community colleges, they are able to ensure that most credits are transferred.

Fort Lewis College

The primary reasons that credits are lost upon transfer to Fort Lewis College include: the transferring institution is not regionally accredited, the grade earned in the course is below C-, and vocational, technical, developmental, and/or remedial courses which do not apply to our degree programs. These non-transferrable credits relate to types of courses that do not map to the rigor of the degree programs offered at the college. Because the majority of credit loss is based upon rigor and the applicability of the course, the college does not believe institutional or state level remedies would be appropriate.

Fort Lewis College agrees with many of the recommendations put forth by JBC staff. These include better advertisement of degree requirements and complaint processes, use of gtPathways for concurrent enrollment, and simpler degree pathways options. Many of the recommendations are already in place. The college would be opposed to the requirement of mapping CTE credits broadly to academic degree programs.

Western State Colorado University

Western is generous in awarding credit to incoming students for successful completion of academic credit-bearing courses from accredited institutions. In the recent data submitted to the JBC, Western accepted 76% of all transfer credits presented to the Office of Registrar. Of the 24% not accepted:

- *72% were for courses in which the student Withdrew (W) or received a grade of D or F; Western has historically had lower admissions standards and students transferring in may have had less success than students transferring to other institutions, hence the high numbers of D, F, & W on incoming student transcripts.*
- *20% were for CTE (career and technical credits) courses which we rarely accept, given our mission. However, these credits are routinely assessed by the Office of Registrar and faculty for applicability. For instance, a CTE course focused on policing may result in credits toward a Sociology degree with a criminal justice emphasis; such a course may not be applicable to an Economics major.*
- *7% were for remedial (i.e., non-college level) credits.*
- *<1% were for duplicate courses (courses for which we had already awarded credit).*

Since Western is accepting close to 100% of non-duplicative/non-CTE college-level courses whereby students received a grade of C or higher, changes at the institutional level can likely yield few results. With regard to state policy and the JBC staff recommendations, Western is open to further assessment of these proposals. Some of them would cost little to implement (e.g., providing website transparency for students and a readily available appeals process for denial of credit, and working with CE students to inform them of how courses not in gtPathways fit into degree programs at Western) and may yield better results. Other recommendations, like a more routine acceptance of CTE courses may be challenging, given the narrow scope of many of these courses; however, Western staff are certainly open to the discussion with the CDHE and other state institutions to assess whether some of these credits might be applicable to general education/gtPathways.

- 12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.
 - (a) Support a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.

Adams State University

The statewide group of Chief Academic Officers discussed the concept of open access educational and research materials at its December 2016 meeting. Each CAO committed to a review of existing institutional materials and a discussion with faculty to gauge support. CAOs will report back to the group in early 2017.

The CAOs also discussed a statewide mini-conference or similar event or the possibility of a statewide working group to assess the current state of open access materials in use in Colorado's institutions and to make suggestions for possible expansion.

Fort Lewis College

Fort Lewis College is supportive of this recommendation.

Western State Colorado University

Western supports the creation of a grant program to develop and disseminate open access educational materials for Pathways courses, with an emphasis on CE courses. Our CE coordinator has worked with constituents in several instances to problem-solve the lack of availability of college texts in high school settings, and such a program could be beneficial. Such a program might also be inclusive and beneficial for higher education disability services offices due to the high cost of Braille texts—as was recently discussed by the Academic Council with CDHE staff.

- (b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

Adams State University

This requires a definition of “research publications”. Faculty scholarly work varies greatly by discipline and without a concrete definition it is difficult to determine the impact of archiving faculty research institutionally, both for institutions and for faculty members.

Fort Lewis College

Fort Lewis College is supportive of this recommendation.

Western State Colorado University

Prima facie such a depository could be beneficial to Colorado students. A possible constraint that should be assessed includes possible copyright limitations; care should be taken that such a requirement does not become a disincentive for talented faculty to come to Colorado higher education institutions by creating constraints on where faculty can publish research.

- (c) Do you have any feedback on these ideas?

Adams State University

Adams State will report more feedback through the Chief Academic Officers group in early 2017. Until we are able to research this further, the only feedback we have right now is regarding the need for a clear and concise definition of “research publications”.

Fort Lewis College

The college is supportive of measures to reduce textbook costs to students. Centralized research materials for all state institutions would reduce operating costs across the state.

Western State Colorado University
See above.

**ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED -
GOVERNING BOARDS**

- 1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

Metropolitan State University of Denver

The University's governing board has implemented all legislation.

Colorado Mesa University

None.

Adams State University

Adams State does not have any required legislation that has not been implemented or only partially implemented. If changes to the Fair Labor Standard Act are enacted, we will have to implement those. In this event, we will implement the changes, but not without a fiscal impact.

Fort Lewis College

Fort Lewis College has not implemented the Exonerated Persons Tuition Waiver (C.R.S) 23-1-132 at this time. The college is in the process of developing the waiver policy and procedures to be approved at the February 10, 2017 meeting of the Board of Trustees. To date, the college has not had any requests for tuition waivers from exonerated persons.

Western State Colorado University

None.

- 2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?

Metropolitan State University of Denver

We are not expecting any substantial changes in federal funding.

Colorado Mesa University

No.

Adams State University

Adams State is not aware of any substantial changes in federal funding.

Fort Lewis College

The college receives federal funding for financial aid, TRIO program funding, and Title III and various other grants. The college does not anticipate any substantial changes to these programs in the FY 2016-17 federal budget. College

administration has been working for several years to secure funding for the State of Colorado to help offset the cost of the Native American Tuition Waiver program for non-resident students.

Western Colorado State University

No.

- 3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

Metropolitan State University of Denver

All have been implemented.

Colorado Mesa University

No and N/A

Adams State University

Adams State University does not have any high priority outstanding recommendations identified in the Annual Report of Audit Recommendations Not Fully Implemented.

Fort Lewis College

Fort Lewis College does not have any outstanding recommendations.

Western Colorado State University

From July 1, 2010 to June 30, 2015, Western received no audit recommendations to implement.

- 4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

Metropolitan State University of Denver

The total impact through year 2020 is estimated at nearly \$3.1 Million. For the first year, starting in January 2017, the total cost is approximately \$100K. The fiscal impact for 2018 will be approximately \$400K. Since MSU Denver currently pays a large amount of its hourly employees at approximately the level required in FY18, the greatest increases come in fiscal year 2018-19 and fiscal year 2019-20, which will be approximately \$750K and \$950K per year, respectively. The University relies on student work-study funding, which would be affected by this minimum wage initiative. Each student receives a certain amount of work-study funds each semester. Once work-study funds have been depleted, the University will have to pay more student hourly wages in order to cover the estimated lost hours of work-study.

Colorado Mesa University

Based on CMU's 2017-18 budget planning process, CMU estimates +\$1,000,000 cost to address Amendment 70, of which at least one-half is funded by state funds.

Adams State University

The majority of Adams State's non-student employees fall above the minimum. These increases in minimum wage may increase the salary survey ranges and market demands in the future, but the impact is indeterminate. For example, the Custodial 1 minimum is \$12.58/hour and the current minimum wage is \$8.31. The proposed minimum wage on January 12, 2020 is \$12.00 per hour. We anticipate minimum wage increases to also push the salary survey wages up.

Amendment 70 will have a much bigger impact on our student employment and work-study position. In order to pay our current students the minimum wage and still stay within our budget, we will have to decrease hours worked for the remainder of FY17. This will affect both the number of students that are able to work, as well as the number of hours which the departments across campus will be able to benefit.

For subsequent years, either the cost of the work-study position will have to increase or the number of work-study hours will have to decrease. The following percentages approximate increases or reductions needed over current year levels: FY18=18%, FY19=25%, FY20=30%.

Fort Lewis College

All State of Colorado personnel at Fort Lewis College are already paid at a level above the new minimum wage. The minimum wage increases will primarily impact student wages. As student wages are funded through work study or departmental funds, which are limited, increases in the minimum wage will result in less hours worked by students.

Western Colorado State University

At Western, we anticipate the impact of the minimum wage increase to be approximately \$24,000 in the winter/spring of 2017 and \$48,000 in FY2017-18. Currently, we anticipate that student employees are the only classification of employees affected by this change. Western routinely employs over 500 students per semester, many of whom are paid minimum wage.

Capital Construction

- 5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.

Metropolitan State University of Denver

MSU Denver's approach is in line with Auraria's for maintaining buildings. The majority of the major campus buildings and infrastructure are over the critical 30 year maintenance and renewal cycle is at approximately the same age. Although the campus has many buildings over thirty years of age, MSU Denver's specific building inventory consists of structures built within the last five years. The university is currently working on a process for putting funds in reserve on an annual basis that could be used for future controlled maintenance needs. It is the University's goal to have this completed by the end of the current fiscal year. When MSU Denver facilities reach the fifteen year age, they will become part of Auraria's controlled maintenance request as requested by the Office of State Architect.

Colorado Mesa University

Annually, CMU invests significant internal funds to address repairs & replacement of both academic and auxiliary facilities. This practice is intended to limit facility disrepair and neglect from growing into state requests for major controlled maintenance or capital construction projects. Funding strategies at the state level should encourage and reward this institutional investment approach but also simultaneously recognize that institutions also require adequate state support to assist with these costs if institutions are to remain affordable and provide facilities that support twenty-first century learning. As part of CMU's annual base budget, funds are set aside for buildings and grounds to keep components and buildings around campus looking like new and operational, but generally do not extend the useful life of the asset. Each campus department is invited to submit projects for consideration, and generally projects are less than \$50,000 each. The University President, the Vice Presidents, and the Director of Facilities visit each department to see and hear about the need for each request. This first-hand information, along with facilities evaluation information, is used to determine the need and urgency of the project and consistency with CMU's strategic plan. Generally, these funds are used in support of academic buildings, but on occasion due to need, may be used for auxiliary projects. This process also helps to identify major projects which may require state controlled maintenance funding assistance submitted through the state process.

Also, at the close of each fiscal year, CMU analyzes and commits a portion of its unrestricted funds, which come from multiple funding sources including auxiliaries, to capital reinvestment. These one-time funds are used to support larger (generally greater than \$100,000, but less than \$2,000,000) projects to repair or replace both academic and auxiliary facilities. A running list of potential projects is maintained as they arise throughout the year. Well in advance of the fiscal year, the President and key internal constituents, meet to establish preliminary priorities for the upcoming year so project planning can begin early to ensure timely delivery. The priorities and projects continue to be refined throughout the fiscal year at bi-weekly facilities project meetings held by the President with key project and departmental personnel. Projects are prioritized across all functions and departments based on need and alignment with CMU's Strategic Plan goals. These projects may or may not extend the useful life of the facility or system—smaller projects tend to not extend the useful life, while larger projects may extend the useful life. CMU's significant investment in facilities is important, but does limit funds available to support academic and student service initiatives and also must be balanced with maintaining CMU's financial stability. Even with these internal investments, the institution recognizes this level of funding is not sufficient long-term as facilities age and based on minimal industry standards for repair, replacement and reinvestment. A higher level of state support will be needed to supplement the internal funds provided by CMU to minimize a future deferred maintenance backlog.

Adams State University

Adams State University has a capital renewal and planning committee that prioritizes all controlled maintenance and capital renewal projects. Adams State University prioritizes controlled maintenance projects based off of our facility condition index. Buildings that score under 85% component deficiency get priority. We submit for state controlled maintenance funding based on these priorities. While we are unable to set aside designated funds for controlled maintenance on academic buildings, emergencies that have arisen have been covered by cash. Auxiliary buildings are funded from auxiliary revenues. The same building prioritization is used, based on the facility condition index.

Fort Lewis College

Fort Lewis College does not have a formalized process for budgeting and funding of controlled maintenance projects for academic buildings. The College maintains and upgrades general funded buildings and related infrastructure as funding allows based on internal assessments and prioritizations of facility needs. Generally prioritizations are made by considering a combination of criticality of need, strategic importance of a particular facility and availability of funding. The College will generally postpone deferred maintenance work if we believe Capital Construction funding will be forthcoming. FLC also supplements state Controlled Maintenance funding with cash as fiscal conditions allow maintaining of buildings and equipment in order to avoid unsafe conditions, or loss of use because of aging conditions. Regarding emergency situations, the

college requests emergency funds from the Office of the State Architect. Oftentimes, the college will supplement emergency funding with college reserves.

Because the college is responsible for all maintenance costs related to auxiliary buildings, the net revenues of the auxiliary funds are reserved for deferred maintenance needs. Auxiliary buildings include student housing, student recreation center and the Student Union. Generally, the staff responsible for these categories helps prioritize the needs of the facilities, in conjunction with physical plant and financial staff. Once a priority has been set, the college determines the appropriate funding mechanism, cash or debt issue, depending upon the available reserves and the size of the project. Since the State has historically provided for controlled maintenance of academic buildings and the constraints in the general fund budget, the college has not developed an ongoing mechanism to pay for deferred maintenance of academic buildings.

Western Colorado State University

WSCU uses a combination of the components to prioritize projects campus wide. Safety and student demand drive facilities staff prioritization and coordination. Facilities staff has been tasked with annually reviewing all campus structures and providing a grading based on the formulas provided by the State. This highlights weaknesses in our infrastructure. We hold project review meetings at the facilities level and hold prioritization session for academic building managers/occupants then present a needs list to the Cabinet. Needs always outweigh wants. We go through the process to vet all ideas and work with our Foundation to identify opportunities for funding projects outside of the State when appropriate. Those with the highest priority are prioritized for funding from internal funds or through Controlled Maintenance requests. This year our focus has been on roofs for example while our top request to the State is flat roofs across campus. We are handling two roof projects from our facility fee funds internally. Both Crawford Hall and the Mountaineer Bowl bathroom projects are currently underway.

WSCU's methodology for conducting the 2015-16 Facilities audits and Facilities Condition Index summaries is as follows:

- Replacement values [(7) C.R.V.] for all facilities is taken from the insured replacement costs of the facilities and remain the same from the 2015 FCI index with the exception of Quigley Hall, which was renovated in FY 2015-16 with State capital funding. The replacement value for Quigley Hall is an amalgam of the real GMP as submitted by the contractor for that project and an estimate of the shell and core replacement cost in 2015 dollars. As detailed audits are performed in subsequent years, the insured values will be replaced with updated calculations.
- Facility audits are built upon previously conducted surveys for FY 2013-14 and 2014-15 and combined with known improvements and detailed investigation of changes (typically deterioration) to critical structural, architectural and mechanical systems for each facility. In column (10), where no significant changes to the previous detailed audit were observed, that previous audit stands as the most recent.
- FCI actual values. Calculations follow the same methodology as above and are built upon audits conducted for the past two years, combined with detailed observations regarding the condition of the various building systems for each State facility.

Examples of what would be considered tiered projects are provided below.

Tier 1: Health and Safety Hazard (security/accessibility/immediate risk)

- Repair/Replace System
- Accessibility Issues (not necessarily ADA compliant) primarily pedestrian access ramps, lifts, loading dock
- Boiler Replacement

Tier 2: Disrupting Operations

- Stucco Repair for structural integrity (Crawford, Library, Paul Wright Gym)
- Repair/Replace Parking Lots/Streets and Sidewalks

Tier 3: Causing Damage or Deterioration

- Depending on the severity the items above or items such as parking lots, sidewalks, or landscape irrigation improvements.

- 6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

Please see the compiled response to this question provided in the Department of Higher Education Common Questions Addendum.

- 7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

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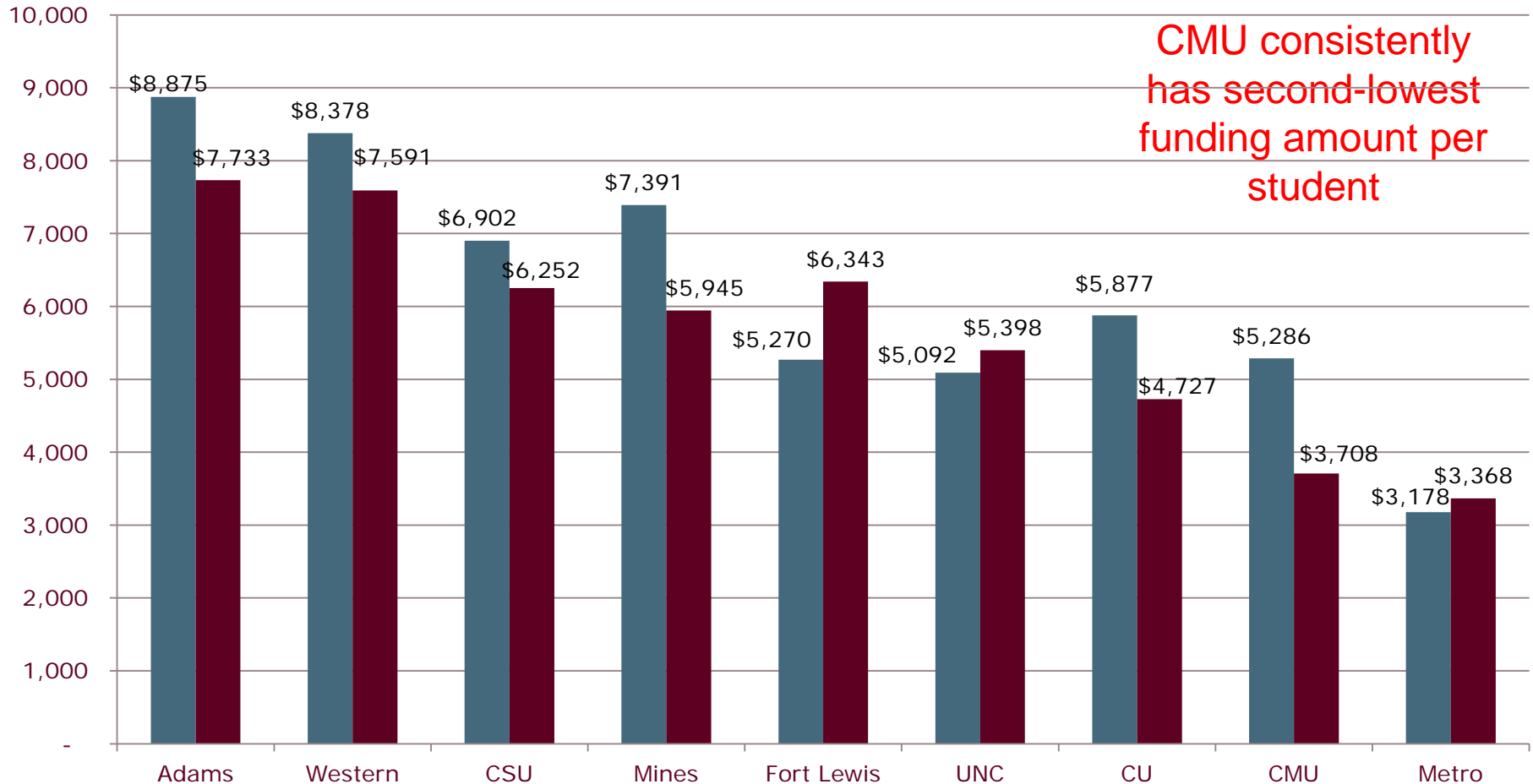
COLORADO MESA
UNIVERSITY

Joint Budget Committee Hearing
January 4, 2017

CMU Impact

State Funding (COF and FFS) per Resident FTE

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Source: Long Bills, CCHE FTE data.

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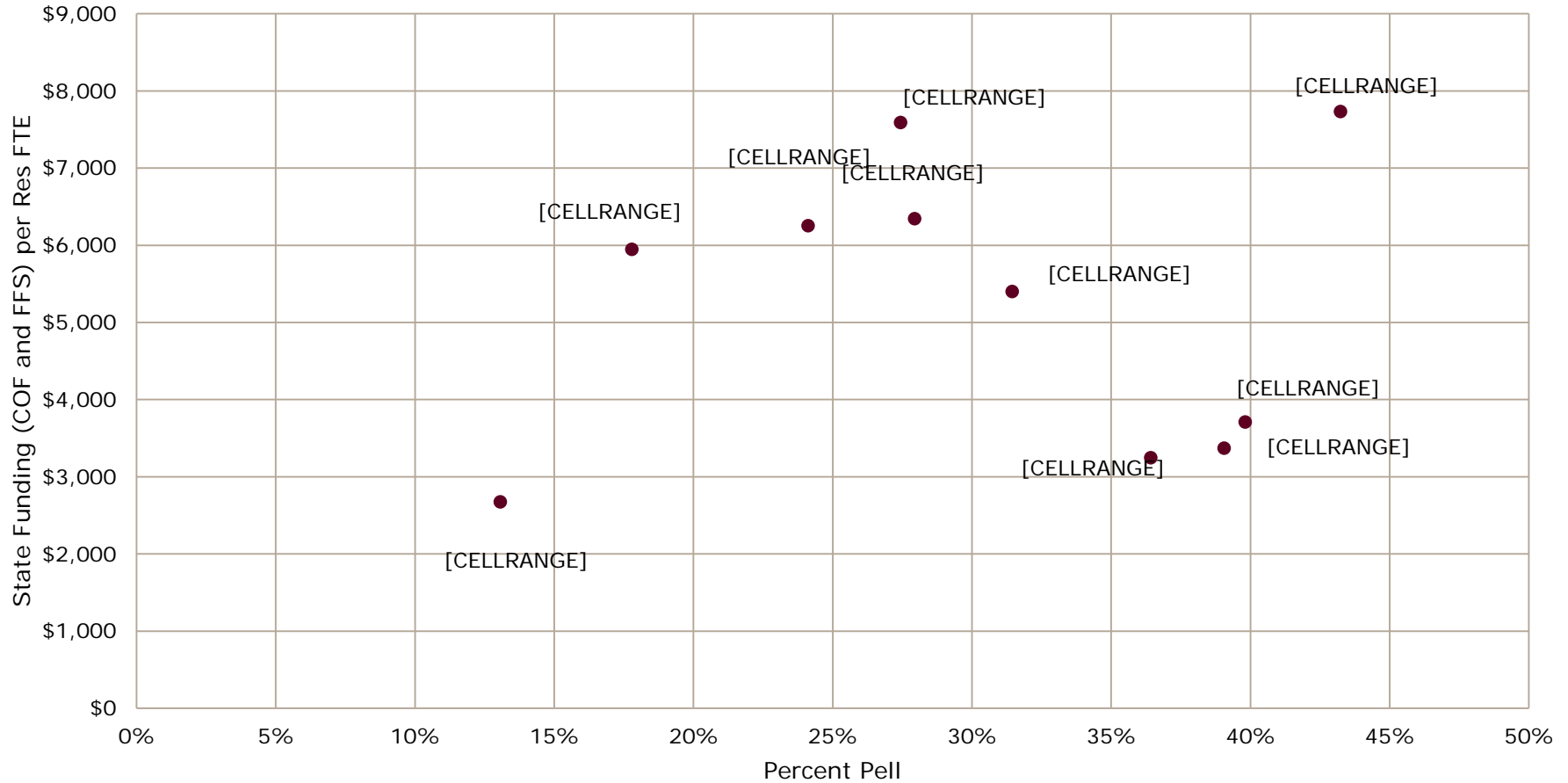
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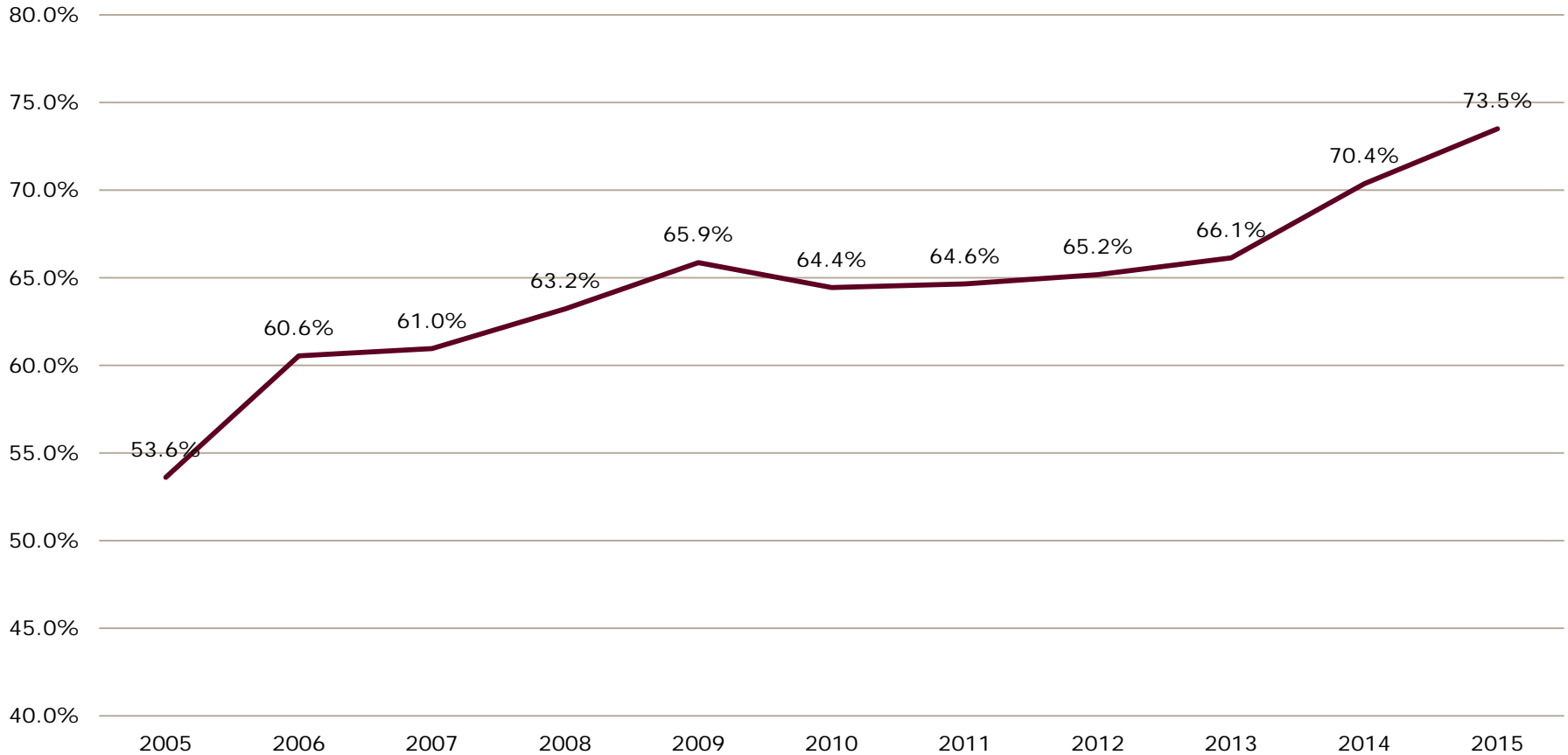
State Funding by Percent Pell

FY 2016 State Funding per Res FTE by Percent Pell



Retention Improvements

First to Second Year Retention for First-time, Full-time, Baccalaureate-seeking Undergraduates Entering in Fall Retention Rate



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A Driving Force: Enrollment Growth

Enrollment Growth		
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8 Year Change	46.0%	56.5%
*Unduplicated headcount over the entire fiscal year.		
Source: CMU Banner data and Institutional Research published data.		



Fort Lewis College





Statutory Role

1) There is hereby established a college at Durango, to be known as Fort Lewis College (FLC), which shall be a public liberal arts college, with selective admission standards with a historic and continuing commitment to Native American education. In addition, the college may offer professional programs and a limited number of graduate programs to serve regional needs. The Center of Southwest Studies provides a valuable regional, national, and international resource.





Mission & Core Values

Fort Lewis College Mission Statement

“Fort Lewis College provides an integrated and formative liberal arts and professional education to a diverse student population, preparing global citizens to work in and contribute to a complex world.”

Core Values

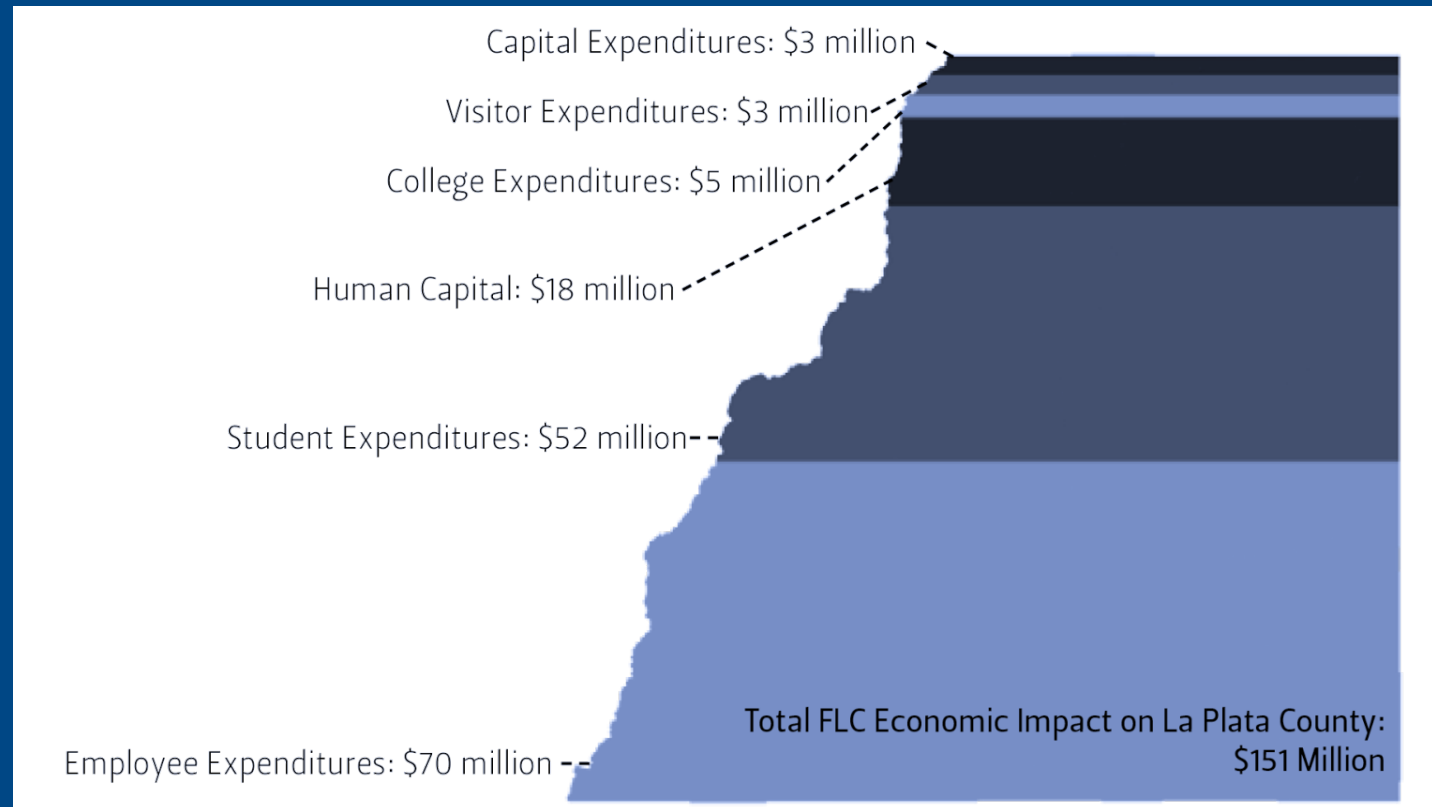
- Education
- Diversity
- Community
- High Expectations
- Stewardship
- Relevance





FLC Economic Impact

The economic impact of Fort Lewis College on southwest Colorado is substantial and diverse. Studies have shown a conservative estimate of the College's impact on the region to be \$151 million.





Native American Tuition Waiver

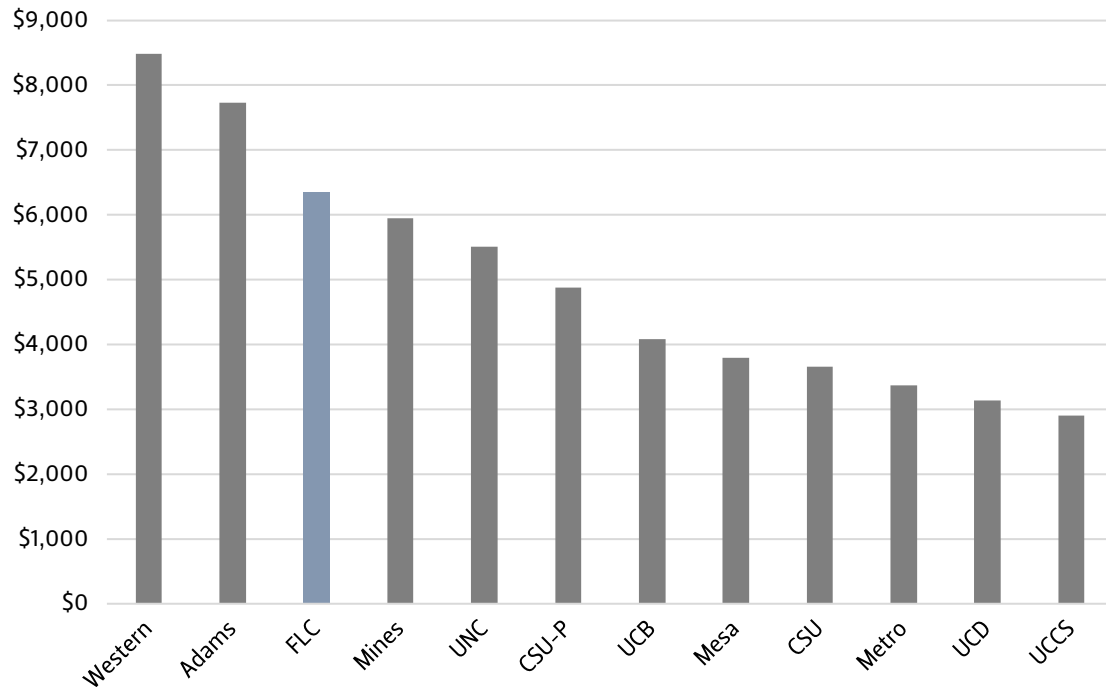
- No baccalaureate institution in the country awards more degrees, including STEM degrees, to Native Americans than Fort Lewis College. FLC is the only Native American serving, non-tribal institution in Colorado.
- Made 6 trips in the last year to Washington, D.C. to meet with lawmakers concerning federal efforts to support the waiver program.
- The effort to obtain federal support for the Native American Tuition Waiver remains strong in the 114th Congress, with 56 co-sponsors for H.R. 1089 and eight co-sponsors for S. 1390.
- Number one higher education priority for Senators Gardner and Bennet, as well as Representative Tipton, for inclusion in the Reauthorization of the Higher Education Act that will be taken up in the second session of the 115th Congress.



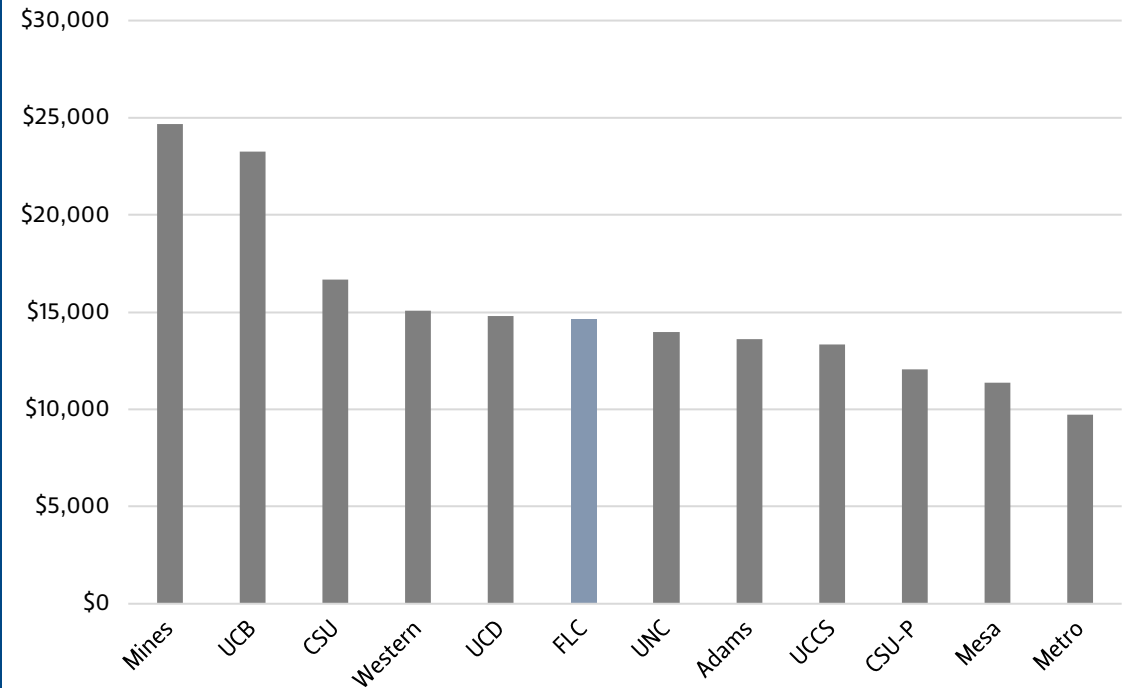
State Funding

- Fort Lewis College's funding compared with other Colorado institutions.

**FY 2015-15
General Fund/Resident FTE**



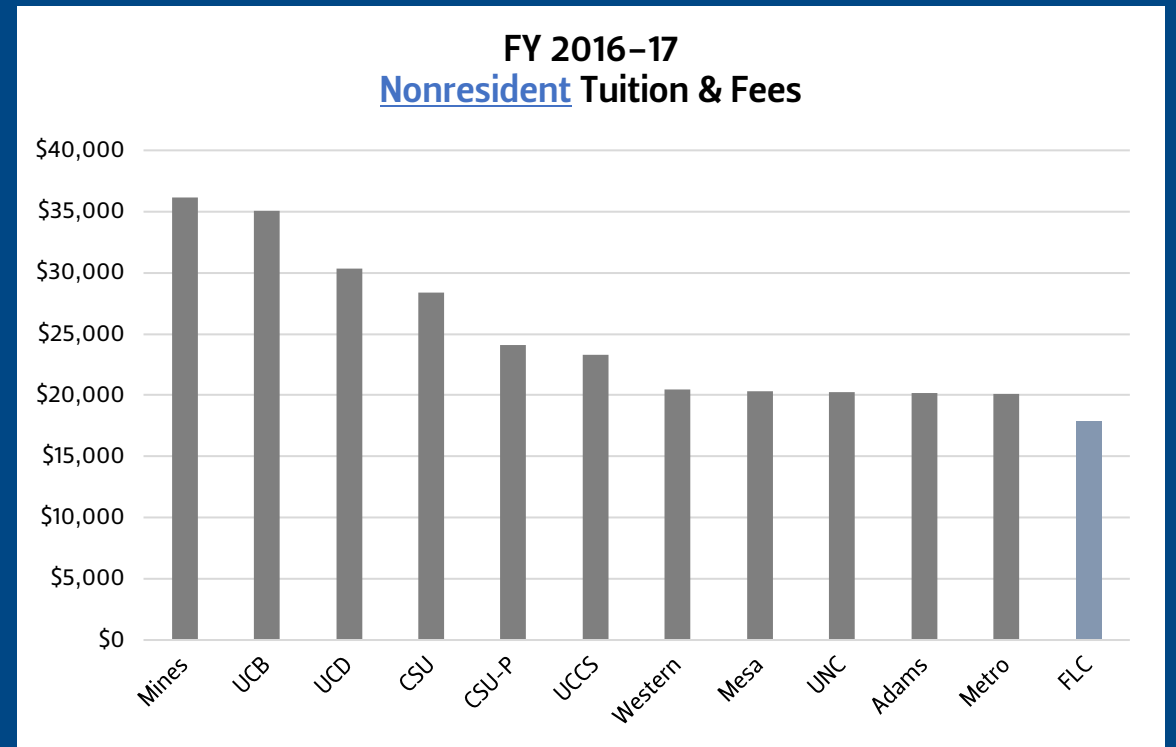
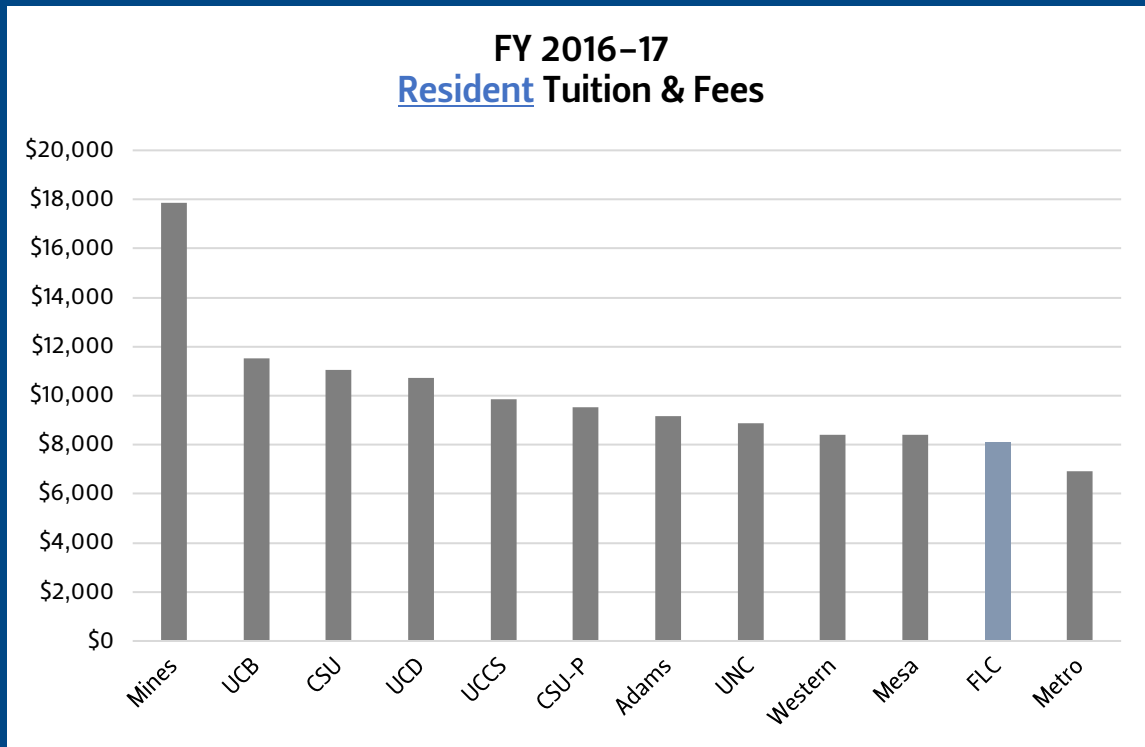
**FY 2015-16
General Fund + Tuition/Total FTE**





Keeping FLC Affordable

- In FY 2016–17, Fort Lewis College has the second lowest combined resident tuition and fees in the state when compared to other four-year institutions. FLC also has the lowest nonresident tuition and fees among the same group of institutions.

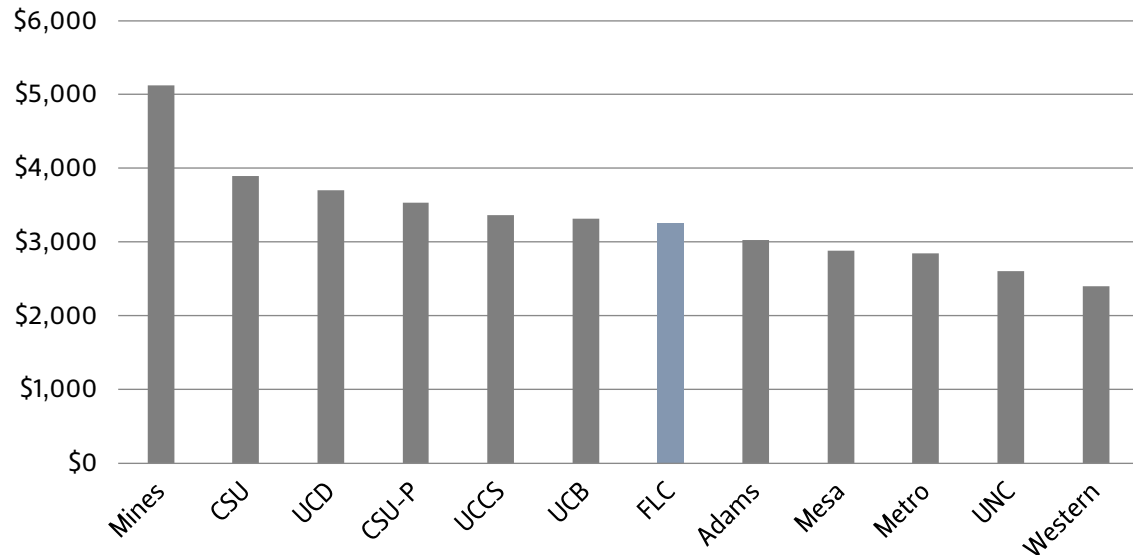




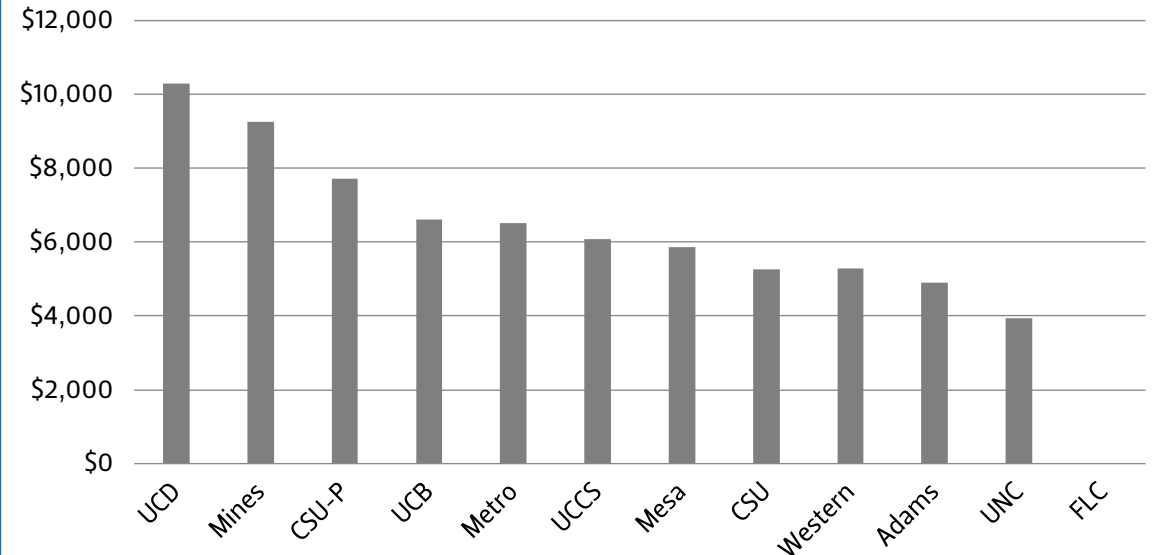
Tuition Changes Over Time

- Since FY 2009–10, the FLC administration has worked to keep tuition increases to a minimum.
- Of particular note is the fact that the College has not raised its nonresident tuition in eight years.

Change in Resident Tuition
Since FY 2009–10



Change in Nonresident Tuition
Since 2009–10





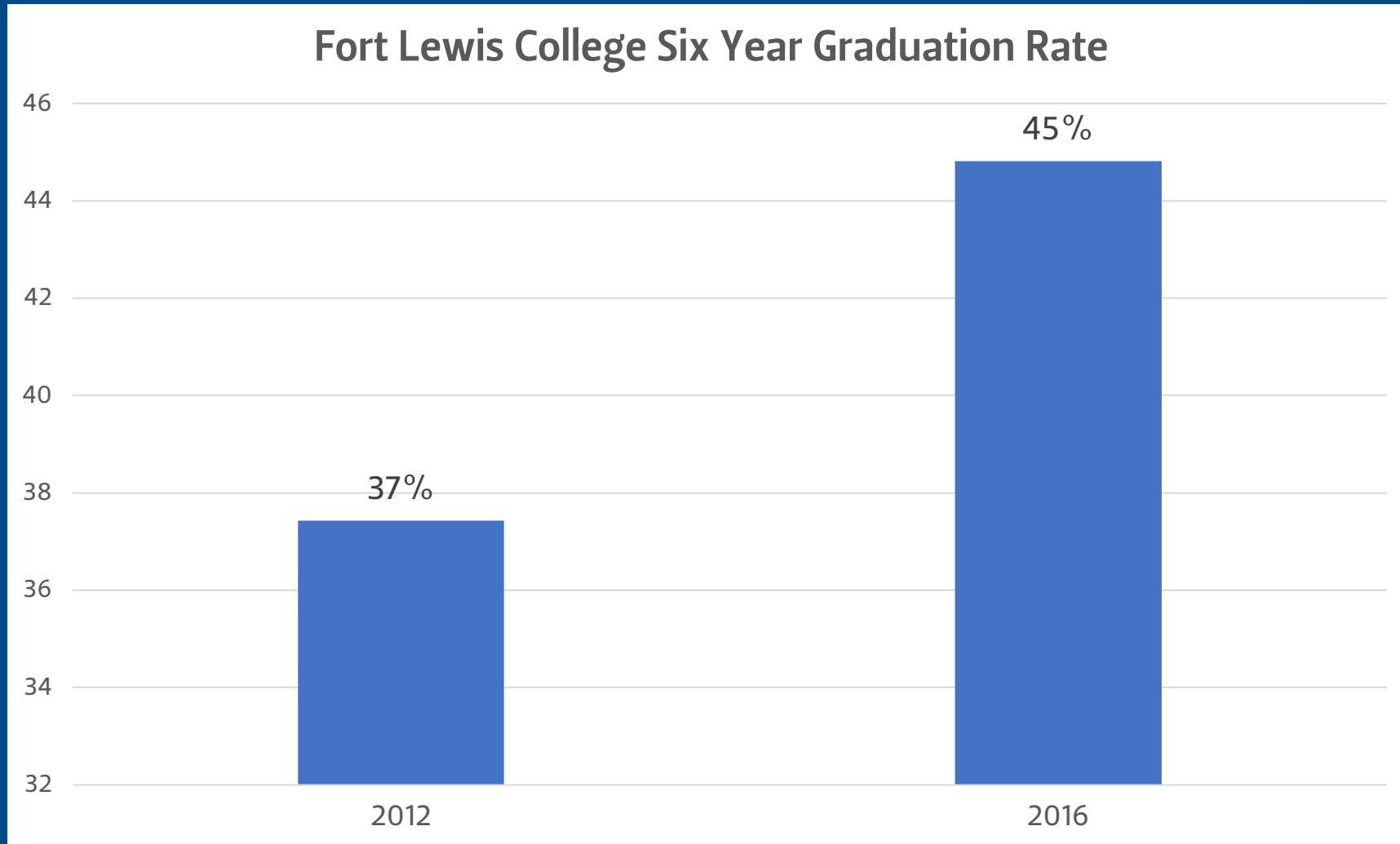
Expanding Diversity

- Female: 50%
- Male: 50%
- Native American/Alaska Native: 33%
 - Tribes/Villages Represented: 167
- Hispanic: 11%
- Total Minority Students: 48%
- Pell Grant Recipients: 32%





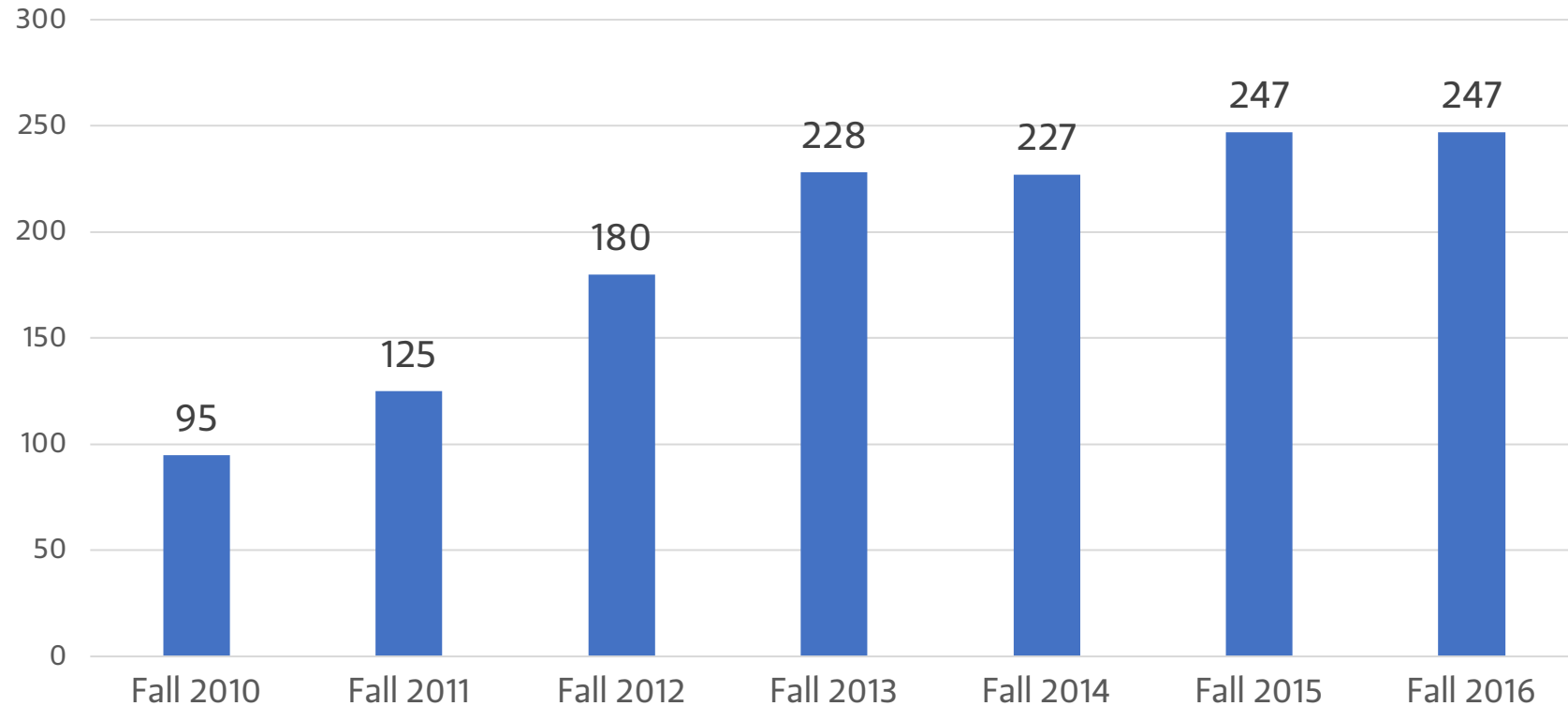
Graduation Rates





Engineering

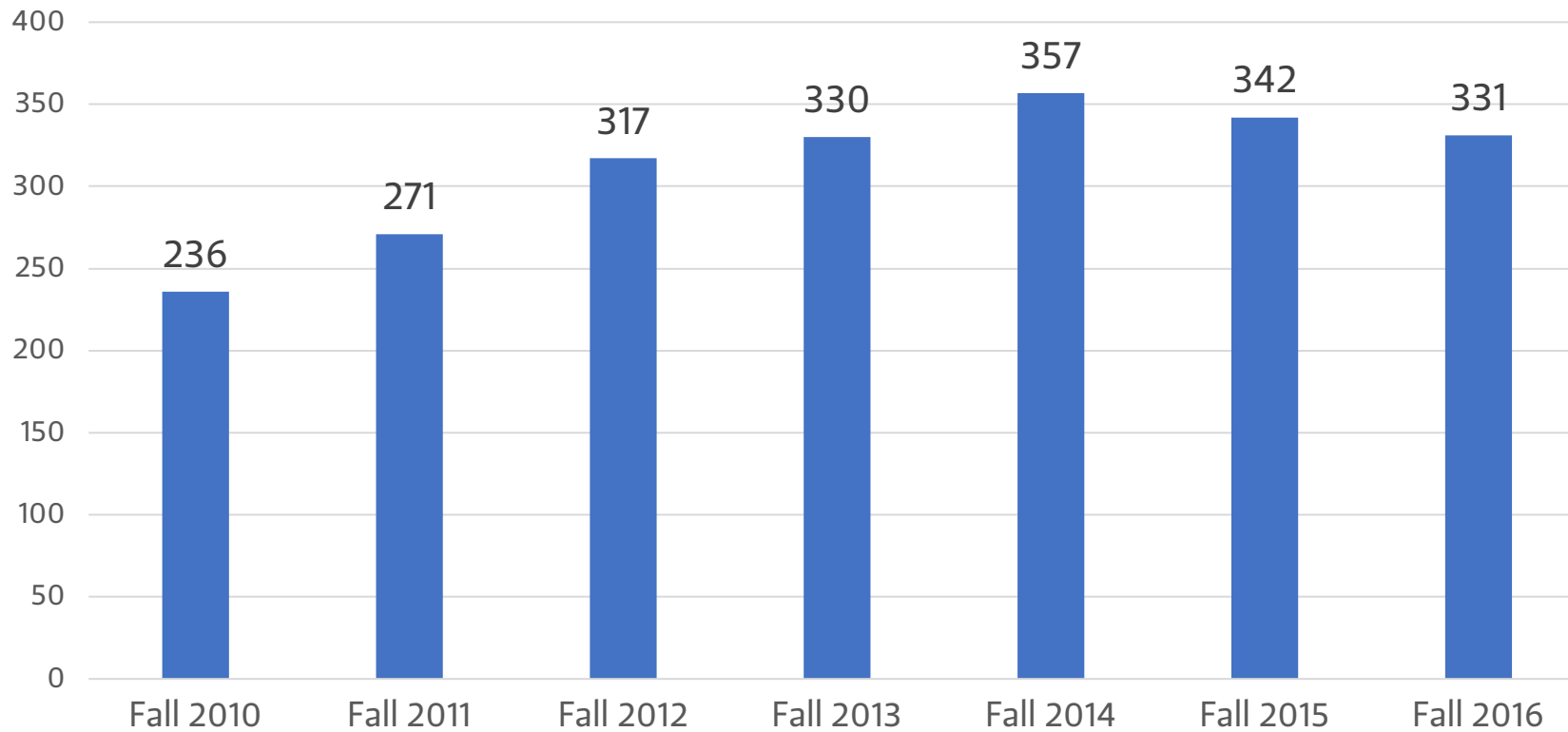
Enrollment in Engineering Since 2010
(Includes Pre-Engineering)





Exercise Science

Enrollment in Exercise Science Department
Since 2010



Thank You



Fort Lewis College



REPORT TO THE COLORADO JOINT BUDGET COMMITTEE
JANUARY 2017





STATUTORY ROLE & MISSION

1) There is hereby established a college at Durango, to be known as Fort Lewis College (FLC), which shall be a public liberal arts college, with selective admission standards with a historic and continuing commitment to Native American education. In addition, the college may offer professional programs and a limited number of graduate programs to serve regional needs. The Center of Southwest Studies provides a valuable regional, national, and international resource.



HISTORIC COMMITMENT TO NATIVE AMERICANS

Fort Lewis College was established under an agreement between the state and the federal government whereby any qualified Native American student would be admitted tuition free. This century-old commitment taken on by the state has brought Colorado and Fort Lewis College national renown as leaders in educating Native Americans. **No baccalaureate institution in the country awards more degrees, including STEM degrees, to Native Americans than Fort Lewis College. FLC is the only Native American serving, non-tribal institution in Colorado.**

Update on the Native American Indian Education Act

The effort to obtain federal support for the Native American Tuition Waiver remains strong in the 114th Congress, with 56 co-sponsors for H.R. 1089 and eight co-sponsors for S. 1390. Co-sponsorship has increased 195% since the Senate hearing in the 112th Congress. The legislation is in a great position going into the 115th Congress. It is the number one higher education priority for Senators Gardner and Bennet, as well as Representative Tipton, for inclusion in the Reauthorization of the Higher Education Act that will be taken up in the second session of the 115th Congress.



MOVING FORT LEWIS COLLEGE FORWARD

In the Fall 2016 semester, Fort Lewis College created a new mission statement and core values for the institution. The process involved extensive discussion with students, faculty, staff and community members.

Fort Lewis College Mission Statement

“Fort Lewis College provides an integrated and formative liberal arts and professional education to a diverse student population, preparing global citizens to work in and contribute to a complex world.”

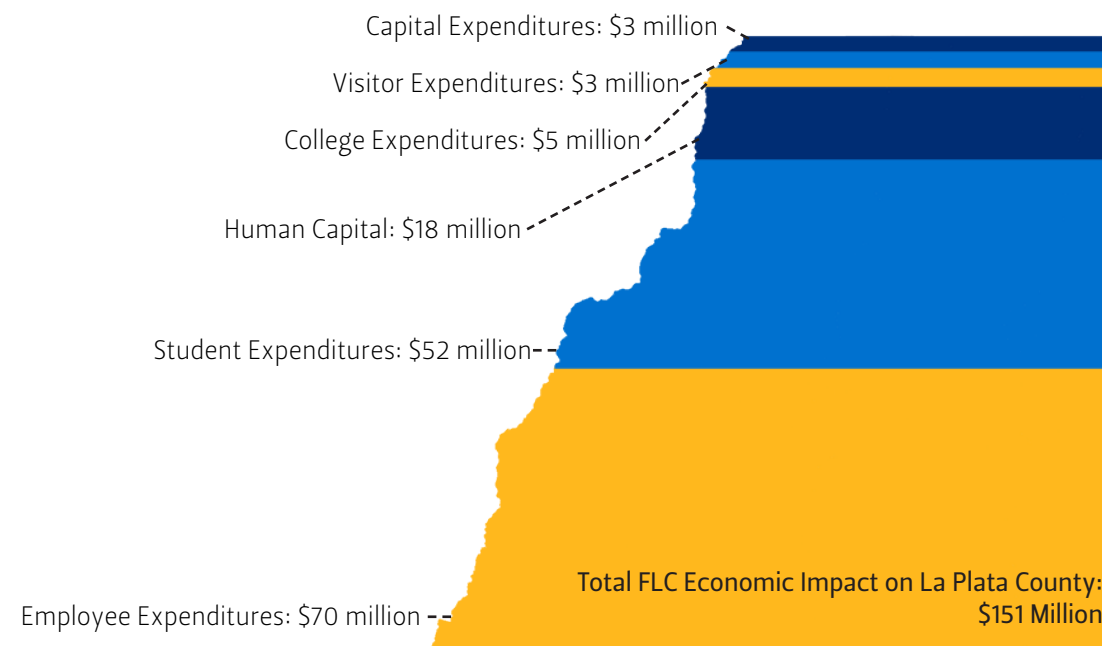
Core Values

- Education
- Diversity
- Community
- High Expectations
- Stewardship
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FORT LEWIS COLLEGE’S ECONOMIC CONTRIBUTION TO SOUTHWEST COLORADO

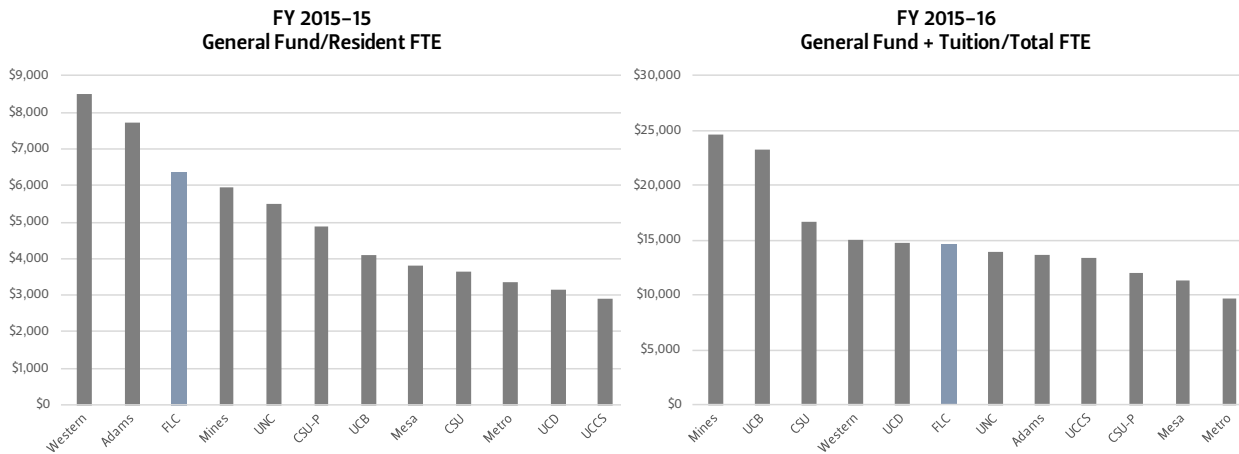
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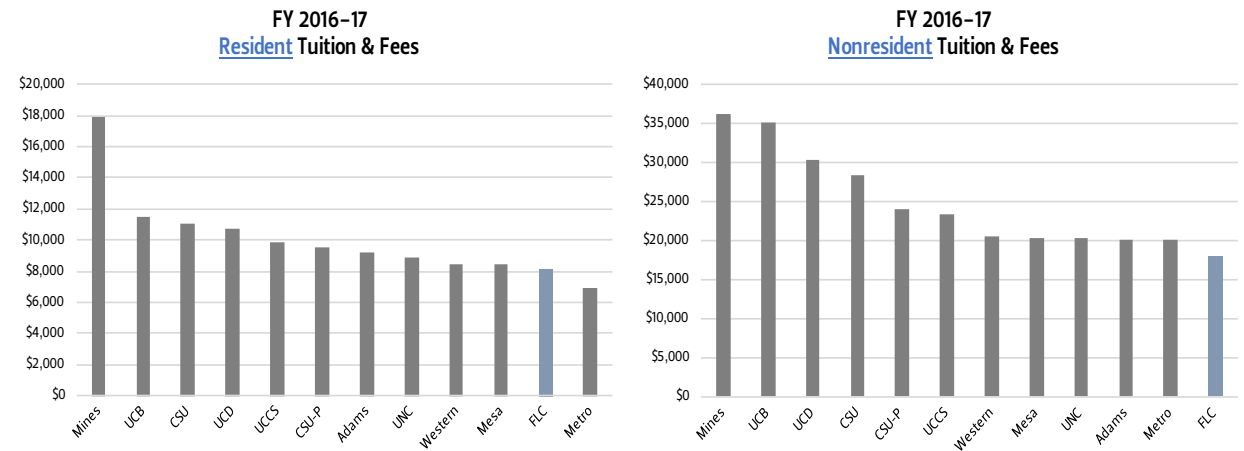
FLC RANKING IN HIGHER EDUCATION FUNDING

There exists a misperception that the FLC Native American Tuition Waiver program is somehow a windfall for Fort Lewis College. FLC's normal state funding (COF/FFS) was reduced years ago to account for the Native American appropriation. The charts below illustrate the fact that the College is not overfunded relative to other institutions in the state.



AVOIDING HIGH TUITION & FEES

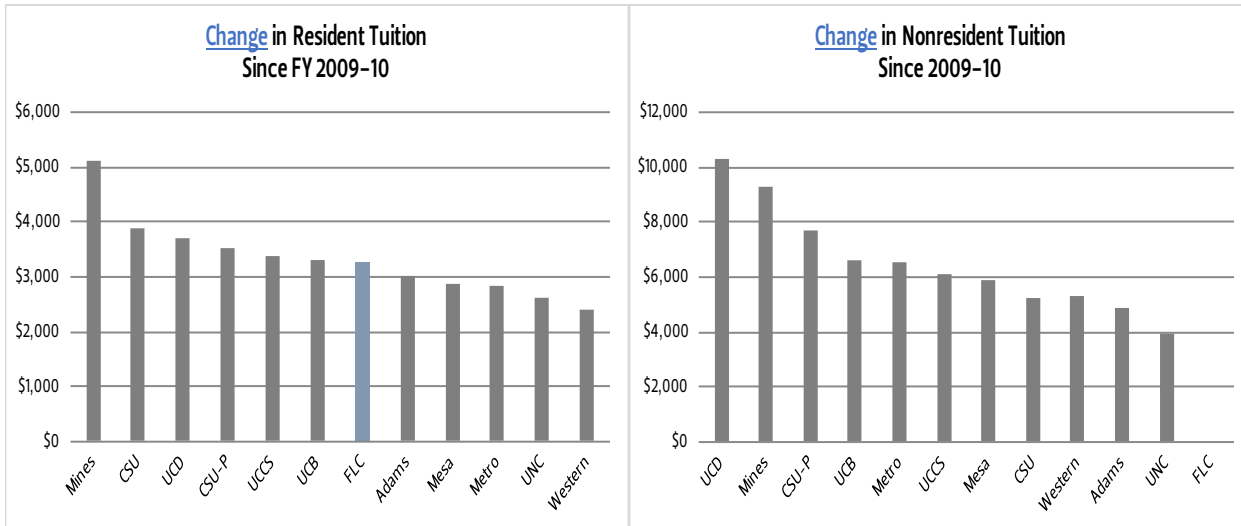
In FY 2016-17, Fort Lewis College has the second lowest combined resident tuition and fees in the state when compared to other four-year institutions. FLC also has the lowest nonresident tuition and fees among the same group of institutions. **Through smart financial planning, FLC provides students with a high quality education while keeping the cost at an affordable level.**





KEEPING FORT LEWIS COLLEGE AFFORDABLE

Since FY 2009-10, the FLC administration has worked to keep tuition increases to a minimum. Of particular note is the fact that the College has not raised its nonresident tuition in eight years.



INCREASING DIVERSITY

Fort Lewis College is a national leader in educating Native American students, but the College enjoys a significant Hispanic population as well. If the current growth in minority groups attending FLC continues, the College may be eligible for minority-serving institution status within the next few years.

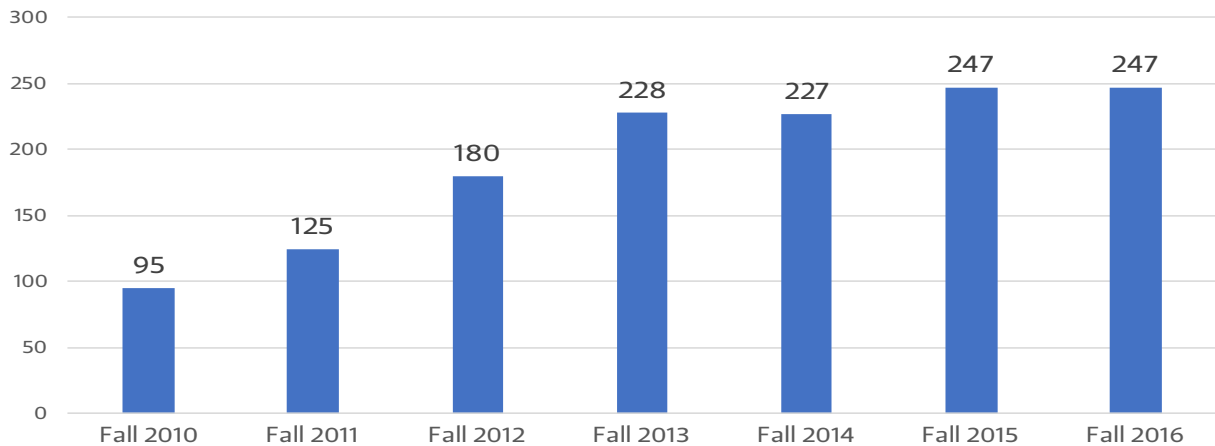
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GIVING ENGINEERING ROOM TO GROW

The Fort Lewis College engineering program has seen incredible growth over the last few years. This growth was hampered by outdated and cramped facilities, but FLC will be opening its new Geosciences, Physics & Engineering Hall in 2017, which will continue to encourage the program to grow.

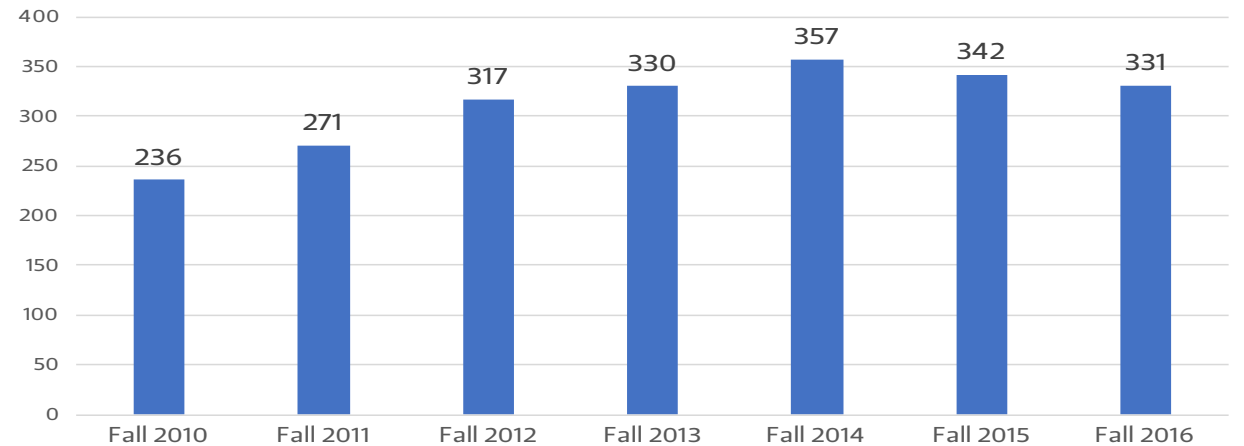
**Enrollment in Engineering Since 2010
(Includes Pre-Engineering)**



SUPPORTING EXERCISE SCIENCE

The Exercise Science Department at Fort Lewis College has enjoyed increasing enrollment over the years. Like engineering was, the department is held back by facilities that will no longer support the size and needs of the exercise science programs. Fort Lewis College's next construction priority is a renovation and expansion of Whalen Gym to provide more space and new facilities for the Exercise Science Department.

**Enrollment in Exercise Science Department
Since 2010**





WWW.FORTLEWIS.EDU



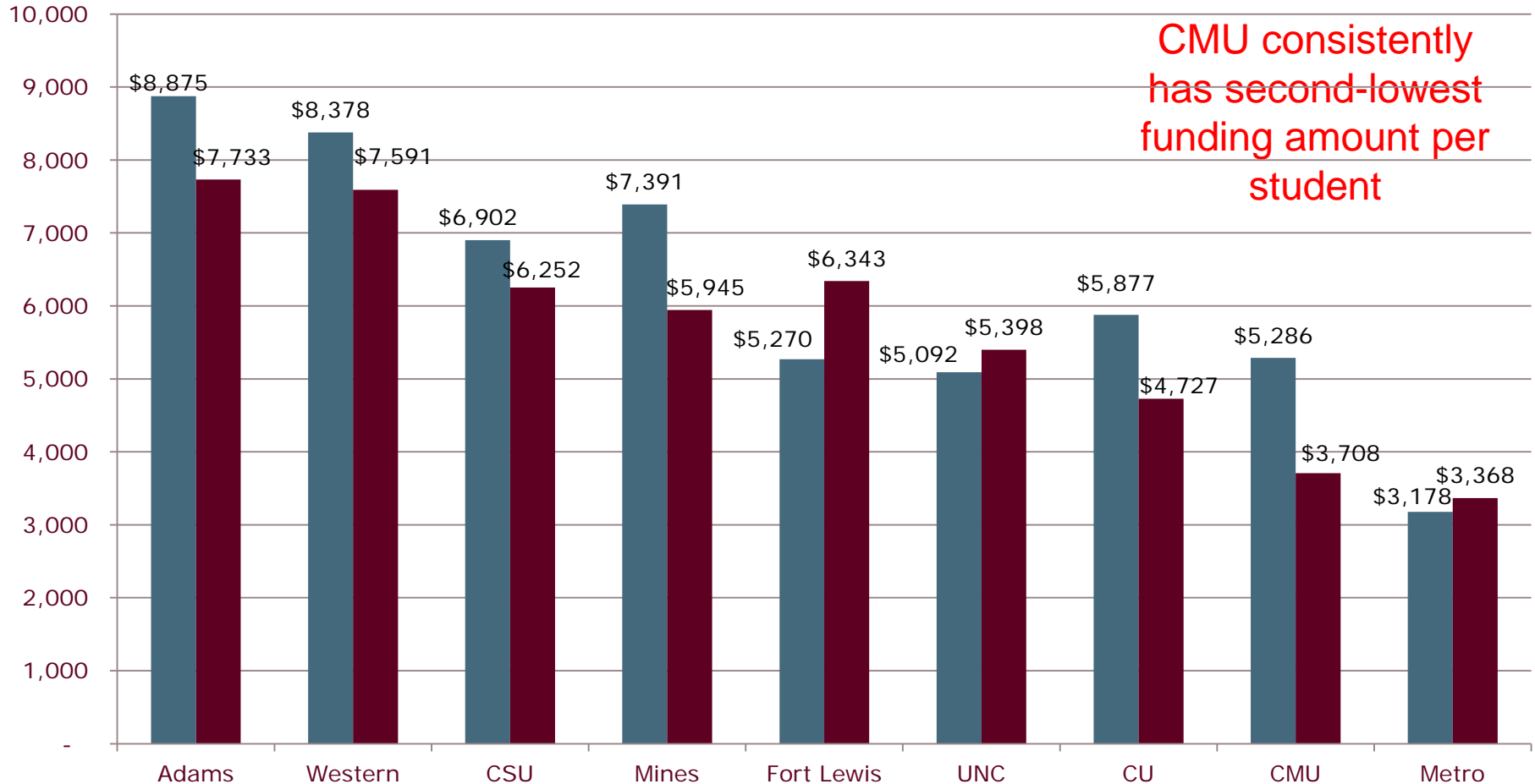
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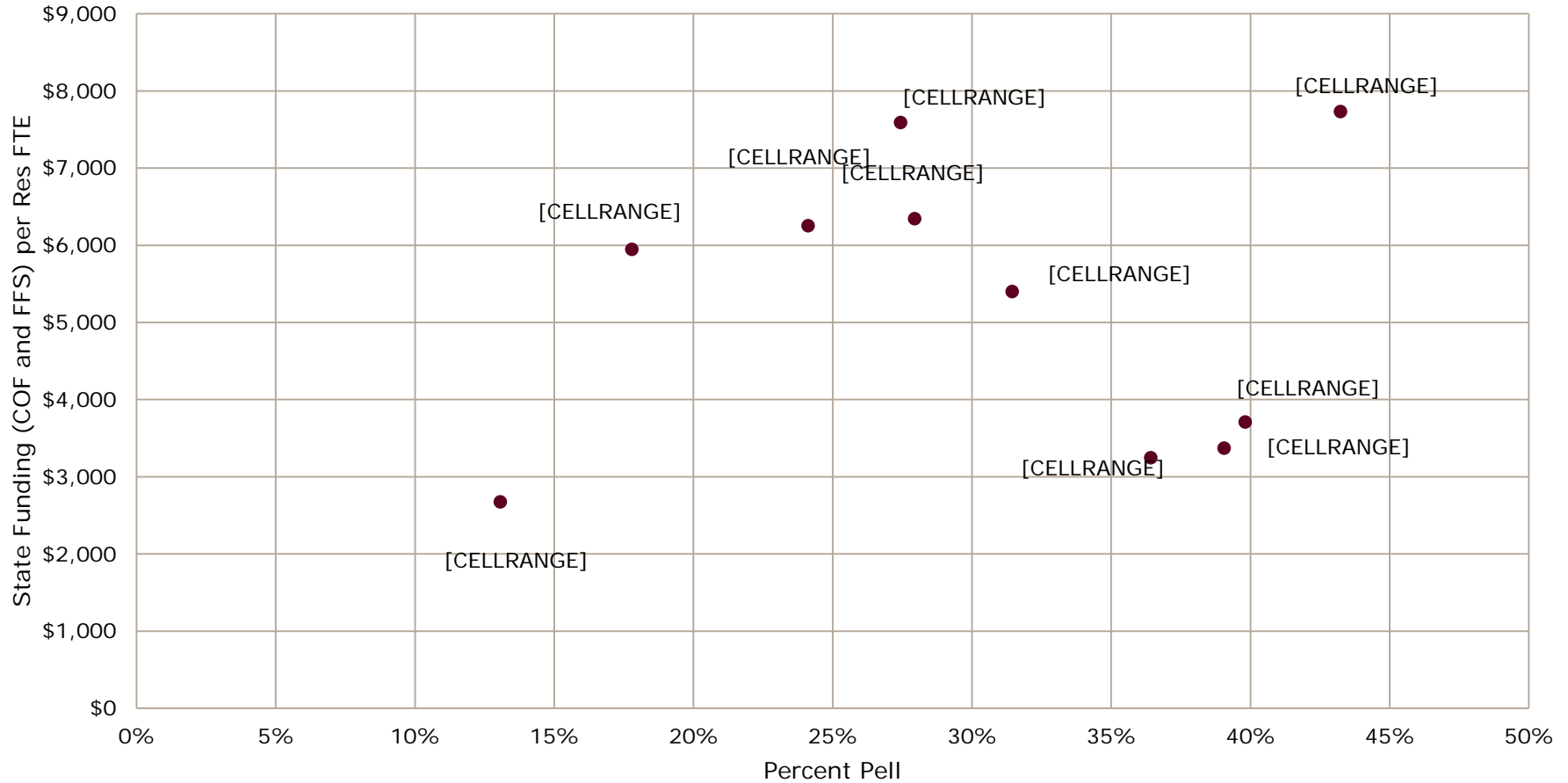
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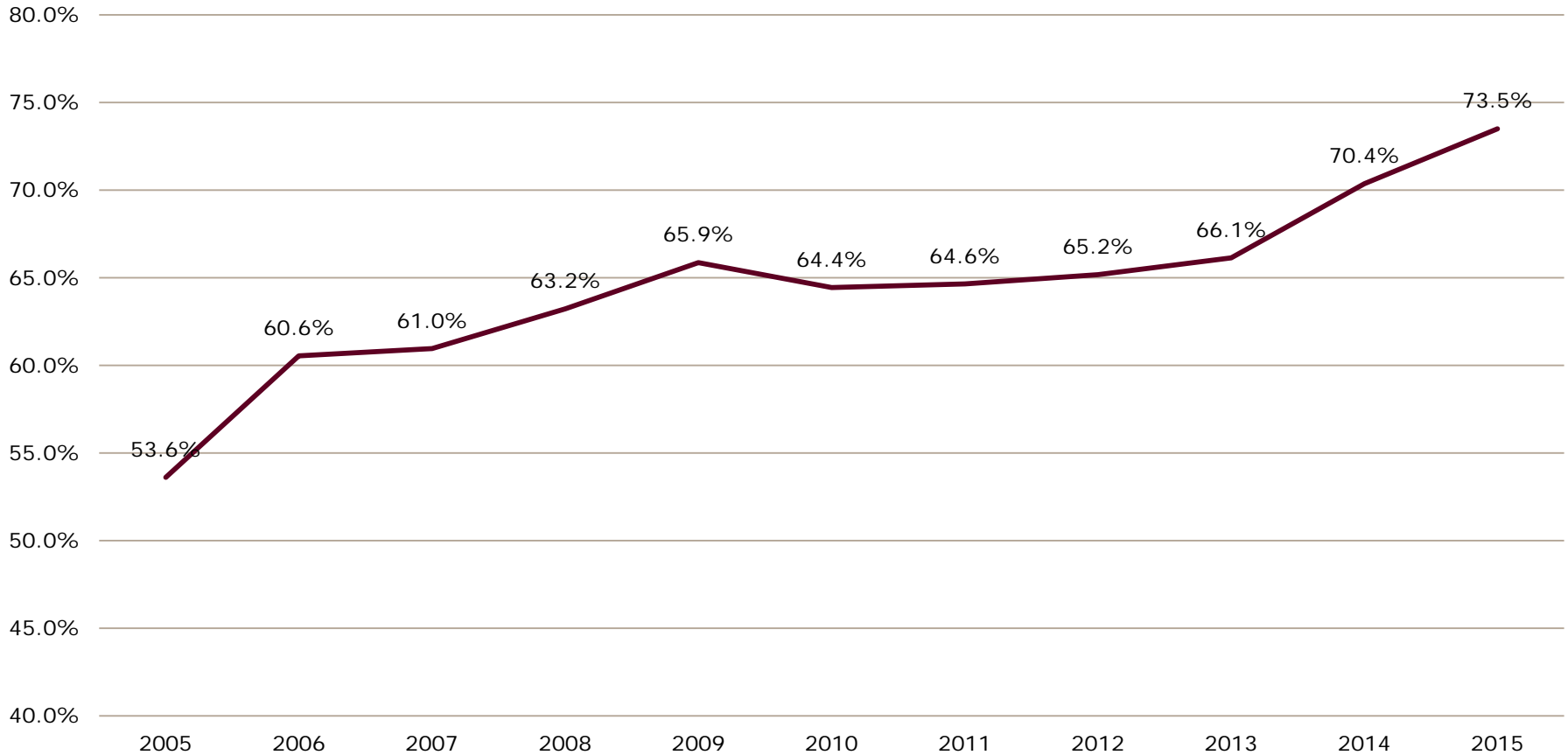
State Funding by Percent Pell

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