



FINANCIAL AND ACCOUNTABILITY PLAN

November 23, 2010

UPDATED

March 2, 2012

INTRODUCTION

The Western State College of Colorado Board of Trustees is submitting this Financial Accountability Plan (FAP) for consideration and approval by the Colorado Commission on Higher Education (CCHE). This FAP identifies maximum projected tuition rate increases for resident students over the next five years based three possible levels of state support for Western. The Plan also identifies a level of increase in institutional financial aid and describes how the College will utilize these resources to ensure continued access and affordability for Colorado residents. Should state funding circumstances change, the Trustees reserve the right to revise and re-submit this FAP per the guidelines provided by Department of Higher Education (DHE).

SECTION I: PROCESS FOR DEVELOPMENT OF FAP

Describe the consultative process used to develop the FAP. Include information on advisory committee meetings, public hearings, and any other forums held on campus to discuss the tuition plan. Please also describe how the development of the FAP speaks to your institution's role and mission.

Since the adoption of the FAP template at the July 8, 2010 CCHE meeting, the College's Board of Trustees and staff have discussed the elements of the FAP and have developed budget scenarios that take into consideration multiple factors beyond tuition increases, such as expenditure reductions, enrollment changes and varying levels of state support. To facilitate this process, staff developed a budget tool that allowed the Board to adjust these variables in real-time to see the effects on expenditures and revenues. It was the decision of the Board to approach this process through a five-year planning horizon versus individual one-year snapshots. Appendix A includes a copy of a screen generated by the budget tool. More discussion on budget assumptions follows in Section II.

These discussions, which have included three public meetings of the Board of Trustees, along with action taken by the CCHE on budget allocation at its September 8, 2010 meeting and supplemental guidance provided by the DHE on September 16, 2010, have resulted in the development of this FAP.

The tuition scenario and measures the College will be taking to ensure continued access and affordability has been discussed with the campus' budget committee and the student government association. The institutional budget committee is composed of faculty and staff from various sectors of campus and the student government association is a 26-member group of student-elected representatives. In each case, while there was disappointment expressed in the potential need to raise tuition by substantial amounts, there was recognition of the relationship between state funding and tuition rates and a desire to maintain quality. Feedback from these groups has helped refine this plan. The proposed tuition increases combined with the financial aid measures identified in this FAP will ensure continued affordability.

SECTION I: UPDATE

PROCESS FOR DEVELOPMENT OF FAP

The College continues to actively utilize and update the five-year budget plan that was developed for the FAP and share this information with the Board of Trustees and campus budget committee. The administration has consulted with Student Government Association on proposed changes in tuition and fees and has kept them informed on the changing landscape of higher education funding in the state of Colorado. As we move through the process of budget development in the weeks and months to come, we will continue to consult with all campus constituents as is the general practice.

SECTION II: REQUESTED TUITION INCREASE

Please detail the governing board/institution requested tuition increases (or range of increases) beginning FY2011-12. Include (based on five-year projections):

- **Year-to-year dollar amounts/percent increase per credit hour for resident students**
- **Differential tuition amounts (if applicable)**
- **Tuition window adjustments (if applicable)**
- **Net expected revenue projections**

Based on action taken by the Commission on September 8, 2010, and further guidance provided by the DHE, Western is submitting three tuition scenarios that are based on differing levels of state support. Each of these scenarios was developed with the same general assumptions which included:

1. That the state appropriation identified in each scenario would remain flat over the five-year period.
2. There would be no change in enrollment both in total numbers and in mix of population (i.e., resident students versus nonresident students).
3. That 25 percent of additional resident tuition revenue generated would go toward institutional financial aid.
4. Modest growth in expenditures to meet mandated costs, recruitment and retention of quality faculty and staff and other operating needs. In most cases increases were tied to projected rates of inflation.
5. That the proposed resident tuition increases would remain consistent over the five-year period. This approach allowed for smaller annual increases but relies on reserve-use and/or expenditure reductions in the first years of the plan to balance the budget.
6. That the proposed nonresident tuition increases would remain at 5 percent per year under each scenario. The College recently conducted a price-sensitivity study on resident and nonresident tuition and found our nonresident population to be highly elastic. Given the importance of this population to the finances of the College and the opportunities that geographic diversity provide to the growth of our students, we feel we have limited flexibility in raising this tuition rate. Even with limited percentage increases on nonresident tuition, the actual dollar increase in tuition for resident students is below or comparable to that for nonresidents in most cases under each scenario.

The first scenario assumes a state appropriation of \$9,837,176 for all five years of the plan and is based on the allocation methodology adopted at the September 8, 2010 Commission meeting. This equates to a reduction in state support (general fund and federal) of \$1,371,705, or 12.2

percent, over Western's current appropriation. When considered against total revenues (i.e., appropriated state support and tuition), this represents a budget cut of 6.5 percent for Western, projected to be the largest percentage cut of all state-supported institutions.

For Western to offset this loss of revenue and meet crucial operating needs, the College, under this first scenario, requests authority to increase the resident tuition rate by 11.6 percent per year for the next five years. Nonresident tuition increases are projected to be 5.0 percent per year for the next five years. If adopted on an annual basis by the Board of Trustees, these percentage increases will represent an average annual cost increase of \$500 per resident student (full time) and \$712 per nonresident student (full time).

Table 1

Western State College of Colorado						
Proposed Tuition Rate Increases: Scenario 1- State Support of \$9,837,176						
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Resident Tuition (Full Time)	\$3,422	\$3,819	\$4,262	\$4,757	\$5,309	\$5,925
Resident Tuition (Per Credit)	\$142.58	\$159.13	\$177.58	\$198.21	\$221.21	\$246.88
\$ Increase (/FT)		\$397	\$443	\$495	\$552	\$616
\$ Increase (/credit)		\$16.55	\$18.45	\$20.63	\$23.00	\$25.67
% Increase		11.6%	11.6%	11.6%	11.6%	11.6%
Nonresident Tuition (Full Time)	\$12,888	\$13,532	\$14,209	\$14,919	\$15,665	\$16,449
Nonresident Tuition (Per Credit)	\$537.00	\$563.83	\$592.04	\$621.63	\$652.71	\$685.38
\$ Increase (/FT)		\$644	\$677	\$710	\$746	\$783
\$ Increase (/credit)		\$26.83	\$28.21	\$29.59	\$31.08	\$32.67
% Increase		5.0%	5.0%	5.0%	5.0%	5.0%
Projected Net Revenues	-\$0-	(\$725,171)	(\$402,309)	(\$55,765)	\$358,471	\$848,487

The second scenario assumes a state appropriation of \$9,083,493 for all five years of the plan. This scenario is predicated on the same method of allocation adopted by the Commission but based on an overall appropriation to higher education that is \$50 million less. This level of funding for Western would equate to a reduction of \$2,125,388, or a 19.0 percent loss in state support (general fund and federal) over our current appropriation. When considered against total revenues (i.e., appropriated state support and tuition), Western would absorb a 10.1 percent loss in total funding, and based on this allocation methodology, this would again represent the largest percentage loss in funding for any state supported institution.

For Western to offset this loss of revenue and meet crucial operating needs, the College, under this second scenario, requests authority to increase the resident tuition rate by 16.0 percent per year for the next five years. Nonresident tuition increases are projected to be 5.0 percent per year for the next five years. If adopted on an annual basis by the Board of Trustees, these percentage increases will represent an average annual cost increase of \$753 per resident student (full time) and \$712 per nonresident student (full time).

Table 2

Western State College of Colorado						
Proposed Tuition Rate Increases: Scenario 2- State Support of \$9,083,493						
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Resident Tuition (Full Time)	\$3,422	\$3,970	\$4,605	\$5,342	\$6,197	\$7,188
Resident Tuition (Per Credit)	\$142.58	\$165.42	\$191.88	\$222.58	\$258.21	\$299.50
\$ Increase (/FT)		\$548	\$635	\$737	\$855	\$992
\$ Increase (/credit)		\$22.84	\$26.46	\$30.70	\$35.63	\$41.29
% Increase		16.0%	16.0%	16.0%	16.0%	16.0%
Nonresident Tuition (Full Time)	\$12,888	\$13,532	\$14,209	\$14,919	\$15,665	\$16,449
Nonresident Tuition (Per Credit)	\$537.00	\$563.83	\$592.04	\$621.63	\$652.71	\$685.38
\$ Increase (/FT)		\$644	\$677	\$710	\$746	\$783
\$ Increase (/credit)		\$26.83	\$28.21	\$29.59	\$31.08	\$32.67
% Increase		5.0%	5.0%	5.0%	5.0%	5.0%
Projected Net Revenues	-\$0-	(\$1,303,529)	(\$756,908)	(\$128,049)	\$639,072	\$1,566,789

The third scenario assumes a state appropriation of \$8,500,000 for all five years of the plan. This level of funding for Western would equate to a reduction of \$2,708,881, or a 24.2 percent loss in state support (general fund and federal) over our current appropriation. When considered against total revenues (i.e., appropriated state support and tuition), Western would absorb a 13.2 percent loss in total funding.

Table 3

Western State College of Colorado						
Proposed Tuition Rate Increases: Scenario 3- State Support of \$8,500,000						
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Resident Tuition (Full Time)	\$3,422	\$4,076	\$4,855	\$5,782	\$6,886	\$8,201
Resident Tuition (Per Credit)	\$142.58	\$169.83	\$202.29	\$240.92	\$286.92	\$341.71
\$ Increase (/FT)		\$654	\$779	\$927	\$1,104	\$1,315
\$ Increase (/credit)		\$27.25	\$32.46	\$38.63	\$46.00	\$54.79
% Increase		19.1%	19.1%	19.1%	19.1%	19.1%
Nonresident Tuition (Full Time)	\$12,888	\$13,532	\$14,209	\$14,919	\$15,665	\$16,449
Nonresident Tuition (Per Credit)	\$537.00	\$563.83	\$592.04	\$621.63	\$652.71	\$685.38
\$ Increase (/FT)		\$644	\$677	\$710	\$746	\$783
\$ Increase (/credit)		\$26.83	\$28.21	\$29.59	\$31.08	\$32.67
% Increase		5.0%	5.0%	5.0%	5.0%	5.0%
Projected Net Revenues	-\$0-	(\$1,763,498)	(\$1,049,963)	(\$199,339)	\$858,556	\$2,163,509

For Western to offset this loss of revenue and meet crucial operating needs, the College, under this third scenario, requests authority to increase the resident tuition rate by 19.1 percent per year for the next five years. Nonresident tuition increases are projected to be 5.0 percent per year for the next five years. If adopted on an annual basis by the Board of Trustees, these percentage increases will represent an average annual cost increase of \$956 per resident student (full time) and \$712 per nonresident student (full time).

These changes represent dramatic increases in costs for Colorado residents. Table 5 below shows FY2009-10 tuition rates for Western against national averages. In addition to these national averages, Western's primary Colorado competitors, based on cross application data, tend to be University of Colorado at Boulder and Colorado Springs, Colorado State University, University of Northern Colorado and Fort Lewis College. The current tuition rates, both resident and nonresident, at most of these institutions are substantially higher than those at Western. However, while the increases of tuition rates at other Colorado institutions are uncertain, it is safe to assume that there will be significant compression between Western's rate and other public four-year institutions in the state, including some research universities. This will create considerable challenges for Western's recruitment and retention efforts.

Table 5

Institution/Competitive Peer	Resident Tuition Rate (FY2009-10)	Nonresident Tuition Rate (FY2009-10)
Western State College of Colorado	\$3,140	\$12,336
College Board public, 4-year national avg.*	\$7,020	\$18,548
NCHEMS Peer Group (DHE)**	\$6,732	\$14,655

*Includes tuition and fees

**Includes tuition and fees and is FY2008-09 data

Over the last couple of years, the College has taken steps to prepare for these tighter budget times. The FY2010-11 budget reduced expenditures by approximately \$700,000, or 3.5 percent. Included in this were staffing cuts of 8.4 FTE, or 3.1 percent, (including 4.0 faculty FTE), along with reductions in travel, operating and capital budgets. The College has also not provided salary increases for faculty and staff for over two years.

For the first three years under any of these scenarios, there will be a need for budget balancing solutions, as illustrated by the negative projected net revenues shown in Tables 1-3. These early operating deficits will be solved through combining further operating reductions, efficiencies and utilization of the College's reserve. Operating surpluses in years four and five will allow the College to restore essential services and rebuild budgetary reserves. The College currently has approximately \$5.5 million in E&G fund reserves and an additional \$2.4 million in auxiliary reserves.

The College did briefly explore tuition differentials and closing our existing tuition window, which is 12 to 18 credits. As a liberal arts institution, tuition differentials are not consistent with our role and mission. We encourage interdisciplinary learning and desire a curriculum and tuition structure that promotes students taking courses outside their major. Extraordinary

expenses associated with a particular course are, in some cases, supported by course fees. This is a preferred approach to supplement costly offerings over tuition differentials applied to a student who has chosen a particular major.

The average credit load at Western has hovered from 13 to 13.5 credits per semester for several years. Closing the tuition window would result in large increases in calculated tuition rates for full-time students (based off of 15 credits per semester) but not generate significant increases in tuition revenue due to the average load taken by Western students. Furthermore, closing the window may create a disincentive to taking larger credit loads, which may drop the average credit load resulting in net reductions in tuition revenue and lengthening time to graduation.

As mentioned above, the College's budget plan for the next five years includes the allocation of 25 percent of increased resident tuition revenue towards institutional financial aid. Table 6 below provides projected increases in institutional aid. The use of this revenue is detailed in the subsequent sections with a focus on ensuring continued access and affordability for low and middle income students.

Table 6

Western State College of Colorado: Projected Increases in Institutional Aid					
	FY2011-12 Projected Increase	FY2012-13 Projected Increase	FY2013-14 Projected Increase	FY2014-15 Projected Increase	FY2015-16 Projected Increase
Scenario #1: 11.6%	\$149,732	\$167,119	\$186,527	\$208,187	\$232,363
Scenario #2: 16.0%	\$206,471	\$239,534	\$277,890	\$322,389	\$374,014
Scenario #3: 19.1%	\$246,447	\$293,551	\$349,659	\$416,491	\$496,096

SECTION II: UPDATE REQUESTED TUITION INCREASE

The College is requesting the authority to increase resident tuition up to 18.0 percent for FY2012-13 and FY2013-14, 10.0 percent for FY2014-15 and 8.0 percent for FY2015-16. These proposed increases in resident tuition are within the range submitted as part of the College's original FAP (see Table 3). However, the CCHE did not approve a scenario of tuition increases that was based on state support below \$9.0 million. The College's state appropriation for FY2012-13 is projected at \$8.8 million. In addition, the College will likely increase nonresident tuition by 7.1 percent for FY2012-13 and FY2013-14, 5.0 percent for FY2014-15 and 3.0 percent for FY2015-16. The increases in nonresident tuition rates are slightly higher than those identified in the original FAP. Currently, Western's nonresident tuition and fee rates are second lowest among all four-public institution in the state, and the College believes it has the capacity to increase nonresident tuition at these levels without impacting our competitive position. Information on the rate increases and projected net revenues are outlined in Table 7 below.

Beyond the linkage to state support, the College's requested tuition increases are tied to a five-year budget model that includes other variables such as enrollment, mix of students (resident vs. nonresident), inflation and other expenditure factors. While variables within the five-year model

have been updated, most of the expenditure assumptions have remained consistent with the model presented with the original FAP. The exceptions include:

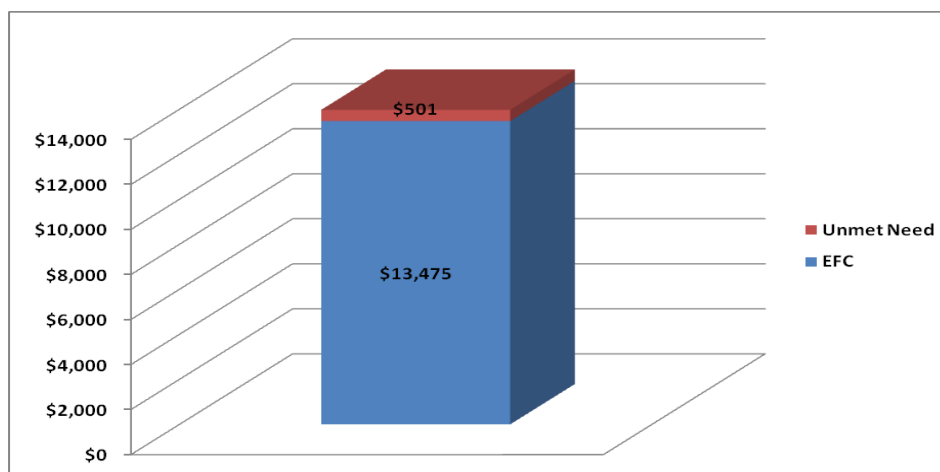
- The College will reduce operating expenditures in FY2012-13 by approximately \$500,000, as compared against the FY2011-12 original budget. The original model assumed modest growth in expenditures in FY2012-13.
- The College experienced a decline in enrollment in FY2011-12. Enrollment in FY2012-13 is budgeted to increase a modest amount due, in part, to the addition of two women's sports programs. Enrollment in out-years is budgeted to remain flat against the FY2012-13 budgeted level. The original model assumed enrollment for all years to remain at FY2010-11 levels.
- In FY2014-15 and FY2015-16, the College will set tuition rates at levels that will support expenditure increases, including investments into institutional financial aid, but not produce net operating revenue. The original model assumed tuition rates at levels that would cover expenditure increases as well as provide net revenues sufficient to replenish the reserve expended in the first three years of the model. This change in approach mitigates against higher tuition rate increases in the latter years of the model and recognizes that, even with utilizing reserves in the first three years of the plan, the College will maintain a reserve level that is well beyond the 10 percent requirement designated in Board of Trustee policy.

Table 7

Western State College of Colorado: Proposed Tuition Increases and Estimated Net Revenues					
	Actual	Request Years			
	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Resident Tuition (Full Time)	\$3,921.60	\$4,627.20	\$5,460.00	\$6,006.00	\$6,486.00
Resident Tuition (Per Credit)	\$163.40	\$192.80	\$227.50	\$250.25	\$270.25
\$ Increase (/FT/Semester)	\$249.50	\$352.80	\$416.40	\$273.00	\$240.00
\$ Increase (/credit)	\$20.80	\$29.40	\$34.70	\$22.75	\$20.00
% Increase	14.6%	18.0%	18.0%	10.0%	8.0%
Nonresident Tuition (Full Time)	\$13,536.00	\$14,496.00	\$15,525.00	\$16,301.00	\$16,791.00
Nonresident Tuition (Per Credit)	\$564.00	\$604.00	\$646.88	\$679.21	\$699.63
\$ Increase (/FT/Semester)	\$324.00	\$480.00	\$514.50	\$388.00	\$245.00
\$ Increase (/credit)	\$27.00	\$40.00	\$42.88	\$32.33	\$20.42
% Increase	5.0%	7.1%	7.1%	5.0%	3.0%
Projected Net Revenues	(\$1,000,408)	(\$725,695)	(\$188,201)	\$198	\$22,190

Full-time resident tuition and fees at Western in FY2011-12 are the lowest of all four-year Colorado public institutions and tuition and fee rates compared against national peers are still well below the average. In addition, Western draws a resident demographic of student that is not like many other small, rural institutions. As shown below, the FY2011-12 estimated family contribution for first-time, full-time, resident students who applied for aid was \$500 below the direct cost of attendance prior to the awarding of aid.

Figure 1
FY2011-12 Resident EFC Compared Against Direct Costs (\$13,976)



While our current rates and the financial demographics of our student body suggest capacity to increase tuition, the five-year budget model, as represented in Appendix A, continues to include substantial investments into institutional financial aid. These increases are outlined in Table 8 below. The College will also increase financial aid contributions from the WSC Foundation and its auxiliary enterprises to support this commitment to tuition and fee discounting.

Table 8

Western State College of Colorado: Projected Change in E&G Institutional Financial Aid ¹				
FY2011-12 Estimated Actual Increase	FY2012-13 Projected Increase	FY2013-14 Projected Increase	FY2014-15 Projected Increase	FY2015-16 Projected Increase
\$555,210	\$626,603	\$520,937	\$313,988	\$262,173

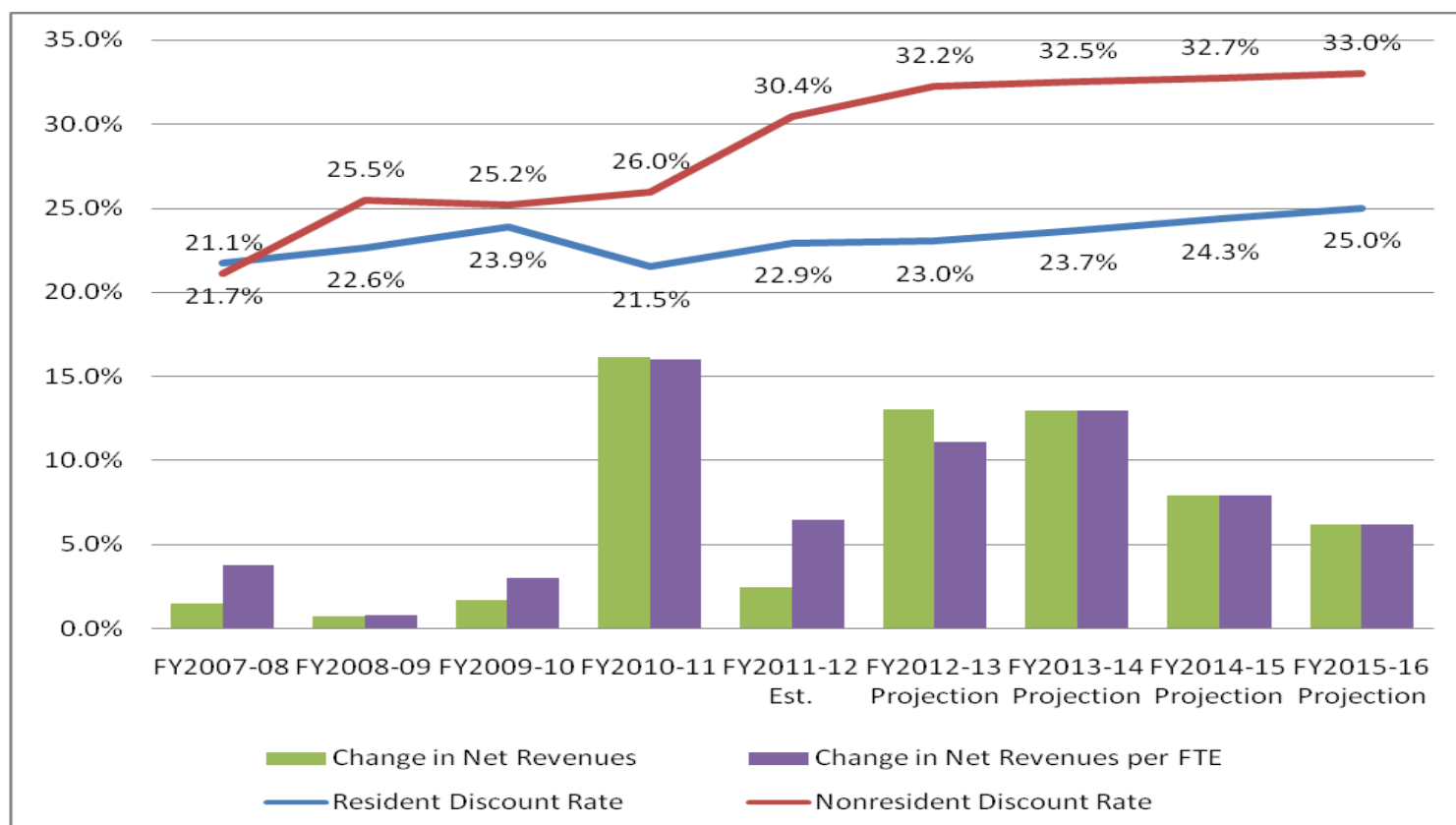
¹The College has changed its presentation of nonresident aid from revenue offsets to scholarship expenditures.

If tuition rates are increased based on this updated FAP request, Figure 2 demonstrates how the investments in institutional aid identified in Table 8 and the updated five-year model (Appendix B) will move us to our targeted discount rates of 25 percent for resident students and 33 percent for nonresident students over the next four years. The discount rate is defined as institutional financial aid as a percent of gross tuition and fees. Higher discount rates not only help preserve access, but based on the College's recent experience, it also can help promote increases in enrollment.

As can be seen in the historical data from Figure 2, Western's discount rate for nonresidents has been increasing steadily in the last few years whereas the discount rate for resident students has remained relatively flat. During this same time period, the College has experienced an increased enrollment trend in our nonresident population whereas the enrollment trend for our resident population has been one of decline. Essentially, the implementation of recommendations from the price-sensitivity study conducted for the College a few years ago proved successful. That study, which found our nonresident population to be highly price-elastic, concluded with the

recommendation that the College increase the discount rate for this population in order to achieve both larger enrollments and larger increases in net revenue.

Figure 2:
Historical and Projected Discount Rates and Net Tuition and Fee Revenues



SECTION III: PROTECTION OF LOW AND MIDDLE INCOME STUDENTS

Describe the projected financial aid available (federal, state, institutional & private moneys) to students to mitigate the impact of any increase in tuition and fees. Describe how any additional institutional monies from increased tuition will be allocated to financial aid and how it will be awarded. Specifically address strategies as they relate to providing assistance to low and middle income students.

Federal Student Aid

The College will continue to allocate federal student aid funds based on the information provided by students and parents on the Free Application for Federal Student Aid (FAFSA) and the formula known as the Federal Methodology (FM). Pell Grants form the foundation of this aid and Federal Work Study, Federal Supplemental Educational Opportunity Grants (FSEOG), Perkins Loans, and Subsidized Stafford Loans are all need-based and help make attendance affordable for low income students.

In addition, students who do not demonstrate need are eligible for a federally guaranteed unsubsidized Stafford Loan, which has and will continue helping middle income students afford college.

As of July 1, 2009, student borrowers can repay their federal loans through the Income-Based Repayment Plan, which limits monthly payments to no more than 15 percent of the amount by which income exceeds the federal poverty level. Pell Grants are available for year-round study, and Congress increased the maximum Pell Grant from \$4,731 in 2008-09 to \$5,350 in 2009-10 to \$5,550 in 2010-11. Limits on the amount students can borrow through the unsubsidized Stafford Loan program also have been increased, and Congress has imposed additional regulations on the private student loan market. Based on current funding and income levels, these changes will assist the College in keeping attendance affordable during the five years of the Plan. However, current uncertainty of allocations and formulas at the federal level will influence how Western is able to distribute aid and the mix of institutional resources.

State Student Aid

The state of Colorado utilizes the federally specified law of the Federal Methodology for evaluating student and family resources. Accordingly, the state's packaging policy requires that financial aid that includes need-based assistance may not exceed documented student needs and recognizes that institutions may not be able to fully fund student need or may choose to leave selected amounts unfunded if allocations are insufficient to meet the full need of all students.

The College will continue to utilize the Colorado Student Grant Program. Given that this program utilizes the federally specified law of the Federal Methodology for evaluating student and family resources, it has and will continue to assist low income students.

Institutional and Private Sources of Student Aid

Western State College of Colorado will allocate one-quarter of additional resident tuition to create new need-based aid programs and fund outreach efforts to underrepresented and underserved populations. This section addresses aid strategies to help mitigate tuition increases that result from a loss of state appropriations.

Additional funds for need-based assistance will create two levels of programming—enhanced institutional grants and increased work-study opportunities.

Additional grants will be allocated to all federal PELL eligible Colorado students and to Level 1 Colorado students without PELL eligibility and Level 2 students. Assistance will be in the form of a direct grant as a portion of Western's commitment to affordability for its neediest students. To mitigate the increases in tuition and fees it is proposed that PELL eligible, Level 1 no PELL and Level 2 students be held to one-half of the proposed increase. Using the 11.6 percent tuition increase scenario as an example, 25 percent of the tuition revenue generates approximately \$150,000 in additional scholarship budget in year on. Using the data provided via SURDS and the distribution of Western's Level 1 and Level 2 students, the three-year average population at the College is 172 students in these categories. Applying the 11.6 percent increase in resident tuition nets increase of \$397 per full time student per year. To mitigate the increase to one-half of the rate increase, student scholarship/grant money for Level 1 and Level 2 would need to be

approximately \$199, or \$35,000 of the projected tuition revenue set-aside for financial aid. The remaining revenue provides flexibility in addressing aid issues for Colorado PELL eligible students as well as continued direction of funds to work-study opportunities as well as improved differentiation for Level 1 and Level 2 students and their need.

In addition, a percentage of funds will be reallocated for transfer students to provide additional need-based assistance. This will create an assistance pool for low to middle income students who are interested in pursuing a four-year program.

A portion of the funds generated via the additional tuition revenue will be allocated to complement work-study so that students in these EFC ranges have greater campus-based earning potential to strengthen their involvement on campus.

Finally, to address the issues faced by low and middle income students and the fact that they sometimes find the need to attend part-time, a portion of the aid will be allocated to part-time, high-need students. This will help to address elements of the state and federal system that do not support part-time students with grant-based funding.

Table 9

Western State College of Colorado's three-year PELL distribution by level for Colorado residents¹				
	PELL Eligible	Level 1 (no PELL)*	Level 2*	Colorado FTE
2007	411	95	60	1,452
2008	408	105	70	1,428
2009	381	107	79	1,453

¹Source SURDS Financial Aid File

*EFC Limits: Level 1 (150% PELL), Level 2 (200% PELL)

SECTION III: UPDATE

PROTECTION OF LOW AND MIDDLE INCOME STUDENTS

Approximately 180 additional campus employment opportunities were created for FY2011-12. Western remains committed to assisting this student demographic and to monitoring its awarding practices.

As we continue to refine our awarding policies we also recognize the importance of increasing enrollment of all populations and are also focusing on alternative awarding practices and scholarships/discounting models to encourage overall enrollment growth. The College remains committed to allocating institutional resources toward student aid and will continue to ensure that those Level 1 and Level 2 resident students will be held to no more than 50 percent of the increase in tuition.

SECTION IV: STUDENT DEBT LOAD

Describe the measures the governing board shall implement to help reduce student debt load as a result of tuition/fee increases.

Student borrowing complements other forms of financial assistance, and the College will continue to minimize debt load where possible. The College works with students so that they can make an informed decision about loans, by comparing the terms and conditions of each offer carefully. One aspect to help mitigate student debt load will be to work with all students to understand whether or not there is even a need to borrow, and if so, educate students on the reasons to accept only what's necessary to cover college costs (tuition and fees, housing, meals, books, personal expenses, and transportation) rather than lifestyle choices.

Western will work directly with loan counselors at organizations like College Invest to complement the on-line loan counseling with in-person counseling to help students understand the consequences of student debt. And, for graduating students, the College will utilize external expertise to work with in-person exit counseling and include tactics such as individual consults, comprehensive loan documentation and review.

And, to stretch federal dollars, Western will apply FSEOG funds (grant assistance) to Colorado residents only to assist with offering need-based grant funding to eligible Coloradans in an attempt to mitigate loan increases where dollars are available.

Table 10

Western State College of Colorado's three-year distribution of debt load by level for Colorado residents¹				
	Level 1*	Level 2*	Level 3	Colorado Students with Loans
2007	\$4,919	\$4,743	\$3,733	825
2008	\$4,803	\$4,111	\$4,211	832
2009	\$5,177	\$5,939	\$5,059	779

¹Source SURDS Financial Aid File

*EFC Limits: Level 1 (150% PELL), Level 2 (200% PELL)

SECTION IV: UPDATE STUDENT DEBT LOAD

Per the original FAP, Western has transitioned to in-person exit counseling as a requirement for all graduating students. This format allows for completion of the counseling which is beyond the federal requirement of notification. In-person counseling also provides students with the tools to better understand loans, consolidation and debt in an effort to help them better manage their finances and personal debt load.

In addition, the College has collaborated with College Invest and is using its training materials to teach financial money management classes. Classes are open to all students so that there is an earlier understanding of the debt commitment. Finally, students who are at the greatest academic and default risk, are required to take this course which helps them understand personal finances and debt management.

Finally the College used a higher percentage of FSEOG to help fund PELL eligible resident students.

SECTION V: ADDRESS THE NEEDS OF UNDERSERVED & UNDERREPRESENTED STUDENTS

Describe how your institution will continue to address the needs of underserved and underrepresented students to maintain access, provide appropriate outreach, and ensure success. Specifically address the following populations:

- 1. First generation students**
- 2. Minority students**
- 3. Students from low socioeconomic backgrounds**

Western State College of Colorado will expand its outreach to promote a successful leap to college for underserved and underrepresented students. Admissions and Student aid processes will continue to be crucial aspects of these efforts. The College will address these populations by utilizing existing state higher education resources where available and reallocating current programs and funds to do the following:

Access and Outreach

- Intensive assistance with the admissions and financial aid processes through financial aid workshops for students and their parents about the financial aid process, especially filling out the FAFSA (current higher education resource).
- Improved financial literacy about family options for covering the cost of attendance at four-year institutions, including the prudent use of loans (current resource).
- Create a series of videos about the admissions and financial aid processes in English and Spanish (current resource).
- Create institutional Web pages in Spanish to address specific Western programs.
- Notify students of their estimated financial aid eligibility before the spring of their senior year of high school (requires development of tools that exceed the financial aid calculator so that the process is meaningful and provides greater service).
- Develop programming in conjunction with AVID (Advancement via Individual Determination) to specifically bring students who are in the academic middle and are often overlooked by high achieving programs to the college environment as early as possible through college tours and other college planning exercises.
- Extend the time the financial aid and admissions staff are available to provide these critical services by offering more evening, weekend and on-the-road hours.

Promote Success

- Reentry assistance by expanding institutional need-based financial aid eligibility to part-time students with PELL eligibility.
- Greater assistance with covering unmet financial need, such as through the use of expanded work-study programs by shifting a portion of the College's merit aid to enhance work-study opportunities. (Research shows that most first-generation students opt to work rather than take out loans, but having expanded work opportunities on campus, this will mitigate some of the issues that come from focusing time and attention on off-campus employment.)

- Allocate institutional funds from the tuition increase to assist students with the payment of remedial courses to incentivize students to pursue the necessary coursework for college success. Western is currently prohibited from offering remedial (basic skills) courses (§23-1-113.3(2)) and therefore not eligible to receive remedial funding, including COF stipends, from the state. As such, students at Western take these courses through our cash-funded program. Without the state subsidy, the tuition cost of these courses is generally greater than general fund courses and thus the need to examine institutional subsidization.
- Create an emergency no-interest loan fund designed to provide additional resources in extenuating circumstances such as emergency book loans, emergency child-care loan, etc.
- Use a portion of the tuition increases to institute financial management programming to assist students with transitional financial issues and address problems of default.
- Expand first-year academic advising to better assist first-generation students' transition to higher education.
- Increase online tools that enhance the ability of students and their parents to track academic performance and progress towards degree completion.

SECTION V: UPDATE

THE NEEDS OF UNDERSERVED & UNDERREPRESENTED STUDENTS

Western continues its commitment to providing access and outreach to all student populations. With the College's student demographic and institutional assistance, we are working to ensure that we are able to reach and serve these populations. In FY2011-12, the College was named a military friendly school, has hosted multiple high school/middle school AVID groups and continues to work with several state groups, including the Southern Colorado Higher Education Consortium, as well as various marketing firms to broaden outreach to these populations.

The College is actively supporting legislation (HB12-1155) that will allow Western to better serve those students in need of developmental education. The College appreciates the Commission's support of this measure.

SECTION VI: OPERATIONAL FLEXIBILITY

Describe how the institution/governing board will utilize institutional flexibility to maximize operations, maintain quality, increase efficiencies and create cost savings.

Prior to the passage of Senate Bill10-003, the College, along with all state higher education institutions, had the choice to opt-out of certain state services and requirements. These services and requirements included the state procurement code, the state risk management program, and the state fleet management program. To date the College has opted out of the state procurement code and has submitted our indication to opt-out of the state risk management program beginning FY2011-12. In each of these cases the College has completed an analysis of the operational benefits and savings associated with these flexibility measures and will continue to do this with those offered through Senate Bill10-003.

The College has notified the Department of Personnel and Administration of our intent to discontinue participation in the contract monitoring systems. Our prior participation in these programs did not provide a benefit to the College and required a significant amount of staff time to comply. By relieving our procurement staff of this required reporting, more focus can be made on improving internal processes that will save the College money and provide better service to College departments.

Beyond this provision, the College plans to assess other elements of flexibility such as the development of our own fiscal rules and processes for debt collection. Should the College opt to adopt these measures of flexibility, a report on the projected operational efficiencies and cost savings will be provided through another FAP submission.

SECTION VI: UPDATE OPERATIONAL FLEXIBILITY

In FY2011-12, the College saved over \$100,000 by beginning the implementation of an independent risk management program. The College will complete its phased opt-out of the state risk management program in FY2012-13, achieving budget savings and improving the overall program and its approach towards risk management.

The College continues to participate in the state fleet management program and follows the state's fiscal rules and processes for debt collection. Western will continue to explore opportunities for operational flexibility and will report to the Commission if and when there is a decision to pursue an opt-out of these activities.

SECTION VII: ALIGNMENT WITH STATEWIDE STRATEGIC PLANNING

Describe how the implementation of the elements of this FAP provides either opportunities for or barriers to alignment with the on-going statewide strategic planning process.

This Plan has been prepared with full recognition of proposed statewide goals, as expressed during the current higher education strategic planning process. Incorporated into the plan are mechanisms to keep attendance affordable, move to a sustainable revenue model, and maintain efficiencies.

The proposed increases in tuition will, over the course of five years, shift the cost of education to students and their parents, but our proposed financial aid mechanisms are intended to moderate the impact of tuition increases for low- and middle-income students. The intent is to promote access and retention and ultimately degree completion, all stated state goals.

Implementation of these tuition increases will begin to shift our funding to a high tuition-high financial aid model, which is recognized as necessary given limited state support. This increasing reliance on tuition revenue is necessary to maintain the academic programs and services that

enable the College to meet state goals for higher education. This includes providing for an educated workforce and developing responsible citizens for a successful civic enterprise.

This FAP also incorporates expenditure reductions. Colorado institutions already provide a remarkable education despite state support well below national averages. Nevertheless, it is recognized that continued efficiency will be required to meet the state's objectives for higher education.

SECTION VII: UPDATE

ALIGNMENT WITH STATEWIDE STRATEGIC PLANNING

The College continues to track the statewide strategic planning process and supports the goals initially identified. The College has worked with the DHE to revise our peer grouping which originally included vocational and technical institutions along with three HBCU's.

In relation to these initially identified goals, the College experienced its highest retention rate at 64 percent this previous fall and is in the final stages of the development of a first-year experience that will help retain students and support degree attainment. As mentioned above, the College is working with the DHE and legislative leaders to create a more effective and efficient delivery of developmental courses for Western's students.



Five Year E&G Budget Projection Model

APPENDIX A

Original FAP
(Nov. 2010)
11.6% Res Model

Variable		FY2015-16 Target
E&G Enrollment (Headcount)	◀ ▶	2,100
Student FTE : Faculty FTE Ratio	◀ ▶	16.5
Student FTE : Staff FTE Ratio	◀ ▶	12.4
NR % Share of Total Student FTE	◀ ▶	23.1%
Variable		Annual Change
Resident Tuition % to Scholarship	◀ ▶	25.0%
State Appropriation % Change	◀ ▶	0.0%
Resident Tuition Rate Cap	◀ ▶	11.6%
Nonresident Tuition Rate Cap	◀ ▶	5.0%

	Base Year		Projected Years														
	FY2010-11 Orig. Budget		FY2011-12 (Year 1)		FY2012-13 (Year 2)		FY2013-14 (Year 3)		FY2014-15 (Year 4)		FY2015-16 (Year 5)						
Expenditure Variables:																	
E&G Enrollment (Headcount)	2,100		2,100		2,100		2,100		2,100		2,100						
Projected Denver/Boulder CPI			1.6%		2.1%		2.3%		2.3%		2.3%						
Student FTE to Faculty FTE Ratio	16.5		16.5		16.5		16.5		16.5		16.5						
Student FTE to Staff FTE Ratio	12.4		12.4		12.4		12.4		12.4		12.4						
E&G Expenditure Categories																	
			% Chg		% Chg		% Chg		% Chg		% Chg						
Faculty Salaries and Benefits	\$	7,765,624	\$	7,889,874	1.6%	\$	8,055,561	2.1%	\$	8,240,839	2.3%	\$	8,430,379	2.3%	\$	8,624,277	2.3%
Faculty FTE		112.00		112.00			112.00			112.00			112.00			112.00	
Administrative and Classified Salaries and Benefits	\$	8,317,041	\$	8,461,471	1.7%	\$	8,639,162	2.1%	\$	8,837,863	2.3%	\$	9,041,134	2.3%	\$	9,249,080	2.3%
Administrative and Classified FTE		148.80		149.00			149.00			149.00			149.00			149.00	
Operating Budgets	\$	3,306,029	\$	3,361,183	1.7%	\$	3,431,768	2.1%	\$	3,510,698	2.3%	\$	3,591,444	2.3%	\$	3,674,048	2.3%
Professional Development/Travel	\$	414,649	\$	421,567	1.7%	\$	430,419	2.1%	\$	440,319	2.3%	\$	450,446	2.3%	\$	460,807	2.3%
Capital	\$	800,590	\$	334,629	-58.2%	\$	341,656	2.1%	\$	349,514	2.3%	\$	357,553	2.3%	\$	365,777	2.3%
Student Employment	\$	501,190	\$	509,209	1.6%	\$	519,902	2.1%	\$	531,860	2.3%	\$	544,093	2.3%	\$	556,607	2.3%
Scholarships & Fellowships-Gross	\$	1,139,050	\$	1,288,782	13.1%	\$	1,455,901	13.0%	\$	1,642,428	12.8%	\$	1,850,615	12.7%	\$	2,082,978	12.6%
Transfers (In) / Out	\$	(30,000)	\$	(30,000)	0.0%	\$	(30,000)	0.0%	\$	(30,000)	0.0%	\$	(30,000)	0.0%	\$	(30,000)	0.0%
Utilities	\$	770,000	\$	785,400	2.0%	\$	801,108	2.0%	\$	817,130	2.0%	\$	833,473	2.0%	\$	850,142	2.0%
Overhead Allocation to Auxiliaries	\$	(2,074,496)	\$	(2,071,990)	-0.1%	\$	(2,128,093)	2.7%	\$	(2,190,659)	2.9%	\$	(2,256,222)	3.0%	\$	(2,325,034)	3.0%
Total E&G Expenditures	\$	20,909,677	\$	20,950,124	0.2%	\$	21,517,385	2.7%	\$	22,149,993	2.9%	\$	22,812,914	3.0%	\$	23,508,681	3.0%
Revenue Variables:																	
Nonresident % Share of Total Student FTE	23.1%		23.1%		23.1%		23.1%		23.1%		23.1%		23.1%		12.4%		
E&G Revenue Categories																	
			% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		
Fee For Service	\$	7,323,487	\$	7,268,225	-0.8%	\$	7,268,225	0.0%	\$	7,268,225	0.0%	\$	7,268,225	0.0%	\$	7,268,225	0.0%
COF Stipends	\$	2,568,660	\$	2,568,951	0.0%	\$	2,569,242	0.0%	\$	2,569,533	0.0%	\$	2,569,824	0.0%	\$	2,570,115	0.0%
Resident Tuition: Student Share	\$	5,157,541	\$	5,756,468	11.6%	\$	6,424,946	11.6%	\$	7,171,052	11.6%	\$	8,003,800	11.6%	\$	8,933,253	11.6%
Nonresident Tuition	\$	4,133,278	\$	4,338,309	5.0%	\$	4,553,510	5.0%	\$	4,779,385	5.0%	\$	5,016,464	5.0%	\$	5,265,303	5.0%
Other (including federal stabilization and fees)	\$	1,726,711	\$	293,000	-83.0%	\$	299,153	2.1%	\$	306,034	2.3%	\$	313,072	2.3%	\$	320,273	2.3%
Total E&G Revenues	\$	20,909,677	\$	20,224,953	-3.3%	\$	21,115,076	4.4%	\$	22,094,229	4.6%	\$	23,171,386	4.9%	\$	24,357,168	5.1%
Gain or (Loss)	\$	-	\$	(725,171)		\$	(402,309)		\$	(55,765)		\$	358,471		\$	848,487	16.5%
			% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		% Chg		
COF Stipend Rate	\$	1,860	\$	1,860	0.0%	\$	1,860	0.0%	\$	1,860	0.0%	\$	1,860	0.0%	\$	1,860	0.0%
Resident Tuition Rate (Student Share)	\$	3,422	\$	3,819	11.6%	\$	4,262	11.6%	\$	4,757	11.6%	\$	5,309	11.6%	\$	5,925	11.6%
Nonresident Tuition Rate	\$	12,888	\$	13,532	5.0%	\$	14,209	5.0%	\$	14,919	5.0%	\$	15,665	5.0%	\$	16,449	5.0%
Total Student FTE		1,847.6		1,847.6	0.0%		1,847.6	0.0%		1,847.6	0.0%		1,847.6	0.0%		1,847.6	0.0%
Resident FTE		1,420.0		1,420.2	0.0%		1,420.3	0.0%		1,420.5	0.0%		1,420.6	0.0%		1,420.8	0.0%
Nonresident FTE		427.6		427.4	0.0%		427.3	0.0%		427.1	0.0%		427.0	0.0%		426.8	0.0%

Beginning in FY2012-13, the College will change the presentation of nonresident institutional aid from a tuition offset to a scholarship expenditure. Scholarships for FY2010-11 and FY2011-12 have been grossed up to allow for comparability.