



## University of Colorado

Boulder • Colorado Springs • Denver • Anschutz Medical Campus

**Bruce D. Benson**  
President

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November 30, 2010

Re: Financial Accountability Plan

Dear Commissioners,

Thank you for the opportunity to provide additional information on the University of Colorado's financial accountability plan. The university's plan is based upon the planning parameters established by the Colorado Commission on Higher Education (CCHE) at its September 2010 meeting. At that time, governing boards were directed to use the three-part funding formula established at a total state support funding level of \$555 million and to also plan for funding at \$500 million in any financial accountability plan submitted. Based on these funding levels, and assuming the same funding formula is used to allocate funding at \$500 million, the University of Colorado does not plan to raise resident undergraduate tuition above 9.0 percent in FY 2011-12. In the interest of collaboration, the university would like to work with the Department and the Commission to ensure the best interests of the state, the residents of Colorado, and the university are protected.

As a reminder, the University of Colorado is in a different place with regards to tuition increases than most institutions in Colorado. During the last economic downturn, the university aggressively increased tuition, raising its rates as much as 28 percent one year. At that time, the university began developing a robust institutional financial aid program to help ensure access to for all qualified residents of Colorado. Today, the university's tuition is on average \$4,400 more than it was in FY 1999-00. More than tripling the university's tuition over the last decade, the university has already taken steps that other institutions are looking to take now. I appreciate the opportunity to provide you more information on the historical commitment the university made during the last economic downturn when it raised tuition and the resulting advantages to Coloradans of this commitment.

Today the university's investment in institutional financial aid has grown from \$38 million in FY 2001-02 to a budgeted \$111 million in FY 2010-11. Today our students graduate in real dollars on average with less debt than they did in FY 2001-02. The university's population is more diverse serving 2,540 more minority students than in FY 1999-00. The university has maintained its historical commitment to low income students with 23 percent of our resident student population receiving Pell grants. The university has been a good steward of the limited state funding and the increasing tuition revenue it has received. Our historical commitment to developing programs to ensure access and affordability, long before it was a requirement in

state statute, is the basis of our financial accountability plan. It is the historical investment in these areas that the university is seeking to maintain should state funding drop further.

In addition to the historical commitment made to institutional financial aid, when the state's economy began to decline in FY 2008-09, CU adopted an aggressive strategy to ensure our campuses can move forward with fewer state resources. This strategy included cutting expenditures, implementing operational efficiencies, and increasing revenues including enrollment increases and tuition. While not utilized aggressively to date, increasing revenues will need to be an important part of future strategies. The university has already balanced over \$50 million in state funding cuts, largely through cutting expenditures. As a result, our institutions are positioned to continue offering quality educational programs to resident students with fewer state funds. However, there is a limit to the cuts that can be taken while maintaining the university's historical quality. If state funding were reduced much below the current funding proposal for FY 2011-12 of \$158 million, the university would need to turn to tuition revenue to help balance the shortfall.

CU has been a leader in programs that protect access for low- and middle-income residents. Our financial accountability plan commits to continuing those programs in the future. We hope that you will recognize the efforts taken by CU in the years leading up to FY 2011-12, rather than focus on the absence of 'new' initiatives. We believe that our strategy for addressing the current budget crisis with measured tuition increases, streamlined operations, and continued access for all qualified students is the best approach for Colorado. In this spirit, we ask for your approval of our Financial Accountability Plan as submitted. We will continue to work with the Commission in the event the state is unable to provide the level of FY 2011-12 support requested by the administration.

Sincerely,



Bruce Benson  
President  
University of Colorado

cc: Rico Munn, Director, Colorado Department of Education

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### **SECTION I: PROCESS FOR DEVELOPMENT OF THE FINANCIAL ACCOUNTABILITY PLAN**

*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.*

The proposed tuition increases for FY 2011-12 are the products of extensive study and review at the campuses; between the campuses and the Office of the President; and with the Board of Regents. During FY 2008-09, the state reduced its support to the University of Colorado (CU) by \$50 million, and in FY 2009-10, the state further reduced its support by an additional \$71 million. During these unprecedented funding reductions, CU received one-time funding from the American Reinvestment and Recovery Act (ARRA) to maintain funding at the original FY 2008-09 state funding levels of \$209 million. These funds provided a defined time period in which CU took actions to reduce its operating budgets and enhance its revenue growth.

During this time period, CU worked with other higher education institutions, legislators, and the Colorado Commission on Higher Education to develop the principles that became SB10-003. This was a bipartisan effort that brought all of higher education's stakeholders together in an unprecedented way. The flexibility allowed for in the legislation will result in efficiencies through streamlined financial processes and new revenues through flexibility in limits on international student enrollment. At its core, the legislation will allow institutions to address reductions in state funding while still serving the state's student population.

CU took a leadership position in seeking flexibility legislation, and the university is determined to continue its sound stewardship of the state's past support. CU has balanced \$51 million in reductions to date and eliminated 338 positions. Since FY 2007-08, the university's actual dollars in institutional support (administrative expenditures) have decreased 2.9 percent or \$2.2 million, while instructional expenditures have increased 13.8 percent or \$53.3million. This highlights the focus the university has maintained to provide a quality academic experience to Coloradans. Going forward for FY 2011-12, CU has positioned itself to continue offering a world-class education in spite of a great deal of uncertainty surrounding state support.

As in past years, CU expects to use a process for including and informing students, faculty, and the public about the state of the university's budget and any tuition increases. The Board of Regents and the administration work together throughout the year on a budget strategy that mitigates tuition increases while maintaining the quality of education at CU's institutions. The strategy for FY 2011-12 will include maximizing the administrative flexibility provided in SB 10-003.

Each campus has a shared governance system. The administration from each campus meets routinely with student groups, providing updates on the budget and soliciting their thoughts on maintaining quality while generating a sufficient revenue base. In addition, the Board solicits feedback from the student groups during its annual tuition setting meeting. The Board has a shared governance structure in place that provides feedback from student groups, faculty, and staff at each Board meeting. As CU requests approval of our Financial Accountability Plan this fall, FY 2011-12 state support is uncertain. CU has based this request upon the decisions made by the Colorado Commission on Higher Education at the

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September 8, 2010 meeting, wherein state support for CU will be reduced \$51 million from the FY 2008-09 original appropriation and an assumed possible additional reduction of 10 percent, or \$15.9 million. CU will continue to have a dialogue with students, parents, and administrators as the financial landscape comes into focus. It is our top priority to secure a stable financial base so that current and future residents have access to a top-tier university education.

### SECTION II: REQUESTED TUITION INCREASE

*Please detail the governing board/institution requested tuition increase beginning FY2011-12. Include (based on five-year projections):*

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

**SUBSECTION A (IF APPLICABLE):** *Describe any current or proposed innovative tuition and fee policies that are included in the tuition and fee proposal, such as flat rate tuition, tuition rebates, tuition discounts or guaranteed tuition plans. If any of the strategies are currently being used, discuss the impact that they are having on student behavior.*

CU is requesting to increase its resident undergraduate tuition by up to 9.5 percent for FY 2011-12, on each of its campuses. The university is not seeking multi-year approval of 9.5 percent. If funding remains within the parameters established by the Commission, the university will maintain its tuition increases within 9 percent authority provided by state statute. In FY 2011-12, a 9.5 percent increase may be necessary to continue operations and maintain its historical investment in institutional financial aid if funding is reduced an additional \$15.9 million. CU is planning to receive state support at the level between \$142.8 million and \$158.5 million based on the parameters established by the Commission on September 8, 2010. At this level, the university's five-year tuition plan includes an increase of up to 9.5 percent for FY 2011-12, and up to 9 percent for FY 2012-13 through FY 2015-16.

<b>Resident Tuition Increases</b>					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Maximum Rate Increase	9.5 percent	TBD ≤ 9.0 percent	TBD ≤ 9.0 percent	TBD ≤ 9.0 percent	TBD ≤ 9.0 percent
Revenue Generated	\$31.5 million				

In addition to the state funding shortfall, CU estimates an additional investment of \$10 million is needed in order to maintain current mandatory costs including, funding health insurance, utilities, and institutional financial aid, and recruitment and retention programs. As a result of the potential state funding cuts and the mandatory increases that need to be absorbed, the total revenue gap that the

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university could face in FY 2011-12 is \$76 million. The proposed tuition increase represents \$31.5 million, only a fraction of the total reduction. Options for replacing the lost state support are limited. CU’s nonresident tuition is among the highest of its peers, and any increases jeopardize current enrollment levels. As a result, the university will turn to increased operating efficiencies through a new “Shared Services” model that will change how things such as information technology are administered and the university has and will implement further spending cuts. At this time, the university does not have a projection of savings for the “shared services” that we are developing. As in many new endeavors, there may be some one-time upfront costs that will require an initial investment. The longer term savings will be in the continuing budget. As these programs become more developed we will share with you the anticipated savings.

Over the past two years, CU began planning for reduced levels of support beginning in FY 2011-12. Because of this planning, the tuition revenue increases shown above include a mixture of backfilling of state cuts, and revenue increases needed for mandatory spending increases. Over the five-year period outlined in SB10-003, CU will use modest tuition flexibility to begin to invest in its infrastructure, restoring some of cuts sustained and begin making progress towards its strategic campus initiatives and investing in the student services that have been reduced during this downturn. In the event of a cut beyond an additional 10 percent reduction, CU reserves the right to submit a revised Financial Accountability Plan to the Commission. Appendix A includes a list of maximum tuition increases proposed by campus.

Below is the historical revenue that has been generated from tuition and enrollment growth by campus.

	<b><i>FY 2008-09 Tuition Revenue</i></b>			
	<b>Boulder</b>	<b>Colo Springs</b>	<b>Denver</b>	<b>AMC</b>
Resident UG	\$113,519,999	\$31,049,551	\$42,479,690	\$5,696,957
Resident Grad	\$25,990,745	\$7,497,262	\$23,066,914	\$27,091,494
Nonresident	\$233,122,603	\$8,420,521	\$21,157,331	\$9,605,230
	<b><i>FY 2009-10 Tuition Revenue</i></b>			
	<b>Boulder</b>	<b>Colo Springs</b>	<b>Denver</b>	<b>AMC</b>
Resident UG	\$126,377,391	\$36,090,474	\$48,908,365	\$4,557,989
Resident Grad	\$29,921,571	\$8,783,300	\$25,968,744	\$30,460,716
Nonresident	\$244,533,120	\$8,959,852	\$24,010,467	\$12,375,711
	<b><i>FY 2010-11 Tuition Revenue ESTIMATE</i></b>			
	<b>Boulder</b>	<b>Colo Springs</b>	<b>Denver</b>	<b>AMC</b>
Resident UG	\$133,119,656	\$39,021,688	\$53,203,275	\$4,359,092
Resident Grad	\$31,649,460	\$9,793,834	\$26,581,339	\$33,915,727
Nonresident	\$258,131,720	\$9,023,666	\$25,570,170	\$13,179,055

The university has used a three-prong approach to the funding shortfall – budget cuts, revenue enhancements, and operating efficiencies. To date, the university has balanced \$51 million state funding shortfall.

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If an additional \$15.9 million in state funding reductions are needed the university will employ a similar strategy. In addition, the university is currently planning that it will need to cover \$10 million in mandatory increases such as financial aid, health insurance and utilities. In total, the university may need to balance an additional \$20 million shortfall, including mandatory increases.

Depending on the level of additional cuts sustained, the university will dedicate the majority of the FY 2011-12 reduction to covering the shortfall and investing in financial aid. Throughout the next five years, the university will strive to restore tenure/tenure track faculty lines and begin funding much needed controlled maintenance.

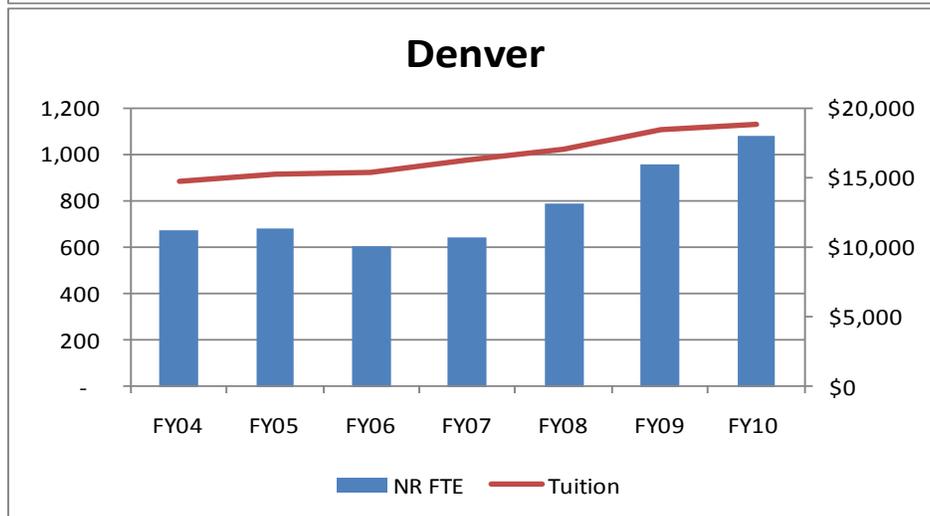
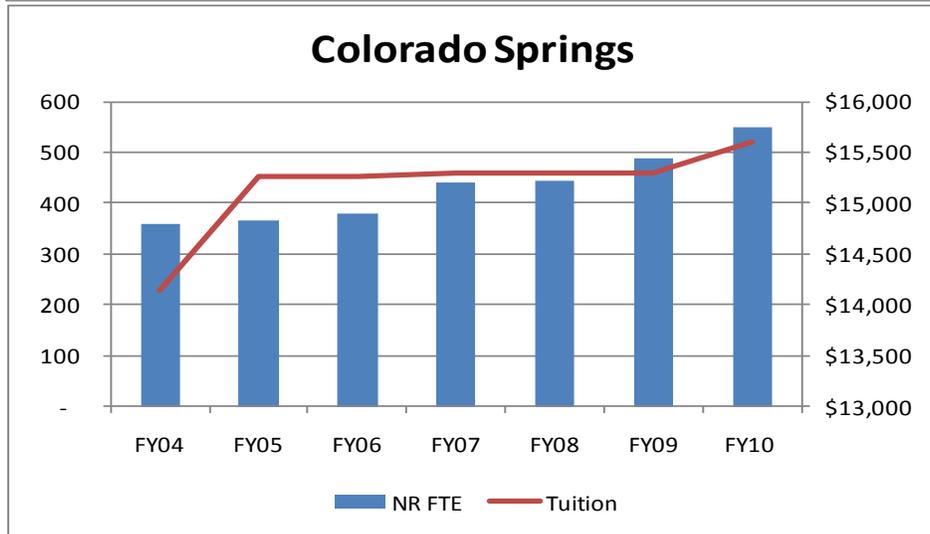
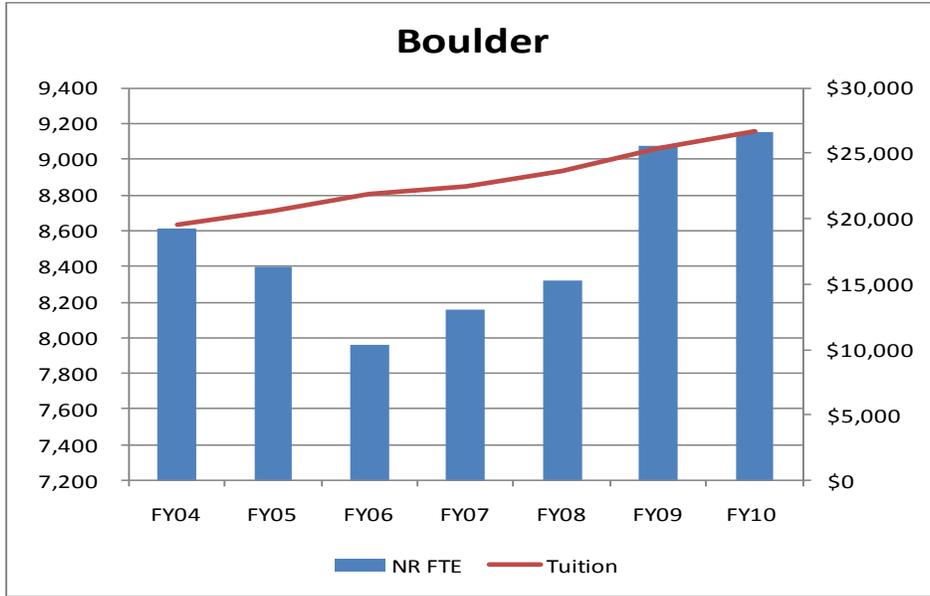
Today, most of the universities' institutions are below their peers in tuition and fees. Below is a comparison to peers of FY 2010-11 Tuition & Fees with a 9.5 percent increase in CU's tuition.

<b>Resident Tuition</b>			
<b>Campus</b>	<b>FY 2010-11 Tuition &amp; Fees</b>	<b>FY 2010-11 Peer Average Tuition &amp; Fees</b>	<b>FY 2010-11 Tuition &amp; Fees plus 9.5% Tuition Increase</b>
Boulder	\$8,511	\$9,256	\$9,178
Colorado Springs	\$7,417	\$7,170	\$8,013
Denver	\$7,099	\$7,923	\$7,690
<b>Nonresident Tuition</b>			
<b>Campus</b>	<b>FY 2010-11 Tuition &amp; Fees</b>	<b>FY 2010-11 Peer Average Tuition &amp; Fees</b>	<b>FY 2010-11 Tuition &amp; Fees plus Tuition Increase</b>
Boulder	\$28,186	\$24,715	n/a
Colorado Springs	\$16,747	\$16,773	n/a
Denver	\$19,689	\$18,192	n/a

CU does not plan to introduce additional tuition differentials. The university has utilized tuition differentials for several years, and they have resulted in CU's ability to create and maintain nationally recognized academic offerings in various disciplines.

Similarly, the university has been a pioneer in the area of maximizing its financial base using nonresident tuition and other revenue sources. The university will continue to examine non-resident enrollment and tuition costs for changes. In the immediate planning horizon, depending on market sensitivity, the university will continue to either hold non-resident tuition flat or increase nominally. In fiscal years 2004 - 2006, the university experienced a decline in non-resident students. This decline had a significant impact on the revenues for the university. At that time, the decision was made to scale back tuition increases and to implement an innovative non-resident guaranteed tuition program. Since FY 2005-06, non-residents students have returned to early 2000 levels. Attracting and retaining non-resident students are essential for the university to provide a high-quality educational experience for Colorado residents. Non-resident tuition exceeds the cost of education by approximately \$10,000 at the University of Colorado Boulder. It's this difference that makes it possible for the university to provide quality programming, charge significantly reduced tuition to residents, and fund a robust financial aid program. The charts below show the history of nonresident tuition and enrollment.

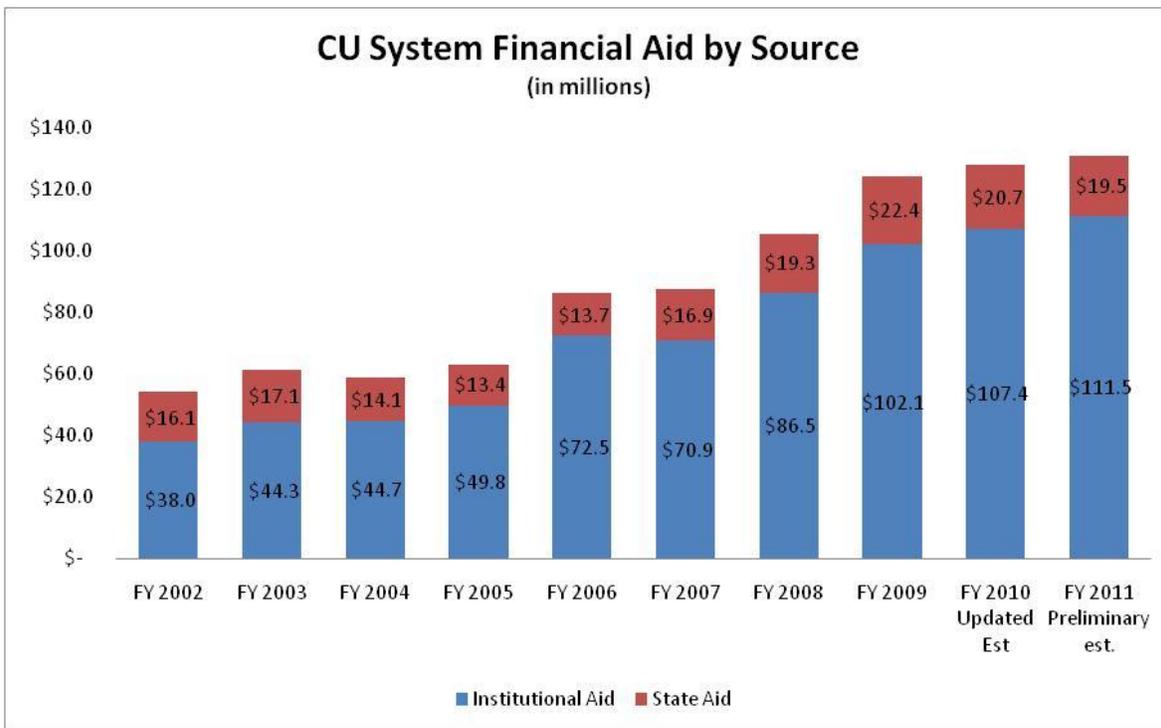
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**SECTION III: PROTECTION OF LOW AND MIDDLE INCOME STUDENTS** *Describe the projected financial aid available (federal, state, institutional & private) to students to mitigate the impact of any increase in tuition and fees. Describe how any additional institutional monies from increased tuition will be allocated to aid and how it will be awarded. Specifically address strategies as they relate to providing assistance to low and middle income students.*

The following graph shows the amount of institutional financial aid available at CU compared to the amount of financial aid that is provided by the state over the last 10 years. The historic commitment that CU has made to institutional financial aid will continue. At the September 2010 Board of Regents meeting, Board members expressed both concern for rising tuition and a commitment to the current financial aid program, asking for more data to better understand how the program helps ensure Colorado students' access and how the program impacts the current state funding shortfall.

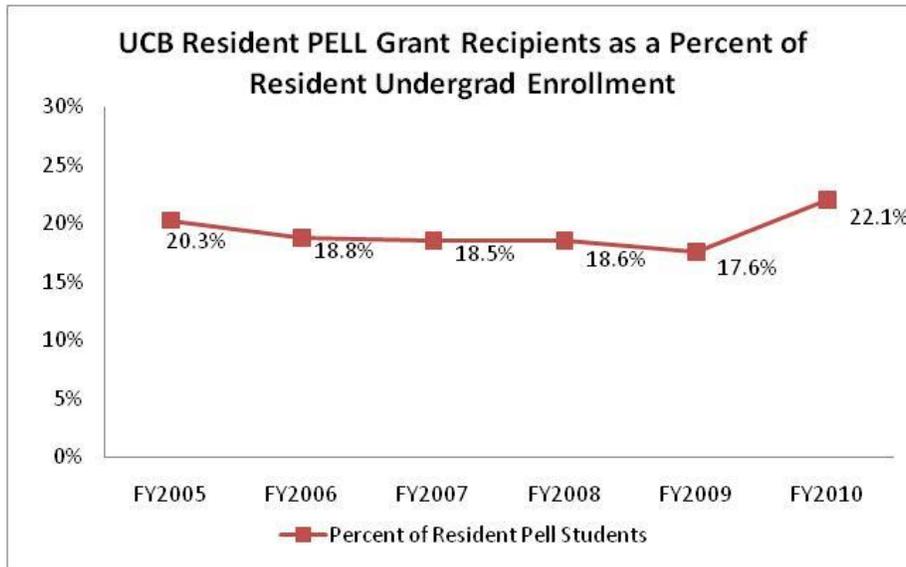
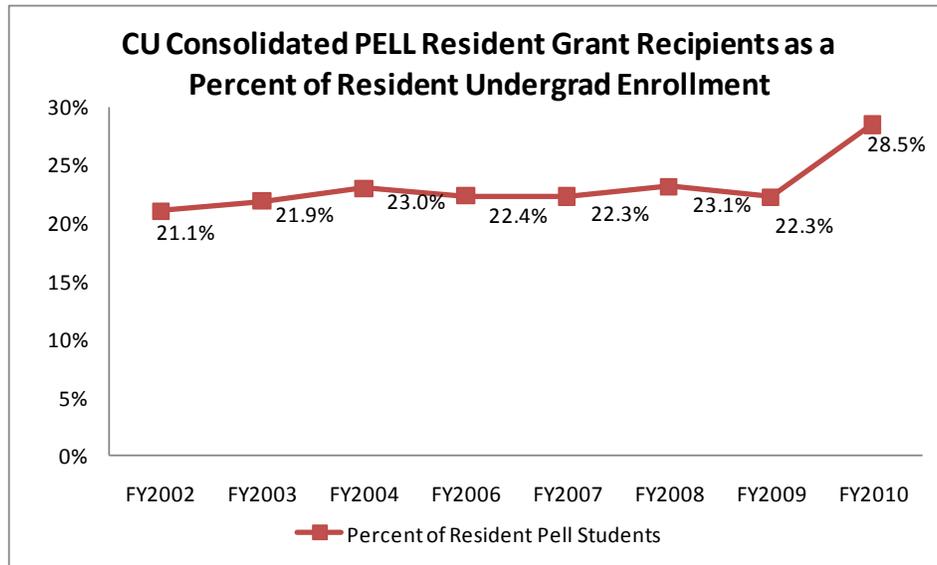
- Annual available institutional financial aid funds at CU are budgeted in FY 2010-11 at \$111 million and have increased 193% since FY 2001-02. At that time, the Board of Regents took a leadership position for the state that in the face of declining state support, tuition increases were necessary but financial aid was a critical investment to ensure access to Coloradans. Financial aid provided by the state has increased \$3.5 million over the same time period. CU provides nearly 6 times the amount of financial aid to students than is provided by the state.
- In FY 2009-10, the FY 2009-10 institutional financial aid was generated as follows by each campus:
  - *UCB: \$84,838,279 – of which \$46.6 million went to students with need*
  - *UCCS: \$6,775,228 – of which \$5.5 million went to students with need*
  - *UCD: \$15,439,184 – of which \$11.2 million went to students with need*
- CU has been a leader in institutional aid programs and now provides the largest amount of institutional financial aid funds to students of any public institution in Colorado.

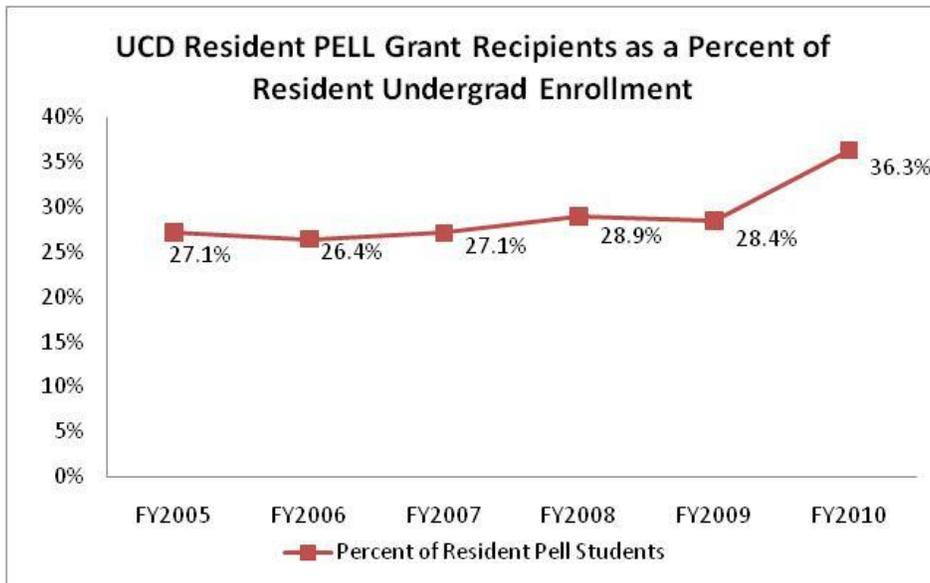
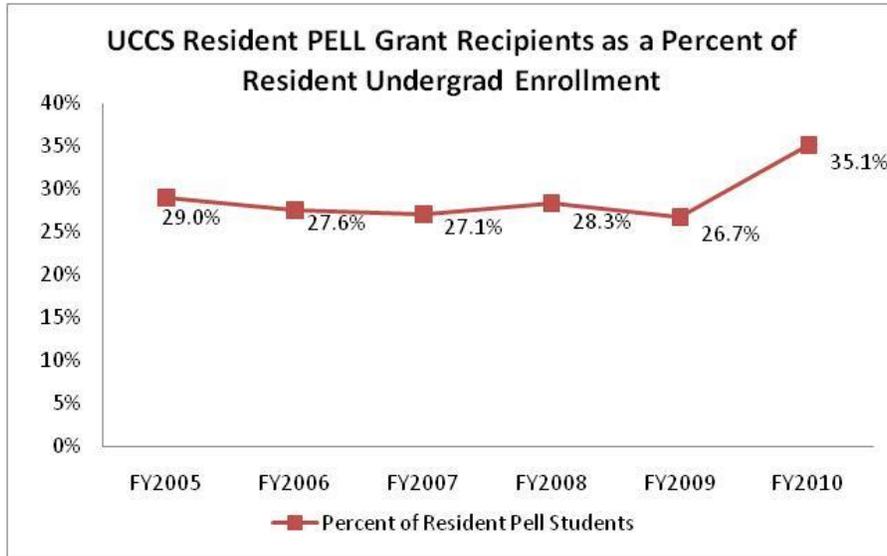


As shown in the graph above, institutional aid has increased significantly since FY 2004-05, with most of the increase coming from tuition revenues (as opposed to private donations). Today, CU provides about 50 percent of its institutional financial aid program from private sources and 50 percent from institutional sources, predominately tuition. CU is committed to maintaining access through its current packaging policies.

**Commitment to low income students at CU:** CU is committed to ensuring that CU remains accessible and affordable for low income students. Programs that were initiated earlier this decade will continue if this proposed tuition increase is approved.

- Beginning in FY 2005-06, CU created the “CU promise” financial aid program which guarantees a financial aid package that includes grant and work-study awards sufficient to fund the student share of tuition, fees, and estimated book expenses for low income students.
- The graphs below show CU Pell Grant recipients as a percentage of resident undergraduates and confirm CU’s commitment to low income students. CU raised its tuition significantly, and throughout those tuition increases the population of Pell students that CU has served has remained stable.
- Over the past eight years the percentage of Pell Grant recipients at CU has remained relatively flat despite budget cuts and tuition increases - demonstrating that CU remains accessible to low income students.
- The University of Colorado Denver campus is the most accessible research university in the state with 35 percent of its population Pell eligible.
- The University of Colorado at Colorado Springs has a unique student population that includes 30 percent of its students being Pell eligible and 40 percent first generation students.





**Commitment to middle income students at CU:** In addition to protecting low income students, CU has a strong commitment to maintaining accessibility and affordability to middle income students.

- Students who do not qualify for the CU Promise Program may still be eligible for enough financial aid to cover the majority of their academic costs as a result of CU’s practice of funding institutional financial aid.
- For resident undergraduates with family incomes (Adjusted Gross Income) between \$40,000 and \$60,000, CU covers an average of 53% of tuition and fee charges through federal, state, and institutional grants.
- In addition, on average, CU provided approximately \$1,275 in institutional financial aid dollars to students with family incomes (Adjusted Gross Income) between \$60,000 and \$90,000.
- Each of our campuses has unique institutional financial aid programs. Below is a summary

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of some of the programs that are offered. These programs are the cornerstone of financial aid investment that the university would like to maintain if tuition needs to increase to 9.5 percent.

### ***Boulder***

<b>Award Name</b>	<b>Who is eligible?</b>	<b>Award Amount Per Year</b>
<b>CU Promise</b> - The University of Colorado guarantees that eligible Colorado residents from low-income families will receive a financial aid package which includes enough grants and work-study to pay for the student share of tuition, fees, and estimated book expenses.	be a Colorado resident, be a first-time freshman or a new transfer student, be working on first bachelors degree, be enrolled full time (12 hours/semester) on the Boulder campus, have family income levels at or below the federal poverty guidelines, demonstrate eligibility for Federal Pell Grant	Varies based on student costs and EFC
<b>Student Fee Grant</b> -20% of the Student Capital Construction Fee	Colorado Residents Enrolled at least half-time Undergraduate or Graduate EFC of <b>12,000</b> or lower	Depends upon EFC
<b>CU Boulder Grant</b>	Colorado Residents Enrolled at least half-time Undergraduate EFC of <b>12,000</b> or lower	Depends upon EFC
<b>CU Gold Grant</b> - Institutionally funded by 20% of a tuition increase that exceeds inflation	Colorado Residents Enrolled at least half-time Undergraduate EFC of <b>12,000</b> or lower	Depends upon EFC
<b>CU Donor Grant</b>	Resident or Non-Resident Enrolled at least half-time Undergraduate EFC of <b>12,000</b> or lower	Depends upon EFC

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### *Colorado Springs*

Award Name	Who is eligible?	Award Amount Per Year
<b>CU Promise-</b> The University of Colorado guarantees that eligible Colorado residents from low-income families will receive a financial aid package which includes enough grants and work-study to pay for the student share of tuition, fees, and estimated book expenses.	be a Colorado resident, be a first-time freshman or a new transfer student, be working on first bachelors degree, be enrolled full time (12 hours/semester) on the Boulder campus, have family income levels at 150% below the federal poverty guidelines, demonstrate eligibility for Federal Pell Grant	Varies based on student costs and EFC
<b>UCCS Tuition Grant</b>	EFC range 0-7911 Graduate or Undergraduate student Enrolled at least half-time Colorado Resident	Depends on EFC

### *Denver*

Award Name	Who is eligible?	Award Amount Per Year
<b>CU Promise-</b> The University of Colorado guarantees that eligible Colorado residents from low-income families will receive a financial aid package which includes enough grants and work-study to pay for the student share of tuition, fees, and estimated book expenses.	be a Colorado resident, be a first-time freshman or a new transfer student, be working on first bachelors degree, be enrolled full time (12 hours/semester) on the Boulder campus, have family income levels at or below the federal poverty guidelines, demonstrate eligibility for Federal Pell Grant	Varies based on student costs and EFC
<b>UC Denver Need Grant</b>	Must show documented need Undergraduate student Enrolled at least half-time Colorado Resident	Depends on EFC

### *CU Scholarships*

*In addition to grant programs CU has hundreds of CU specific scholarships available to students. The following are links to the available scholarships at each campus.*

#### **UCB**

<http://www.colorado.edu/finaid/forms/apply&scholarships.pdf>

#### **UCCS**

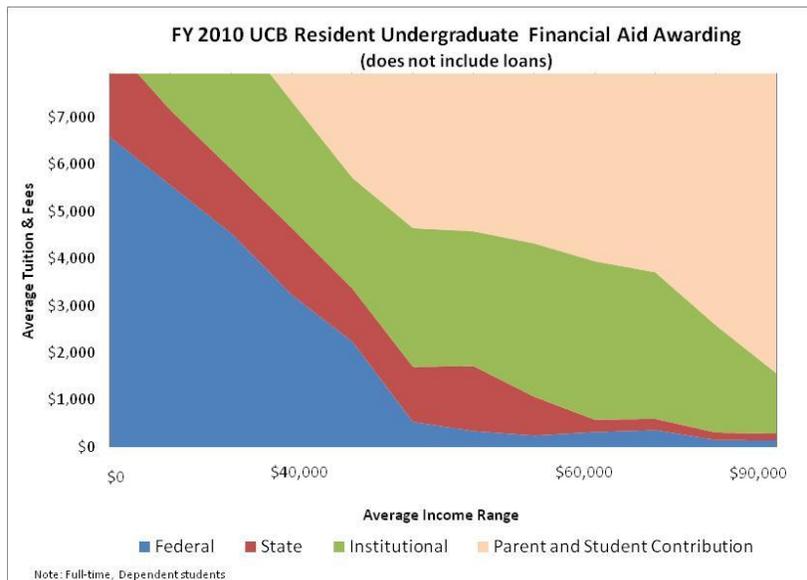
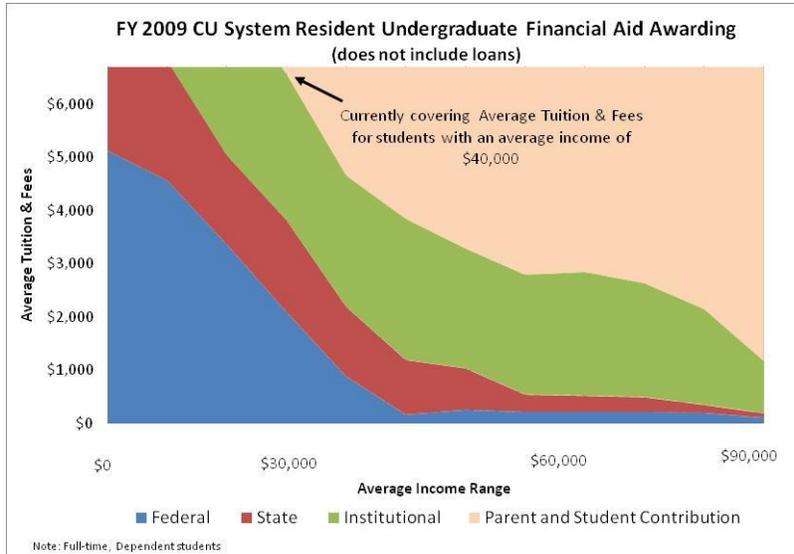
<http://finaidse.uccs.edu/search.asp>

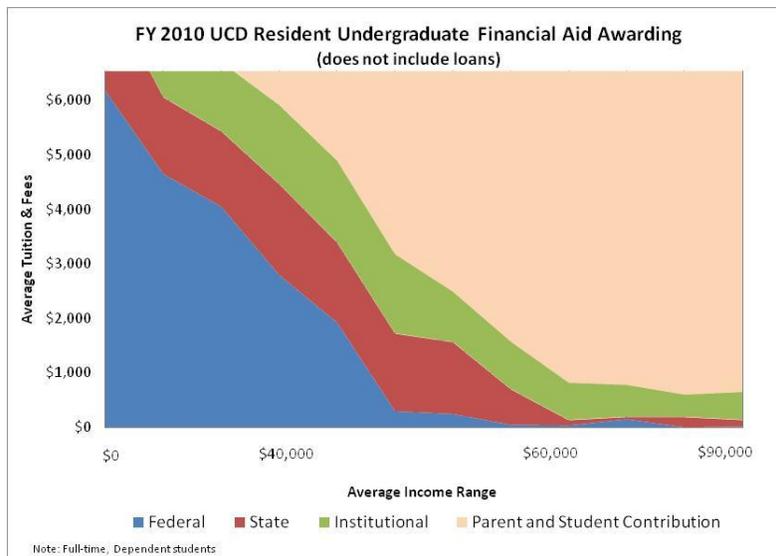
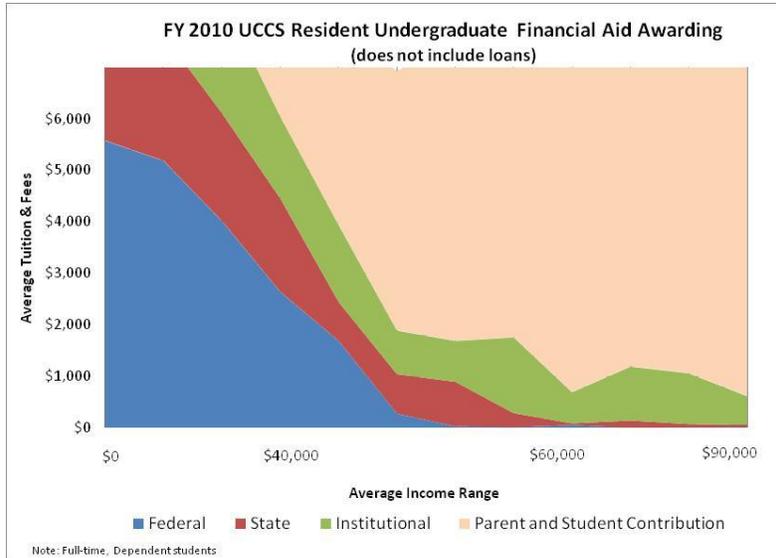
#### **UCD**

<http://www.ucdenver.edu/student-services/resources/Scholarships/Pages/default.aspx>

The graphs on the following page shows the average resident undergraduate financial aid packaging provided to full-time dependent students at CU. In addition, we have broken this information out by campus. The chart demonstrates CU's commitment to providing financial aid to middle income students (institutional aid is shown in the green area).

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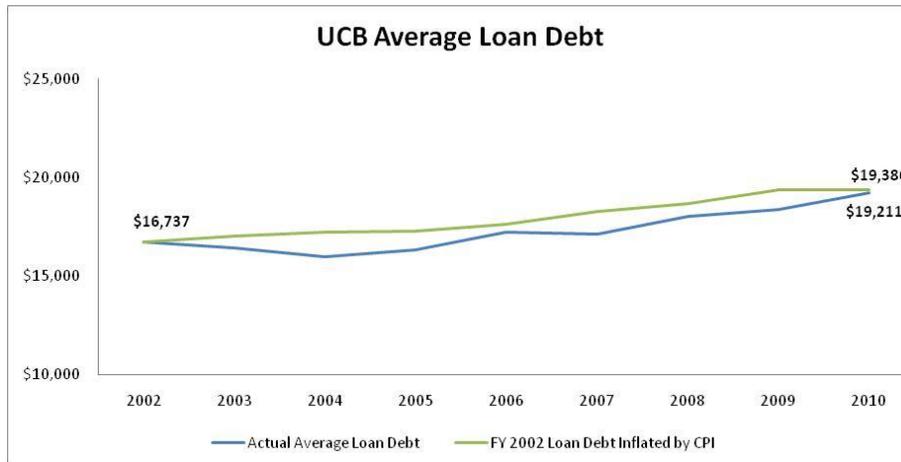
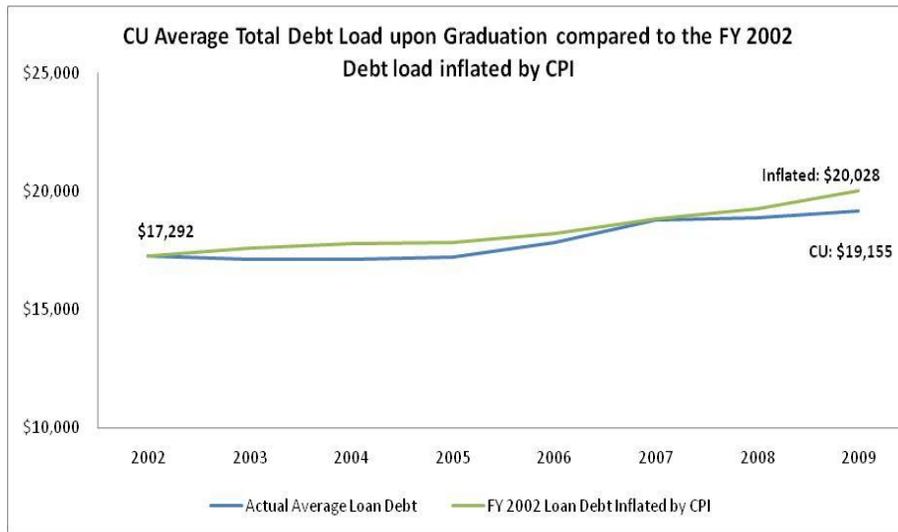
**SECTION IV: STUDENT DEBT LOAD** Describe the institutional/governing board strategies to ensure, to the degree possible, that student debt load is minimized as a result of tuition/fee increases.

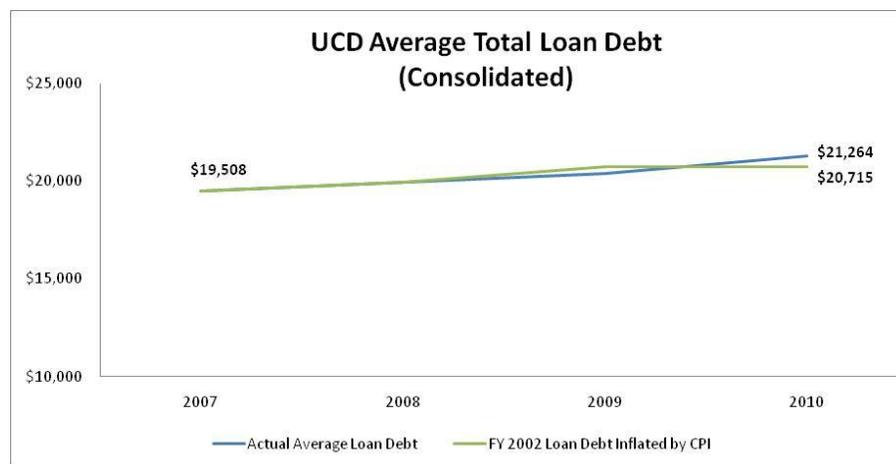
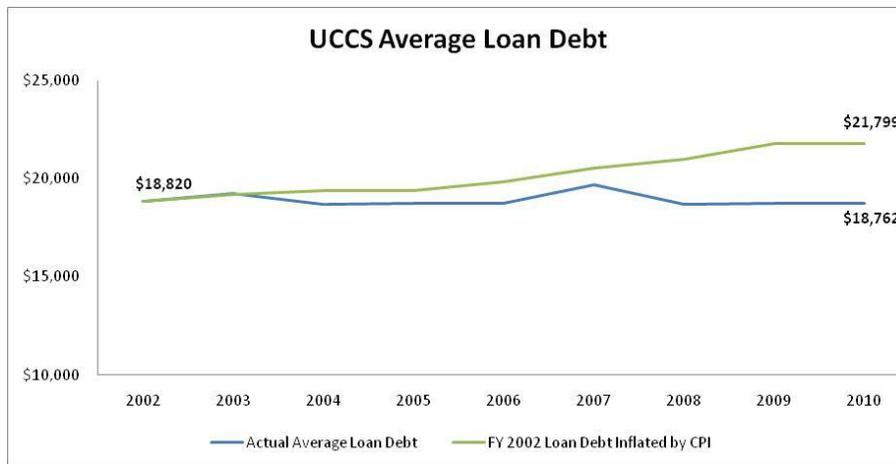
Student loan debt upon graduation is a measure that CU tracks each year in order to help ensure that students are graduating with manageable debt loads. Minimizing loan debt for students has become increasingly difficult over the last decade given the erosion of the state’s ability to support institutions and financial aid programs. However, CU has made strides to address loan debt by increasing the amounts of available institutional financial aid (increased \$73.5 million since FY 2001-02) along with intensive efforts by CU financial aid offices to counsel students on federal loans and to discourage students from using private alternative loans whose rates may not be the most beneficial for the student.

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The following graph shows the average loan debt upon graduation for undergraduates at CU compared with FY 2001-02 loan debt burden adjusted for inflation. This illustrates that in current dollars, students are graduating with less debt than they were in FY 2001-02. In addition, we have prepared this graph by campus for your information.

In addition, the impact of debt load and whether it is manageable can be measured in part by student default rates. All three CU campuses rank in the top 5 in the state for lowest default rates among Colorado's 4yr institutions (UCB 1.8%, UCCS 3.8%, UCD 3.3%). The statewide average default rate for public 4yr and research institutions is 6.2%. Counseling is the primary avenue used to mitigate excessive loans.





Maintaining CU’s historical practice to provide increasing levels of institutional financial aid with tuition increases means that the university will have additional dollars to continue to devote to these initiatives. If this tuition plan is approved, CU would generate an additional \$4.1 million for investment in institutional financial aid.

**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:

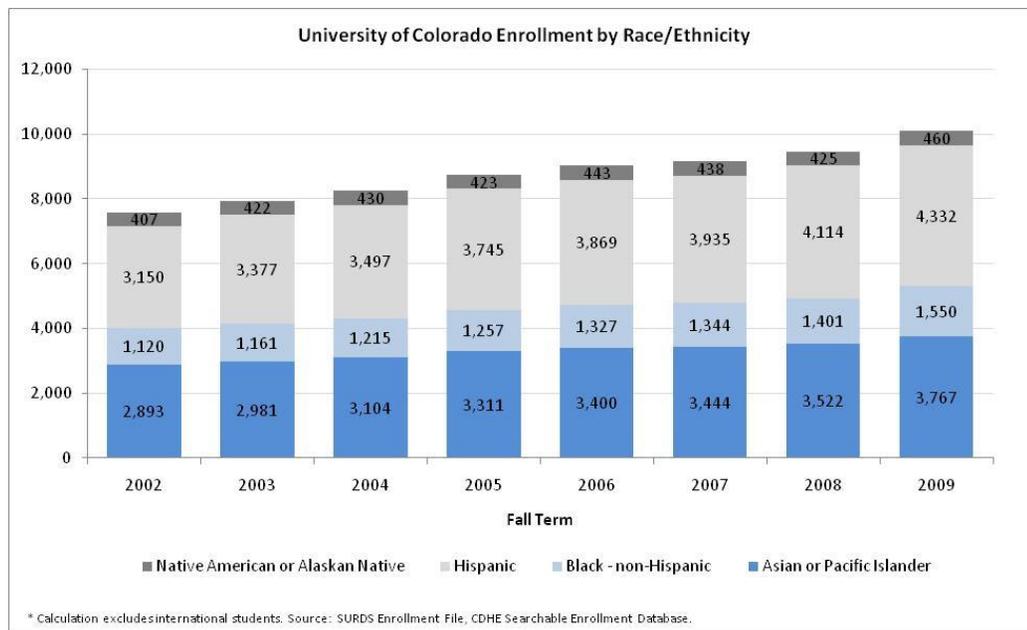
1. First generation students
2. Minority students
3. Students from low socioeconomic backgrounds

CU is committed to serving a diverse population – including first generation students, minority students, and students from low socioeconomic backgrounds. This commitment is reflected in the strategic plans developed by each campus, which identify increased diversity as a key priority. Under tight budget

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constraints, CU has dedicated resources to enhance the recruitment and retention of underrepresented students and will continue to support such efforts in the future. If the tuition plan is approved, CU will be able to maintain support for these programs at current levels.

In general, CU has enrolled increased numbers of underserved students, and these students have seen steady progress in retention and graduation. It is difficult to say with certainty that increases in enrollment, retention, or graduation are a result of any one program; we do believe our initiatives have been effective. The following graph shows the increase in minority students since 2002. In total minority students have increased over 2,500 students.



### Outreach

The Pre-Collegiate Development Programs at each campus are important mechanisms for reaching underrepresented students and drawing them into the higher education pipeline. These programs, which engage middle school and high schools students, are designed to introduce students to the university experience and provide them with the academic preparation, opportunity, support and exposure necessary to attain a college degree. Program content varies by campus but includes workshops, seminars, and other activities that address topics such as academic preparation, financial aid, family financial planning, critical thinking, study skills, interpersonal communication skills, and career exploration.

In the last academic year (2009-10), nearly 2,300 middle and high students participated in the Pre-Collegiate Development Programs at CU campuses. Data indicate that the programs have been highly successful in channeling students toward postsecondary education. Of the 282 participants who graduated high school in spring 2010, all but two indicated that they planned to continue their education, and the overwhelming majority planned to attend a four-year institution.

To address specific needs, other pipeline programs have been developed to augment the Pre-Collegiate Development Programs. For example, the Aurora Lights program is a partnership between the Anschutz Medical Campus and Aurora Public Schools that introduces middle school and high school students to the

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healthcare field. It prepares students from disadvantaged backgrounds to become physicians, medical assistants, nurses, dentists, biostatisticians, researchers and more.

The Colorado Springs campus hosts the Science, Technology, Engineering, and Math (STEM) in Real Life Summer Program. This program allows 7th and 8th grade students to work on innovative science and technology projects alongside industry and military scientists and engineers. The program is intended to stimulate interest in STEM fields by showing students how science and math are used in various career fields.

The Success Institute at the Boulder campus has a similar focus. It encourages greater numbers of underrepresented students of color to pursue studies leading to careers in engineering and technology. High school students participate in summer workshops where they work in teams to solve engineering challenges and learn how engineering, math and science affect their everyday lives.

The specific eligibility requirements vary by program but all are targeted toward students who are underrepresented in higher education, therefore they primarily serve first generation, minority, and low-income students.

### **Retention & Graduation**

CU not only places importance on recruiting underrepresented students, but also on ensuring their success once enrolled. CU has invested in a number of programs that provide the support needed to see students through to degree completion.

An example of this is the CU Leadership, Excellence, Achievement, and Diversity (CU-LEAD) Alliance at the Boulder campus. CU-LEAD was established as a means of better connecting students of color and first-generation students in the campus community through a network of programs. The alliance works to increase recruitment, retention, and graduation rates for its target populations; to build a sense of community; to provide participation grants; and to strengthen coordination among existing and emerging programs.

At the Colorado Springs campus, the Multicultural Office for Student Access Inclusiveness and Community (MOSAIC) is a key component of retention programming for diverse students. This center not only serves underrepresented populations, but also creates a space for collaboration and leadership development among the whole range of student populations. MOSAIC helps connect students with support systems and problem-solve individual issues. Programming includes mentorship, holistic advising, and outreach to students and families.

The TRiO Student Support Services program fills a similar mission at the Denver campus. TRiO is a federally funded program that supports low income, first generation and disabled students in the achievement of their academic goals. Students served by the program participate in workshops, cultural enrichment, tutoring and supportive advising to help guide them to success.

The CU-LEAD Alliance, MOSAIC, and the TRiO programs are just a few examples of the many programs and activities that are available at each campus to help underrepresented students reach their goals. The CU campuses have also made strides toward improving campus climate and engaging with their communities to create an environment where students from all backgrounds feel welcome. CU has

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allocated resources to improve student retention and graduation and will continue do so moving forward. Please see Appendix B for a more detailed description of our CU-LEAD program.

### **Community Outreach**

CU recognizes that providing access to Colorado’s underrepresented students is central to its public mission but it also believes that it is important to reach out to the larger community. The university offers a wide range of programs and services to individuals across the state.

Health care services include dental care for underserved communities, mental health services for homebound elderly, and a home visitation program in the San Luis Valley to help prevent diabetes in families. In addition, professionals at the Anschutz Medical Campus have partnered with the Colorado Area Health Education Center (AHEC) System to improve the quality and accessibility of education for health care professionals to enhance the delivery of health care services throughout the state, with special emphasis on frontier, rural, and urban communities and minority populations.

Other services offered by CU include assisting aspiring entrepreneurs in developing business plans, providing local communities with planning and design assistance for community development projects, offering resources and professional development services to K-12 teachers, providing distance and onsite ESL Master’s degrees in rural Colorado areas, and delivering a GED program to migrant workers in rural areas.

Through these outreach efforts, CU not only provides needed services to the entire Colorado community, but it also promotes greater awareness of CU across the state. This is particularly helpful in reaching potential students in Colorado’s underserved areas.

**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.*

Operating flexibility granted to institutions through Senate Bill 3 and House Bill 1181 allow institutions to minimize costs and maximize opportunities all in an effort to maintain quality classroom instruction in the face of declining state support. CU began implementing several strategies immediately after flexibility legislation was enacted.

Some examples of the short-term benefits include:

- Strategic Sourcing Contracts –CU negotiated its own copier contract resulting in estimated savings of more than \$750,000 over the existing state copier contract. Additionally, the university has negotiated contracts for scientific supplies and office supplies that led to lower costs across departments.
- Opt out of fiscal rules – the Board of Regents voted to opt out of State Fiscal Rules, reducing administrative efforts for routine transaction processing. In addition, the legislation excluded higher education institutions from the requirement to input personal services contracts and other vendor information into the centralized Contract Management System. This relieves the burden on accounting staffs that have been reduced due to hiring restrictions.

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- Property acquisition – the Board of Regents approved the purchase of a property on CU Boulder’s East Campus using the new flexibility granted in flexibility legislation. This building was built in the Boulder research park for Sybase with mechanical and electrical systems that are well-suited to address the deficit of research space on the Boulder campus.
- Procurement card –CU is pursuing a contract for replacement of our procurement cards using flexibility granted in House Bill 1181. It appears that we will be able to secure more than twice the savings over the state’s previous contract.

Long-term benefits being pursued include:

- International Students – allowing additional international students to enroll at CU will further subsidize the cost of education for resident students, although the primary advantage will be the increased exposure to other cultures. This increase in students is expected to occur over the next seven years with the infrastructure to support this population being developed in the next two years.
- Financial Aid – the flexibility legislation also allows CU to tailor our state and institutional financial aid resources to maximize the benefit for Colorado citizens. This flexibility is critical as we ask students to provide an increased share of the cost of their education.
- Capital Construction - the State Building Division’s small construction “public project” threshold was increased from \$150,000 to \$500,000, eliminating burdensome procedures and accelerating completion on small construction projects.
- Separation Incentives –CU now has an additional tool to use to address payroll expenses. Legislative authority to offer separation incentives for exempt employees similar to classified employees will give us additional tools to deal with our biggest budget expense item.
- PERA retirees- Because many areas of the university are highly specialized, it is often cost-effective to hire a PERA retiree with unique knowledge and skills to allow for a transition to a new faculty or staff member.

These are some examples of how CU’s use of operational flexibility will allow us to mitigate the impact of reduced state support on student classroom instruction. In addition to these initiatives, the university will continue to pursue operating efficiencies that can be implemented without legislation. These initiatives include:

- Increased use of shared services – both within CU and with other institutions.
- Increased use of technology – more activities are being conducted electronically, reducing printing expenses and allowing for 24 hour processing cycles.
- Organizational streamlining – where feasible, departments are being consolidated to reduce overhead.

**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 ongoing statewide strategic planning process.*

CU’s Financial Accountability Plan is necessitated by the fact that tuition revenue must be increasingly relied upon to maintain investment in areas that are critical to student success. The priorities of the

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university align with many of those identified in the statewide strategic plan. A primary focus of the strategic plan is to increase access and completion among Colorado residents – particularly those from underrepresented populations. The FAP indicates that the use of financial aid dollars and the investment in recruitment and retention programs support this goal.

As in the past, CU will be providing a significant portion of increased tuition revenue to financial aid. This commitment to institutional aid will help underserved students attend the university by offering a lower net cost-of-attendance than they might receive in the absence of approval of the Financial Accountability Plan.

Greater financial stability will also allow CU to continue to support pipeline programs and student support services that are not only crucial in attracting more students to higher education, but also to seeing them through to graduation. These programs and services are an important part of CU’s commitment to students and to the state’s ability to reach its goals.

The statewide strategic plan also addresses the funding crisis facing Colorado’s institutions, not only by exploring options for increasing revenues but also by asking institutions to identify ways to reduce costs. Among the specific HESP recommendations are “leveraging administrative efficiencies” and “coordinating administrative operations.” The measures outlined in Section VI demonstrate that CU has made a substantial effort to identify operational efficiencies to lower costs and reduce the financial burden placed on students.

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### APPENDIX A:

<b>Maximum Proposed Tuition Increases</b>			
	<b>FY 2011</b>	<b>9.5% Rate Increase</b>	<b>Total Tuition</b>
<b>Boulder</b>			
Undergraduate			
Arts & Sciences / All Other	\$7,018	\$667	\$7,685
Journalism / Music	\$7,282	\$692	\$7,974
Engineering	\$9,746	\$926	\$10,672
Business	\$11,220	\$1,066	\$12,286
<b>Colorado Springs</b>			
Undergraduate			
Lower Division	\$6,270	\$596	\$6,866
Upper Division--LAS / Education	\$6,750	\$641	\$7,391
Upper Division--Business / Engineering	\$7,710	\$732	\$8,442
Upper Division--Nursing	\$9,000	\$855	\$9,855
<b>Denver Campus</b>			
Undergraduate			
All Lower Division	\$6,216	\$591	\$6,807
All Upper Division	\$6,672	\$634	\$7,306
<b>Anschutz Medical Campus</b>			
Undergraduate			
Nursing	\$9,600	\$912	\$10,512