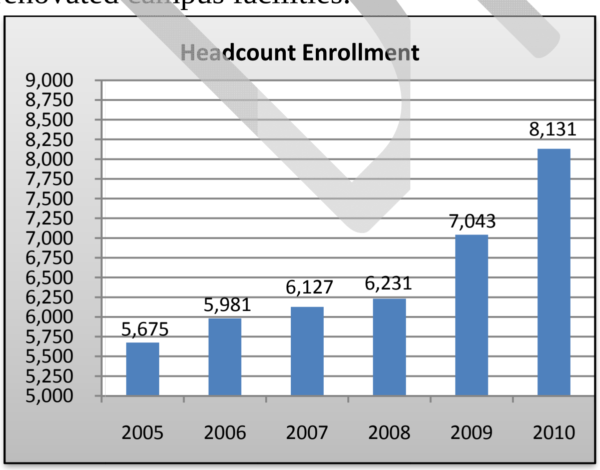
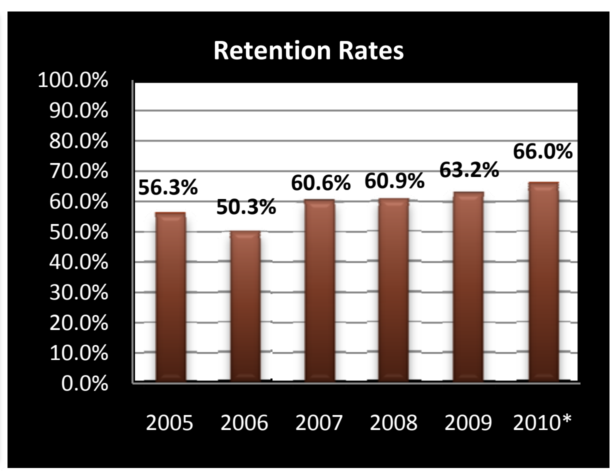
Mesa State College
Financial Accountability Plan
Executive Summary

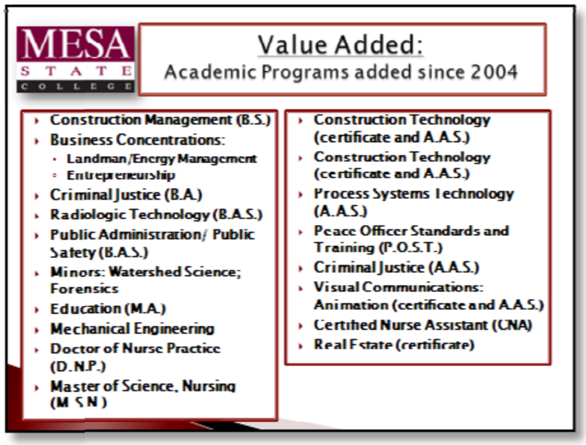
The results of multiple years of effective strategic planning have resulted in significant progress towards: a sustainable financial base; enterprise-wide pursuit and achievement of operating efficiencies; systematic alignment of tuition with costs with a constant eye on access; strict budget discipline; and, most important; transparent communication and collaboration among all stake holders. Our strategic plan, and one of its derivatives, the college's Financial Accountability Plan (FAP) has positioned the College to be prepared for the great uncertainty of Fiscal Year-2011-12. The combined result of all of these successes has positioned Mesa State College to be able to limit tuition increases for next year at or below 9% should state funding for Higher education remain at or within 10% of current funding levels. If however, should state funding be reduced greater than 10%, Mesa State is seeking approval to have the option to increase resident tuition rates up to 9.49%.

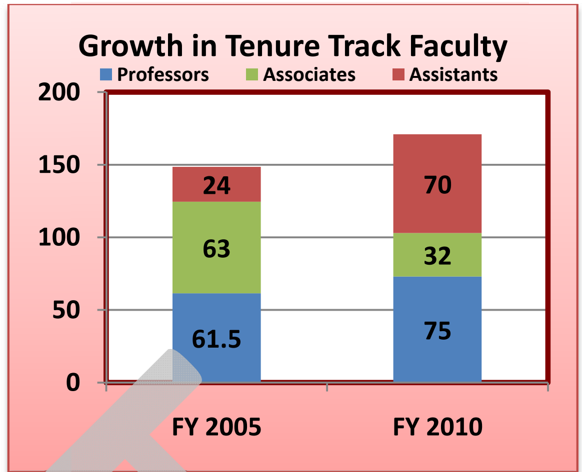
Strategic Planning

Lewis Carroll wrote "if you don't know where you are going, any road will get you there". That is not the tack that Mesa State College has taken. In 2004, a strategic plan was adopted with the number one goal of raising the educational attainment in the College's fourteen counties. Over the past half dozen years, the College has experienced an enrollment growth that places it first in the state. This growth momentum is not limited, however, to student enrollment. Other, more subtle, but incremental changes have accompanied the increased headcount: development of new degree programs, integration of new technology into instruction and support services, enhancement of student services, a rebuilding of faculty due to retirements and the realigning of positions with higher demand programs, strengthened community and regional partnerships, and renovated campus facilities.

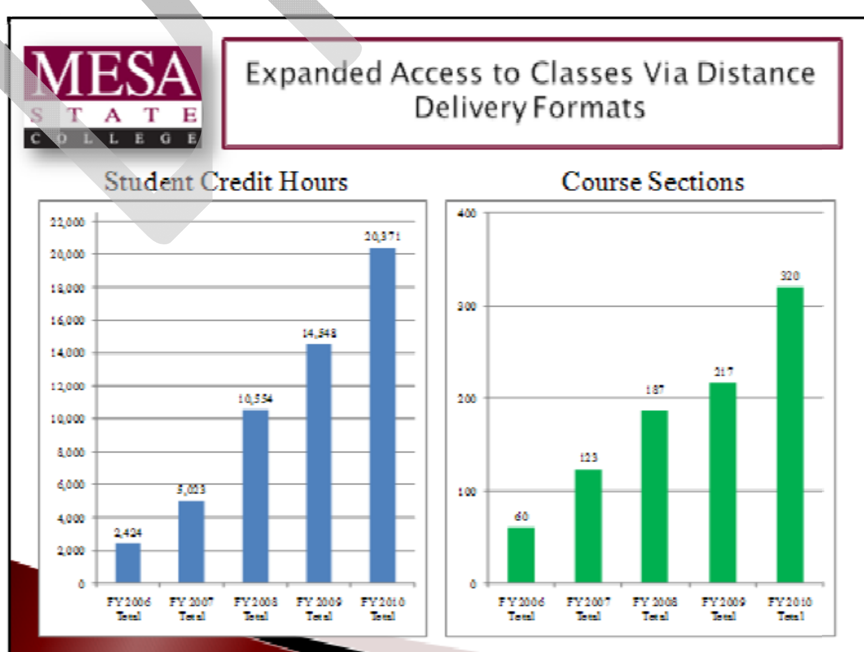








Facilities Growth: Completed or Approved/Under Construction				
Year	**Building/ Addition**	**Square Ft.**	**Campus Total**	**Cumulative Increase**
2005			876,261	0.00%
2006	Grand Mesa Hall	80,100	956,361	9.14%
2007	Campus Services	25,484	981,845	12.05%
2007	Parking Structure	94,000	1,075,845	22.78%
2008	New Classroom Building	55,438	1,131,283	29.10%
2008	WCCC Annex – -Poma	40,000	1,171,283	33.67%
2009	North Ave Res Hall	92,524	1,263,807	44.23%
2009	Saunders Expansion	91,700	1,355,507	54.69%
2009	Moss Expansion	13,933	1,369,440	56.28%
2010	College Center (net)	45,000	1,414,440	61.42%
2010	Wubben/Science Center	41,231	1,455,671	66.12%
2010	CC Parking Structure	108,000	1,563,671	78.45%
2011	Bunting Ave Student Housing	71,300	1,634,971	86.58%
2011	Houston Hall (net)	10,000	1,644,971	87.73%



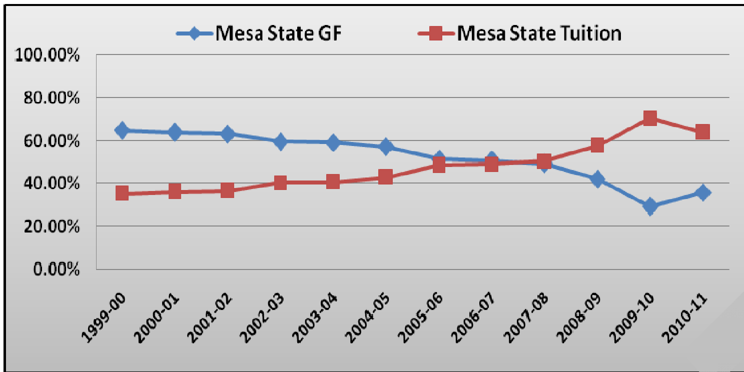
Creating a Sustainable Financial Base

Mesa State College has spent the past five years working to fortify the financial position of the institution – with an eye towards the "cliff" coming in Fiscal Year 2011-12. While previous general fund support enabled our institution to only charge students for their first ten credit hours each semester, eroding financial support has pushed us towards charging for every credit hour delivered at our institution. We have "closed this window" incrementally over the past five years in constant consultation with our Board of Trustees, student body, CCHE, the community and Joint Budget Committee members. Under the premise of "aligning cost with price to add value" the College not only experienced unprecedented growth in student head count, but also in FTE. That is, although the College now charges most students for all credit hours except the 15th, the average course load that students are taking has increased.

Tuition Window					
Year	Window	Number of Full Time (12+)Credits	Number of Free Full Time Credits	% of Free Full Time Credits	% Change in Full Time Credit Hours
FY 2006	13-18	30,225	20,657	68.34%	
FY 2007	14-17	28,770	12,480	43.38%	-4.81%
FY 2008	15,16	28,708	6,163	21.47%	-0.22%
FY 2009	15,16	29,210	6,261	21.43%	1.75%
FY 2010	15	34,182	4,718	13.80%	17.02%
FY 2011 Estimate	15 for Returning	39,685	3,998	10.07%	16.1%

In 2005, a second and complementary strategy to progress towards a sustainable financial base was to roll most student fees into tuition to achieve a simple and logical manner of charging students for the services they receive. A primary example of this action was the elimination of a long standing technology fee. With technology embedded into everything we do, it seemed obvious that the cost of technology should be include in tuition and not as an add on charge. (Our research indicates that Mesa State College is the only four year public college or university in Colorado that does not have a Technology Fee). Simplifying the student billing structure, we believe, allows students and their parents to have a fuller understanding up front of all the costs to attend Mesa State College. Again, this was done with complete collaboration and support of students.

Although state funding has remained relatively flat in gross dollars, enrollment growth has severely eroded funding per student FTE. This year Mesa State will receive 40% less per student FTE than was appropriated at the beginning of 2008-09. As a result, more and more of the cost to deliver services is paid for by students. Albeit, the College would dearly love to see funding per FTE return to earlier years, that is unlikely at best. However, early recognition and response to this revenue shift has allowed the College to be prepared for even less state funding. Where, as recent as 2000, two thirds of the cost per credit hour was funded by the state, the opposite is now the case. The good news, if this can be classified as such, is that rather than having to increase tuition 2% for every 1% loss in state funding, the College now needs only to increase tuition by .5% for every 1% loss in state funding- should it wish to keep total revenues constant.



Mesa State College

Year	GF	Tuition
1999-00	64.85%	35.15%
2000-01	63.91%	36.09%
2001-02	63.29%	36.71%
2002-03	59.55%	40.45%
2003-04	59.20%	40.80%
2004-05	57.11%	42.89%
2005-06	51.38%	48.62%
2006-07	50.83%	49.17%
2007-08	49.38%	50.62%
2008-09	42.29%	57.71%
2009-10	29.37%	70.63%
2010-11	36.02%	63.98%

In working towards a sustainable financial base, the college has kept a keen and constant eye on access. The tables below reflect the enormous investment the College has made in student financial aid and student services, particularly for first generation, low income and minority students. It is these investments, as promised in the College's FAP that will be protected. We think this is significant because this year, FY 2010-11, the College increased its institutional financial aid budget by $325,000 more than originally planned when it learned that despite record braking enrollment, state aid was being reduced by $325,000. In supplanting this loss, the College increased student aid this year by more than $1.1 million.

	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
FAFSA Completed	6,315	6,236	6,852	8,751	9,779

Institutional Aid by Year

Fiscal Year	Total Awarded	Change $	Change %
2007	$1,108,163		
2008	$1,721,625	$613,462	55.4%
2009	$2,422,503	$700,878	40.7%
2010	$3,089,919	$667,416	27.6%
2011	$4,247,694	$1,157,775	37.5%

Operating Efficiencies

The College has long recognized, accepted and is committed to effectively managing the expense side of the ledger. With state funding at risk, and tuition rates having limited capacity, costs have to be reduced and contained. With the partial assistance of SB-003 Mesa State College to date has opted out of State Procurement, State Risk Management, State Fleet, State Collections and the State Contract Monitoring system. In each of these cases, the College has completed an analysis of the operational benefits and savings associated with these flexibility measures. Additionally, since 2005, the College has been successful in reducing expenditures by almost $4 million. Examples of some of the more noteworthy operating efficiencies were attached to our FAP and are listed here again for your information. However, we are not done yet. The FY 2011-12 operating budget has set a goal of $900,000 in additional cost reductions. To date $592,000 has been identified.

Conclusion

The Board of Trustees, as reflected by the accomplishments above, have been particularly good stewards. Should state funding deteriorate by more than 10%, it will be with great reservation and only to fulfill the promises made in the FAP that the Board will be asked to act on the approval of an increase in tuition of more than 9%.

Some Examples of MSC Cost Efficiencies & Expense Reduction

- Restructured the Academic Affairs division of the College which included the elimination of all Dean(s) positions and assigned their duties to Department Heads. This reorganization produced base operating savings of $586,778.

- Resigned from the Colorado Higher Education Insurance Benefit Alliance (CHEIBA) and secured health, life and dental benefits independently. Through a competitive bid process, the College secured lower benefit costs in all categories. Cost avoidance is in the range of 15% annually or $300,000.

- Bid campus-wide printing and copying equipment between the two firms with State of Colorado contracts – Xerox and Icon Office Solutions. In addition to annual expenditures being reduced by $47,596, the functionality, speed and service have improved.

- Reduced banking services fees by $15,000 through a competitive bidding process. Additionally, guaranteed rent and royalty revenues from student banking and debit cards will increase $200,000 over the five-year contract.

- Entered into a “Performance Contract” with Chevron to complete a facilities energy infrastructure audit and identify Energy Conservation Measures that avoid energy use sufficient enough to pay for infrastructure improvements. Results identified approximately

$250,000 annually in energy conservation measures. Results to date have exceeded energy savings by 7%.

- Renegotiated the College’s Indirect Cost Recovery rate with the Department of Education and successfully converted from a rate methodology based on Salaries and Wages to a Total Modified Direct Cost formula. The new rate resulted in an effective recovery rate increase of 25% and has generated over $37,000 in indirect cost recovery dollars.

- Solicited proposals from professional food and beverage service providers interested in operating all existing food, beverage and catering operations at the College. Sodexho was awarded a five-year contract which reduced food service operational costs to the College by over $300,000 annually.

- Invested in a Health IQ program that creates financial incentives to employees in the form of lower co-pay of health insurance premiums in return for healthy lifestyle practices, reducing the College’s annual health care premiums by $40,000. This arrangement also lowered premium costs to employees.

- Bid dental care in 2008 and achieved a premium proposal with a zero rate increase with a three year rate guarantee.

- Launched a new Luminous Portal that allows integration of programs that will result in long-term information technology and administrative efficiencies. Additionally, the College made a long-term commitment to the SCT Banner integrated information system. The consolidated multiple license and support contracts under a single umbrella contract yields a projected savings of $382,112 over ten years.

- Expanded the number of “used books” clearing houses to achieve maximum volume and inventory. This resulted in lowering the cost of text books to students. Used books generally priced 25% less than new books.

- Participated in securing “State Intercept” legislation that allows an eligible State College or University to use the State’s credit rating for bond issues. Mesa State College was the first institution to issue bonds using this rating which resulted in estimated lifetime debt service avoidance of $5 million.

- Invested extensively in Geo-exchange and solar to provide clean and renewable energies to heat and cool campus buildings and reduce energy costs. Utility costs have been reduced by 18% per BTU per square foot since implementation resulting in $220,857 in savings.

- Leased the former Leitner Poma property from the Mesa State College Real Estate Foundation for the Mechanical Engineering and Construction Management programs. The arrangement is estimated to save $6,000,000 as compared to the cost to build a new facility which was the original plan.

- Bid computers for the College's computer replacement program. By switching from MPC to HP, the College saved $300 per computer - a 27% reduction in cost, while at the same time improving quality. Annual savings of $146,000.

- Mesa State was the first institution to issue federal ARRA Build American Bonds to finance its new College Center resulting in an estimated lifetime debt service avoidance of $5 million.

- Re-funded the 2008 Bonds that were issued to finance the new North Avenue Student Residence Hall Complex. The refinancing resulted more than $2 million in present value savings.

- Streamlined fiscal, student and academic administrative services in 2009 for saving of $1,185,238.

- Reduced Auxiliary Business costs by $230,467 in 2009.

- Optimized building utilization in summer months saving utilities and labor of $154,895.

- Selected a Campus wide E-Commerce solution for all electronic money transactions. Provides students with e-bills, e-payments and e-refunds. Annual savings of $105,725 in paper, supplies, postage and avoided merchant fees.

- Requested a waiver from the State Controller to refer delinquent accounts receivable to private collection firms. Provides timely and professional collection on unpaid accounts with estimated annual recoveries to increase over state collections past performance in the range of $280,000.

- Implemented an Electronic (paperless) Personnel Action Form and Contract – less paper, time and better control over personnel actions.

- Expanded internet bandwidth a factor of 10 from 10 MBPS to 100 MBPS and achieved the expansion at no additional cost through change to a single carrier and subsequent contract re-negotiation.

- In 2009, the College switched from Bresnan to Campus Tele-Video saving $30,000 annually for cable service to the campus dormitories while also increasing the quality of reception and channel selection.

- In 2010 the College opted out of State Risk Management for insurance coverage for property, liability and worker's compensation. Savings are estimated to exceed $250,000 annually going forward.

DRAFT - Pending Board of Trustee Approval

Mesa State College

FINANCIAL ACCOUNTABILITY PLAN

October 19, 2010

INTRODUCTION

The Mesa State College Board of Trustees respectfully submits this Financial Accountability Plan (FAP) for consideration and approval by the Colorado Commission on Higher Education (CCHE). This FAP is based on action taken by the Commission on September 8, 2010 and the further guidance provided by the DHE which requests institutions also assume funding for Higher Education to be 10% less than the $550 million ‘mark” used in the three-part funding allocation model approved by the Commission. This FAP incorporates both those scenarios as well as the strategies Mesa State is using to balance the competing values of access, affordability and quality in an environment of declining state support which on a per student FTE basis has declined by 40% since FY 2009.

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.

The process to respond to the inevitability of less state support began in late 2008 long before Senate Bill 10-003 was conceived. Mesa State is sincerely appreciative of the efforts of state officials to secure temporary federal dollars to allow time to prepare for the fiscal reality of FY 20011-12.

The College’s Board of Trustees along with student leaders, faculty leaders, community members, senior administrators, and really the entire campus have been engaged in a multi-year comprehensive budget planning process which serves as the foundation of this FAP. This budget planning process includes a standing “Budget Update” agenda item at all Board of Trustee meetings (which are open to the general public), weekly senior management team meetings, divisional faculty and staff meetings bi-weekly meetings conducted by President Foster with Associated Student Government (ASG) leaders, and quarterly meetings with community members. The process is centered around the College’s Strategic Plan and a focus on both the revenue and expense side of the budget with the continual advancement of the institution’s role and mission serving as the guiding principle.

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*

According to the FY 2009-10 CCHE Tuition and Fee report, Mesa State has the sixth lowest tuition and fee rates of the four year public institutions in Colorado. Mesa State also has the 11th (eleven) lowest tuition and fee rates of the 15 (fifteen) peer institutions selected for the college by the National Center for Higher Education Management Systems (NCHEMS). Mesa State also has no differential tuition rates based on academic program. It has been Mesa State's position that differential tuition rates can create additional financial barriers to students from low income families, thus disproportionately limiting their access to programs that can lead to high earning jobs. During the life of this FAP, Mesa State plans on remaining at or below its current ranking with peer and competitor institutions and to defer differential tuition rates for the foreseeable future.

It is important to note again that the college has been planning for FY 2011-12 for over two years. In this time period the college has reduced its reliance on state funding by $6.3 million or 26% in order to be prepared for the inevitable cuts in state funding. We are committed to protecting the quality of our programs without supplanting the loss in state funds solely by increasing tuition to students and their families. The college prides itself on being what we believe is the most efficient public institution in Colorado and accepts the challenge of identifying more operating efficiencies and expense reductions. We also recognize that this will have to be done in order to reallocate our limited resources to additional faculty positions that are needed to serve our record breaking enrollments.

For FY 2011-12, with a 10% reduction in state funding, Mesa State would expect state funding to provide 30% of the college's general fund operating revenue. Should funding be reduced further, the loss of every additional 1% in state funding would require the college to increase tuition by .49% in order to supplant the loss. As an example, if state funding should be reduced 11% below the Commission's adopted model and Mesa State's funding was reduced proportionately, the college would have to increase tuition an additional .49% for a total of 9.49% to offset the loss. At this level, the college's five-year tuition plan includes an increase of up to 9.49 percent for FY 2011-12, and up to 9 percent for FY 2012-13 through FY 2015-16:

Proposed Maximum Resident Undergraduate Tuition Increases

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Maximum Rate Increase	9.49 percent	TBD ≤ 9.0 percent	TBD ≤ 9.0 percent	TBD ≤ 9.0 percent	TBD ≤9.0 percent
Revenue Generated	$2.8 million				

The reality is that there are also a myriad of other factors over which the college has little or no control that could tilt the fragile operating budget of the college in the wrong direction. This FAP assumes state and federal student aid will remain at or above current levels; health care costs can be managed; energy prices will remain stable and consumption contained; and, that state classified mandates for salary and benefits will continue to be restrained. A combination of state support going below $500 million coupled with a meaningful change in any of these other factors could result in needing to increase tuition up to 9.49%.

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

By far the single largest source of non-loan federal student aid is the Pell Grant. Over the past five years an average of 42% of Mesa State students were eligible for a Pell award. Often the challenge of maximizing the availability of Pell Grants to students is to get students to complete the somewhat onerous Free Application for Federal Student Aid (FAFSA) form. Mesa State, during a time of budget reductions, has both added staff to the student financial aid department and engaged a third party servicing firm to help educate students on the importance of completing the FAFSA as well as assisting them in completing the form. During the life of the FAP the college is committed to preserving the resources currently dedicated to the Financial Aid Department.

In addition, Mesa State College also pledges that during the tenure of this FAP those students who meet full Pell eligibility will not have to contribute any personal or family resources towards their respective tuition and fee charges.

State Student Aid

Based on communication from CCHE staff, this FAP assumes that the state financial aid allocation methodology to institutions will remain unchanged. Since the allocation methodology is based to a large extent on the proportion of Pell eligible, Level 1 and Level 2 students that an institution has relative to total in the state system, and since the number of Pell eligible, Level 1 and Level 2 students correlates very closely to the overall enrollment, it is expected that due to Mesa State's substantial enrollment growth which the college has experienced over the past several years, Mesa State's share of state financial aid will also increase substantially. This increase in funding, coupled with institutions now having greater flexibility in awarding state aid to students, will allow the college to "package" all student aid in a more holistic manner to the ultimate benefit of more students. Note this assumption of the constancy of the allocation methodology is critical. In spite of an increase in level 1 students of 22 % last academic year, and another 12 % this fall (*a total increase of 37% in Level 1 students from 2009, the last year used in calculating the allocation*) Mesa State's share of state need based aid **fell $210,965.** This reduction was due to the CCHE's allocation methodology which does not count part time students and uses data two to five years old.

Institutional and Private Sources of Student Aid

Mesa State College wishes to preface this section by stating that we believe the most efficient form of institutional student financial assistance for all students is low tuition and fees. That is why the college is committed to offset the loss in state funding at the identified levels through reductions in the expense side of the budget rather than automatically increasing tuition.

Mesa State is proud to note that over the past three years institutional student financial aid has increased 179 %- by far exceeding (on a percentage basis) the increases in state and federal student aid. This investment in institutional aid comes at a time when the college is making difficult budget reductions to other operating departments. However, because the college recognizes this aid is the only substantive non-loan source of financial assistance to middle income students, the college is committed to preserving this investment during the life of the FAP.

In addition to institutional grants, the college last year launched a “MAV Works” program which is Mesa State College’s middle income edition of the federal and state need based work study programs. Students who don’t qualify for the federal and state work study programs are specifically recruited for campus jobs provided by this initiative. This year $400,000 is allocated to the program which will provide 160 student jobs. Not only does this provide a means of financial assistance to middle income students, research has found that students who work on campus have higher retention rates than those who don’t.

Type	FY 2007	FY 2008	FY 2009	FY 2010	Three Year Increase	2011 Estimated
Work-Study	$901,623	855,417	$921,950	$977,068		$870,000
Work-Study Change		-5.12%	7.78%	5.98%	8.37%	
Federal Grants	6,023,189	6,276,391	6,962,049	9,850,264		13,000,000
Fed Grants Change		4.20%	10.92%	41.49%	63.54%	
State Aid	2,377,457	2,973,532	3,398,409	2,967,148		2,600,000
State Aid Change		25.07%	14.29%	-12.69%	24.8%	
Institutional Aid	1,108,163	1,721,625	2,422,503	3,089,919		3,700,000
Institutional Aid Change		55.36%	40.71%	27.55%	179.4%	
MAV Works	0	0	0	$50,000		$400,000
All Aid	$10,410,432	$11,826,965	$13,704,911	$16,934,399		$20,570,000
All Aid Change		9.95%	13.33%	13.33%	62.67%	

During the five year FAP the college is committed to preserving institutional aid at FY 2011 levels.

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.

Mesa State College views student loans as the financial aid of last resort and the College will continue to educate students on the pros and cons of student loans and to optimally package grant aid to minimize student debt load when possible. However, the reality is that as committed as we are to counseling students about student loans, they have the right to make the final decision. For some middle income students who just miss qualifying for federal aid it is often their last resort if they wish to attend college. Some also recognize the value of a subsidized loan from a purely economic perspective and elect to take advantage of the interest deferral.

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 in the context of their total cost of attendance. We believe the key to minimizing student loans is education and that requires investing in front line loan counselors in the student financial aid office. As mentioned above, even during this time of budget reductions staff has been added to the student financial aid department to help educate 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*

Foremost, Mesa State values all students and recognizes that the needs of individual students vary greatly. As such, the college over the past five years has made significant investments not only in student services in general but in services for first generation students, minority students and students from low- socioeconomic households in particular.

Position	2005 FTE	2010 FTE	Change
Fin Aid	5.5	6.5	1.0
Advising	3	4	1.0
Registrar	8	9	1.0
Tutoring	1	2	1.0
1st Generation Students	0	2	2.0

Student Technology	0	1	1.0
Multicultural Affairs	0	1	1.0
Transfer Services	0	1	1.0
Testing	0.5	1.5	1.0
Total	**18**	**28**	**+10**

Again, these investments were made in an environment of shrinking state aid, internal budget reductions and growing enrollments. These investments will be protected if state funding in FY 2011-12 is not reduced by more than 10% from the Commission's adopted model.

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.

Mesa State College to date has opted out of State Procurement, State Risk Management, State Fleet, State Collections and the State Contract Monitoring system. 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 as other opportunities offered through Senate Bill 10-003 are identified.

The college's prior participation in these programs not only failed to provide a benefit to the College, but also required a significant amount of staff time related to compliance.

Since 2005, the college has been successful in reducing expenditures by almost $4 million. These reductions have come from throughout the institution. A list of some of the more noteworthy cost savings and operating efficiencies items can be found at the end of the FAP.

As reflected throughout this FAP, the college is committed to pursuing additional efficiencies in order to absorb reductions in state funding.

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.

Foremost, the college firmly believes that central to achieving our role and mission in concert with statewide goals is a dedicated institutional Governing Board. Any erosion to the authority placed with our Governing Board will weaken Mesa State College and limit our opportunity for achieving our role and mission.

The advancement of the institution over the past six years and the preparation to meet the funding challenges that face the College in FY 2011-12 could not have been accomplished without their singular attention to Mesa State College. Mesa State's commitment to limit a potential tuition increase to 9% under both funding scenarios is because of their dedicated oversight.

Mesa State College believes that this plan is generally in alignment with Statewide Strategic Planning as presently proposed. We believe our responses in section I through VI reflects this alignment.

Some Examples of MSC Cost Efficiencies & Expense Reduction

- Restructured the Academic Affairs division of the college which included the elimination of all Dean(s) positions and assigned their duties to Department Heads. This reorganization produced base operating savings of $586,778.

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- Renegotiated the College's Indirect Cost Recovery rate with the Department of Education and successfully converted from a rate methodology based on Salaries and Wages to a Total Modified Direct Cost formula. The new rate resulted in an effective recovery rate increase of 25% and has generated over $37,000 in indirect cost recovery dollars.

- Solicited proposals from professional food and beverage service providers interested in operating all existing food, beverage and catering operations at the College. Sodexho was awarded a five-year contract which reduced food service operational costs to the college by over $300,000 annually.

- ♦ Invested in a Health IQ program that creates financial incentives to employees in the form of lower co-pay of health insurance premiums in return for healthy lifestyle practices, reducing the College's annual health care premiums by $40,000. This arrangement also lowered premium costs to employees.

- ♦ Bid dental care in 2008 and achieved a premium proposal with a zero rate increase with a three year rate guarantee.

- ♦ Launched a new Luminous Portal that allows integration of programs that will result in long-term information technology and administrative efficiencies. Additionally, the College made a long-term commitment to the SCT Banner integrated information system. The consolidated multiple license and support contracts under a single umbrella contract yields a projected savings of $382,112 over ten years.

- ♦ Expanded the number of "used books" clearing houses to achieve maximum volume and inventory. This resulted in lower the cost of text books to students. Used books generally priced 25% less than new books.

- ♦ Participated in securing "State Intercept" legislation that allows an eligible State College or University to use the State's credit rating for bond issues. Mesa State College was the first institution to issue bonds using this rating which resulted in estimated lifetime debt service avoidance of $5 million.

- ♦ Invested extensively in Geo-exchange and solar to provide clean and renewable energies to heat and cool campus buildings and reduce energy costs. Utility costs have been reduced by 18% per BTU per square foot since implementation resulting in $220,857 in savings.

- ♦ Leased the former Leitner Poma property from the Mesa State College Real Estate Foundation for the Mechanical Engineering and Construction Management programs. The arrangement is estimated to save $6,000,000 as compared to the cost to build a new facility which was the original plan.

- ♦ Bid computers for the College's computer replacement program. By switching from MPC to HP, the College saved $300 per computer - a 27% reduction in cost, while at the same time improving quality. Annual savings of $146,000.

- ♦ Mesa State was the first institution to issue federal ARRA Build American Bonds to finance its new College Center resulting in an estimated lifetime debt service avoidance of $5 million

- ♦ Re-funded the 2008 Bonds that were issued to finance the new North Avenue Student Residence Hall Complex. The refinancing resulted more than $2 million in present value savings..

- ♦ Streamlined fiscal, student and academic administrative services in 2009 for saving of $1,185,238.

- Reduced Auxiliary Business costs by $230,467 in 2009.
- Optimized building utilization in summer months saving utilities and labor of $154,895.
- Selected a Campus wide E-Commerce solution for all electronic money transactions. Provides students with e-bills, e-payments and e-refunds. Annual savings of $105,725 in paper, supplies, postage and avoided merchant fees.
- Requested a waiver from the State Controller to refer delinquent accounts receivable to private collection firms. Provides timely and professional collection on unpaid accounts with estimated annual recoveries to increase over state collections past performance in the range of $280,000
- Implemented an Electronic (paperless) Personnel Action Form and Contract – less paper, time and better control over personnel actions.
- Expanded internet bandwidth a factor of 10 from 10 MBPS to 100 MBPS and achieved the expansion at no additional cost through change to a single carrier and subsequent contract re-negotiation.
- In 2009 the College switched from Bresnan to Campus Tele-Video saving $30,000 annually for cable service to the campus dormitories while also increasing the quality of reception and channel selection.
- In 2010 the college opted out of State Risk Management for insurance coverage for property, liability and worker's compensation. Savings are estimated to exceed $250,000 annually going forward.