Colorado Community College System
Financial Accountability Plan
Executive Summary

For FY 2011-12, under the Commission-approved and OSPB-proposed appropriations level for the Colorado Community College System (CCCS), we are not seeking authority to raise resident tuition above the statutorily allowable 9.0% increase. Given our access mission and demographics, our strategy is to maintain tuition rates as low as feasible for ALL of our students, while maintaining our existing level of programs and services that are focused on providing access and high quality for Colorado residents. This is a key tenet of the CCCS strategic plan, tied to specific operational directives and performance objectives from our Board.

However, if the budget situation deteriorates in FY 2011-12 and beyond, we are requesting the flexibility for our Board to consider raising resident tuition rates by 15.7% in FY 2011-12 and from 10.8% to 12.7% in the out years of the plan in order to offset budget reductions and cover mandatory costs. As part of this plan, 20% of new revenues (above the 9% tuition increase) generated from this flexibility would be used to offset the resident tuition rate increase for those students who are 150% of EFC and below. For Pell-eligible students, this institutional aid combined with the “Pell cushion” would result in approximately 83% of the additional base rate increase being mitigated in FY 2011-12. In the out-years, however, this mitigation percentage would fall to 20% of the base rate increase for low income students. For our middle class students (and in the out-years for our low income students), our strategy is to maintain low tuition rates relative to other education options in the state, which, given our demographics of a very high proportion of low and middle income students to our total enrollment, is the best way for our institutions to help middle class families afford to attend college.

In addition to maintaining reasonable resident tuition rates, we will continue to offer and augment up-front debt screening, mid-study debt and loan counseling, and back-end default prevention activities in order to mitigate debt loan increases to our students. These measures, combined with low tuition, will help mitigate the rate of debt load increases. But until the economy recovers, the labor environment and economic circumstances outside the control of our colleges will drive much more of the debt burden increase than tuition rate increases. As a result, in the current economic environment, we have to be realistic about the influence our colleges can have over the growth of debt for our students if we want to maintain open access to quality educational services.

CCCS serves 47% of all minority undergraduate students in the state. One of our core missions is to provide access and quality education to underserved and underrepresented students. While we have a number of innovative programs to help us fulfill this mission, the mission is really sewn into the fabric of nearly everything our faculty and staff do on a day-to-day basis. Having this tuition flexibility in the face of potential budget reductions will allow our colleges to continue to provide the programs and services that are vital to attract, retain, and graduate underserved and underrepresented students.

COLORADO COMMISSION ON HIGHER EDUCATION

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

FINANCIAL ACCOUNTABILITY PLAN TEMPLATE

DRAFT DOCUMENT

COLORADO COMMUNITY COLLEGE SYSTEM

REVISED NOVEMBER 22, 2010

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Approved by CCHE: July 8, 2010

INTRODUCTION/RATIONALE

Senate Bill 10-03 grants Colorado institutions of higher education greater flexibility in setting tuition, while ensuring that institutions provide protection for low and middle income students.

Beginning in FY 2011-2012, those governing boards seeking increased flexibility are required to submit five-year financial accountability plans (FAPs) to the Colorado Commission on Higher Education (CCHE) for review and approval. Increased flexibility, for the purposes of this document, is defined as seeking to increase tuition rates for undergraduate students with in-state classification by more than nine percent per student or nine percent per credit hour over the tuition rate for the preceding fiscal year.

SB 10-03 requires that institutional governing boards, at a minimum, include the following in the FAP:

A. The percentage rate increase for tuition;
B. The manner in which the governing board shall ensure that access and affordability for enrollment of low and middle income students will be preserved, taking into account the availability of federal, state, institutional, and private monies;
C. Measures the institution will take to reduce student debt load, including the amount of institutional funds the governing board will allocate to need-based financial assistance;
D. How the institution will address the needs of underserved and underrepresented students;
E. Assurance that operational flexibility provided in statute will not reduce the level of service and quality.

Following submission of a FAP, the CCHE will have 90 days to review and either approve or deny the governing board's request for a tuition increase. In approving the plan, the CCHE may approve the request for two years and make the approval for the subsequent three years conditional on the governing board's success in implementing the plan. If a plan is denied, the governing board may submit an alternative plan to the CCHE in accordance with the adopted timelines. Once approved, FAPs become part of the CCHE annual budget recommendation to the Joint Budget Committee.

The CCHE will provide an additional opportunity for adjustments to approved FAPs should there be a significant change in budget projections based on the spring (2011) forecast. CCHE will not accept new FAP's during this time.

KEY DATES FOR FY 2011-2012

- CDHE public release of FAP template to institutions: **July 30, 2010**
- Governing Board/Institution Submission of FAPs to CCHE: **August 2, 2010-October 1,** 2010
- CCHE analysis/negotiation of FAPs: **August 20, 2010-October 29, 2010**
- CCHE adoption of final FAP recommendations: **December 4, 2010**

- Submission of CCHE recommendations to Joint Budget Committee: **December 10, 2010**
- March, 2011: **The CCHE will provide an additional opportunity for adjustments to approved FAP's should there be a significant change in budget projections based on the spring (2011) forecast.**

ASSUMPTIONS

1. Through this process, governing boards are requesting the authority to raise tuition up to the stated maximum declared in this FAP. It is understood that governing boards will make final tuition setting decisions during their normal budgeting process. Approval of this FAP is not an indication of final tuition rates at any given institution.
2. FY 2007-2010 institutional data are utilized in this template for the purposes of establishing baseline metrics. The CCHE will update metrics annually.
3. Data sources used to establish baseline data include Student Unit Record Data System (SURDS) and Budget Data Book (BDB).
4. The CCHE has established key dates to comply with SB 10-03 statutory requirements.
5. Governing boards/institutions will address agreed upon common metrics outlined in this template but may also provide additional data and narrative to support strategies employed by their institution(s) to ensure accessibility and affordability for underrepresented students including, at a minimum, low and middle income, first generation, and ethnic minorities during the period outlined in the FAP.
6. If applicable, list below any additional institutional/governing board assumptions utilized in the development of this FAP:
    a. For FY 2011-12, CCCS is assuming the CCHE General Fund allocation is adopted by the General Assembly. If this General Fund allocation is not adopted, CCCS will be submitting a revised FAP built around the actual FY 2011-12 General Fund allocation.
    b. State-based financial aid to CCCS will not fall in FY 2011-12 and beyond. If state-based financial aid is cut, the CCCS will revise its FAP, especially the sections III, IV and V.

SECTION I: PROCESS FOR DEVELOPMENT OF THE FAP

The FAP was discussed with the State Board for Occupational Education and Community Colleges during the September timeframe and again at the Board's November meeting. The State Board includes representation from faculty and students. In addition to consulting with the State Board, the plan was discussed and vetted at the President's Council. The President's Council is made up of all the presidents of the 13 community colleges and the executive leadership of the system office. The Board's faculty and student representatives take information from State Board meetings back to their respective student and faculty organizations and provide feedback back through the system office president, their individual college presidents, and their Board representatives. The system president also met with the State Student Advisory Council and the State Faculty Advisory Council and briefed them on potential tuition increases as a result of the state budget cuts. The State Board will give final approval of the plan after DHE review is complete, likely in the December board meeting.

SECTION II: REQUESTED TUITION INCREASE

The CCCS tuition strategy is to maintain as low of resident tuition rates as feasible for ALL of our students, while still maintaining our existing programs and services that are focused on providing access to all Colorado residents to higher education. This strategy mirrors the CCCS system-wide strategic plan that was adopted by the State Board for Community Colleges and Occupational Education (SBCCOE) in 2009. Moreover, in the summer of 2010, the SBCCOE set as a high priority the goal within the strategic plan to keep CCCS resident tuition low relative to other Colorado colleges.

FY 2011-12

Based on the Commission's September decision on allocating General Fund at the OSPB mark of $555 million for FY 2011-12, CCCS does not plan to raise tuition above 9% in FY 2011-12. This assumes that the CCCS allocated amount of at least $119.5 million in state support for FY 2011-12 is maintained throughout the OSPB and General Assembly budget processes. This also assumes that there are no salary increases for FY 2011-12, no progress covering the controlled maintenance backlog, and no significant program development and/or expansion. This does include typical annual operating increases in areas like utilities, information technology, and risk management—but no significant new investments in these areas. However, for example, if salary/benefit increases are put on the table at the state level or state/federal financial aid is cut, CCCS will likely be required to revisit this for FY 2011-12, even at the OSPB approved mark level.

If the CCHE allocated state funding level for FY 2011-12 falls, CCCS would request the ability to consider and be approved for higher resident tuition rate levels than 9%. Per DHE staff request, the following provides what resident tuition rate level would be needed if state support levels fall to $109 million for CCCS. At the $109 million level, CCCS would experience a 17.4% reduction in state support totaling $22.9 million (and a 24.1% reduction from FY 2009-10 levels). If this level of General Fund reduction were to occur, it would require a 15.7% resident tuition increase to backfill. This tuition rate includes a 20% financial aid offset of any resident tuition revenue generated at rates over 9% targeted toward our Pell and 150% of EFC students. (See Section III below for details.)

FY 2012-13 through FY 2015-16

In the out years, we looked at four scenarios:

Scenario 1: $119.5 million in state support for FY 2011-12 with no declines in state support in the out years. This scenario would not require annual resident tuition increases of more than 9% in the out-years and would not require activating the FAP's tuition flexibility provisions.

Scenario 2: $119.5 million in state support for FY 2011-12 with 7.5% declines in state support each fiscal year from FY 2012-13 through FY 2015-16. This scenario would require annual resident tuition increases of approximately 11.9% in fiscal year 2012-13, 12.2% in fiscal year 2013-14, and no more than 9.0% in the remaining fiscal years.

Scenario 3: $109 million in state support for FY 2011-12 with 7.5% declines in state support each fiscal year from FY 2012-13 through FY 2015-16. This scenario would require annual resident tuition increases of approximately 10.8% in fiscal year 2012-13, 11.6% in fiscal year 2013-14, and no more than 9% in the remaining fiscal years.

Scenario 4: $109 million in state support in FY 2011-12 with 10% declines in state support each fiscal year from FY 2012-13 through FY 2015-16. This scenario would require annual resident tuition increases of approximately (on average) 12.4% in fiscal year 2012-13, 12.7% in fiscal year 2013-14, 9.3% in FY 2014-15 and no more than 9% in the last fiscal year.

Table 1 below outlines the maximum tuition rates for a full time (30 credit hours), resident base rate student would be under the four, five-year scenarios:

Table 1
Maximum Allowable Resident Tuition Increase Under the FAP Scenarios
(Base Rate, 30 credit hours)

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Scenario 1	$2,888	$3,147	$3,431	$3,739	$4,076	$4,443
Scenario 2	$2,888	$3,147	$3,522	$3,952	$4,307	$4,695
Scenario 3	$2,888	$3,341	$3,702	$4,131	$4,503	$4,908
Scenario 4	$2,888	$3,341	$3,755	$4,232	$4,626	$5,042

In each of these fiscal years (FY 2012-13 through FY 2015-16), we assumed annual cost increases in no choice areas like utilities, IT contracts, equipment replacement, and risk management. We also assumed an average 2.5% annual increase in salaries plus legislatively mandated PERA/AED/SAED increases and 5.0% annual increase in HLD benefits costs, as well as the need to pay for a portion of Level 1 controlled maintenance need that the state (in normal economic times) would have funded. Table 2 outlines these estimated cost increases across the plan years:

Table 2
Mandatory Cost Assumptions Under FAP Scenarios
(in millions)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Salary/PERA	$1.9	$7.4	$7.5	$7.7	$8.0
HLD	$0.8	$0.8	$0.9	$0.9	$1.0
IT Contractual	$0.3	$0.3	$0.3	$0.4	$0.4
Utilities	$0.2	$0.3	$0.3	$0.3	$0.3
Risk Management	$0.1	$0.1	$0.1	$0.1	$0.1
Controlled Maintenance	$0.0	$2.0	$2.0	$2.5	$0.5
PERA Refinance	$5.3	$0.0	$0.0	$0.0	$0.0

Please note that CCCS has a linear tuition model where every credit hour, regardless of how many are taken, is charged the same rate. This is primarily due to our large part-time student base and the nature of our adult, working population. As a result, we do not have any opportunity to generate additional revenue by closing the tuition window—there is no tuition window to close.

SECTION III: PROTECTION OF LOW AND MIDDLE INCOME STUDENTS

In FY 2010-11, CCCS received $25.4 million in need-based and work-study financial aid from the State. Given the lack of state resources for financial aid, it is unlikely additional funds will be available in FY 2011-12 on a per student basis or during the 5-year planning period. Over the last two fiscal years, CCCS has raised the resident undergraduate tuition rate by 9% each fiscal year. Fortunately, this has been offset (for our low income students) by a somewhat historic increase in the Pell grants. Over the last two fiscal years, the maximum Pell award rose from $4,850 to $5,550, a $700 increase. Over the same time period, base resident tuition at CCCS colleges rose by $15.25 per credit hour, or $457.50 for a 30 credit hour load.

If Pell remains at its FY 2010-11 level in FY 2011-12, this would leave $8.08 per credit hour in Pell award "cushion" for low income students to use against FY 2011-12 tuition increases. A 9% resident tuition increase would be $8.66 per credit hour. In the future, however, this "Pell Cushion" will be eaten up. For FY 2012-13 and beyond, CCCS would dedicate 20% of its resident tuition increase generated by tuition increases above 9% to need-based financial aid. This would be targeted at Pell-eligible and those students who are 150% of EFC, which in FY 2008-09 constituted approximately 21,150 FTE.

In the $109 million FY 2011-12 state funding allocation example cited in Section II above, this could result in a 15.7% increase in resident tuition, of which approximately $2.5 million is reserved for institutional financial aid. On the standard resident tuition rate, a 15.7% increase would represent a $15.11 per credit hour increase. For the 21,150 lowest-income FTE in the CCCS, the $2.5 million would buy down the rate by approximately $3.94 per credit hour, resulting in a net increase of $11.17 (or 11.6%) per credit hour. For Pell recipients (approximately 18,450 FTE), the "Pell Cushion" for FY 2011-12 would decrease the net impact to $2.51 (or 2.6% increase) per credit hour.

These numbers serve as an example and would change with the actual number of Pell and 150% of EFC students in FY 2011-12. However, under this example, approximately 26% of the rate increase would be offset for 150% of EFC students, while the combined institutional aid and Pell cushion would off-set approximately 83% of the rate increase for Pell eligible students.

We believe the best way to protect our middle income students (which, for all intensive purposes, are the majority of the rest of our resident students) is by maintaining low resident tuition rates and remaining the lowest cost provider of education among the governing boards. For our demographics and mission, a high tuition/high institutional aid model is really not feasible for two primary reasons:

- The dollar value of a percentage increase in tuition varies among the governing boards. For example, a 1% increase in the full-time base resident tuition rate at CCCS for FY 12 will yield about $29. The same 1% increase in the base resident tuition rate at CSU-Ft. Collins, for example, will yield about $52. Put another way, CCCS would have to increase its tuition rate by 1.8 times CSU's to generate the same amount of revenue—revenue that can be used to help offset cuts, pay for programs, provide salary increases, and be used to help off-set tuition increases for low income students.

- As you expand out the income levels of the population that you want to help protect from tuition increases, you must make some choices about the balance between raising the tuition rate and spreading financial aid offset dollars. The chart below is a breakout of FY 2008-09 resident FTE by percentage of EFC:

	Pell Eligible	150% of EFC	Above 150% of EFC	Did Not Apply	Total
CCCS	18,446	2,705	9,874	13,895	44,920

  As you move to the right on the chart to attempt to cover additional students (the majority of whom would be considered middle class; many of the "did not apply" are part-timers), the dollars you have allocated for financial aid offsets on a per student basis "waters the soup" so that tuition increases for low income students end up being mitigated less and less. We simply do not have enough "high income" students to subsidize the low and middle income students.

As one can see, it is very difficult to really insulate middle class students from these levels of tuition increases with a high tuition/high institutional aid model with our demographics. CCCS tuition rates are not high enough to generate significant financial aid revenue given the relatively large proportion of low and middle income students compared to total enrollment in our colleges—and still allow us to maintain services and quality levels in an era of budget cuts. Therefore, the strategy is to minimize resident tuition increases for all students.

SECTION IV: STUDENT DEBT LOAD

Based on the past several years of data and the current economic conditions, we believe that the current debt load trends for CCCS colleges are likely to continue in the near term. We believe that by limiting our resident tuition increases to 9% or under will help curb an acceleration of debt accumulation. In the scenarios where CCCS would face very high cuts in state funding, we believe that allowing 20% of tuition revenue generated above 9% going to institutional scholarships will help mitigate some of the need for students to take out loans—targeted primarily to those in the 150% of Pell eligible and below range.

However, an individual's decision to take on educational debt is driven by more than just tuition rate. Factors like employment and family situation in the current economy are a significant driver of loans. Many of our students have lost jobs and/or are underemployed and are going back to college for retraining in order to acquire the skills necessary to get skilled employment. Many of these same people are also raising families. Without a steady income (or a drop to a single income), these students are relying on loans to pay for housing, food, day care, etc. while they are in college for retraining.

Our colleges have programs in place to help students understand the nature of the debt they are taking on, but also to help mitigate against default on this debt in the future. We continue to strive to improve access to postsecondary education by working with students on the design of a saving - planning- paying-for-college plan. As part of this FAP plan, we will increase our activity related to loan counseling on the front end, with a particular focus on providing information regarding taking out the minimum necessary loans to meet a student's educational and living needs and flagging students who come to us with existing student debt. We will also continue to offer and ramp up mid-course debt and loan counseling and back-end default prevention activities.

Every CCCS student who becomes a borrower must complete some form of loan counseling and we have recently implemented the HigherOne on-line loan counseling and financial literacy program. As an example of an innovate program, Front Range Community College has implemented Financial Aid TV (here is the link to the video clips: http://frontrange.financialaidtv.com/.

In terms of preventing loan defaults, below is a description of a program that is in place at Pikes Peak Community College. This is the process that PPCC uses:

1. Screen 100% of student loan requests. If a student has more than $30,000 in student loan debt, they are initially denied the student loan (by written letter) and the student may appeal

if they have sufficient reasons; such as they already have a bachelor's degree. All reasons must be documented.

2. Students that are nearing the $23,000 subsidized student loan aggregate are also contacted and advised.

3. If students are put on a Satisfactory Academic Progress contract and have a high loan debt and a low EFC, we allow the student to get any grants but restrict them on receiving loans until they are back to State of Colorado standards.

4. At the end of fall term and at the end of spring term, each student that received a loan for that academic year is mailed a Loan Indebtedness Form. In order to complete this form, each student is looked up manually in NSLDS to see what their entire loan obligation is – using ***all loans*** they have received despite what college they have attended. Once all loan debt is combined, it is calculated on Mapping-Your-Future **Debt/Salary** wizard at http://mappingyourfuture.org/paying/debtwizard/ . A copy of the page is mailed along with the Loan Indebtedness Form.

5. Loan Exit Counseling – Every student that ceases attendance for at least half time (this includes graduates) is mailed a loan exit packet. This packet includes information to the student as to where there loan is currently located (1 of 5 Servicing Agents through the Dept of Education). There are instructions as to how to complete the exit counseling online. Many publications are included to assist the student in answering questions regarding repayment. The website https://studentloans.gov/myDirectLoan/index.action is provided. This site alone assists students with managing their loans, viewing their loans, repayment plans & calculators, loan discharge, public service loan forgiveness, Teacher loan forgiveness and if the student is having trouble making their payments. We also suggest this website for all students with loans.

These measures, combined with low tuition, will help mitigate the rate of debt increases. But until the economy recovers, the labor environment and economic circumstances outside the control of our colleges will drive much more of the debt burden increase than tuition rate increases. As a result, in the current economic environment, we have to be realistic about influence our colleges can have over the growth of debt for our students if we want to maintain open access to quality educational services.

SECTION V: ADDRESS THE NEEDS OF UNDERSERVED & UNDERREPRESENTED STUDENTS

Addressing the needs of underserved and underrepresented students is at the core of CCCS's mission of providing all Coloradoans access to higher education. This mission is sewn into the fabric of nearly everything our faculty and staff do on a day-to-day basis—and is integrated into our system-wide and college-specific strategic plans, our performance goals, and our operations.

Below are listed a few examples of programs that directly address the needs of underserved and underrepresented students:

- First Generation Scholarship – Arapahoe Community College (ACC) recruits and serves first generation college students with an $1,800 per year renewable incentive. The financial, academic and social support for qualifying students makes this an effective success and retention initiative for students. Retention for this group was 69.23% compared to the overall college average of 43.28% from fall 2008 to fall 2009. The graduation rate of the Fall 2007 First Gen cohort was 46%, considerably higher than ACC's general population. The financial incentive of this scholarship along with advising program requirements created to assist student establish habits and relationships that ensure success at ACC and beyond have been very effective.

- Denver Scholarship Foundation (DSF) –All metro community colleges have signed a memo of understanding with the Denver Scholarship Foundation. DSF provides a post secondary scholarship for up to $2,500/year for Denver Public Schools graduates to attend one of the Colorado community colleges.

- Scholarship for students aging out of foster care – A Daniels Opportunity Scholarship grant has been established for youth aging out of foster care. While the scholarship provides financial support in the amount of $2,500 annually per student, extensive support services have been designed to assist with transition to college.

- Office of Scholarship Programming - CCA has a very diverse service area, one with many traditionally underserved and underrepresented students. As a result, the college created an office of scholarship programming and retention initiatives. This office coordinates the college's efforts to support students who received third party scholarships (e.g., Daniels, Denver Scholarship, etc.) or institutional "first generation" scholarships. Support services include personal academic advising, coordinating academic progress reports with faculty, arranging tutoring services, and referring students to other human services agencies, as needed and appropriate. The retention initiative launched in October 2010 and is intended to provide high-level analytical and programmatic expertise to identify and respond to opportunities to improve the retention and persistence of all students at the college.
- Completer Scholarship - Morgan Community College implemented a "Completer" Scholarship for students who had stopped out at least a year and were within 15 credit hours of completing a program of study.
- Early Success Check – Pueblo Community College has an Early Success Check to refer and identify students experiencing academic difficulty at the four-week point of the semester. Academic advisors and the Director of Retention initiate outreach to students to provide tutoring and other resources connections for students.
- Gateway to College Program – Red Rocks Community College Gateway to College program is designed for ex-offenders. Participants receive a 9 credit hour tuition scholarship their 1st semester. This program has been expanded to Front Range

Community College.

These examples only scratch the surface of what our colleges are doing to maintain access for all Coloradoans. A more complete listing of these efforts can be found in the CCCS Performance Contract Report that was submitted to the Department in December of 2009. Given the cuts to state support, the additional tuition revenue generated via the FAP process will allow us to continue these vital programs.

***SECTION VI: OPE*RATIONAL FLEXIBILITY**

During the discussion and debate on SB 10-003, CCCS made it very clear that the majority of the operational efficiency provisions were unlikely to have an immediate or significant impact on operational savings at CCCS. At this time, we do not see significant cost savings to roll off of the state's fiscal rules (although, there may be some other efficiency reasons in the future); we are not subject to the changes and additional revenue generated around how international students are counted; and we are involved in very few real estate transactions. CCCS has already centralized all IT back-office and network operations across all 13 colleges, as well as all payroll operations and legal counsel. For FY 2011-12, CCCS will be exploring the financial viability of opting out of state risk management programs. We have already discontinued some state reporting requirements per SB 10-003, particularly related to the vendor database, but this has not resulted in quantifiable cost reductions.

We believe we have a lean operation, particularly on the salary front. CCCS's weighted faculty full-time salary average is $10,586 below the national 2-year public institution weighted full-time faculty. This full-time faculty salary gap puts CCCS faculty 18.5% below the average of its national peers. Given the lack of state funding to cover recent dramatic resident enrollment increases, our faculty and staff are serving more students with less and less state funding per student.

In FY 2011-12, due to the large dollar amount of the state support reductions, the vast majority (80%) of additional revenue generated by tuition flexibility would be used to offset budget cuts and pay for mandatory cost increases. While we would certainly like to begin to address the peer pay issues with our faculty, FY 2011-12 is a very difficult year to begin this process, particularly given that the Governor's budget does not include pay raises for state employees.

However, as indicated in the assumptions, we would plan to bring back salary increases beginning in FY 2012-13 and have them included throughout the remaining four year horizon—even in the face of additional reductions of state support. So, in the out-years, we would at least begin to stabilize a deteriorating salary situation if we face additional cuts. And, if those out-year cuts do not materialize, we would likely be able to make some progress toward closing the gap over time.

SECTION VII: ALIGNMENT WITH STATEWIDE STRATEGIC PLANNING

Having the ability, if circumstances warrant, to have tuition flexibility above 9% allows CCCS to continue to pursue the goals of our strategic plan (see the link the plan here: http://www.cccs.edu/Docs/About/StrategicPlan.pdf) by keeping in place the instructional quality and program support necessary to be successful in retaining, transferring and graduating all of our students, with an emphasis on underserved and underrepresented students.

The CCCS strategic plan has five main goals:

- All Coloradoans shall have access to comprehensive community college educational programs;

- The demands of Colorado businesses and communities shall be met through the development of a highly skilled workforce;

- Colorado students shall have seamless opportunities to transition from high school into college and from two-year institutions into four-year institutions;

- Colorado students shall have the opportunity to succeed through high quality, cutting edge instruction and educational services; and

- The financial stability of the system's institutions and the physical safety of its students shall be ensured.

We believe that the goals that are in the CCCS strategic plan play a role and/or are critical elements in the HESP plan—especially in the areas of access, workforce development, and seamless transitions.

The primary way that the FAP aligns with the CCCS strategic plan is related to the strategy of maintaining low resident tuition rates. Not only does the primary way in one with meeting the performance metrics that our board has set for us regarding resident tuition levels.

Scenario 2

	FY 2011-12	Change	FY 2012-13	Change	FY 2013-14	Change	FY 2014-15	Change	FY 2015-16	Change
Data Assumptions										
Non-Resident Enrollment	4,434	1.3%	4,434	0.0%	4,434	0.0%	4,434	0.0%	4,434	0.0%
Res Enrollment	58,128	1.3%	56,675	-2.5%	54,408	-4.0%	53,320	-2.0%	53,320	0.0%
Resident Tuition Rate % Change	9.0%		11.9%		12.2%		9.0%		9.0%	
Non-Resident Tuition Rate % Change	5.0%		5.0%		5.0%		5.0%		5.0%	
Inflation % Change	0.0%		0.0%		0.0%		0.0%		0.0%	
Percentage Change in State Approp										
E&G Revenues										
Resident Tuition Revenue from Rate	$202,740,000	$16,740,000	$229,365,203	$24,300,203	$251,593,611	$27,296,909	$264,236,713	$21,817,710	$282,533,277	$23,328,436
Resident Tuition Revenue from Growth	$2,325,000	$2,325,000	($5,068,500)	($5,068,500)	($9,174,608)	($9,174,608)	($5,031,872)	($5,031,872)	$0	$0
Non Resident Tuition Revenue from Rate	$37,800,000	$1,800,000	$40,181,400	$1,913,400	$42,190,470	$2,009,070	$44,299,994	$2,109,524	$46,514,993	$2,215,000
Non Resident Tuition Revenue from Growth	$468,000	$468,000	$0	$0	$0	$0	$0	$0	$0	$0
State Appropriations	$119,482,087	($12,483,870)	$110,520,930	($8,961,157)	$102,231,861	($8,289,070)	$94,564,471	($7,667,390)	$87,472,136	($7,092,335)
A50 Revenue	$5,504,720	$144,720	$5,653,347	$148,627	$5,805,988	$152,640	$5,962,749	$156,762	$6,123,744	$160,994
E&G Fees from Rate	$10,044,000	$0	$10,169,906	$0	$9,936,601	$0	$9,559,321	$0	$9,375,563	$0
E&G Fees from Growth	$125,906	$125,906	($233,304)	($233,304)	($377,281)	($377,281)	($183,757)	($183,757)	$0	$0
TOTAL	$378,489,713	$9,119,756	$390,822,286	$12,099,269	$402,583,923	$11,994,941	$413,591,376	$11,384,734	$432,019,713	$18,612,094
Expense Offsets										
Salary/PERA Increase Percent		($1,898,694)		($7,416,721)		($7,489,568)		($7,744,213)		($8,007,517)
HLD Increases		($790,000)		($829,500)		($870,975)		($914,524)		($960,250)
IT Operating Expenses		($313,202)		($328,862)		($345,306)		($362,571)		($380,699)
Utilities		($248,052)		($255,493)		($263,158)		($271,053)		($279,184)
Risk Management		($92,637)		($95,417)		($98,279)		($101,227)		($104,264)
Capital/CM Costs		$0		($2,000,000)		($1,500,000)		($1,000,000)		($500,000)
PERA Refinance		($5,274,150)								
Financial Aid Offset		$0		($1,168,871)		($1,422,041)		$0		$0
TOTAL		($8,616,735)		($12,094,863)		($11,989,327)		($10,393,588)		($10,231,915)
Net Difference		$503,020		$4,406		$5,614		$991,145		$8,380,180

Scenario 3

	FY 2011-12	Change	FY 2012-13	Change	FY 2013-14	Change	FY 2014-15	Change	FY 2015-16	Change
Data Assumptions										
Non-Resident Enrollment	4,434	1.3%	4,434	0.0%	4,434	0.0%	4,434	0.0%	4,434	0.0%
Res Enrollment	58,128	1.3%	56,675	-2.5%	54,408	-4.0%	53,320	-2.0%	53,320	0.0%
Resident Tuition Rate % Change	15.7%		10.8%		11.6%		9.0%		9.0%	
Non-Resident Tuition Rate % Change	5.0%		5.0%		5.0%		5.0%		5.0%	
Inflation % Change	0.0%		0.0%		0.0%		0.0%		0.0%	
Percentage Change in State Approp										
E&G Revenues										
Resident Tuition Revenue from Rate	$215,276,400	$29,276,400	$241,102,351	$23,500,951	$263,064,012	$27,343,571	$276,227,711	$22,807,793	$295,353,409	$24,386,979
Resident Tuition Revenue from Growth	$2,325,000	$2,325,000	($5,381,910)	($5,381,910)	($9,644,094)	($9,644,094)	($5,261,280)	($5,261,280)	$0	$0
Non Resident Tuition Revenue from Rate	$37,800,000	$1,800,000	$40,181,400	$1,913,400	$42,190,470	$2,009,070	$44,299,994	$2,109,524	$46,514,993	$2,215,000
Non Resident Tuition Revenue from Growth	$468,000	$468,000	$0	$0	$0	$0	$0	$0	$0	$0
State Appropriations	$108,958,541	($23,007,416)	$100,786,650	($8,171,891)	$93,227,652	($7,558,999)	$86,235,578	($6,992,074)	$79,767,909	($6,467,668)
A50 Revenue	$5,504,720	$144,720	$5,653,347	$148,627	$5,805,988	$152,640	$5,962,749	$156,762	$6,123,744	$160,994
E&G Fees from Rate	$10,044,000	$0	$10,169,906	$0	$9,936,601	$0	$9,559,321	$0	$9,375,563	$0
E&G Fees from Growth	$125,906	$125,906	($233,304)	($233,304)	($377,281)	($377,281)	($183,757)	($183,757)	$0	$0
TOTAL	$380,502,567	$11,132,610	$392,511,745	$11,775,874	$404,580,629	$12,302,189	$417,024,072	$12,820,724	$437,135,619	$20,295,304
Expense Offsets										
Salary/PERA Increase Percent		($1,898,694)		($7,416,721)		($7,489,568)		($7,744,213)		($8,007,517)
HLD Increases		($790,000)		($829,500)		($870,975)		($914,524)		($960,250)
IT Operating Expenses		($313,202)		($328,862)		($345,306)		($362,571)		($380,699)
Utilities		($248,052)		($255,493)		($263,158)		($271,053)		($279,184)
Risk Management		($92,637)		($95,417)		($98,279)		($101,227)		($104,264)
Capital/CM Costs		$0		($2,000,000)		($2,000,000)		($2,500,000)		($500,000)
PERA Refinance		($5,274,150)								
Financial Aid Offset		($2,507,280)		($783,365)		($1,225,746)		$0		$0
TOTAL		($11,124,015)		($11,709,358)		($12,293,032)		($11,893,588)		($10,231,915)
Net Difference		$8,594		$66,516		$9,157		$927,136		$10,063,390

Scenario 4

	FY 2011-12	Change	FY 2012-13	Change	FY 2013-14	Change	FY 2014-15	Change	FY 2015-16	Change
Data Assumptions										
Non-Resident Enrollment	4,434	1.3%	4,434	0.0%	4,434	0.0%	4,434	0.0%	4,434	0.0%
Res Enrollment	58,128	1.3%	56,675	-2.5%	54,408	-4.0%	53,320	-2.0%	53,320	0.0%
Resident Tuition Rate % Change	15.7%		12.4%		12.7%		9.3%		9.0%	
Non-Resident Tuition Rate % Change	5.0%		5.0%		5.0%		5.0%		5.0%	
Inflation % Change	0.0%		0.0%		0.0%		0.0%		0.0%	
Percentage Change in State Approp										
E&G Revenues										
Resident Tuition Revenue from Rate	$215,276,400	$29,276,400	$244,475,173	$26,873,773	$269,338,561	$30,245,298	$283,568,812	$24,009,259	$303,218,425	$25,036,384
Resident Tuition Revenue from Growth	$2,325,000	$2,325,000	($5,381,910)	($5,381,910)	($9,779,007)	($9,779,007)	($5,386,771)	($5,386,771)	$0	$0
Non Resident Tuition Revenue from Rate	$37,800,000	$1,800,000	$40,181,400	$1,913,400	$42,190,470	$2,009,070	$44,299,994	$2,109,524	$46,514,993	$2,215,000
Non Resident Tuition Revenue from Growth	$468,000	$468,000	$0	$0	$0	$0	$0	$0	$0	$0
State Appropriations	$108,958,541	($23,007,416)	$98,062,687	($10,895,854)	$88,256,418	($9,806,269)	$79,430,776	($8,825,642)	$71,487,699	($7,943,078)
A50 Revenue	$5,504,720	$144,720	$5,653,347	$148,627	$5,805,988	$152,640	$5,962,749	$156,762	$6,123,744	$160,994
E&G Fees from Rate	$10,044,000	$0	$10,169,906	$0	$9,936,601	$0	$9,559,321	$0	$9,375,563	$0
E&G Fees from Growth	$125,906	$125,906	($233,304)	($233,304)	($377,281)	($377,281)	($183,757)	($183,757)	$0	$0
TOTAL	$380,502,567	$11,132,610	$393,160,603	$12,424,732	$405,749,031	$12,821,733	$417,434,881	$12,063,131	$436,720,424	$19,469,300
Expense Offsets										
Salary/PERA Increase Percent		($1,898,694)		($7,416,721)		($7,489,568)		($7,744,213)		($8,007,517)
HLD Increases		($790,000)		($829,500)		($870,975)		($914,524)		($960,250)
IT Operating Expenses		($313,202)		($328,862)		($345,306)		($362,571)		($380,699)
Utilities		($248,052)		($255,493)		($263,158)		($271,053)		($279,184)
Risk Management		($92,637)		($95,417)		($98,279)		($101,227)		($104,264)
Capital/CM Costs		$0		($2,000,000)		($2,000,000)		($2,500,000)		($500,000)
PERA Refinance		($5,274,150)								
Financial Aid Offset		($2,507,280)		($1,457,929)		($1,745,381)		($129,780)		$0
TOTAL		($11,124,015)		($12,383,922)		($12,812,667)		($12,023,368)		($10,231,915)
Net Difference		$8,594		$40,810		$9,066		$39,763		$9,237,385