

Fort Lewis College
Financial Accountability Plan
Executive Summary

Fort Lewis College is seeking a 20% resident tuition increase in each of the next two fiscal years, and then increasing tuition by 9% per year for the remaining three years of the five-year planning horizon. The increase is needed to cover reductions in State funding, increases in mandated costs and the cost of need-based financial aid necessary to mitigate the tuition increase for low and middle-income students. The Financial Accountability Plan (FAP) presents two implementation strategies, both of which result in a 20% increase in resident tuition rates.

The first strategy entails moving the low end of the tuition window from 10 credit hours to 12 credit hours over a two-year period (FY 2011-12 and FY 2012-13). The closing of the window would be in addition to implementing a 9% tuition increase. In FY 2013-14, and thereafter, resident tuition would be increased by 9% annually. The second strategy would increase resident tuition by 20% annually in FY 2011-12 and FY 2012-13, and 9% annually thereafter.

The Board of Trustees and the Fort Lewis College Administration favor Strategy 1, but have presented both strategies to provide the different options. Strategy 2 has been included in the Plan to provide transparency, and to give the Board flexibility when actually setting tuition rates.

The Plan only contemplates tuition increases for resident students. The Board of Trustees recognizes that the State funding allocated to institutions of higher education is for the purpose of subsidizing resident students. As such, tuition increases to backfill losses in State funding should be borne by resident students. Furthermore, as highlighted in the FAP, the College's resident tuition is significantly lower than that of its peers.

The Plan does not consider a non-resident tuition increase over the first two years of the planning horizon. Non-resident, non-Native American enrollment has declined by more than 35% over the last eight years. The College attributes much of this decline to economic conditions and the price sensitivity of non-resident students. Fort Lewis College's non-resident tuition rates benchmark at the high end of its peers. The College also recognizes that any increases in non-resident tuition will result in greater State support for the Native American Tuition Waiver program.

While the FAP does not specifically identify a strategy to deal with a cut in higher education funding to the \$500 million level, it does note, "Every \$100,000 in state reduction above \$1.6 million will necessitate an additional 1.2% resident tuition increase. This additional increase includes funding for need-based financial aid." If funding for higher education is reduced to the \$500 million level, and the total reduction to Fort Lewis College were approximately \$2.5

million, the additional resident tuition increase needed would equate to 10.6%. However, it cannot be assumed that the Board of Trustees would automatically request this additional increase. Further evaluation would be needed before a final determination could be made.

As it relates to the protection of low and middle-income students, the College is using the Department of Higher Education's financial aid classifications (Pell Level 1 & 2) to define low and middle-income. The Plan proposes to offset tuition increase above 9% by between 50% and 100% depending upon the student's EFC levels.

The goal of the financial aid mitigation proposal is to maintain the economic diversity of our current student body, within a reasonable range. The College will measure success by evaluating the proportion of student in the Pell Level 1 and 2 categories, and comparing the proportions to prior years. Furthermore, the College will measure whether the impact of tuition increases have been mitigated by analyzing the proportion of students in Pell Level 1 and 2 categories that receive loans, and comparing this proportion to prior years. The College will adjust need-based aid as necessary to remain within a reasonable range of the current percentages for each group.

The tuition and operational flexibilities afforded by SB 10-003, and the resulting strategies outlined in the Financial Accountability Plan, will not allow the College to materially change or expand its current operations. The proposed tuition increases will not provide "new" funding to Fort Lewis College beyond that needed to cover mandated costs and implement the described financial aid leveraging strategies. While the College expects to gain additional administrative efficiencies and realize marginal cost savings through the freeing up of some institutional time as a result of the flexibility afforded in SB 10-003, it does not anticipate that these saving would be of a magnitude that would allow for a reduction in force. At present, it is difficult to estimate what the saving might be. The Plan, as presented, would most accurately be described as a "maintenance of effort" plan. However, the College will continue to seek efficiencies in its operations and improvement in the quality and breadth of its academic offerings, to better serve the citizens of the State of Colorado.

COLORADO COMMISSION ON
 **HIGHER
EDUCATION**

ACCESS TO HIGH-QUALITY, AFFORDABLE EDUCATION FOR ALL COLORADANS

FINANCIAL ACCOUNTABILITY PLAN
FORT LEWIS COLLEGE
PROPOSED - OCTOBER 1, 2010
UPDATED – OCTOBER 31, 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:
 - This FAP was developed consistent with the FY 2011-12 General Fund (GF) allocation plan approved by the CCHE on September 7, 2010.
 - This FAP was developed assuming the following:
 - The methodology for funding the Fort Lewis College Native American Program is consistent with prior years.
 - General Fund (COF and Fee for Service funding) will remain constant over the planning horizon.
 - Flat enrollment for both resident and non-resident students. While enrollment has generally decreased over the last five years, the College has invested significant resources to reverse that trend. Enrollment for Fall 2010 shows some growth, however, the College feels it is more conservative to plan for flat enrollment growth for the planning horizon.
 - Given past fluctuations in non-resident enrollment and the economic environment, the Board of Trustees feels that it would not be prudent to show non-resident enrollment growth. The resident tuition increases requested in this FAP represents a proposed ceiling. As part of the annual budgeting process, the Board of Trustees will consider the revenue generated from non-resident enrollment growth before determining the needed resident tuition increases.
 - State funding allocated to institutions of higher education subsidizes resident students. As such, tuition increases to backfill losses in State funding should be borne by resident students.

- The proposal does not include a tuition increase for non-resident students. Given the current economic conditions, the College is concerned that any substantial increase in non-resident tuition would result in some nonresident students choosing not to attend Fort Lewis College – resulting in fewer tuition resources. Also, substantial increases in nonresident tuition will result in a larger increase in the State commitment to the Native American tuition waiver program in subsequent years.

GOVERNING BOARD

This Financial Accountability Plan represents the official request of the Board of Trustees for Fort Lewis College to increase resident tuition by more than 9% in both FY 2011-12 and FY 2012-13. The Plan was approved by the Board of Trustees for Fort Lewis College on September 30, 2010. As such, all references to the “College” shall also refer to the Board of Trustees. This FAP request represents a ceiling on the annual allowed tuition increase. The Board of Trustees will evaluate changes in enrollment and State funding levels before determining the final resident tuition increase.

SECTION I: PROCESS FOR DEVELOPMENT OF THE 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 statutory role and mission for Fort Lewis College is listed below:

23-52-101. College established - role and mission – governance

- (1) There is hereby established a college at Durango, to be known as Fort Lewis college, which shall be a public liberal arts college, with selective admission standards with a historic and continuing commitment to Native American education. In addition, the college may offer professional programs and a limited number of graduate programs to serve regional needs. The center of southwest studies provides a valuable regional, national, and international resource.
- (2) (a) Fort Lewis college shall be a regional education provider and shall have two-year authority only for an associate of arts degree in agricultural science.
 (b) The Colorado commission on higher education shall, in consultation with the board of trustees of Fort Lewis college, establish the criteria for designation as a regional education provider.

Currently, as part of the annual budget process, the Board of Trustees for Fort Lewis College (Board) reviews comparisons of Fort Lewis College’s tuition to various peer groups. The peer

groups reviewed include the member institutions of the Council of Public Liberal Arts Colleges (COPLAC) and the other Colorado four-year institutions.

The Board solicits student input regarding tuition increases through the Student Body President. The Student Body President, in turn, receives input from the Student Senate, the official representative body of the students. Additionally, the Board seeks input from the Enrollment Management staff, which has the closest ties to potential students.

As the Board works to make a final determination of tuition increases for FY 2011-12 and the remainder of the FAP, the Board will employ this same process with an expanded role for student government. The expanded role will involve discussions with Student Senate and Student Senate led forums to gather input. The process will also include an educational component, so that the students will be able to give informed input.

The tuition strategy proposed in this FAP is in alignment with the College's role and mission as a selective, public liberal arts college. Following the proposed tuition increases, Fort Lewis College's tuition rates will remain competitive with like institutions.

SECTION II: REQUESTED TUITION INCREASE

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

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

In developing this Financial Accountability Plan, the College considered the following:

1. Peer Groups

- Fort Lewis College historically has used the COPLAC institutions as a comparison group.
- Other Colorado public institutions of higher education

2. Resident Tuition

- Fort Lewis College resident tuition is currently 60% of the average COPLAC institutions resident tuition.
- Currently, 66% of the Colorado research and four-year institutions have no tuition window (i.e., a range within which tuition remains the same) or a tuition window of 12 credit hours or more. Fort Lewis College's tuition window begins at 10 credit hours.

The following tables compare Fort Lewis College's resident tuition to these external peers for FY 2010-11. Tuition and Fee survey data is not yet available; therefore, tuition rates were compiled by researching individual schools' web sites.

<u>COPLAC Institutions</u>	<u>Annual Tuition</u>
St. Mary's College of Maryland	\$11,325
University of Minnesota Morris	\$9,482
University of Maine, Farmington	\$8,032
Keene State College, NH	\$7,650
University of Virginia's College at Wise	\$7,194
University of Mary Washington	\$6,720
Midwestern State University, TX	\$6,718
University of Wisconsin - Superior	\$6,600
University of Illinois at Springfield	\$6,486
Truman State University	\$6,458
Evergreen State College, WA	\$6,108
Ramapo College of New Jersey	\$5,854
University of Montevallo	\$5,784
Sonoma State University	\$5,508
University of North Carolina, Asheville	\$5,352
Shepherd University	\$5,234
SUNY at Geneseo	\$4,970
University of Science & Arts of Oklahoma	\$4,905
Henderson State University, AR	\$4,272
Southern Oregon University	\$4,212
Eastern Connecticut State University	\$4,023
Fort Lewis College	\$3,380
Georgia College & State University, GA	\$3,142
University of Alberta Augustana	\$2,588
New College of Florida	\$2,296
Massachusetts College of Liberal Arts	\$1,030
<i>COPLAC Average (excluding Fort Lewis College)</i>	<i>\$5,650</i>

<u>Colorado Institutions</u>	<u>Annual Tuition</u>
Colorado School of Mines	\$11,550
University of Colorado at Boulder (A & S/Other)	\$7,018
Univ. of Colorado at Denver	\$6,216
Univ. of Colorado at Colorado Springs (15 CH / term)	\$5,852
Mesa State College (15 CH /term – new students)	\$5,480
Colorado State University	\$5,256
Univ. of Northern Colorado	\$4,680
Colorado State University – Pueblo (15 CH /term)	\$4,067
Western State College	\$3,422
Fort Lewis College	\$3,380
Metropolitan State College of Denver	\$3,107
Adams State College	\$2,952

3. Non-Resident Tuition

- In FY 2009-10, Fort Lewis College non-resident tuition and fees was 109% of the average COPLAC institutions' non-resident tuition and fees.
- Non-resident students are extremely important to the College; however, they are very price sensitive. Given this sensitivity and the current pricing, the College does not have the ability to substantially increase non-resident tuition rates.
- Any non-resident tuition increases will have the effect of increasing the State's Native American tuition reimbursement obligation.

4. Enrollment

As shown in the chart below, both resident and non-resident non-Native American enrollment has declined over the last eight years. Non-resident Native American enrollment has generally increased over the same time frame. Due to overall declining enrollment, coupled with increasing competition for students, Fort Lewis College has devoted increased resources to recruiting and retaining students, especially as the Institutions' selectivity has increased. While Fall 2010 shows enrollment growth of 2.1% - and the College believes the downward trend has been halted and will turn upwards over the next few years - from a budgeting perspective, a conservative approach of flat enrollment growth has been employed in the development of the FAP.

Fort Lewis College Student FTE

Fiscal Year	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Resident	2,800	2,784	2,727	2,733	2,656	2,644	2,621	2,426	2,407
% Change		-0.6%	-2.0%	+0.2%	-2.8%	-0.5%	-0.9%	-7.4%	-0.8%
Non-Resident									
% Change	1,369	1,296	1,214	1,127	1,056	1,075	1,081	1,104	1,100
		-5.3%	-6.3%	-7.2%	-6.3%	+1.8%	+0.6%	+2.2%	-0.4%
Non-Resident detail									
Non-Resident Non Native American	811	725	658	565	511	524	527	528	521
% Change		-10.6%	-9.2%	-14.1%	-9.6%	+2.5%	+0.6%	+0.2%	-1.3%
Non-Resident Native American	558	571	556	562	545	551	554	576	579
% Change		+2.3%	-2.6%	+1.0%	-2.9%	+1.1%	+0.5%	+3.9%	+0.6%

Non-resident, non-Native American enrollment has declined by more than 35% over the last eight years. The College attributes much of this decline to economic conditions and the price sensitivity of non-resident students. In past years, it was less expensive for a student to pay non-resident tuition at Fort Lewis College, than resident tuition at many flagship institutions in other states. At over \$16,000 annually, this is no longer the case. The Board does not believe there is elasticity in the non-resident non-Native American market to increase rates. Given the overall decline experienced over the last eight years,

the Board does not anticipate an increase in non-resident enrollment or non-resident tuition rates in the next two years. The College also recognizes that any increases in non-resident tuition result in greater State support for the Native American program.

5. FY 2011-12 Budget Consideration

In consideration of possible tuition increases for FY 2011-12, the College has compiled a **preliminary** budget. Please note the items listed below represent *estimates* for those identified broad categories. Each of the categories will be updated as the year progresses.

Fort Lewis College: Summary of Anticipated Revenues in FY 2011-12

Source	FY 2010-11 Budgeted Revenue	Estimate for FY 2011-12	Difference
GF/ARRA	\$11,503,271	\$9,899,375	-\$1,603,896
Resident Tuition – Student Share (1)	\$7,839,833	\$8,545,418	\$705,585
Nonresident Tuition (1)	\$9,827,854	\$9,827,854	0
Native American Appropriation	\$10,430,371	\$11,367,995	\$937,624
Other (2)	\$2,442,434	\$2,452,646	\$10,212
TOTAL	\$42,043,763	\$42,093,288	\$49,525

- (1) The table above assumes a 9.0% tuition increase for resident students, and no tuition increase for nonresident students.
- (2) The “Other” category primarily includes student fees (technology, career services and course specific), donation revenue and interest earnings.

As shown in the table above, an increase in resident tuition of 9.0%, together with the anticipated increase in the Native American Appropriation, will almost offset the decrease in State funding. However, this scenario represents a “flat” budget, and it is anticipated that the College will realize both “mandated cost” increases, as well as campus budget priorities that the Board will want to consider for FY 2011-12.

The following table shows the incremental **mandated costs** in some of the major expense categories.

Estimated Mandated Costs: FY 2011-12

PERA, Group Health and Life	\$430,000
Non-Discretionary Items (e.g. Utilities, Telecommunications, State Indirect Costs, Bank Charges, Audit Costs)	\$125,000
Need Based Financial Aid (to mitigate resident tuition increase above 9%)	\$285,000
Total Mandated Costs	\$840,000

A resident tuition increase of approximately 11.0% is required to address the \$840,000 in mandated costs. Approximately 34% of the required increase above 9% is related to funding need based financial aid, while the remaining 66% is related to mandated costs.

In addition to mandated cost increase, the College has been working on several quality initiatives over the last few years. These initiatives include raising faculty salaries to an average of 100% of peer salaries and the implementation of a financial aid leveraging program to improve the quality and quantity of the student body. These initiatives are highlighted below:

Faculty Salaries – Currently the compensation received by Fort Lewis College faculty is measured at 88% of peer salaries for all ranks. This issue is exacerbated by the high cost of living in Durango, making it challenging to attract new faculty to the campus. The College has adopted a goal of reaching 100% of peer salaries within five years.

Financial Aid Leveraging – The College contracted with Noel Levitz in FY 2007-08 to help develop a strategy to use merit scholarships to increase enrollment of both resident and non-resident students. The analysis conducted by Noel Levitz identified the scholarship amount needed within various student achievement levels. This program was implemented for the Fall 2009 semester and was deemed successful due to increased yield rates and increased retention into the Fall 2010 semester.

Additionally, the College Exempt Staff has not received salary increases in two years, and there is a concern that quality staff members will be lost if this situation continues. Funding for these initiatives will be provided via reallocation of existing resources, assuming no additional GF reductions beyond those contained in the September 7 CCHE action.

Summary: In order to address the anticipated GF reduction, and the estimated mandated costs, Fort Lewis College requests permission to raise tuition 11.0 percent above the allowable 9.0 percent limit.

If the CCHE and the Board approve tuition increases at this level, the actual implementation could take two forms.

Strategy 1 - Move the low end of the tuition window from 10 credit hours to 12 credit hours over a two-year period (FY 2011-12 and FY 2012-13). The closing of the window would be in addition to implementing a 9% tuition increase. In FY 2013-14, and thereafter, resident tuition would be increased by 9% annually. Such a strategy would allow the College to cover not only its allocated budget reductions, but also the mandated cost increases. Please see Appendix A for an overview of the five-year budget plan.

	FY 2010-11	FY 2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Per Credit Hour (less than full time)	\$169	\$184	\$200	\$218	\$237	\$258
Dollar Increase		\$15	\$16	\$18	\$19	\$21
Percent Increase		8.9%	8.7%	9.0%	8.7%	8.9%
Full-Time (10-18)	\$3,380					
Full-Time (11-18)		\$4,048				
Full-Time (12-18)			\$4,800	\$5,232	\$5,688	\$6,192
Dollar Increase		\$668	\$752	\$432	\$456	\$504
Percent Increase		19.8%	18.6%	9.0%	8.7%	8.9%
Overload Surcharge per Credit Hour (+18 CH)	\$105	\$184	\$200	\$218	\$237	\$258
Dollar Increase		\$76	\$16	\$18	\$19	\$21
Percent Increase		72.4%	8.7%	9.0%	8.7%	8.9%
Net Tuition Revenue (student share)	\$7,839,833	\$9,286,777	\$10,871,021	\$11,849,082	\$12,880,208	\$14,020,282
Additional Revenue Generated from previous year		\$1,446,944	\$1,584,244	\$978,061	\$1,031,126	\$1,140,075

Strategy 2 – Increase resident tuition by 20% annually in FY 2011-12 and FY 2012-13, and 9% annually thereafter. Such a strategy would allow the College to cover not only its allocated budget reductions, but also the mandated cost increases. Please see Appendix A for an overview of the five-year budget plan.

	FY 2010-11	FY 2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Per Credit Hour (less than full time)	\$169	\$202	\$242	\$263	\$286	\$311
Dollar Increase		\$33	\$40	\$21	\$23	\$25
Percent Increase		19.5%	19.8%	8.7%	8.7%	8.7%
Full-Time (10-18)	\$3,380	\$4,040	\$4,840	\$5,260	\$5,720	\$6,234
Dollar Increase		\$660	\$800	\$420	\$460	\$514
Percent Increase		19.5%	19.8%	8.7%	8.7%	9.0%
Overload Surcharge per Credit Hour (+18 CH)	\$105	\$202	\$242	\$263	\$286	\$311
Dollar Increase		\$97	\$40	\$21	\$23	\$25
Percent Increase		92.4%	19.8%	8.7%	8.7%	8.7%
Net Tuition Revenue (student share)	\$7,839,833	\$9,410,075	\$10,867,955	\$11,849,301	\$12,919,249	\$14,081,982
Additional Revenue Generated from previous year		\$1,570,242	\$1,457,880	\$981,346	\$1,069,948	\$1,162,733

Should the Board of Trustees implement either of the tuition plans outlined above, the tuition at Fort Lewis College would remain below that of its COPLAC peers (assuming a 3.0% annual increase in tuition at the peer institutions), thereby continuing to fulfill its role and mission as a selective, public liberal arts institution.

The Board of Trustees requests the flexibility to adopt the best strategy based upon its analysis and assessment in Spring 2010. Every \$100,000 in State reduction above \$1.6 million will necessitate an additional 1.2% resident tuition increase. This additional increase includes funding for need-based financial aid.

If funding for higher education is reduced to the \$500 million level, and the total reduction to Fort Lewis College were approximately \$2.5 million, the additional resident tuition increase needed would equate to 10.6%. However, it cannot be assumed that the Board of Trustees would automatically request this additional increase. Further evaluation would be needed before a final determination could be made.

Should state funding assumptions change materially following the March 2010 revenue estimates, the College requests the right to resubmit or modify the FAP.

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.*

The College does not currently employ any of the above noted tuition and fee policies, nor does it propose any such policies. The College has employed a financial aid leveraging program; that is, providing funding for scholarships focused on merit. While not a tuition discount plan, it is similar to tuition discounts offered at private institutions.

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.

On the included Excel spreadsheet (“Institutional Data for FAP 2010”), we have included a distribution of Pell recipients for Colorado resident, undergraduate students at Colorado institutions (see tab labeled “PellEligFTE.” Please verify if correct and, if needed, provide updated figures.

In FY 2009-10, Fort Lewis College received \$4,236,551 in federal financial aid, including Federal Pell Grants, Supplemental Educational Opportunity Grant (SEOG), Federal Perkins

Loan, Federal Work Study and Title III funds. The College also received \$398,640 in private grants and scholarships. In FY 2008-09, the College instituted an aggressive financial aid leveraging program that focuses on merit based scholarships. As part of the implementation of this program, and combined with the previously required Institutional Need Based aid, the College was able to mitigate “need” of \$1,584,144 in FY 2008-09.

Financial aid eligibility is based upon Expected Family Contribution (EFC). EFC can vary greatly between families with the same income, because it is dependent upon a family’s situation (number of children in college, business income, etc). However, EFC can be used as a proxy to define low and middle income. The following chart outlines the various classifications used in determining financial need and the maximum EFC for each of the classifications.

Classification	Who Qualifies	FY 2010-11 Maximum EFC
Level 1 – Pell Eligible	Students who have an EFC at or below the federally established levels for automatic receipt of Pell grant funds	\$5,274
Level 1 – Not Pell Eligible	Students who are between 101% and 150% of the EFC established for automatic receipt of Pell grant funds.	\$7,910
Level 2	Students who are between 151% and 200% of the EFC established for automatic receipt of Pell grant funds.	\$10,549

Based upon the information above, for purposes of this Plan, the College has classified Level 1 students as low income and Level 2 students as middle income.

The following chart summarizes the need level of resident students during of the last five years.

Fiscal Year	# of Resident students	Level 1 Pell Eligible	Level 1 not Pell eligible	Level 2	% Level 1 Pell	% Level 1 not Pell	% Level 2	Total % Level 1 & 2
2005	2,733	747	179	119	27.3	6.6	4.4	38.3
2006	2,656	706	136	106	26.6	5.1	4.0	35.7
2007	2,644	639	152	104	24.2	5.7	3.9	33.8
2008	2,621	612	157	104	23.3	6.0	4.0	33.3
2009	2,426	575	151	115	23.7	6.2	4.8	34.7

As the chart above shows, in FY 2009, 23.7% of resident students were classified as Level 1 Pell Eligible, 6.2% were Level 1 but not Pell Eligible and 4.8% were Level 2.

The following table shows the average need for each of the three financial aid classifications included in the Plan, and the percent of the average need that was met using Federal, State, Private, and Institutional aid programs.

Classification	Average Need	Percent of Average Need Met with existing programs (excluding loans)
Level 1 – Pell eligible	\$15,452	72%
Level 1 – not Pell eligible	\$12,252	67%
Level 2	\$9,325	52%

To mitigate the impact of tuition increases, the College will provide institutional need based financial aid as outlined below:

Financial Aid Classification	Need Based Financial Aid Strategy
Level 1 – Pell Eligible	100% of tuition increase above 9% awarded
Level 1 – not Pell eligible	75% of tuition increase above 9% awarded
Level 2	50% of tuition increase above 9% awarded

The College will measure whether the impact of tuition increases have been mitigated by analyzing the proportion of students in Pell Level 1 and 2 categories, as well as the percent of the average need met, and comparing these proportion to prior years. The College will adjust need-based aid as necessary to remain within a reasonable range of the current percentages for each group.

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.

On the included Excel spreadsheet (“Institutional Data for FAP 2010”), we have included a distribution of loan data for Colorado resident, undergraduate students at Colorado institutions (see tabs labeled “averageFedloans” and “#studentswFedloans.” Please verify if correct and, if needed, provide updated figures.

As the Board approves annual tuition increases, they are continuously aware of the burden on students and families, and the level of debt. The Board also understands that the manner in which students accumulate debt is a function of how students and families choose to finance education, and is only partially related to tuition increases.

The following table shows the percentage of resident students receiving student loans and the average loan amount over the last five fiscal years.

Fiscal Year	# of Resident students	# of Resident Students Receiving Perkins, Stafford Subsidized and Stafford Unsubsidized Loans During Fiscal Year			% of Resident Students Receiving Loans	Average Loan	
		Level 1	Level 2	Total		Level 1	Level 2
2005	2,733	697	93	790	28.9%	\$5,225	\$4,139
2006	2,656	637	75	712	26.8%	\$5,279	\$4,869
2007	2,644	587	80	667	25.2%	\$5,468	\$4,534
2008	2,621	582	83	665	25.4%	\$5,470	\$4,957
2009	2,426	532	95	627	25.8%	\$6,030	\$5,556

The average loan is very much a function of the Stafford Loan program's maximum loan levels. As the federal government increases the maximum Stafford levels, average student borrowing will likely increase. The following table shows the maximum Stafford Loan levels for the last five years and how the average annual borrowing of resident students at Fort Lewis College compares to the average maximum Stafford Loan.

Fiscal Year	Maximum Annual Stafford Loan					Average Loan (above) as a percent of Average Max Stafford Loan	
	Freshman	Sophomore	Junior	Senior	Average	Level 1	Level 2
2005	\$2,625	\$3,500	\$5,500	\$5,500	\$4,281	122.1%	96.6%
2006	\$2,625	\$3,500	\$5,500	\$5,500	\$4,281	123.3%	113.7%
2007	\$2,625	\$3,500	\$5,500	\$5,500	\$4,281	127.7%	105.9%
2008	\$3,500	\$4,500	\$5,500	\$5,500	\$4,750	115.2%	104.4%
2009	\$3,500	\$4,500	\$5,500	\$5,500	\$4,750	126.9%	116.9%

The Board will attempt to reduce the need for increased debt of Pell Level I and II students by implementing the institutional need-based aid plan outlined in Section III.

In 2009, baccalaureate graduates at Fort Lewis College completed their degrees with the lowest average student debt load in Colorado, as shown in the table below.

University of Colorado at Denver	\$24,224
Metropolitan State College of Denver	\$22,650
Colorado State University – Pueblo	\$22,393
Colorado School of Mines	\$21,503
Mesa State College	\$20,672
Adams State College	\$20,013
University of Colorado at Boulder	\$19,961
Colorado State University	\$19,854
University of Colorado at Colorado Springs	\$19,487
University of Northern Colorado	\$18,539
Western State College	\$18,229
Fort Lewis College	\$18,039

Source: JBC Staff Briefing 02/23/2010

The College will measure whether the impact of tuition increases have been mitigated by analyzing the proportion of students in Pell Level 1 and 2 categories that receive loans, and comparing this proportion to prior years. The College will adjust need-based aid as necessary to remain within a reasonable range of the current percentages for each group.

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*

Profile of Underserved and Underrepresented Populations

In Fall 2009, Fort Lewis College’s enrollment was 3,685 students (resident and non-resident).

- Total first generation enrollment was 827 (22%)
- Total minority enrollment was 1,015 (28%)
- Total low-income enrollment was 982 (27%)
- Total number of students who were first generation, minority, and low income 221 (6%)

Maintaining Access

Fort Lewis College is the sponsoring institution for two federally funded pre-college TRIO programs – Educational Talent Search and Upward Bound – serving 750 secondary students in the region who fit one or more of the **first-generation**, **minority**, and **low-income** criteria. These programs prepare and encourage students to pursue post-secondary options.

The College is a member of the Colorado Educational Services and Development Association (CESDA), which strives to present information about college to students who traditionally may not have been aware of college, including **first-generation** and **low-income** students. CESDA holds a variety of college admission workshops for students, and Fort Lewis College admission representatives staff approximately three events each year.

The College's Office of Admission and Advising has discretion to waive application fees for **low-income** students upon recommendation by a high school counselor or TRIO program staff. In 2009, application fees were waived for 3% of the applicant pool, about 100 students.

Each year the College Horizons program brings 180 high-achieving **minority** secondary students – specifically Native Americans -- to a college campus for an “academic boot camp.” Fort Lewis College has provided staffing for the last three years.

The Director of the Office of Financial Aid participates in the Colorado Association of Financial Aid Administrators' Financial Aid Outreach Program at secondary schools in the region. In this program, the Director makes presentations about the College Opportunity Fund, federal financial aid programs, and scholarship opportunities. These sessions are especially targeted at **first-generation** and **low-income students**. In a typical year, about 450 families attend these sessions.

Another access program led by the Office of Financial Aid is College Goal Sunday. In this program, students and families in the region receive assistance in completing the Free Application for Federal Student Aid (FAFSA). While College Goal Sunday is open to all college-bound students in the area, the target audience is **first-generation** and **low-income** students. About 30 students and their families attend this event held each February on the Fort Lewis College campus.

Providing Appropriate Outreach

The College's Office of Admission and Advising has a designated Admission Counselor who outreaches to secondary schools to rural areas of the region where **first-generation**, **minority**, and **low-income students** are often the majority population. A review of Fort Lewis College's Fall 2011 recruiting plan shows that about 33% of the high school visits

and college fairs scheduled are in areas with significant populations of underrepresented students.

Additionally, a designated Admission Counselor provides information services on-site at the two community colleges in the region, to ensure **first-generation, minority, and low-income students** who begin in an open admission environment are aware of the opportunities to pursue bachelor's degrees at Fort Lewis College. Hard-copy transfer guides have been developed for each of these community colleges, providing students with a detailed listing of courses to complete before transferring to Fort Lewis College. On average, Fort Lewis College makes contact with about 400 students each year at these community colleges.

Campus enrollment offices and minority student support centers collaborate each year in the hosting of a Native American College Day and a Latino College Day for secondary students in the region. These events provide general guidance on the college admission and financial aid processes, review the kinds of services found on any campus to support academic success, and facilitate interaction between **first-generation, minority, and low-income** secondary students and successful Fort Lewis College students from similar backgrounds. The 2009 Native American College Day was attended by 170 students, and the 2009 Latino College Day was attended by 150 students.

Through its College on Wheels program, the Office of Admission and Advising has helped subsidize travel, food, and lodging costs for regional schools with significant enrollments of **first-generation, minority, and low-income** students. These requests are handled on a case-by-case basis and have provided schools and their students with benefits such as gasoline vouchers, meals in the campus dining hall, and lodging in a campus residence hall. Five to seven schools request (and are granted) some or all of these services each year, providing a campus visit experience for about 125 students.

Ensuring Success

New Native American and Hispanic students and their families are invited to a pre-Orientation session each August, hosted respectively by the Native American Center and El Centro de Muchos Colores. These sessions provide assistance to this **minority** student population on navigating the Fort Lewis College system, create community, and promote academic success services available through the cultural centers and elsewhere on campus. In Fall 2010, 62 new Native American students, representing 23% of the new freshman and transfer population, attended the Native American Center session, and 76% of new Hispanic students attended the El Centro session.

Quality remedial courses help underprepared students, who often come from a **first-generation, minority, or low-income** background, successfully transition to college. Fort Lewis College's remedial programs in reading, writing, and math, offered through a contract with Southwest Colorado Community College, are staffed by Fort Lewis instructors to ensure close connections between the remedial and the college-level

courses. In the 2009-10 academic year, enrollment in remedial courses totaled 600, 72% of which was in mathematics courses.

Learning support. Satisfactory completion of coursework during the first attempt is the goal of the College's learning support services. While all students may access college-funded learning support services, the services are of critical importance to **low-income** students who must meet GPA and credit completion requirements each semester to continue receiving aid. Toward this end, the college hosts two math tutorial centers, a writing center, and a subject field tutoring center. In a typical Fall semester, the math tutorial centers serve 750 students, the Writing Center, 250 students, and the subject field tutoring center, about 200 students.

Offering lower-cost alternatives. **Low-income** students often forego academic essentials, such as books, supplies, and equipment, in order to make ends meet. Initiatives focused on books include putting textbooks on reserve in the library for students who cannot afford to purchase books, as well as a new textbook rental program offered by the Fort Lewis College Bookstore. To date for Fall 2010, the bookstore has rented 1,913 books for an approximate savings to students of \$58,537. The Freshman Math Program has implemented a calculator rental program to ensure that students who cannot afford the \$100 price tag still have the required calculator for their courses. In Fall 2010, 15 students were approved for a calculator loan.

Debt management. The Office of Financial Aid notifies all students of their annual loan indebtedness as well as information about monthly projected payments that will be required upon graduation or enrollment fewer than six credit hours. The Office of Financial Aid, in collaboration with other financial aid administrators and state agencies, is in the process of creating a debt management program outlining the effects of over borrowing. The Office of Financial Aid also in the process of creating a Net Price Calculator that will assist in college planning and the potential expenses that may arise during a students' enrollment period.

Social services. **Low-income** students sometimes need help meeting basic needs. One of the advisors in the Office of Admission and Advising has a background in social work. He and representatives from other offices maintain an up-to-date list of social services available in the community. Two privately funded campus food banks provide an additional safety net. During the 2009-10 academic year, the Native American Center Food Bank distributed about \$1,350 in foodstuff and the Program for Academic Advancement distributed about \$1,000.

Emergency loans. **Low-income** students typically have no reserve funds to cover emergencies. To help in these situations an Emergency Loan program is administered by the Office of Financial Aid. In 2009-10, 109 students received \$55,144 in emergency loans.

Case management. The most effective success program for **first generation, low-income and minority students** is a federally funded Student Support Services TRIO program that uses a case management model for 200 Fort Lewis College students. The program provides direct services in advising, tutoring, and financial counseling. The Fall 2002 cohort of students served by this program had a six-year graduation rate of 51%, compared to the overall graduation rate for that cohort of 33%. During the recent competition, the College was also awarded funds to create a second Student Support Services TRIO program focused on first-generation, low-income and minority students in the STEM disciplines. This program will provide case management of 100 additional students when fully implemented in the next academic year.

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.

The flexibility contained in SB 10-003 will allow Fort Lewis College to customize certain systems/process to the needs of the institution, thereby increasing efficiency. Fort Lewis College has previously opted out of State Purchasing (2005), State Fleet Management (2005), and State Risk Management - Worker's Compensation (2010). The College will opt out of State Risk Management – Property/Liability beginning in July of 2011. When the College opted out of State Purchasing and State Fleet Management, efficiencies were achieved due to the implementation of localized policies and procedures. While there was not a reduction in staffing levels, the existing staff members were better able to manage these processes.

Regarding opting out of State Risk Management, the College now has the ability to have an active role in negotiating rates and implementing loss control mechanisms that work for the Institution, resulting in significant cost savings.

Fort Lewis College expects to gain additional administrative efficiency as a result of the flexibility afforded in SB 10-003. The College anticipates adopting its own fiscal rules during the fiscal year, with the intent of streamlining operations. The same can be said for the flexibility afforded the capital construction and contract management processes. The College expects to realize marginal cost savings, through the freeing up of some institutional time, and possibly less travel to Denver. However, it is not anticipated that these saving would be of a magnitude that would allow for a reduction in force. At present, it is difficult to estimate what the saving might be.

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.

The Fort Lewis College staff has followed the strategic planning process, and has analyzed the draft document discussed on September 22. In measuring the FAP against the draft strategic plan, the following observations are offered:

Strategic Plan Recommendation #1: Colorado must increase its investment and ensure affordability in higher education.

The Fort Lewis College FAP does not anticipate an increase in State funds; the best-case scenario is flat state funding through the five-year planning horizon. If there are increases in State funding during the planning horizon, this could mitigate the need for future tuition increases.

Strategic Plan Recommendation #2: Colorado must reduce regional, income, and ethnic gaps in college admission, retention, and completion.

While the Fort Lewis College FAP does not specifically address this recommendation, the College is committed to this goal, and is represented on the Postsecondary and Workforce Readiness Subcommittee of the Colorado Department of Education Assessment Council by the Director of the Office of Admission and Advising. Current College efforts on improving the pipeline are focused on secondary schools, community colleges, and graduate programs. At the secondary level, the College is host to both Educational Talent Search and Upward Bound, federally funded TRIO post-secondary preparatory programs. The Freshman Mathematics Program has been leading for the last three years a grant-funded Advancing Math Education initiative aimed at reducing the number of students who graduate high school remedial in mathematics by working directly with teachers to improve teaching and learning in secondary level mathematics. Additionally, the College collaborates with the local high schools to provide concurrent enrollment opportunities that cannot be provided by the local community college. The College dedicates an Admission and Advising counselor to work with community college students who want to complete their bachelor's degrees after achieving an Associate of Arts or Associate of Science degree. Accurate advising information is crucial to the community college-four-year college pipeline. Toward that end, the College has developed detailed advising guides, which are available on the web but also in hard copy. Through the process of developing the advising guides, the College has identified several policies and procedures that need to be addressed by the Academic Policy Committee and the Deans' Council to improve the community college-Fort Lewis College pipeline. At the graduate level, Fort Lewis College has two pipeline initiatives underway. The first is an articulation agreement between the College's Departments of Psychology and Sociology/Human Services with the MSW program at the University of Denver. The second is a National Institutes of Health-funded Minority Access to Research Careers program that prepares Fort Lewis College students to be admitted directly to Ph.D. programs in biomedical and behavioral science fields after completion of the baccalaureate degree.

Strategic Plan Recommendation #3: *Colorado must identify systemic way to improve the educational pipeline.*

While the Fort Lewis College FAP does not specifically address this recommendation, the College is committed to this goal. The College collaborates with the local high schools to provide concurrent enrollment programs that cannot be provided by the community colleges. The Director of Admission is actively involved on P-20 Education Coordinating Council. Additionally, the College has published and actively uses the transfer guides developed under the Statewide articulation agreements to recruit students from open admission institutions. Fort Lewis College participates in an articulation agreement with University of Denver for students pursuing a MSW. The College is the recipient of a Minority Access to Research Careers (MARC) grant.

Strategic Plan Recommendation #4: *The Governance of Higher Education should be structured to allow for the Advancement of State Priorities.*

This recommendation is not addressed in the Fort Lewis College FAP. However, the College does not object to such a review and the potential review of institutional missions.

PROPOSED

FORT LEWIS COLLEGE
FY 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16
Potential Budget Based Upon Current Assumptions

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
	Projected Budget Flat Enroll					
<u>REVENUE</u>						
State Funding (FFS & COF)	8,757,822	9,899,375	9,899,375	9,899,375	9,899,375	9,899,375
Federal Stimulus Funds	2,745,449	-	-	-	-	-
Native American Tuition Appropriation (Includes 9% Annual Res Increase)	10,430,371	11,367,995	11,413,467	11,459,121	11,504,957	11,550,977
Tuition - Net of Native American Tuition Waiver						
Resident (9% Annual Increase)	7,839,833	8,545,418	9,314,506	10,152,811	11,066,564	12,062,555
Non-Resident (0% Annual Increase)	9,827,854	9,827,854	9,827,854	9,827,854	9,827,854	9,827,854
Other Revenue	2,042,434	2,052,646	2,062,909	2,073,224	2,083,590	2,094,008
Roll Forward	400,000	400,000	400,000	400,000	400,000	400,000
TOTAL REVENUE	<u><u>42,043,763</u></u>	<u><u>42,093,288</u></u>	<u><u>42,918,111</u></u>	<u><u>43,812,385</u></u>	<u><u>44,782,340</u></u>	<u><u>45,834,769</u></u>
<u>EXPENDITURES</u>						
Non-Discretionary Expenditures	9,713,888	9,730,918	10,376,343	10,483,184	10,594,751	10,711,326
Operating Expenses (OCE)	3,368,017	3,527,983	3,527,983	3,527,983	3,527,983	3,527,983
<i>Salaries and Benefits</i>						
Total Faculty Salary	11,418,311	11,418,311	11,418,311	11,418,311	11,418,311	11,418,311
Total Exempt Staff Salary	7,302,238	7,302,238	7,302,238	7,302,238	7,302,238	7,302,238
Total Classified Staff Salary	4,326,359	4,326,359	4,326,359	4,326,359	4,326,359	4,326,359
Benefits (PERA, Retirement, Health, Life, Dental)	5,914,950	6,306,748	6,537,217	6,998,155	7,459,111	7,689,580
Total Salaries and Benefits	<u>28,961,858</u>	<u>29,353,656</u>	<u>29,584,125</u>	<u>30,045,063</u>	<u>30,506,019</u>	<u>30,736,488</u>
TOTAL EXPENDITURES	<u>42,043,763</u>	<u>42,612,557</u>	<u>43,488,451</u>	<u>44,056,230</u>	<u>44,628,753</u>	<u>44,975,797</u>
NET BUDGET - Before Add'l Resident Tuition Increase	<u><u>-</u></u>	<u><u>(519,269)</u></u>	<u><u>(570,341)</u></u>	<u><u>(243,845)</u></u>	<u><u>153,587</u></u>	<u><u>858,972</u></u>
Resident Tuition Revenue Generated Greater than Amount Shown Above		862,382	1,974,854	2,152,590	2,346,324	2,557,493
Need Based Financial Aid Needed for Tuition Increase Above 9%		(285,000)	(630,000)	(630,000)	(630,000)	(345,000)
NET BUDGET - After Add'l Resident Tuition Increase		<u><u>58,113</u></u>	<u><u>774,513</u></u>	<u><u>1,278,745</u></u>	<u><u>1,869,911</u></u>	<u><u>3,071,465</u></u>