



NEWS

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MSC poised to thrive despite more state funding cuts

Grand Junction – Mesa State College remains steadfast in its commitment to not only survive but to thrive despite learning that another \$145 million in state funding is to be cut from higher education.

The expected impact to Mesa State of Governor Bill Ritter’s announcement today to the Joint Budget Committee is an additional \$4 million reduction, bringing the total cuts to date to the college to almost \$10.3 million. The new \$145 million cut to higher education funding is in addition to the \$230 million already cut.

“Of course that news is difficult to hear,” said Mesa State President Tim Foster, “but we are resilient and have been working for the last five years to make sure that we are operating as efficiently as possible while still growing both in enrollment and quality academic programs. The governor is expected to present a formal budget cutting plan on Friday, Nov. 6, so we will be patient, learn what the specific plan is and then we’ll go back at our budget with freshly sharpened pencils.”

Mesa State reached a turning point in 2003. It was serving 5,560 students then and ended the fiscal year in the red with a \$235,000 operating deficit. A new governing board, new leadership and a new management team were put in place. Among the changes that were made that resulted in cost savings were:

- Reorganization from academic discipline schools to departments and the elimination of deans, saving \$800,000.
- Travel was eliminated and budgets were cut for everything but the most essential operating expenses.
- Budgets were reallocated to strategic initiatives particularly recruitment and retention of students.
- Despite inflationary increases for critical services such as for health care, property insurance, utilities and, mandatory increases from the state’s Department of Personnel, the college still reduced operational expenses between 2004 and 2005 by almost \$200,000.
- New and increased revenues were vigorously pursued for both private and public dollars.

- The college also began the process of more closely aligning the cost of courses with the tuition charged, recognizing it could no longer provide free instruction to students who wished to take more than ten credit hours in a semester.
- Auxiliary business activities such as student housing, food service and the bookstore were re-invigorated and began to generate revenues in support of the college.

From 2006 through 2008, as the state's economy recovered, so did state support for higher education. Recognizing the fragile nature of funding for higher education, the college elected to not restore budgets to previous levels. Rather, it selectively and strategically invested in those areas that contributed most to fulfilling its mission - people, programs, access and technology. It also created a contingency fund.

The college continues to pursue all available operating efficiencies. The college competitively bid every major goods and services contract that it had. A new health care provider was selected saving \$300,000 annually; natural gas contracts were re-bid lowering utility costs; new computer hardware, software and bandwidth providers were selected; and student food service costs were reduced.

Fiscal year 2009 has been difficult with a \$4.1 million cut in state funding to Mesa State and the college again looked at every cost and reduced operating expense by \$2.5 million dollars by streamlining academic and student services, reducing non-personal costs, reducing auxiliary business costs, reducing the employee recognition programs, optimizing building usage, and finding efficiencies in the alternative delivery of instruction.

Additionally, investments in recruiting and retaining students have paid off with enrollment for Fall 2009 up 15% to more than 7,000. This enrollment growth has positioned the college to be much more resilient to the news today.

“Will the future be easy? No.,” Foster said. “But, as we continue to grow, expand program offerings, further enhance quality and productivity, wisely optimize our resources and continue to eliminate the unnecessary, we will maintain momentum.”

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