

Valley Courier

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ASU well positioned to improve debt rating

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ALAMOSA Stressing that the university is poised for improvement in its debt rating, leaders of Adams State University cited deficiencies in state funding, combined with a suspension of state support for capital construction for campus renovations, as influencers of ASU's recently revised debt rating.

Moody's, in changing the rating of the university's \$52 million of rated debt from A2 to A3, acknowledged the university's good strategic positioning as a designated Hispanic Serving, public university in southern Colorado, with consistent growth in net tuition revenue, according to Kurt Cary, ASU's Vice President for Finance and Administration. Moody's also affirmed the university's Aa2 enhanced intercept rating is stable, based on the State of Colorado's current rating and outlook.

"Thanks to the energetic support of our trustees, faculty, students and alumni, we're taking the steps needed to boost our debt rating in the coming months," said President Beverlee J. McClure , specifically citing the university's landmark guaranteed tuition rate that will help boost enrollment.

"Like other Colorado public institutions, we still grapple with the challenges of state funding cuts instituted between fiscal years 2008-09 and 2013-14 ," she said. "During that time, the state also suspended funding for capital construction and maintenance. Therefore, to stay competitive and create a more attractive, student centered campus, we took the prudent and necessary step to independently finance a number of renovation and construction projects over the last decade."

Heather Heersink, ASU's Assistant Vice President for Finance and Administration, explained the university mitigated this year's enrollment decrease by cutting expenses. While much of the cuts were to one-time expenditures, revenues are expected to balance the budget next year due to anticipated increased enrollment and improved student retention, she added.

About the Guaranteed Tuition Program

Adams State is the first and only institution in Colorado to offer guaranteed tuition to undergraduate students. Beginning with the fall 2016 semester , undergraduate students enrolled in on-campus classes will be guaranteed no tuition increases through their fourth consecutive academic year of enrollment. Students can achieve more savings by enrolling in 15 or more credit hours a semester, because Adams State's fulltime tuition window charges a flat rate for 12 to 20 credits. Students must complete an average of 15 credits each semester to graduate within four years. Visit www.adams.edu.