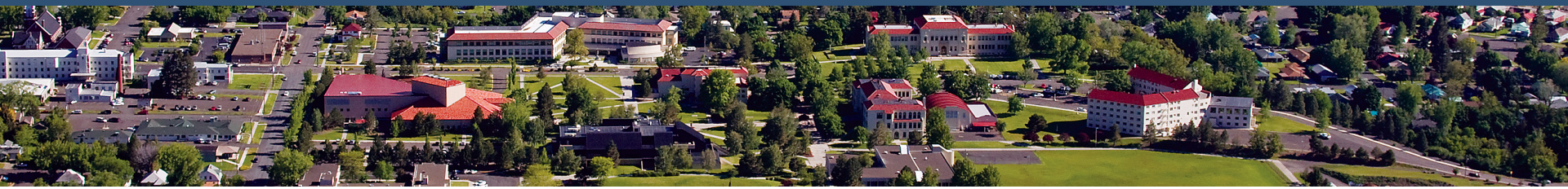
EASTERN OREGON UNIVERSITY



Conditions Update for the Higher Education Coordinating Commission

December 10, 2015

Topics – Interim Progress Report

For added context in support of the slides included in this report, please reference the document titled "Report to the Higher Education Coordinating Commission Re. Conditions."

The intent of these slides is to facilitate conversation regarding actions being taken at EOU to respond to gaps that have been identified in mission refinement, program rationalization, contribution to 40/40/20, and financial stability.

Information in these slides is not intended to capture all actions but provides some examples of current activities and illustrates steps being taken to financially stabilize EOU while putting it on a pathway to success.

- Mission refinement
- Program rationalization
- Contribution towards 40/40/20
- Financial stability progress and trajectory

The Path Forward

Since 2004, there have been seven presidencies and five sustainability plans at EOU. This has led to mission drift, a lack of entanglement with the region, institutional memory loss, reactive management, and a general distrust in the effectiveness of leadership. Additionally, while being a data rich environment, robust data systems were not developed and institutionalized to provide continuity and alignment on targeted outcomes.

On July 1, 2015, EOU embarked under new leadership with a new president and the official transition from state-level governance to a "local" governing board. These leadership changes are important first steps to establishing stability and focus to EOU.

Former interim president, Jay Kenton, effectively implemented the tactical changes needed to address the immediate financial challenge for the university. Now, systemic improvements are being implemented to position EOU for a successful future.

- Stabilize, develop and focus leadership
- Create, refine, and institutionalize robust management systems
  - Alignment on outcomes
  - Facilitate informed decision making
  - Prioritize allocation and alignment of resources
  - Manage risk
- Identify and capture near-term opportunities
- Shift from reactive to proactive management and develop a robust long-term strategic plan
- **Transform culture**
  - Shift from a context of "us versus them" to "together, it's possible"

The Path Forward

Stabilize, Develop, and Focus Leadership

A majority of all administrative leadership positions are filled with individuals new to their position or to the institution and, currently, all academic leadership including the provost, associate provost, and both deans are interims.

With administrative leadership in the steep growth phase of their position development it is imperative there be a system of methodical performance management and leaderships skills development.

The human resources department will be much more engaged in personnel management and development activities. Training has already been identified and scheduled for key leaders/supervisors.

- Board of Trustees and President
- Fill interim academic leadership positions
  - Provost search process launched
- Performance management
  - Competency based development
  - Action plans
- Skills development
  - Communication and accountability training
  - Targeted consultant support
- Structure considerations

The Path Forward

Predictability, Flexibility, and Accountability

EOU is emplacing processes and systems that provide 1) predictability and ease of course scheduling, 2) flexibility and consistency in the hiring and loading of faculty, and 3) accountability in the monitoring of program performance.

1) A four-year schedule of classes that is reasonably accurate and allows students, faculty, and advisors to plan degree completion pathways is currently viewable. Recent purchase of College Scheduler provides a web-based schedule planner that allows students, advisors, and faculty to work around student time constraints by preparing a schedule of available courses in a graphical calendar interface.
2) Processes for faculty hiring and loading have been installed to ensure investments in faculty FTE are flexible over time and informed by data, are consistently considered in the context of mission criticality, and are regularly monitored for efficacy.
3) A charter team will commence in January to develop a program performance accountability framework that includes a robust program prioritization methodology for routinely monitoring the health of degree programs that result in action plan recommendations to fix, maintain, or grow.

- Scheduling
  - 4-year viewable w/ upper division rotation every other year
  - Investment in College Scheduler Software
- Faculty Hiring and Loading
  - Data-informed position scope document correlates with instructional capacity
  - Multidisciplinary hiring to meet multiple instructional needs
  - Instructional release or administrative assignment driven by policy, criteria, and annual evaluation
- Program Performance
  - Criteria based
  - Weighted rubric
  - Explicit targets and expectations

The Path Forward

Completion Pathways

EOU is developing publishable guided pathways to degrees and careers for students taking early college or CTE credits and for transfer students earning the Associates degree at a community college. A "Completion Pathway" roadmap will articulate a continuous pathway from Eastern Promise early college credits, CTE credits and/or community college curricula to EOU's Bachelors and Masters curricula, thus setting students on a pathway to lifelong learning with identifiable milestones cross-walked to career goals.

Specific articulated program content will be reviewed and updated annually by advisors, and curriculum changes by either institution must be communicated to the partner institution in writing no later than June 30th of each academic year.

Each partner assumes responsibility for informing their students of curricular revisions that would impact student planning and/or degree completion. In the event that the graduation requirements for a Bachelor's or Masters degree from EOU change within the terms of an articulation agreement with a community college, the standards and practices that have been established by EOU to cover such a change will apply to matriculating students.

Program:	**Recommended Early College, CTE, or Community College Courses**			**Careers by Level**
CTE Certificate, GE or AS/ AAS Degree	***Course Number***	***Title***	***Credits***	
	Eastern Oregon University Undergraduate Courses			
Bachelors Degree	***Course Number***	***Title***	***Credits***	
	Eastern Oregon University Graduate Courses			
Graduate Certificate or Masters				

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The Path Forward

Curriculum Alignment with Region

Through a succession of sustainability plans (2011, 2013, 2014), EOU has focused on streamlining curricula to reduce costs in a context of declining enrollments. A variety of methodologies have informed past curricular streamlining—including mission criticality metrics and Delaware Study program cost metrics.

In the past year, occupational forecasting and gap analysis data have provided EOU a longer view that aligns curriculum to regional needs for an educated workforce. Budget reallocation potential realized through curricular streamlining affords EOU a present and future opportunity to reconfigure existing degrees and invest in new degrees with growth potential aligned to the needs of the region.

It is worth noting that all programs were asked to streamline concentrations and electives in order to reduce costs and enable the reallocation of resources towards future investments. The table represents most, but not all, degree programs.

* Eliminated minors or concentrations

** New or developing programs

Reduced Programs	Reconfigured Programs	New Program Growth Areas
Art	Chemistry-Biochemistry	BAS in Business Administration**
Biology	Communication Studies	CNA I**
English/Writing	Integrative Studies	Economics**
Geography	Politics & Economics	Education—ESOL and Bilingual
German*	Public Administration *(potential site for new degree in policy and ecology of public lands)*	Emergency Medical Services Administration**
Geology*	Spanish for business, health care, education	Outdoor Recreational Leadership**
Media Arts*		Post-Bacc Accounting Certificate**
Music		
Theater		

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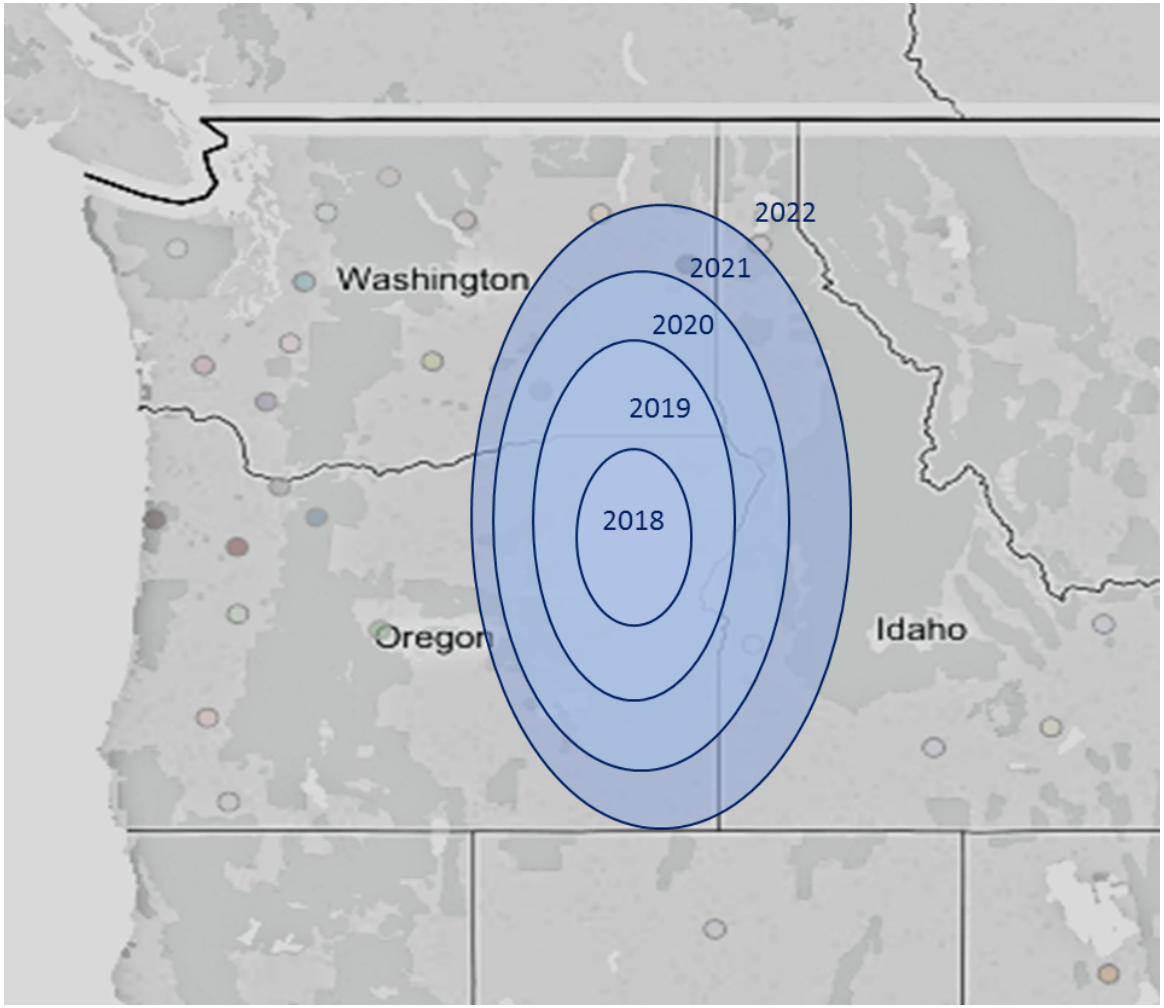
The Path Forward

Initial Focus on Geographical Region Gaps

EOU's history as a normal school dating to 1929 combined with a strong reputation for providing K-12 teachers in eastern Oregon are noteworthy. A projected gap of 300+ K-12 teachers in eastern Oregon by 2022 is also noteworthy. A recruitment plan is under development to redress the projected gap based on the following:

- Current projections for EOU's education degrees for Eastern Oregon and beyond
- Long-term employment projections compared to EOU degree production to identify gaps
- Mid- and Long-term goal to increase degrees in education by a minimum of 35 starting 2018
- Monitoring of projections for neighboring regions will be ongoing to ensure continued alignment with needs



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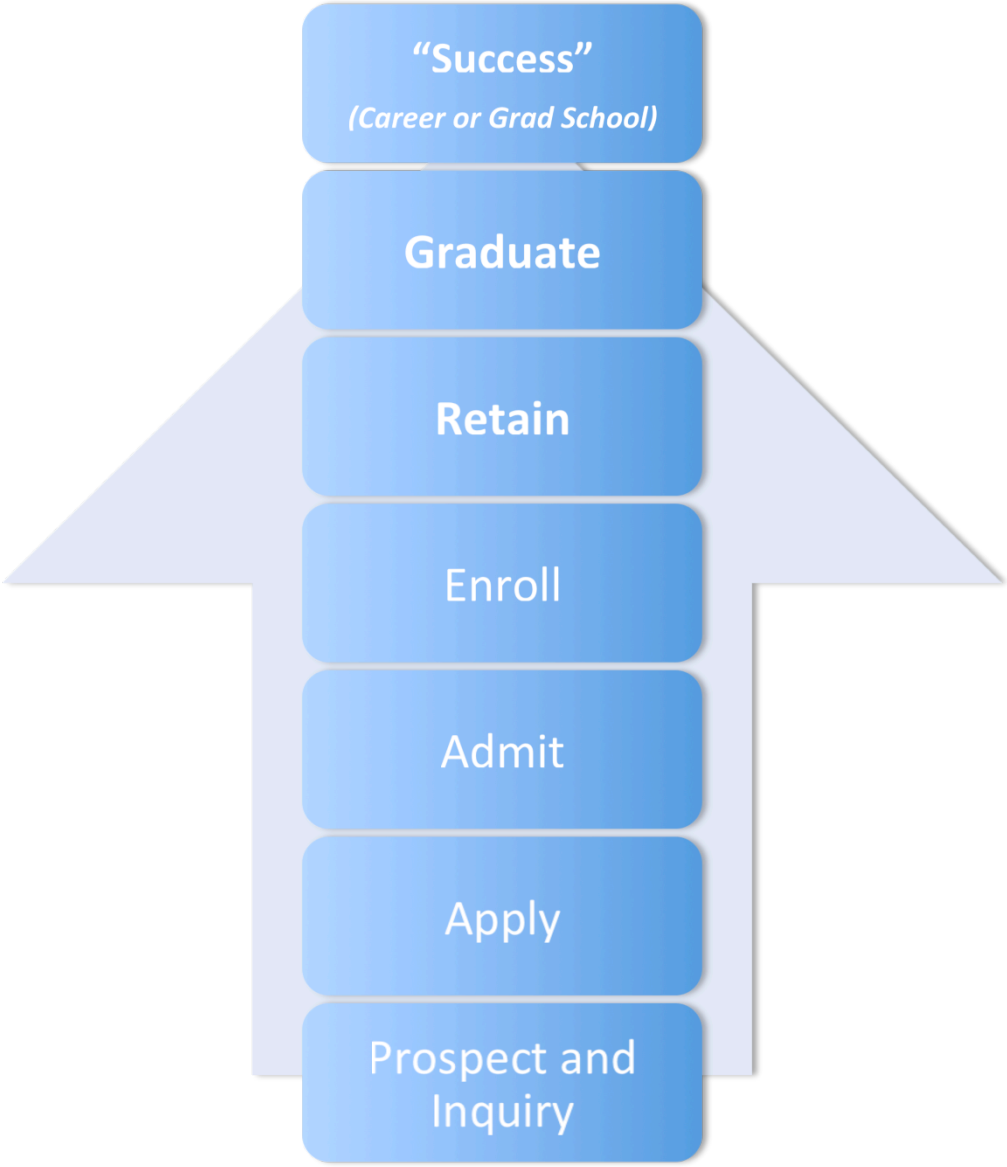
The Path Forward

Management and Decision Support Systems – Define Success

If one believes that what gets measured gets managed, then it is absolutely critical that outcome measures (key performance indicators) are in alignment with the definition of success.

EOU is in the process of evaluating how to define success so that appropriate measures can be established for monitoring progress. When completed, this will serve as a useful tool for assessing whether actions are accomplishing desired outcomes.

When possible, benchmarking will be used to assist in establishing best practices and best-in-class performance.



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The Path Forward

Management and Decision Support Systems – Board of Trustees Dashboard

Dashboards capturing key performance indicator data are being created to provide performance monitoring relative to defined outcome targets. Refinement of data will depend upon the frame of reference for the data user. Ultimately, key performance metrics will be interconnected throughout the organization allowing for alignment and clarity of actions.

Often, when data systems are lacking, actions inconsistent with desired outcomes will result due to a lack of a clear connection to high-level organizational objectives.

What gets measured gets managed. EOU does not currently have established systems to facilitate continuity or focus. Data is available but is not institutionalized in the management process. This is a priority for implementation in the '15-'16 academic year. Targets will be set for key metrics with management objectives aligned with achieving established targets.

= Projected values

	2011-12	2012-13	2013-14	2014-15	2015-16	Target
Total # of degrees/awards	902	873	892	866	-	
COBE	628	570	583	510		
CAS	274	303	309	356		
UG graduation rate 4yr & 6yr						
4yr	20%	20%	15%	17%		
6yr	32%	32%	23%	34%		
Retention - all UG's Fall to Fall	68.1%	65.2%	62.7%	59.8%	60.9%	
Targeted Student Populations %	55.0%	56.6%	54.9%	55.8%	50.9%	
Student-Faculty ratio	24:1	23:1	21:1	22:1		
UG Pell Grant recipients	1,952	1,938	1,813	1,548	1,327	
Student Geography						
Oregon Resident	3,066	3,005	3,052	2,702	2,570	
Regional Resident		262	406	451	522	
Non-resident	1,229	941	699	499	391	
International	3			1	5	
Student Ethnic Diversity	15.9%	15.9%	16.3%	17.0%	15.7%	
% UG graduating with debt	66%	67%	69%	69%	69%	
Avg. per-borrower cumulative debt (UG)	$ 25,109		$ 25,052			
Enrollment: Headcount (4th week)	4,298	4,208	4,157	3,653	3,488	
Enrollment: FTE (4th week)	2,906	2,903	2,694	2,392	2,274	
Total Annual Giving - EOUF ($thousands)	$ 267	$ 1,239	$ 380	$ 535	$ 250	
Alumni giving participation rate	1.12%	1.37%	1.35%	1.36%	1.50%	
G&E Funding ($thousands)	$ 32,671	$ 34,376	$ 33,738	$ 36,821	$ 38,471	
Fund balance ($thousands)	$ 2,549	$ 533	$ (177)	$ 2,491	$ 3,142	
Debt burden ratio - institution paid debt	4.6%	5.3%	4.6%	4.3%		< 7%
Current ratio	226.6%	110.6%	180.5%	106.8%	75.6%	> 200%
Primary reserve ratio	14.6%	11.4%	12.1%	9.3%	19.4%	> 5% to 7%
Fee Remissions ($thousands)	$ 2,020	$ 2,559	$ 1,991	$ 1,535	$ 2,200	
Career Metrics						
Compensation						
Average salary						
Grad Degree pursuit						
Time to employment						

Example

The Path Forward

Management and Decision Support Systems – Funding Forecast Model

Financial forecasting is a critical element of any robust management decision support system and given the relative complexity of the new state funding model it is imperative that a funding forecast model be created to assist in the decision-making process.

The finance department is responsible for the creation and maintenance of a robust model. A consultant provided model development support and will remain available for continued refinement. The EOU finance team worked with Brian Fox to gain clear understanding of HECC funding model so EOU institution model accurately reflects state funding allocation.

An initial test of the new model is scheduled for Friday, December 4th.

In conjunction with model development, a project scoping process has been developed to facilitate an efficient process for proposing investment consideration and evaluation while limiting undue research and planning.

- Creating a proprietary funding forecast model
  - MS Excel based and ties to HECC funding model
  - Connects institution planning and actions to financial outcomes
  - Allows for investment and resource allocation return calculations
  - Scenario and sensitivity analysis
  - Risk assessment and mitigation
- Integration of project scope process to facilitate modeling

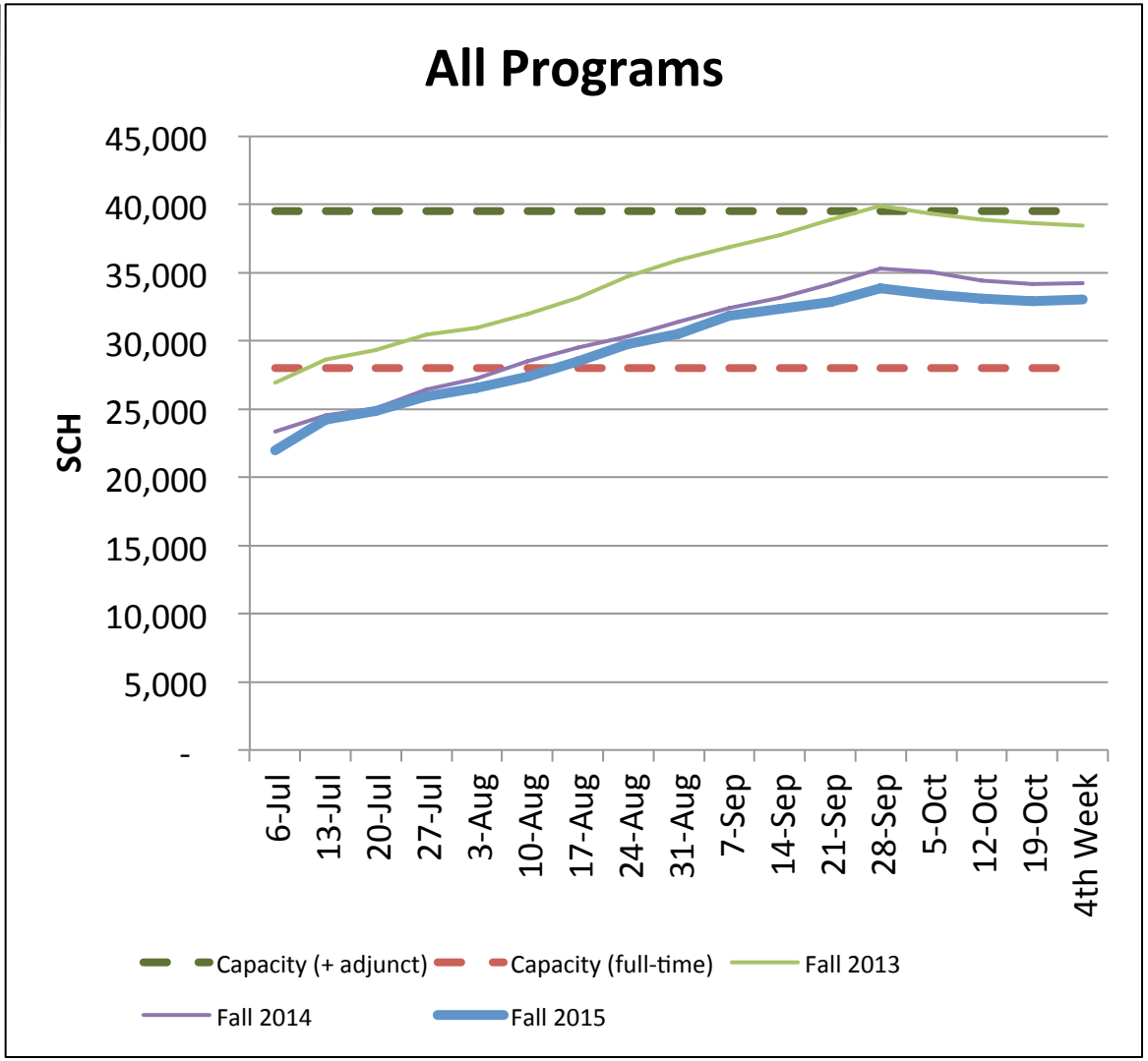
Develop a Sustainable Resource Engine

Management and Decision Support Systems – Academic Programs

A system is currently being developed to support monitoring and action prioritization for academic programs. This is an example of the roll-up for instructional capacity for all programs offered at EOU. Dotted capacity lines illustrate the level of SCH required to meet the calculated capacity of instructors (red line captures full-time instructors and green line illustrates capacity including adjunct faculty).

These systems are currently under development with the next step being the launch of a charter team with broad faculty and administration involvement.

The key challenge will be in the process of enrolling faculty and administration in the possibility offered using these tools. The charter team process will be designed to offer the greatest possibility of alignment in the value of using such tools.



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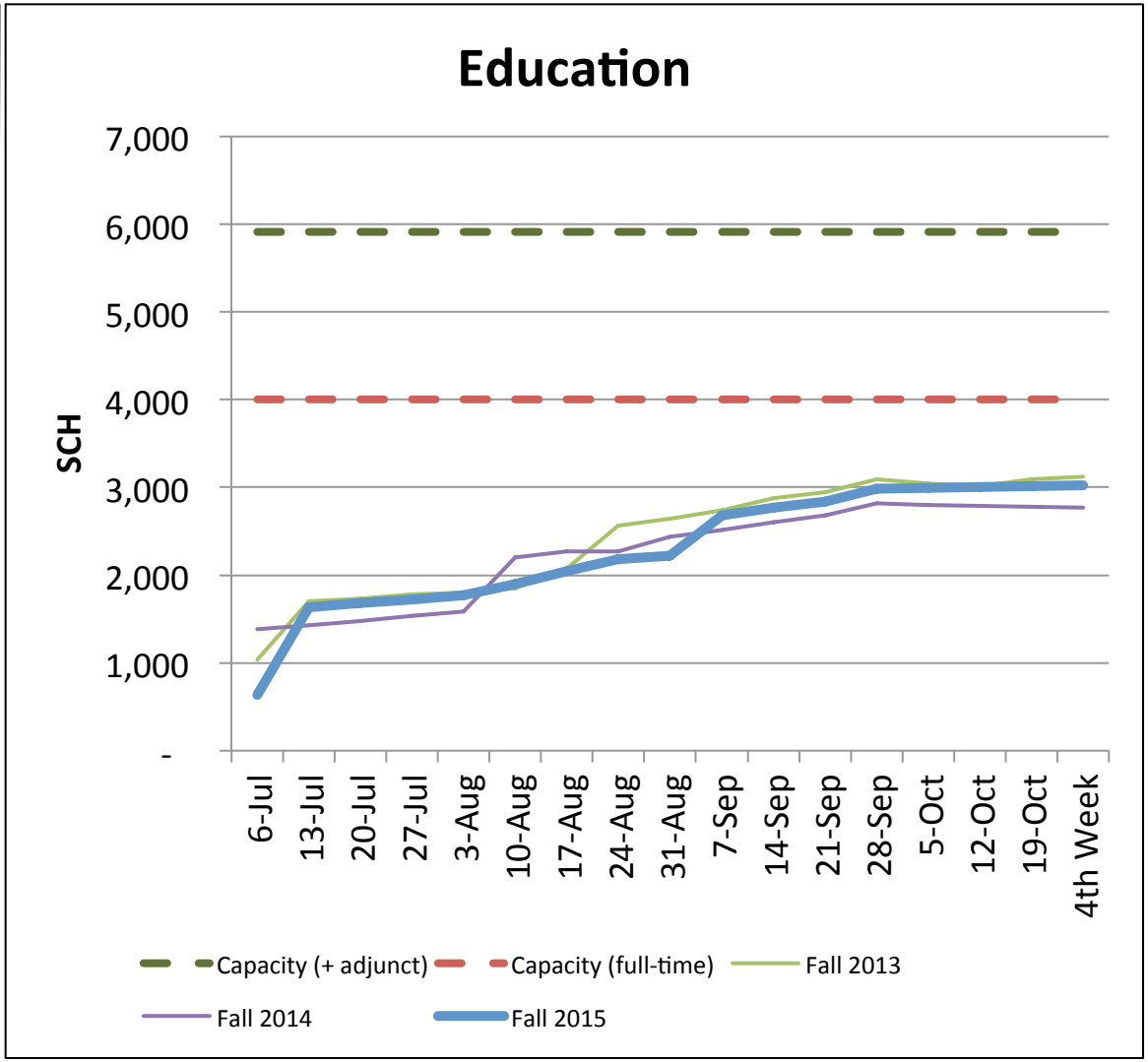
Develop a Sustainable Resource Engine

Management and Decision Support Systems – Academic Programs

Continuing on the theme of academic program monitoring and assessment, this chart displays a single program view. This highlights the current gap in instructor supply and program demand. This also illustrates that this has been a persistent gap for the last three years.

This provides an example where thoughtful data and qualitative information consideration might lead to action that is not initially obvious.

There will be three faculty position vacancies. Historically, the positions likely would have been filled based on the assumption that they already existed and education is a core program of the institution. With this data and further investigation it can be shown that there is a need in the region to increase annual degrees awarded in education by 35 or more. This might be an opportunity to redeploy financial resources to attract more students before adding faculty.



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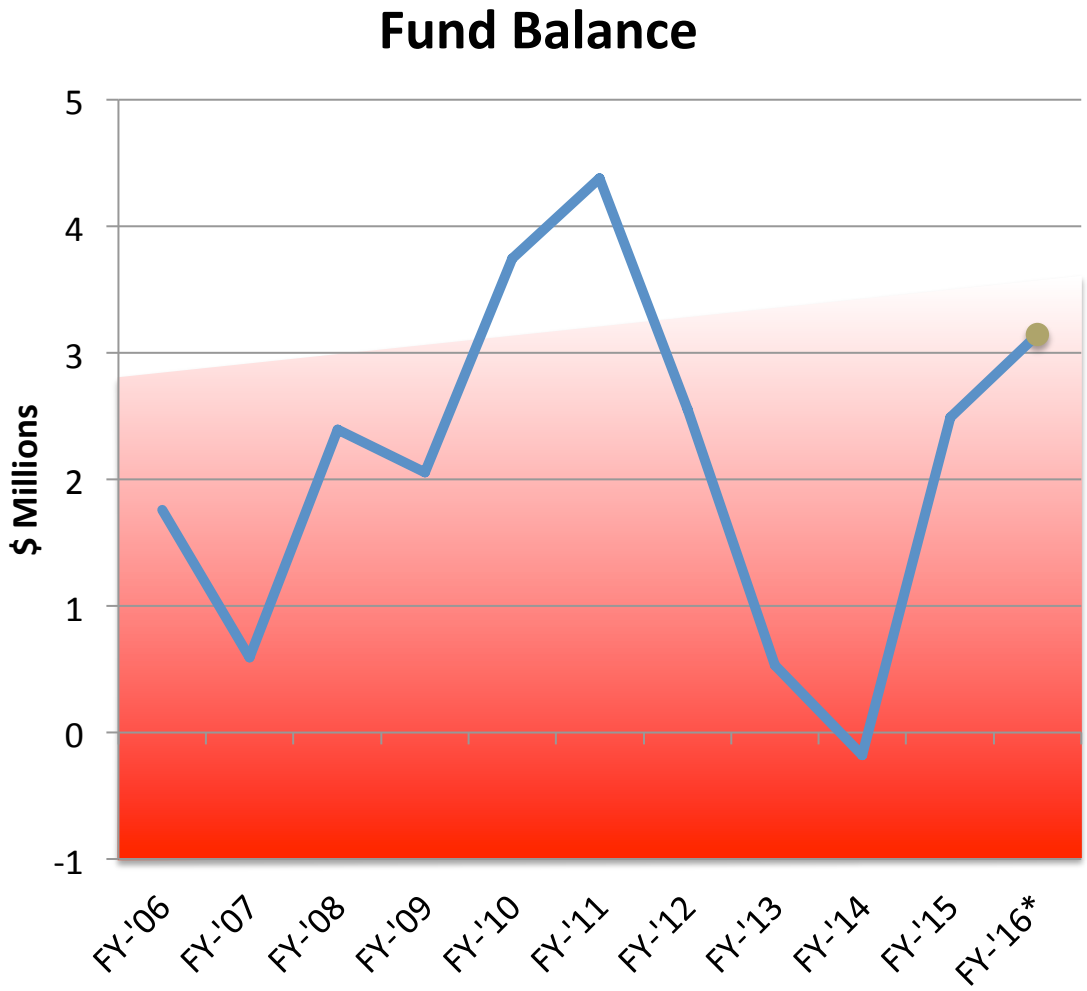
The Path Forward

Financial Stability

Financial management systems are all being reviewed and revised to improve the consistent use of financial data to prioritize actions. The existing system is disjointed and not embedded in the culture of the organization. For example, regional centers do not have "operating statements" that can be used to effectively evaluate current performance.

In the absence of comprehensive and well designed operating statements it is difficult to understand how actions will translate to the institution's financial position. Administrators struggle to prioritize actions as there is no standard for quantifying financial impact.

It is highly likely that income generating activities were negatively impacted or eliminated due to the recent focus on cost reduction while lacking robust operating statements that could show the revenues lost from making a cut exceeded the reduction in cost.



*Projected FY '16 fund balance

The Path Forward

Financial Stability

This forecast does not represent targeted outcomes and performance. Rather, it is a forecast that demonstrates even with conservative estimates for enrollment growth and tuition increases the financial outlook for EOU improves.

This forecast assumes a minimal enrollment increase of 1% in 2016-17 and increases of 3.5% in the outer two years. Tuition increases are capped at 3.5%.

In reality, performance improvements are expected to exceed this forecast but the team is just beginning the process of identifying greatest near-term opportunities and launching teams to create plans to capture improvements. For example, if EOU's only improvement is to capture half of the top three gaps in degree supply relative to job demand in eastern Oregon, enrollment would increase by the amount in this forecast (holding other programs flat).

	Actuals	Forecast	Forecast	Forecast	Forecast
In Thousands	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue					
On Campus Undergraduate	$ 5,430	$ 5,557	$ 5,615	$ 5,820	$ 6,032.54
Online Undergraduate	$ 9,654	$ 9,689	$ 9,795	$ 10,168	$ 10,554.77
Onsite Undergraduate	$ 1,157	$ 1,178	$ 1,191	$ 1,235	$ 1,281.80
Graduate	$ 2,064	$ 1,952	$ 1,973	$ 2,049	$ 2,127.49
Dual Credit	$ 118	$ 275	$ 278	$ 289	$ 299.84
Subtotal Tuition	**$ 18,423**	**$ 18,651**	**$ 18,852**	**$ 19,562**	**$ 20,296**
Less: Remissions	**$ (1,550)**	**$ (2,200)**	**$ (1,885)**	**$ (1,956)**	**$ (2,030)**
SSCM Model Appropriations	$ 16,590	$ 17,606	$ 17,987	$ 18,571	$ 19,217
Shared Services	$ 566	$ 1,490	$ 1,490	$ 1,490	$ 1,490
General Fund - for SELP debt service	$ -	$ 648	$ 648	$ 667	$ 687
ETIC	$ -	$ 155	$ 155	$ 160	$ 164
Wrestling/New Intiative	$ -	$ 147	$ 147	$ -	$ -
Special Student Tuition Fees	$ 1,238	$ 995	$ 995	$ 995	$ 995
Other	$ 516	$ 836	$ 836	$ 836	$ 836
Total Revenue	**$ 35,783**	**$ 38,328**	**$ 39,225**	**$ 40,325**	**$ 41,657**
Expenses					
Wages & Salaries	$17,613	$19,791	$20,366	$20,958	$21,568
Benefits					
Retirement	$4,132	$4,971	$5,170	$5,377	$5,592
Health Insurance	$3,144	$3,838	$3,972	$4,131	$4,296
Other	$1,489	$1,668	$1,676	$1,693	$1,710
Total Labor	$26,378	$30,268	$31,184	$32,159	$33,166
Direct Expenses/Transfers					
Direct Expenses	$ 6,251	$ 7,292	$ 7,511	$ 7,699	$ 7,891
To Aux./Des. Op.	$ 485	$ 100	$ 100	$ -	$ -
Total Expenses	$ 6,736	$ 7,392	$ 7,611	$ 7,699	$ 7,891
NET	**$ 2,669**	**$ 668**	**$ 430**	**$ 467**	**$ 600**

Beg. Fund Balance	-177	2,492	3,160	3,590	4,057
Fund Balance at End of Year	2,492	3,160	3,590	4,057	4,657
% Revenues	6.8%	8.2%	9.2%	10.1%	11.2%

The Path Forward

- Stabilize, develop and focus leadership
- Create, refine, and institutionalize robust management systems
- Identify and capture near-term opportunities
- Shift from reactive to proactive management and develop a robust long-term strategic plan
- **Transform culture** to…

Together, It's **Possible**