

# **Eastern Oregon University**

## **Report to the OUS Board Re. Board Conditions**

### **May 2015**

#### **I. Introduction**

Eastern Oregon University's (EOU's) founding mission is to serve the community and the region, and the University's current mission remains centered on providing the citizens of the region with access to a quality education, delivering affordable programs, and engaging with the rural and frontier region of the state. Over the past fifteen years EOU has explored different mission models to serve the goals of the state in an environment of decreasing funding, frequent transitions in leadership, and increased competition for students while balancing and differentiating online and on campus enrollment markets.

Nationwide, the higher education sector is undergoing significant change. Oregon funding for higher education, when measured on a per student basis, is currently 47<sup>th</sup> in the nation. In addition, state funding for student financial aid also ranks near the bottom of the country at 43<sup>rd</sup>. This has forced universities in Oregon to raise tuition at rates that challenge many Oregonians' abilities to finance their education. Debt levels per Oregon student average nearly \$25,000 at graduation and without the ability to find higher paying employment financial challenges can be exacerbated.

EOU has had six presidential changes and five different presidents in the last fifteen years. These presidents had differing opinions of what the campus should become, from a selective liberal arts college to educating international students and pursuing research and other opportunities. In addition, over the last fifteen years there has been significant turnover at the vice presidential level (average of six in each position except university relations) and in other key management positions, such as deans (six deans in Business/Education and eight deans in Arts and Sciences). Each transition has led to changes in direction and each has taken a toll on the institution. This has resulted in mission drift, a loss of institutional memory, and decreased engagement in regional relationships.

Increasing competition for students, the growth of online programs at many universities, and a slowly recovering economy have made it difficult for EOU to maintain stable enrollments with its core program mix. In order to claim a competitive edge in Oregon higher education, EOU must now define its vision for and value to the region through niche programs aligned with student and employer needs in the region.

EOU recognizes these challenges and has used 2014-15 to begin realignment of structures and activities to address shifting demographics, regional educational needs, and changing regional economies. Enrollment stabilization and growth is paramount to our future success, and the efforts currently in motion recognize and address the long-term strategy for enrollment growth and financial stability.

#### **II. Overview of Institutional Situation**

An overarching consideration in correlating EOU's academic mission with needs in the rural regions of the state is the recognition of the University's regional role in providing access and opportunity for an educated citizenry. The core degrees that EOU continues to offer in its current context of sustainability planning have a solid rationale in that they provide the region and beyond with the kind of graduates who have skill sets most valued by employers and most needed for economic development in rural communities throughout the region.

As EOU continues to add niche programming to its core program mix, it is imperative that it be undertaken in the context of strategic planning with a new board of trustees and a new president during

2015-16. In preparation for this important planning activity, EOU's administration has inventoried and vetted with shared governance an analysis of the strengths, weaknesses, opportunities and threats currently confronting the institution. This analysis will help the institution frame its future through a strategic planning process designed to engage university and regional stakeholders.

## **SWOT Analysis**

### Strengths

- EOU is affordable and offers the lowest tuition of any public university in Oregon;
- EOU has a diverse, multi-modal educational delivery (on-campus, online and onsite) system, thus allowing it to extend its reach to place-bound populations or deliver its program on community college campuses and in markets where there is a need or demand;
- EOU offers small classes and more personalized attention for its students, many of whom are low-income, underserved or under-represented;
- EOU is one of the only public four year universities on the east side of the State that enjoys strong regional and alumni support; and
- EOU is the cultural and educational hub of our 10-county service region.

### Weaknesses

- EOU's leadership is changing (again) after having significant turnover in key personnel in the last fifteen years.
- EOU is remote rural in a region experiencing population decline and significant demographic change;
- EOU's programs are in need of re-alignment with the economic and employment needs of region;
- The eastern Oregon region's economy has not fully rebounded from the recession and continues to experience many challenges in its natural resource based economy/jobs and limited potential for industrial growth;
- EOU's institutional reserves and funds for scholarships are insufficient to provide a satisfactory buffer against unforeseen events and to more fully assist its low income population to afford an education.

### Opportunities

- Given the weaknesses outlined above, EOU has multiple opportunities to implement programmatic efforts to grow enrollments (curricular and co-curricular);
- The growing Latino populations in the region must be a great source for new students;
- The new governance model provides EOU with a more robust leadership and advocacy structure than the current state system of higher education;
- EOU's future must include serving as a resource for forging new economies for eastern Oregon and helping communities cope with a changing rural environment.

### Threats

- The improving economy results in more students seeking jobs/stopping out thus providing enrollment challenges in the short-run;
- The State funding situation in Oregon continues to be unstable and inadequate to provide a robust funding source, forcing EOU to increasingly rely on tuition for its primary revenues;
- Increasing competition among higher education providers offering multiple modes of instruction means the higher education marketplace is saturated with numerous choices for students; and
- The cost of the new governance model and shared services will continue to tax the institution's ability to fully fund its infrastructure.

### **III. Institutional Identity and Competitive Niche**

#### **A. Identity: Income Levels, Educational Levels, and Demographics**

EOU serves a population with clear challenges. Many of our students are from economically depressed counties, many are first generation college students, and the emerging ethnic demographics look markedly different for current and future students of EOU. EOU's ability to serve a higher-risk population will require enhanced student services, a continual focus on affordability, and an academic program mix that is responsive and reflective of what our students want and need to be contributors to our region.

The eastern Oregon region includes Baker, Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wheeler and Wallowa Counties, with a total estimated population in 2013 of 184,776. On average, many of the ten counties of EOU's primary service district have experienced population decline, which creates difficulties in maintaining a robust enrollment. In response, EOU has begun actively engaging the larger population centers, such as Umatilla County, with enhanced admissions outreach, industry connections and partnerships, and academic program connections and alignment.

#### **Income Levels**

Median incomes in all eastern Oregon region counties are below the state median of \$60,000: the median family income in the region's counties ranges from \$41,000 in Wallowa County to \$52,000 in Umatilla County. More eastern Oregon children are living in poverty with 22% of the region's children living in poverty compared to 17% of children statewide. EOU recognizes that access and affordability are cornerstones to serving this population, and we are making significant investments in fee remissions to provide a pathway for these students. The strategic balance of tuition pricing and fee remissions at EOU will need to continue to be a top priority going forward.

#### **Education Levels**

Currently, the eastern region's high school graduation rate is 80%, which is above the overall statewide high school graduation rate of 66%. All counties in the region have high school graduation rates above the state average. Despite the higher than average high school graduation rates, however, eastern Oregon counties have lower percentages of residents with college degrees. While the percent of the regional population with an Associate's Degree (10%) is slightly higher than the state and nation, just 17% of the region's adults have a Bachelor's Degree, compared to 28% of the state and nation as a whole. All eastern Oregon counties have a smaller percentage of residents with college degrees than the state average, with Morrow and Malheur Counties at just 12% and 13%, respectively.

#### **Shifting Demographics**

Several of the region's counties have substantially larger Latino populations than the state as a whole: while 10.6% of the state population is Latino, nearly 25% of Umatilla County's population and approximately 33-34% of Malheur and Morrow Counties' populations are Latino. The Latino K-12 population in the 10-County eastern Oregon region is 30.3%, as 9,366 out of 30,755 K-12 students are from Latino backgrounds. Numbers in the K-6 population are significantly higher. This compares to 22% Latino K-12 students statewide. It is not unreasonable to assume that within ten years the Latino students could reach 30% of the student population at EOU. In response, EOU has hired Spanish-speaking individuals in Admissions and Financial Aid, and has applied for a TRIO grant to allow us to provide stronger support services for our Latino students. Securing this grant will enable EOU to establish a transfer relationship and seamless enrollment pipeline from community colleges to EOU with no disruption in necessary support services.

## **B. Competitive Niche**

A liberal education is the historical and cultural standard for a university education in the twenty-first century. It provides the base for professional programs, for a wide array of occupations, and for advanced studies leading to the practice and/or development of knowledge capital. In every region of the state, graduates of art, music, communication studies, history, theatre, anthropology/sociology, political science, psychology, STEM fields, education, and business constitute an educated citizenry informed by broad humanist perspectives in every aspect of work, culture, and life. The rationale for a liberal arts and sciences core for a university education is founded upon common cultural principles and practices that bind communities and regions together, enabling communities to form and economies to thrive. The sustainability of each region depends upon meeting the needs of all communities within that region with various human and knowledge resources necessary to form a complete society. A region of the state constrained by a simple correspondence of graduates to job openings would ultimately drain communities and the region of the core human and intellectual capital necessary to create, solve, interact with, and contribute to building a future for the eastern and rural regions of Oregon served by EOU.

EOU is distinguished by many of the purposes it was initially founded to serve:

- A normal school that provides education degrees to the future teachers in the region and state. In this regard, with a growing Latino population in the region, EOU must commit future resources to educating teachers with dual language and bilingual certifications as regional demographic shifts direct academic and capacity planning to meet an urgent need in the State.
- A strong business program that educates the future business leaders for the region and state. This is one of EOU's highest demand programs, both at the undergraduate as well as the graduate level. EOU is leveraging strength in the business program to create online enrollment pipelines throughout the tri-state region (OR, WA, ID) in competitive niche markets for fire services administration, emergency medical services administration, and the online MBA.
- Quality programs in the social sciences, liberal arts, fine arts and sciences to serve both the general education requirements of the campus, provide robust majors for students and to provide community service and research to assist the region in coping with many of the changes outlined below in Section V., the Center for Rural Studies. The Center for Rural Studies envisions EOU as an intellectual resource and conduit for change in the eastern region of the state. Planning and grant-writing are underway to realize and fund the center, as EOU must reclaim a future in the eastern region of the state that has become imperiled by a history of dependence on natural resource extraction and utilization challenged by the environmental movement.

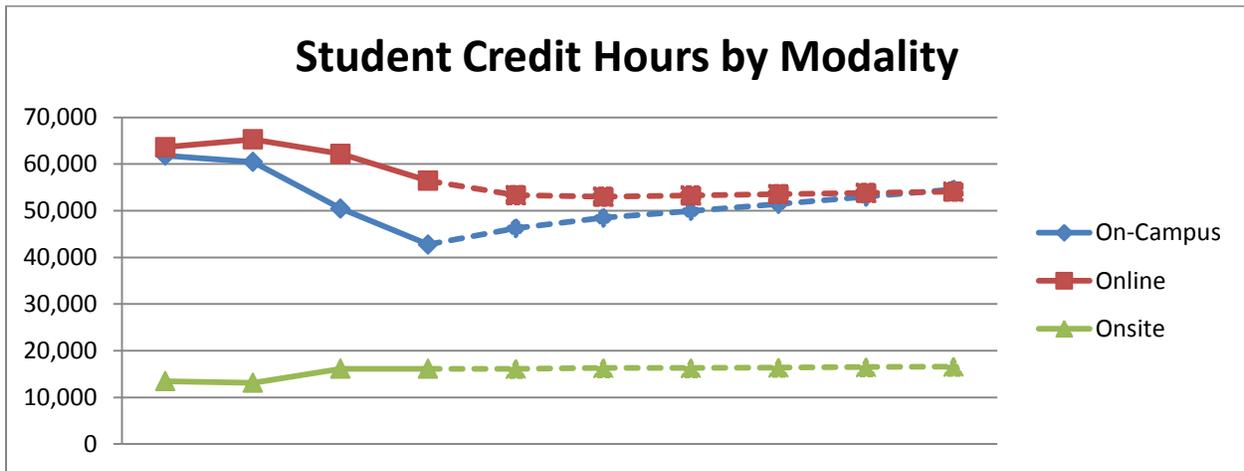
EOU must remain a key player in serving the core higher education needs of the region and must forge a new role as both conduit and catalyst to assist rural communities in adapting to new demographic realities, meet unmet regional needs by aligning programming accordingly, and establish niche programs by responding to opportunities that facilitate new enrollment pipelines to EOU and the resultant development of new economies in the region.

## **IV Enrollment and Completion**

As indicated above, EOU faces enrollment challenges; however, we are confident that with each challenge there is a strategic response and opportunity for EOU. Over the past year, EOU has put many pieces in motion to address our enrollment decline. Our future attention and commitment to this issue is paramount to our long-term viability, and is a key component in all of our planning going forward.

**A. Modality Challenges and Opportunities**

EOU offers three primary modalities of instructional delivery, on-campus, online and onsite. While these diverse modalities allow the institution to serve a sparsely populated region and other place-bound populations, it also allows the institution to supplement and diversify its revenues. However, managing a schedule to serve these differing populations and modalities presents a challenge for the administration and faculty at the university. To do this effectively, EOU must carefully balance its faculty and academic support resources, between tenure/tenure-track, fixed term, adjunct and academic support appointments, with its multi-modal (on-campus, online and onsite delivery systems). Finding the right balance must entail rebuilding the on-campus enrollments which have fallen to the point where the on-campus populations are less than ideal for student activities and a vibrant campus life. Rebuilding these on-campus enrollments will require planned reallocation of resources, creation of new value incentives for students, and other changes to obtain the most effective and efficient allocation of these resources.



Student Credit Hours by Modality				Targets						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
On-Campus	61,826	60,447	50,446	42,764	46,262	48,500	49,955	51,454	52,997	54,587
Online	63,622	65,287	62,184	56,412	53,320	53,015	53,280	53,546	53,814	54,083
Onsite	13,472	13,153	16,132	16,129	16,150	16,300	16,300	16,400	16,500	16,600
Total	138,920	138,887	128,762	115,305	115,732	117,815	119,535	121,400	123,311	125,270

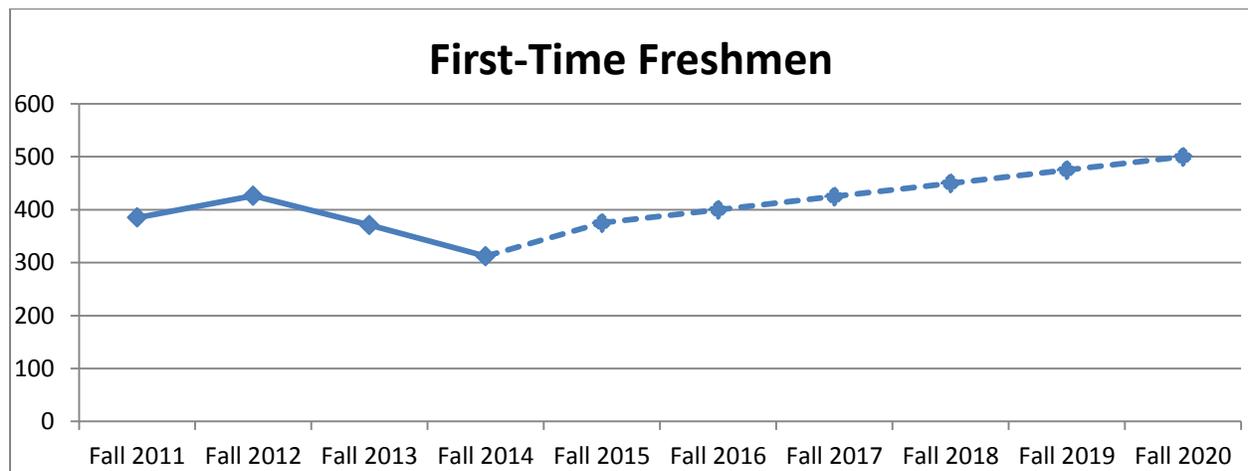
Percent of Total				Targets						
Modality	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
On-Campus	44.5%	43.5%	39.2%	37.1%	40.0%	41.2%	41.8%	42.4%	43.0%	43.6%
Online	45.8%	47.0%	48.3%	48.9%	46.1%	45.0%	44.6%	44.1%	43.6%	43.2%
Onsite	9.7%	9.5%	12.5%	14.0%	14.0%	13.8%	13.6%	13.5%	13.4%	13.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EOU must rebuild its enrollment and do its part to achieve the State’s 40-40-20 education goals. The first order of business for EOU is to reclaim its backyard, meaning the need to rebuild relationships with high

school counselors and recruit students from the ten eastern most counties in Oregon. This has historically been EOU’s primary service region that has comprised roughly 50% of its student enrollment base. But, as noted above, the population demographics in this region are changing to include older populations and many more Latino students. Thus, part of this effort will be to reach out to these populations in new and more effective ways. This will require Spanish speaking recruiters and adding support staff in financial aid and other key offices who speak Spanish. It will also require that website and other marketing information, as well as admissions and financial aid applications, be translated into Spanish for both the prospective students and their families.

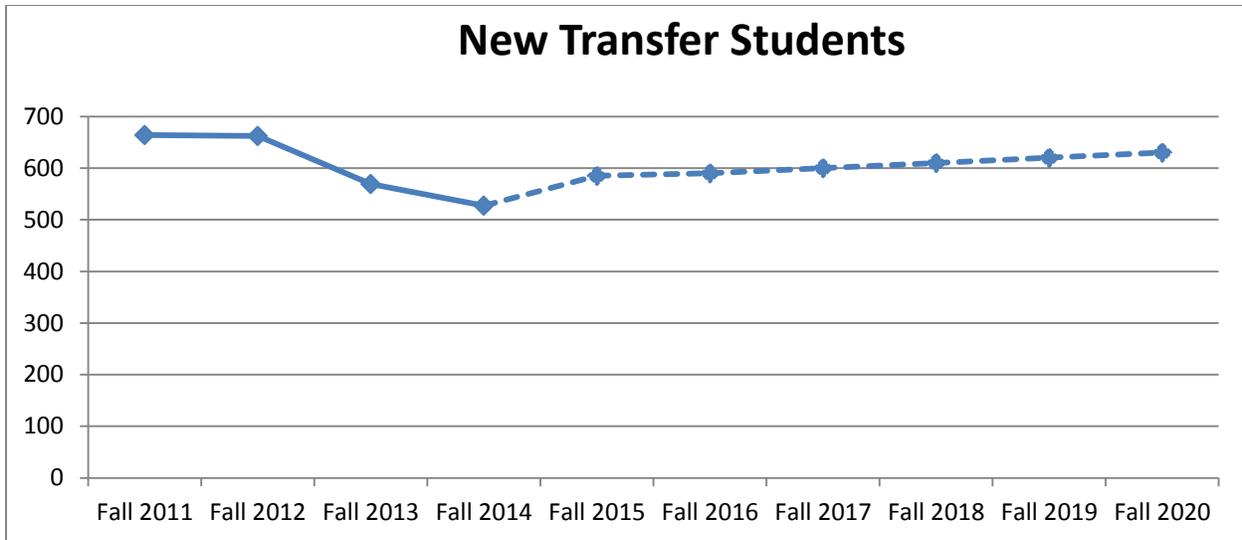
Over the next five to ten years, EOU needs to rebuild its on campus enrollment to between 2,000 and 2,500 students. Having a larger on campus student body creates more energy for events and activities and provides local business with more customers. On-campus students report greater satisfaction with their academic experience and seem to have higher retention rates than do online students. Additionally, many degree programs may not be well suited to an online format. The arts in particular have struggled with enrollment of late, perhaps in part due to significant numbers of students moving to an online format.

**B. Enrollment Projections**



	Targets									
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
First-Time Freshmen	385	426	371	312	375	400	425	450	475	500
% Change from Prior Year	-16.5%	10.6%	-12.9%	-15.9%	20.2%	6.7%	6.3%	5.9%	5.6%	5.3%

A few years ago, due largely to the rising costs of tuition in Oregon, community college transfer students replaced first time freshmen as the largest source of new students to Oregon public universities. This loss of lower division students has also meant more costs associated with instructional programs and recruiting, since most transfer students only spend 2-3 years at institutions. However, with the end of the lengthy recession, EOU has seen both its first-time freshmen and transfer student populations decrease. The decline in transfer students is being caused by an improving job market, while the decline in first-time freshman is the result of increased competition, program reductions, and uncertain state funding for regionally situated universities.



	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Targets					
					Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
New Transfers	664	662	569	527	585	590	600	610	620	630
% Change from Prior Year	14.1%	-0.3%	-14.0%	-7.4%	11.0%	0.9%	1.7%	1.7%	1.6%	1.6%

## C. Enrollment Enhancing Initiatives

### 1. Eastern Promise and Other Precollege High School Initiatives

As a means to stimulate increased college-going rates, EOU, Blue Mountain Community College (BMCC), Treasure Valley Community College (TVCC) and the Intermountain (IMESD) and Malheur Educational Service Districts have created a program known as the Eastern Promise. This program, now in its third year of operation, is intended to increase access to early college credit for high school students throughout the region and to build a college/post-secondary going culture. It features programs to get fifth graders to visit campuses during the school year and spend one week each summer on a college campus, working with ninth graders to create an educational plan based on career interests and low cost precollege credits for upper division high school students. One of the primary objectives of this program is to give high school students the confidence that they can be successful in college classes.

In recent studies conducted by Education Northwest and ECO Northwest, the Eastern Promise program has been found to be effective as it: 1) has led to a 100% high school graduation rate for its participants compared to a 80% graduation rate in Eastern Oregon and 66% in Oregon generally; 2) lowered the participants' absenteeism rates in high schools; and 3) increased the participants' college going rate. In addition, the cost benefit analysis of this program has demonstrated that the investment in the Eastern Promise program has produced a significant return on this investment to the State.

### 2. Financial Aid – Leveraging Our Limited Resources

Each year, EOU grants a number of institutional fee remissions based on predetermined criteria. The remissions structure and strategy is one that attempts to address our mix of students, and offers opportunities for merit-based remissions, need-based remission, as well as a combination of merit and need-based awards. Fee remissions are also used for athletic scholarships and have allowed our sports teams to be successful. EOU's total remission budget is typically 9-11% of tuition revenues, and is comprised of nearly forty different funding categories, or types of remissions.

### Fee Remission as % of Gross Tuition 2008 - 2015

(in thousands)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Projected 2014-15
Gross Tuition	\$15,302	\$17,890	\$19,369	\$20,263	\$21,717	\$20,247	\$19,013
Fee Remissions	(\$1,547)	(\$1,908)	(\$1,928)	(\$2,020)	(\$2,736)	(\$1,812)	(\$1,809)
% of Gross Tuition	10.1%	10.7%	10.0%	10.0%	12.6%	8.9%	9.5%

Due to the positive correlation between enrollment and fee remissions and EOU’s student demographics, remissions in the 12-15% of tuition may be more appropriate though it may take a few years to build to this level. In addition, given the intense competition for high achieving students, and the fact that high achieving students are likely to come from more affluent families, it is recommended that EOU consider adding fee remissions for students with lower GPA requirements. Targeting the funding to qualified students with higher need is likely to produce more favorable results for the institution and the student alike.

EOU needs to closely monitor the utilization of fee remission funds each year to ensure they are accomplishing the maximum and desired effect. Strategic use of these funds can help the institution sculpt the student enrollment to institutional specifications, such as by providing financial incentives to attract high achieving, talented, diverse, on-campus enrollments, or to incent certain majors to fulfill workforce demands or to serve regional needs. For 2015-16 EOU is budgeting \$2.3M, more than 11% of tuition, and should continue to increase this amount each year until it reaches 12-15% of revenues. In addition, in 2015-16 \$200,000 in housing remissions will be used to assist students in funding their total costs of enrollment.

### 3. Improved Pricing for a Sustainable Future

EOU has not taken advantage of differential tuition and other pricing programs used by other universities. Some believe it is time to raise tuition, as low prices many times are associated with lower quality products or services. While some pricing adjustments may be needed, EOU needs to bear in mind that it serves a student body with the lowest income of any of the public universities in Oregon. Thus, while price increases are not out of the question, they need to be accompanied by increased student aid so students in the region can continue to afford to obtain a college degree.

Most public institutions in Oregon charge business majors a higher “differential” tuition rate. Other areas where a differential tuition may be justified on the basis of the program costs or the post-graduation earnings potential available to graduates are the sciences or performing arts. Thus, we will begin a discussion with students to consider a differential tuition program effective fall 2015-16. Any such pricing program will include the requirement that some portion of this increase—a minimum of 10%—be set aside and used as fee remissions for price sensitive students, such that the price does not become an impediment to the choice of majors students wish to pursue.

Another area where EOU can leverage its advantage and relationships with local schools is through professional development and credit overlay programs. Being the only masters’ degree granting institution in eastern Oregon gives EOU an advantage to work with school districts on teacher training and certification. Credit overlay on instructional programs provided by independent parties to teachers is an attractive means of incenting teachers to partake of the training as it may qualify them for new certifications or promotional opportunities. These programs are also very profitable as the only cost to the institution is the validation of credentials, course content, and the transcription of credit.

#### **4. Refined Plans with Regional Centers and Community College Partners**

EOU Centers across the state are undergoing a significant transition in focus. Historically, the focus of the Centers has been serving the needs of place-bound online students who require face-to-face advising, maintaining a visible presence of EOU in the communities served by those centers, and advising exclusively online students, both from Oregon and out-of-state. There were two major, related problems with this historical focus—the student yield has not been particularly high (or high enough) and the focus on community relations did not directly result in increased EOU headcount. While community relations remain important, more emphasis needs to be placed on improving the headcount yield from community colleges for those EOU Centers placed on or near community college campuses through the development of 2+2 programs. In addition, Center directors will play a key role in developing agency sponsored learning, staff development programming for business, internships for EOU students, coordinating with the Center for Rural Studies (Section V below), and establishing dual credit opportunities in the regional high schools. To address these issues, enhanced training programs have been offered to center directors, and best practices used at one center have been highlighted as examples of excellence to be replicated at other centers.

#### **5. Enhanced Student Services: Career Center, Childcare, and Other Auxiliary Services**

The EOU Career Center was eliminated three years ago during a previous budget reduction. A Career Center can assist students in applying for graduate school and can assist in administering testing services needed for graduate school or other professional certifications. This office can also coordinate internships and other opportunities to assist students who wish to obtain work experience while attending EOU. Many times these applied learning opportunities can be paid internships which assist students in obtaining resources needed to finance their education and can help to improve retention rates.

EOU has undertaken numerous studies in the past to determine the feasibility of offering childcare services to its faculty, staff and students. Thanks to the re-purposing of some bond funding and the partnership with a local childcare provider, EOU will be able to open a child development center on campus by Fall 2015. This operation coupled with a new Early Headstart program should help students with children afford childcare and facilitate their participation in on-campus courses. It also provides a convenient venue for students studying early childhood education to obtain their required 90 hours of practicum experience by working in this center.

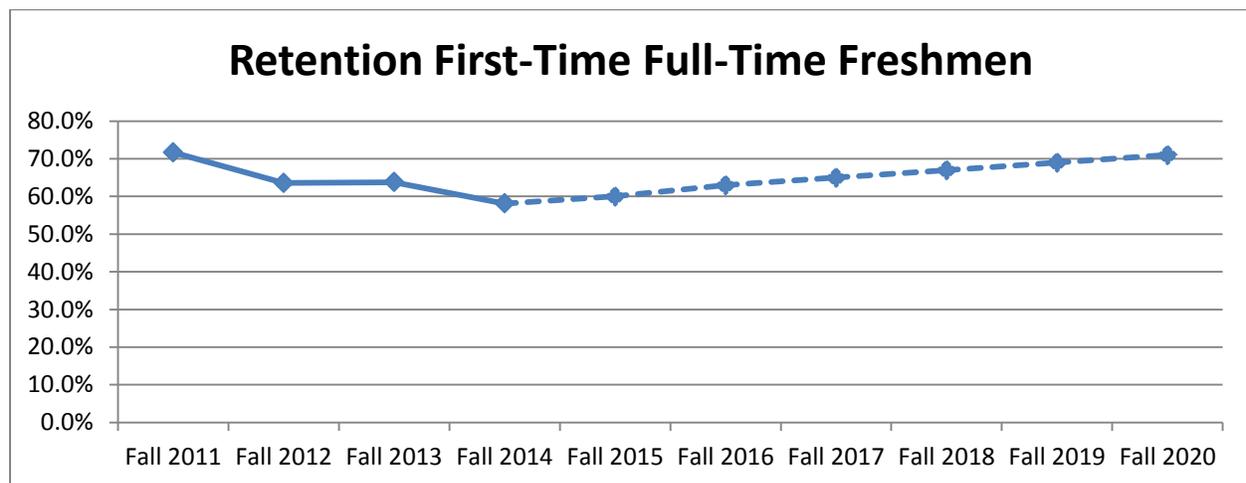
Food services need to improve at EOU. The food selection is over-priced and lacks many healthy selections. Food services should attempt to source products locally and offer a more diverse set of choices for its clientele. The current Aramark contract expires in August 2015, thus this presents an opportunity to test the market and upgrade the service. A Food Service RFP was released in January 2015 and we are now evaluating vendor responses. The Food Service RFP is being designed specifically to cultivate "community" via food service operations for on and off campus students in addition to University faculty and staff. Collegiate food service operations can play a key role in the development and enhancement of university community and play an important role in student satisfaction. This in turn can positively impact student retention.

Largely related to declining enrollments and increasing competition, the EOU Bookstore has been losing money of late. A RFP for an outsourced bookstore management was released in November 2014 and we officially transitioned to a contract management agreement with Barnes & Noble this month. Of most importance is that students will see better pricing and an overall better experience when shopping for textbooks and apparel. EOU will also see a positive revenue impact, where it has been realizing annual losses.

## 6. Improving Retention Efforts

Student retention efforts must be engaged and enhanced. Under the purview of the Vice President for Student Services, organizational restructuring has taken place that better aligns student support services and student life with best practices in student engagement. The Division of Student Services can best be defined a synergistic “bookends” beginning with Admissions/Pre-collegiate outreach at one end and a newly established Career Center at the other. In between are found the range of services, activities and support such as but not limited to the Learning Center, Center for Student Involvement, Office of Residence Life, and the Multicultural Center which exist to meet the needs of a highly diverse traditional and non-traditional student population.

Retention rates at EOU have been trending downward since Fall 2011, indicative of a need to improve activities aimed at improved retention.



	Targets									
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Institutional Total	71.7%	63.6%	63.8%	58.1%	60.0%	63.0%	65.0%	67.0%	69.0%	71.0%

As a part of this restructuring is the intentional paradigm shift that focuses heavily on holistic student support services that “mimic” those often found in independent or the private college sector. This is intentional given the unique learning needs of our student population that comes from range of learning traditions, styles, and skill sets which often require “high touch” and “time intensive” strategies but when well deployed will positively impact student retention numbers.

## 7. Improved Advising

The purpose of the Advising Center is to establish clear, consistent advising operational procedures and policies to ensure student success, to coordinate advising efforts and advisor professional development, to improve ties with faculty, to identify and eliminate obstacles to registration and graduation, working closely with the Registrar. EOU has a multifaceted advising system that includes faculty advisors, professional advisors assigned to colleges, professional advising as a central task of EOU Center Directors; there is informal advising for special admit students, First Year Experience, and in Writing 115 as well, where so many of the university’s at-risk students begin their college careers. Simultaneously, off-campus advisors work mainly with non-traditional transfer and returning students. Improved, consistent advising will support EOU’s retention effort.

## **8. Improved Scheduling for Student Planning and Four-year Graduation Guarantee**

Given the changing curriculum, rising costs, and the various modalities offered by EOU, the four-year graduation guarantee is increasingly important so that students are better able to plan their academic coursework. This will require that multiple years of course offerings be available to students so they can formulate and execute on these plans.

## **V. Program Alignment**

### **Aligning the Curriculum with the Needs of the Region and State**

Eastern Oregon University is establishing a Center for Rural Studies to refocus the University's efforts on helping communities in the ten easternmost rural counties of Oregon meet the challenges of change they face in the twenty-first century. This center will renew and strengthen the institution's commitment to our faculty's and students' engagement in civic affairs and service learning. EOU needs to develop an office—the Center for Rural Studies—to support faculty members' efforts across the campus to more closely link their teaching, scholarship, research, and outreach with the plans and aspirations of communities in the region for mutual benefit. EOU is seeking recognition for its center in Oregon Statute which will enable future legislative funding to support this mission-critical resource hub for the region. Seed funding to establish the center is being sought through the Collins Foundation and the Oregon Community Foundation; in addition, EOU has recently been invited to submit an application for funding to the Ford Foundation.

### **Emerging Economy**

EOU recognizes that the economic health of rural communities will increasingly depend upon EOU's role and capacity to provide a significant population of first generation, under represented, and underserved students in our service regions with access and opportunity to achieve a university education. EOU's core program mix must increasingly reflect employers' needs for graduates well-prepared with an interdisciplinary knowledge base and in the demonstration of practical and intellectual skills, personal and social responsibilities, and applied and integrative experiences required for lifelong learning in the twenty-first century. EOU is a critical partner in the educational continuum that includes K-12, charter schools, community colleges, and other universities to deliver on the promise of public education in the eastern and rural regions of the state. This role must be maintained in order for enrollment pipelines to remain healthy in eastern Oregon. This means that pipelines established through partnerships must be appropriately funded at transfer junctures in the enrollment continuum in order to sustain efficiencies these partnerships bring to eastern Oregon and in order for the eastern region of the state to thrive.

Recent degrees added to EOU's core program mix specifically align to critical unmet regional, statewide, and tri-state (OR, WA, ID) needs for early childhood education, emergency medical services administration, and fire services administration. In addition, emerging industry needs along the I-84E corridor have warranted academic planning aimed at building enrollment pipelines from high schools and community colleges, or brokering new pipelines with university partners to enable student access to higher education in critical need areas beyond EOU's current capacities. The ETIC-focused partnership designed to scaffold STEM education from Baker Technical Institute to Blue Mountain Community College and then to EOU's Computer Science and STEM degrees, the ongoing partnership with OHSU nursing program housed on EOU's campus, and recent conversations that resulted in brokering access to PSU's Masters in Social Work for EOU graduates in sociology and psychology are recent examples that benefit students in the region we serve and create enrollment pipelines to and through our university for the betterment of the eastern region of the state. The outcomes-based funding model has obvious and adverse impacts on efficiencies gained through the partnership model in eastern Oregon. Other degree programs aligned to emergent economies in eastern Oregon are detailed in Appendix A.

## **Curricular Changes**

With a local board comprised of people from the region, it will become more and more important for EOU's curriculum to be aligned with the needs of the region. These investments will largely need to be self-supporting based on securing enrollments that generate sufficient revenues to fund these investments. In August-October 2014, the Provost's Office conducted a listening tour at regional and rural community colleges with whom we partner (TVCC, BMCC, MHCC, Clatsop CC, COCC, CCC, UCC, SWOCC, PCC, and CGCC). Common themes in EOU's primary and secondary service areas converged on the need for new programs to meet unmet regional and rural need in critical areas of fire services administration, health care administration, computer science, laboratory technology, bilingual education, and CTE, with notable requests for applied pathways to the baccalaureate degree for students holding associates degrees in technical or professional fields. CTE preparation is currently available through EOU's College of Education. New programs that have been approved to date through the internal and external curricular process are the CNA I certificate and Emergency Medical Services Administration degree. Currently in the approval process at Provosts' Council is the Bachelors of Applied Science in Business Management. EOU's Bilingual Education program and Public Administration program are currently being updated to meet unmet educator and public sector demand in the eastern region of the state. Natural Resources, Outdoor Adventure Leadership, and a Masters in Counseling are in the early conversation and planning stages. A complete roster of EOU program initiatives undertaken during 2014-15 is available in Appendix B.

## **VI. Long-Term Financial Viability**

Long term financial viability for EOU depends first and foremost on stabilizing, and then strategically growing, our enrollment. The initiatives and strategies contained in this report will need to be continually built upon and secured in order to bolster EOU's growth. Recruiting with strategy, understanding our students and their ethnic, financial and academic backgrounds, offering academic programs that are meaningful and responsive to our students and region, and providing a robust campus life experience will set the course for long-term financial viability. In addition to this, EOU is developing budgetary systems and processes that enhance financial accountability and responsibility.

**Improved Budget Process, Accountability and Reporting** - EOU is working toward a better, more transparent budget process and needs to enhance the accountability for budgets and other strategic actions critical to the success of the institution. The next two years will be critical for the institution. It needs to be aggressive in its actions, yet conservative with its budget. This will require a careful balance, attention to detail and enhanced budget projections and monitoring.

Finally, key financial statement ratios will be regularly calculated and monitored. This includes the following ratios:

- Current ratio – current assets divided by current liabilities – with a target of 2:1. Currently, our current ratio is below this recommended level, however is projected to improve substantially and come into compliance with this goal by 2016-17;
- Primary reserve ratio – expendable fund balances divided by operating revenues - with a target to 10%. At 6/30/14 our primary reserve ratio was 9.3% and it is projected to be 12.0% by 2016-17.
- Debt burden ratio – and debt service (principal plus interest) divided by operating revenues with a target less than 7%. Currently, EOU's debt burden ratio is 4.3% and it is projected to stay below 5.0% for the foreseeable future; and
- Revenue contribution ratios – measuring revenue diversity and dependence with a goal to have no one source more that 45% of total revenues. Currently, EOU's revenue mix is fairly diverse with no one revenue source comprising more than 46% of total revenues.

Targets are in shaded cells						
<b>Financial Ratios</b>	<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Actual FY14</b>	<b>Target FY15</b>	<b>Target FY16</b>	<b>Target FY17</b>
Contribution Ratios:						
Self Generated Revenues	47%	43%	46%	43%	43%	43%
State Appropriations	25%	25%	26%	30%	31%	31%
Non-operating Revenue	17%	18%	15%	15%	14%	14%
(Contribution to) Use of Fund	11%	14%	13%	12%	12%	12%
Balance						
Total Adjusted Expenses	100%	100%	100%	100%	100%	100%
Primary Reserve Ratio	11.42%	12.11%	9.33%	9.00%	11.00%	12.00%
Current Ratio	1.0:1	1.8:1	1.1:1	>=1.5:1	>=1.5:1	>=2:1
Debt Burden Ratio	5.33%	4.59%	4.34%	<5%	<5%	<5%

### **Faculty Workload for Quality Programs and Efficient Operations**

**Overload Limits** - In an effort to improve quality, much of the overload instruction associated in the past with degree programs offered both on campus and online has been reduced to meet the limitations imposed by the institutional overload policy (one course per term per faculty member willing to teach overload). There remain some very isolated instances of overload in the schedule in excess of the policy and these are currently being engaged in consultation with faculty. Solutions are to reassign individual courses to other faculty without overload assignment, or to adjunct faculty, and careful monitoring and limitation of multiple sections of on campus and online service courses.

**Accounting for Release Time and Service** - Faculty have reported their non-instructional load hours for service, commitment to subject discipline, and outreach with a retroactive report in spring 2014 followed by a forecast of planned activity for the 2014-15 year in September 2014. With very few exceptions, faculty teach their full contractual load, with all release time being tracked and documented.

### **Capital Campaign, Legislative Relations and Other Grant Funding Opportunities**

The advent of a local governing board made up of individuals who are focused on EOU's success provides several benefits, alongside budget, planning and management oversight. Trustees are advocates for the university in many ways: as community connectors for EOU, as legislative lobbyists in Salem, as public relations champions in the regional and statewide media, and as development supporters who may provide helpful contacts for new funding activities. In private higher education, many major building projects have been funded around the boardroom table as trustees look to one another for personal gifts, pledges, grants and solutions to update a facility or launch a new program. This is clearly part of the governing board expectations at other Oregon public universities and can be expected to be a part of EOU's trustee activities. In addition, vice presidents, deans and faculty need to take a more active role in fund raising activities.

For the 2015 legislative session and beyond, EOU's presence in the state capital building and work with the legislature takes on a new level of importance. Increased institutional independence, and the dissolution of the Oregon University System, places a premium on political advocacy to keep higher education and regional issues actively in front of Oregon policy-makers.

## **VII. Conclusion**

In conclusion, today public higher education is changing and, in fact, the academy is experiencing more significant change today than any time in recent history. EOU is adapting to the changing competitive

environment, demographics in its region, as well as changing governance and funding models. All of these items present challenges, yet each also offers significant opportunities. With a new president, an energetic governing board and a renewed focus on serving the region with enhanced quality and accountability the institution is poised to address these challenges and turn them into opportunities. This bodes well for eastern Oregon specifically and the entire state generally. Now is the time to be fully focused on the 40-40-20 prize and the well-being of our citizens and state – it's within our grasp and will only be realized with a vital and robust EOU. Let education break the mold that society has cast; restore the middle class; and enhance the wealth among the people of this great region and throughout state.

Thank you for your support and for the opportunity to be a part of this magnificent institution.

Respectfully submitted,

Jay Kenton, Interim President

## Appendix A

Pendleton was recently selected as a drone test site, thus this may be an emerging industry for the region. The first drone test flight at the Pendleton Unmanned Aerial Systems Test Range was in October 2014. Steve Chrisman, the Pendleton economic development director, stated the range would be the first to conduct a test on the contiguous West Coast.

Large technology companies (Amazon, Facebook, Apple, and others) have begun to locate server farms in Boardman, Hood River and Prineville, which may lead to more technology development. Cayuse Technologies in Pendleton is a 100% Tribally owned, onshore delivery center providing software development, technical help desk, and other business process outsourcing solutions. They provide an innovative and domestic alternative solution to addressing the tremendous demand among many organizations striving to keep work within the United States, where businesses are seeking high quality onshore and cost-effective delivery capabilities. Technology can be utilized throughout the region, thus suggesting that computer science and technology initiatives will be part of the future for this region.

Eco-tourism also offers opportunity for the region. The Silvies Valley Ranch is chief among initiatives where owner Scott Campbell is building a destination golf course modeled after St. Andrews in Scotland (with tee boxes and greens on each end of every hole to be played one direction one day and the opposite direction the next day) combined with a cattle ranch and stream restoration programs that are revolutionizing stream ecology and beef production. The Alpine Huts, premier mountain biking, hiking, hunting, fishing and the Rails with Trails and Rail-bikes initiatives in Wallowa and Union counties also are examples that could drive the region's economies.

## Appendix B

- **Bachelors of Applied Science in Business Management** - a program designed for students who have completed an Associate of Applied Science degree at a regionally accredited two-year institution such as a community college. Since the credits accumulated in these types of programs may not readily transfer to traditional baccalaureate programs, the B.A.S. degree in Business Management is designed to provide these students an opportunity to advance their professional skills and acquire the knowledge to enhance current employment and assume management and leadership roles. Many cases exist where people with associate degrees working in industry, first in production, later become management candidates and need this credential to advance with their employer.
- **Bachelors of Applied Science in Laboratory Technology** - Work is underway identifying the certificate options available in the field of lab technology. Faculty in Chemistry will be meeting with community college partners to explore possibilities in developing a B.A.S in Laboratory Technology. At present they must determine which of the array of lab tech certificates aligns most closely with the curriculum offered at EOU, and what gaps will need to be filled to articulate or embed a lab tech certificate or B.A.S degree option in the current chemistry/biochemistry degree programs.
- **BS/BA Emergency Medical Services Administration Program** - The State of Oregon requires paramedics to have an associate's degree or higher in order to be eligible for licensure. With few exceptions, every paramedic in Oregon holds an associate's degree, usually with a title similar to "Emergency Medical Services," or "Emergency Medical Technology."
- **Career and Technical Education** - There is currently no other public four-year institution providing a CTE Teacher Preparation program. In the Umatilla/Morrow region alone there are 4 teachers who must take these courses to maintain licensure, but 10 additional new teachers who are likely to take at least some of them. This program would meet a need in eastern Oregon and statewide. Offering the program as credit overlay will make it attractive for CTE teachers who already have a bachelor's degree, the option to take the coursework at the graduate level is an incentive.
- **Education – Dual Language Education and Bilingual Education** - A 1.0 FTE education faculty position is being drafted and is scheduled to be hired fall 2015. The successful candidate hired for this position will be located in Ontario and will develop relationships in the eastern Oregon region and develop the curriculum during 2015-16. One of the state's most critical needs is for quality dual language teachers. Working in partnership with the Malheur county superintendents and school districts with high concentrations of Latino students, EOU proposes to create an education program intended to address this need. Dual language students will be taught how to use these skills to provide more effective education and interaction with students and parents who possess these attributes. As this has been an unmet need in Oregon for years, this program has the potential to address this significant need and bring widespread recognition to EOU.
- **Masters in Counseling** - Refocusing the BS in Psychology towards its applied roots affords EOU an opportunity to build towards a Masters in Counseling degree to better serve the mental health care needs of eastern Oregon. An impending retirement creates opportunity both for redirecting the undergraduate degree towards an applied degree and developing a Masters ramp for a Master's degree in Counseling, where nearly 100 jobs exist, according to the Greater Oregon Behavioral Health, Inc. (GOBHI). Career pathways in the counseling field range from clinical psychology in addiction, family and marriage, forensic, industrial and organizational, and other fields needed in eastern Oregon.
- **Natural Resources** - EOU faculty in the natural sciences have great strength in natural resource related research, where they collaborate on a regular basis with their students to further work that serves the needs of our region, with particular emphasis on local and regional projects. While EOU's undergraduate degree programs in these areas are comprehensive with our small size limiting our

ability to build highly specialized initiatives, our faculty and students are well positioned to be responsive to the region's needs through internships and practica on natural resource related issues.

- **Nursing—Certified Nursing Assistant (CNA)** - During sustainability planning, a review of the overall structure of the Biology curricula made it clear that the Biology faculty takes pride in the high quality and diverse audiences served by their curriculum. Serving generalist biology, botany, and pre-professionals in allied health fields, the program engages faculty and students in research projects that promote undergraduate student participation in experiential learning and investigative science opportunities. Refocusing the program more explicitly towards allied health will better support explicit new programming to develop a CNA I and II, and move towards development of other health-care programs in the continuum including and beyond the BSN.
- **Outdoor Adventure Leadership** - This region is known for its outdoor amenities and this resource begs service and interaction. This program would train leaders of adventure companies and outfitters in areas such as risk management, trip planning, group decision-making, environmental impact, and outdoor technical skills. This academic program would also engage non-degree students in outdoor recreation activities for credit.
- **Post-Bac Certificate in Accounting** - To sit for the CPA exam in most state one must complete a required number of accounting courses. Many students, particularly those who majored in programs other than accounting need to pick up added accounting courses to qualify for CPA licensure. Thus, this program will offer students an opportunity to earn a post-baccalaureate certificate in accounting and thus qualify the student to receive Federal Financial Aid and sit for the CPA examination.
- **Public Administration** - The recent addition of Economics as a major that continues to serve the program from its new orientation within the College of Business will result in more opportunities to create career pathways for students interested in public administration, public service and policy development in the areas of forestry, ranch management, and land use.
- **Spanish** - Given the growing Latino populations in the region, it is recommended that FTE be added with programming redirected to regional Spanish language needs in business, health care, and education.