

Eastern Oregon University. HECC Public Comment - 4/12/18

Chair Bryant, Vice Chair Rives, Director Cannon, and Commissioners, thank you for the opportunity to speak with you today. For the record, my name is Lara Moore and I serve as Vice President for Finance and Administration at Eastern Oregon University.

As you are well aware, today's agenda includes a decision from the Commission on whether or not EOU has satisfied the conditions that the former State Board of Higher Education (SBHE) established in 2014 — at the same time our institutional governing board was approved by the legislature. I can appreciate the importance of both the occasion and the decision you have before you, and want to take just a few minutes to explain how EOU has grown and improved dramatically since 2014.

1. Enrollment Trajectory at EOU

As EOU detailed in its December 2017 Conditions Presentation to the HECC and follow on Final Conditions Report, since 2014, EOU has installed systems, processes, pathways to monitor and respond appropriately to enrollment fluctuations in targeted student demographic populations.

- EOU has convened a cross-functional Strategic Enrollment Management Team that is planning for and responding to enrollment needs.
- EOU has embedded monitoring of key enrollment performance indicators in the strategic planning process, with action plans tied to recruitment and retention..
- EOU has invested additional resources in marketing and promotion to increase our visibility and expand awareness of the university.

- Under new leadership in distance education, EOU has renewed over a dozen articulation agreements and co-enrollment agreements with the majority of our Oregon community college partners and our 11 regional centers
- EOU has actively sought grant funding for and established mission critical pathways for diverse students through existing programs like Eastern Promise, Oregon Teacher Pathways--which works to develop and train teachers of diversity for tomorrow's classrooms--and GO STEM to serve the business and industry needs of the region.

2. Financial Ratios

EOU is a truly different university than it was four years ago. As demonstrated by our finances, we have made concerted and strategic advances to ensure our financial durability. We are not simply making ends meet; rather, we have a well-developed budget process with fitness and efficiencies in mind, while simultaneously investing new resources into areas where we can capitalize on growth and sustainability. Our resource allocation process ensures alignment with our strategic plan, mission, and goals, and that alignment has led to EOU now being in the strongest financial position in our institution's known history.

In examining the specific financial ratios included in the Conditions, I would like to speak to the current ratio, as it was noted as the one benchmark that EOU did not meet. I greatly appreciate the HECC staff, especially Andrew, listening to our concerns about the unrealistic level set by the benchmark. I also appreciate Andrew noting that *not one public university in Oregon* reached this benchmark in fiscal year 2017. Without diving too far into the technicalities around the ratio, we essentially have one meaningful way to drive the ratio up — and that is to nearly double the level of our cash on hand. In simplest terms, to accomplish that ratio means

significant price increases to students, which is highly counter to our mission as an access institution. We are not interested, nor do we find it wise, to drive our assets to a level that is double our liabilities, because of the highly negative financial impact it would have on students.

Our current ratio for FY17 means that we DO have more than enough assets to cover our liabilities — should they come immediately due. And, as with all financial ratio measurements, the ratios are only one piece of the success picture. It's about striking the right balance of financial durability and mission fulfillment — and for a rural, access institution of our size, that balance will likely vary from other institutions. From a business operations standpoint, we will never feel comfortable sitting on large amounts of reserves, or building up enough assets to meet benchmarks or targets, if the result is counter to our mission and counter to affordability and student success, which we know is important to our board, this commission and the state.

In closing, let me say that our institutional decisions are data-driven and guided by strategic, long-term considerations, and I am confident and excited that our resources are very appropriately supporting our mission as Oregon's Rural University. I recognize and fully appreciate the value of setting the Conditions in 2014. I am also confident, through significant financial recovery and a positive trajectory, that we have met those Conditions.

Again, thank you for the opportunity to speak with you today.