



EASTERN OREGON
UNIVERSITY

Eastern Oregon University

Final Conditions Report to the
Higher Education Coordinating Commission

December 2017

Executive Summary

Over the past 15 years, Eastern Oregon University (EOU) has experienced significant change at the state level and within the university itself, from numerous shifts in leadership personnel to a wholesale alteration of the statewide higher education governance structure. With the establishment of a new governing board, new opportunities became possible: the ability for the university to have a local governing board focused solely on the success of the university; the appointment of a new president and several key positions to lead the institution; and a challenge to align the university with its mission and financial means.

Following the hiring of Thomas Insko to serve as EOU's 12th President, the university started the development of structures and systems necessary to durable success. To establish a common understanding and structure on which to operate, EOU's governing board and new President charged a collaborative group of students, faculty and staff to develop key institutional [Values and Principles](#).

These statements of commitment, adopted in 2016, are published throughout the university community and serve as a unifying premise for new dialog as well as continuity of established concepts and beliefs. They are:

- **Altruism:** We give selflessly to empower one another and the University community through inclusiveness, appreciation, and stewardship.
- **Civility:** We believe in the free and open exchange of ideas, embrace diverse backgrounds, and deliberately seek multiple perspectives.
- **Discovery:** We honor our heritage and invest in our future with innovation, vision, and creativity.
- **Integrity:** We uphold the foundation of professionalism, honesty, respect, and sincerity in all of our interactions.
- **Interdependence:** We cultivate vibrant connections and relationships to enhance opportunity and success locally and globally.
- **Quality:** We passionately pursue intellectual engagement, academic rigor, and the highest standards in all endeavors.

EOU has also identified a number of ambitious goals focused on student success, financial sustainability and engagement with rural communities through our strategic plan, which incorporates all areas of the university and establishes benchmarks and objectives to measure our progress. To help drive these plans, the university stabilized its senior leadership positions with a new provost, a vice president for student affairs and new deans in our colleges. These efforts, made possible by our overarching theme of "Together, it's possible," have changed our campus climate and filled it with energy and excitement about EOU's future.

Institutional Planning

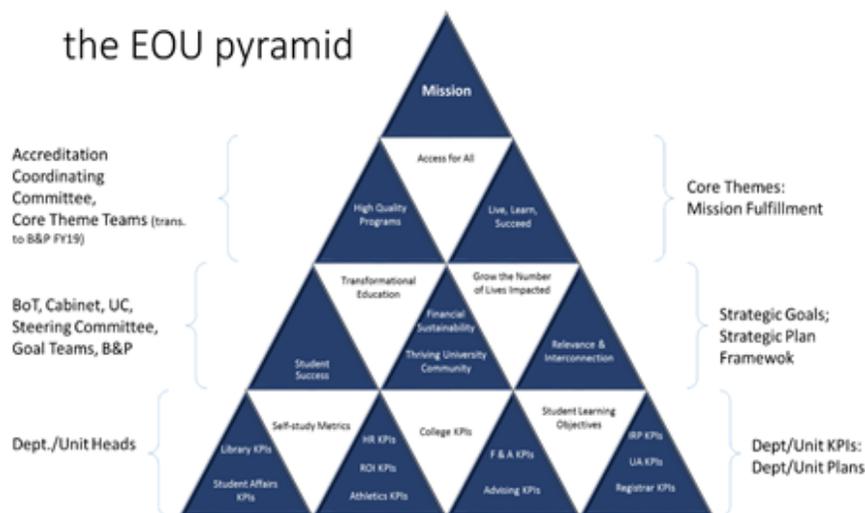
During the 2015-16 academic year, the Board of Trustees in consultation with the President identified a need for the institution to embark upon a long-range strategic planning process. Institution level planning in previous years had focused on shorter-term tactical initiatives in response to financial issues facing the institution. In 2016-17 the university began the process of generating a plan that would see the institution through our centennial in 2029. The expectations and process are outlined in the [Strategic Planning Scope document](#) and is based upon our [mission statement](#) (as re-affirmed in November, 2016) and corresponding [core themes](#).

The process was sponsored by the President and led by the University Council. Members of other shared governance committees such as the Faculty Senate, Budget and Planning and student government were also instrumental in the facilitation of work and synthesis of input from the university community. Throughout the academic year, feedback was collected from stakeholders and used to generate plan drafts. These efforts culminated in the adoption of the strategic framework [The Ascent 2029](#) by the Board of Trustees at their [May 24, 2017 meeting](#).

With the beginning of the 2017-18 academic year, the institution has moved to the implementation phase of the strategic plan. This involves identification of sponsors for each of the six goals and formation of task forces focused on meeting targets outlined in the plan. The sponsors, consisting of executive leaders for the institution, form the Strategic Plan Steering Committee and ensure the core themes and strategic plan goals remain at the forefront of institutional focus.

Planning at the department level is aligned with the core themes and strategic plan goals. The Budget and Planning committee for the institution has [amended its bylaws](#) to include review of core theme and strategic plan progress as they relate to recommendations for institutional resource allocation. The connection of institutional focus and progress to resources is also evident in the current [budgeting process](#). Further, the institution has incorporated strategic plan progress into its [Annual Report](#).

The following diagram illustrates how our mission, core themes, strategic plan, and departmental plans are interrelated.

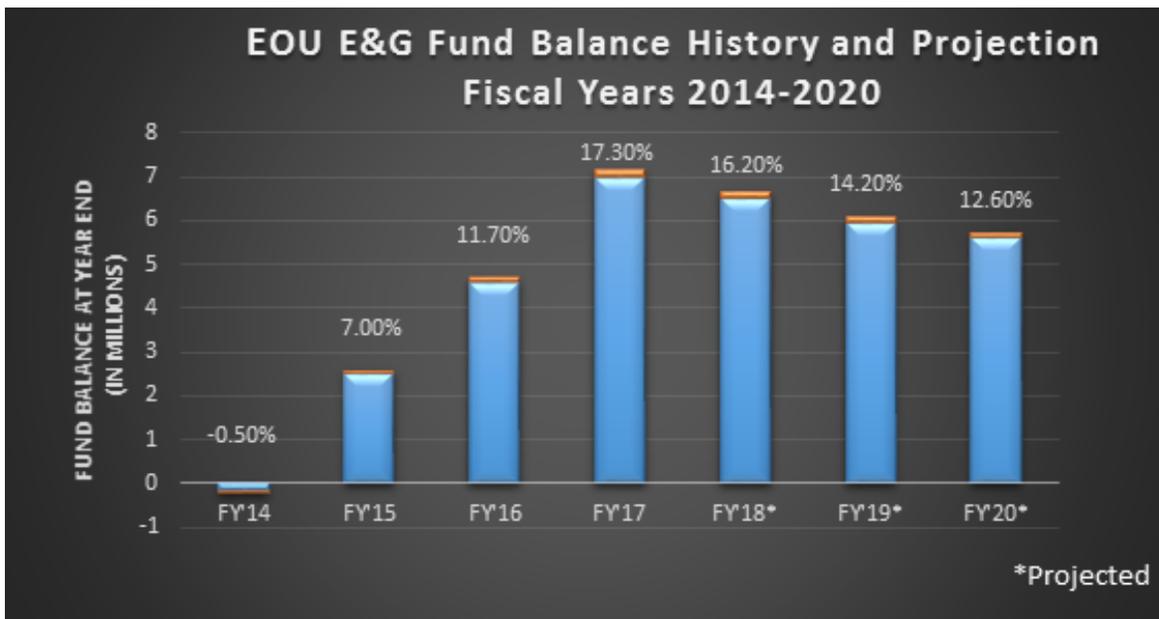


Financial Sustainability

Fund Balance Improvement FY2014–FY2020

One of the most notable areas of improvement at EOU has been in our financial performance. Most specifically, we have recovered our Education & General Fund Balance, improving from a low of -.5% in FY2014, to a high of 17% in FY2017, and a projected ending fund balance of 16.2% in FY2018.

The projected fund balances shown below for FY2018 and beyond demonstrate an intentional use of fund balance. We are reinvesting in our institution, mitigating tuition increases for undergraduate residents as much as possible and designing budgets that support the fulfillment of our institutional mission and strategic plan. Our Board policy indicates a range of 5% - 15% fund balance, and the intentional use of some of our reserves aligns us with that policy.



Financial Ratio Trends

From a financial ratio perspective, EOU is experiencing trending improvement. Financial ratios are a tool used to evaluate the financial performance and long-term viability of an institution. The ratios themselves need to be viewed holistically, as well as viewed in a trend analysis of performance over time. Most importantly, financial ratios are a tool that should only be taken into account while simultaneously evaluating the institution's progress toward mission fulfillment. Financial ratios are, in essence, only one tool to evaluate overall institutional health and must be carefully analyzed within the context of mission fulfillment.

FY2016 saw significant accounting changes with GASB 68, as well as additional financial statement impacts due to the disbanding of OUS. Thus, FY2015 and FY2016 presented large variances in a variety of reporting

categories, creating additional variances when compared to FY2017 financial results. As a reminder, GASB 68 revised the required reporting and disclosure requirements of pension liabilities by public pension plans and public employers. Among the changes is a requirement that a Net Pension Liability be determined and reported. Prior to GASB 68, employer pension liability was only reported in the notes to the financial statement and not recorded as a liability in the balance sheet. The new accounting standards do not impact employer and non-employer funding or member contributions, but change how pension expense, and net pension liability, is reported in the financial statements of the pension plan and the employer. This additional liability negatively impacts net position for all public employers who participate in this type of plan. Thus, for this report, all ratios for FY2015–FY2017 are shown with *and* without the GASB 68 impact.

Below is historic data on the seven financial ratios required in this report:

Eastern Oregon University (Including EOU Foundation)							
		w/o GASB 68		w/o GASB 68		w/o GASB 68	
	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
Viability Ratio (expendable net position to long-term debt)	0.36	0.54	0.56	0.44	0.67	0.49	0.84
Primary Reserve Ratio (expendable net position to operating expenses)	0.20	0.30	0.29	0.20	0.33	0.21	0.38
Net Operating Revenues Ratio (total net income to total revenues)	-13.09%	-2.74%	-8.72%	-13.07%	-3.77%	-4.26%	0.05%
Return on Net Assets Ratio (change in net position to beginning net position)	6.65%	27.99%	14.35%	136.99%	146.77%	-0.21%	2.99%
Debt Burden Ratio (debt service to total expenditures)	4.35%	3.59%	3.38%	3.39%	3.71%	3.47%	3.63%
Current Ratio (current assets divided by current liabilities)	1.22	1.00	1.00	1.09	1.09	1.38	1.38
Contribution Ratio (Net position divided by total revenue)							
<i>Self Generated Revenues</i>	45%	50%	47%	42%	46%	46%	48%
<i>State Appropriations</i>	33%	39%	36%	35%	38%	37%	39%
<i>Non-Operating Revenues</i>	22%	25%	24%	92%	100%	15%	15%
<i>(Contribution to) Use of Fund Balance</i>	0%	-14%	-7%	-68%	-83%	2%	-3%
<i>Total Adjusted Expenses</i>	100%	100%	100%	100%	100%	100%	100%

Financial Performance Drivers

- I. EOU has recognized improvement in our financial condition and performance for a number of reasons. First and foremost, we have shifted our approach to decision-making by becoming a highly data-driven organization. The various financial modeling tools we have developed are consistently utilized to forecast and plan for new investment/initiatives, to analyze current performance of our institution and determine opportunities for improvement, and to create a budget process that is highly collaborative and based on accountability in performance. The tools and processes we have developed are helping to encourage an entrepreneurial spirit, and are allowing us to concretely align our financial resources to support mission fulfillment and execution of our strategic plan.
- II. The second key driver to our improved financial performance centers around cost containment and cost efficiencies. EOU has worked tirelessly to maintain cost escalation that is both reasonable and affordable, and we do so even while facing extreme external cost increases via PEBB and PERS. The work over the last four years has trimmed excess spending, identified efficiencies that allow for a

more refined use of resources and ultimately allowed us to keep year-over-year spend to a minimum. In fact, FY2017 spend over FY2016 spend increased by only slightly over 2%. Our greatly improved financial footing has also been achieved, even in light of enrollment challenges. While identifying operational efficiencies and cost containment opportunities has prepared us for significant enrollment growth, we are not reliant on that growth to be financially sound.

Financial Performance and Student Impact

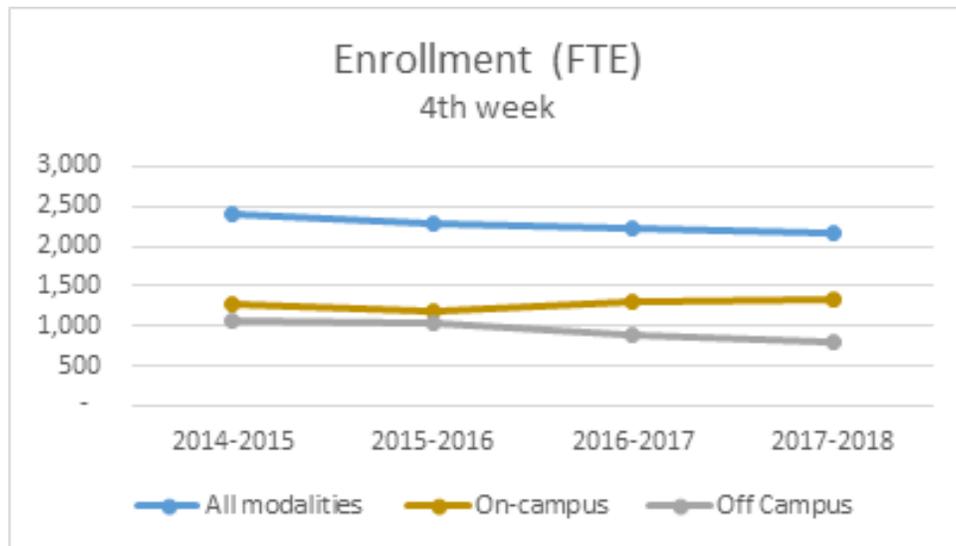
EOU prides itself in being an access institution—one that serves students where they are, and one that keeps tuition at affordable levels. As we have regained our financial stability, we have done so by holding undergraduate resident tuition to less than 5% increases year-over-year. We also continue to invest in fee remissions that provide critical scholarships for our students and aid in making EOU an affordable option for those we serve. Our work on affordability impacts students directly as we continue to remain the most affordable public institution in Oregon.

Student Pathway to Success

EOU has made great strides since 2015 to stabilize on-campus enrollment, improve student retention and increase the diversity of the student population. EOU is dedicated to providing robust academic programs, quality teaching and enriching co-curricular activities in a supportive and inclusive environment where students can reach their greatest potential. EOU is continuing along a path of excellence with stabilized leadership and a renewed sense of commitment to the University's mission. This will result in increased access, enrollment, retention and completion.

Enrollment

EOU is currently developing a strategic enrollment management plan. In fall 2016, a cross-functional team of students, faculty, and staff was convened to galvanize the EOU community into action and focus on recruitment and retention tactical actions. The team strengthened partnerships with our regional high schools and community colleges. The EOU campus community created initiatives and improved programs to increase enrollment numbers both on and off campus (online and onsite). These efforts resulted in stabilizing EOU's on-campus enrollment for fall 2017 and an increase of 8.3% in first-time freshman applications for fall 2018 (as of December 18).



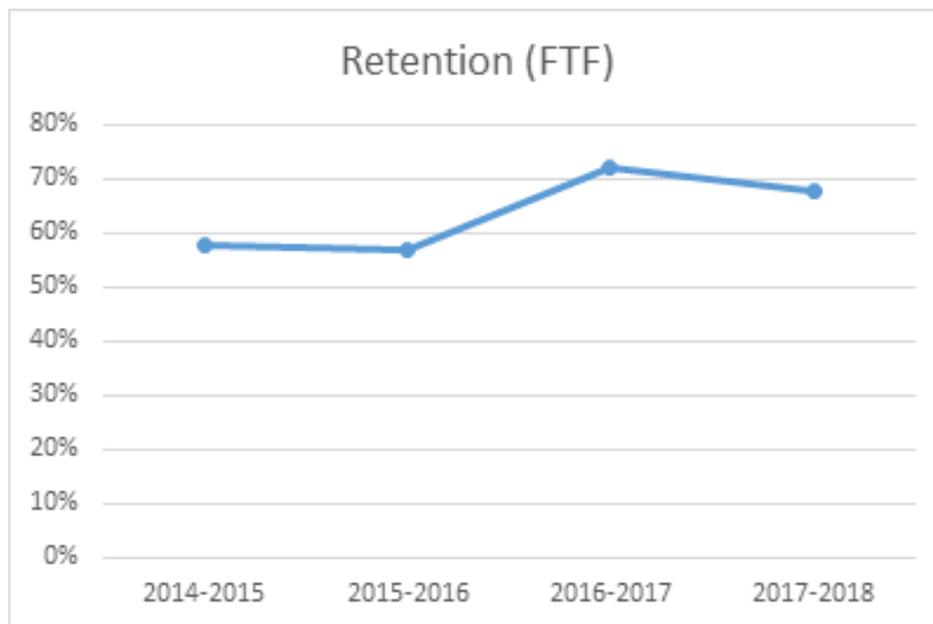
Highlighted efforts:

- Strengthened partnerships with community colleges to include “Fast Tracks” (articulation agreements) with the goal of becoming the best 2+2 university in the state.
- Improved communication plan with highly focused outreach to prospective students that is personalized and relevant.
- Expanded recruitment outreach efforts to provide a personalized high-touch approach (examples: calling campaigns, transfer student recruitment events, Spanish language recruitment events, evening events in key regions across the state).
- Better utilization of fee remissions to attract and retain students.

Utilizing the previous year’s campus-wide efforts, a foundation and framework was established to guide the Strategic Enrollment Management team (SEMT), beginning fall 2017. The SEMT aligns EOU’s strategic planning framework with the institution’s collective mission, values and principles. The intent is to generate meaningful collaboration to achieve common goals and integrated strategies. The SEMT is a complete and coordinated system for student success—a university-wide initiative to identify and achieve enrollment, retention and completion objectives. The SEMT serves as the collaborative body (students, faculty and staff) charged with expanding student access, opportunity and completion. This campus-wide strategic data-driven approach is supported by extensive research and best practices.

Retention

From fall 2015 to fall 2016, EOU’s first-time full-time retention rate radically increased from 57% to 72%. This significant increase is a direct result of campus-wide efforts to provide comprehensive support in successfully transitioning students into EOU and supporting them to graduation.

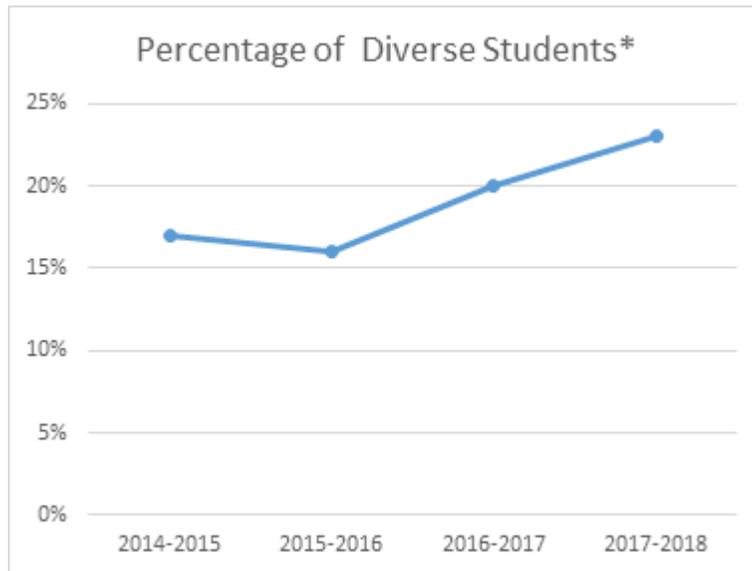


Highlighted efforts:

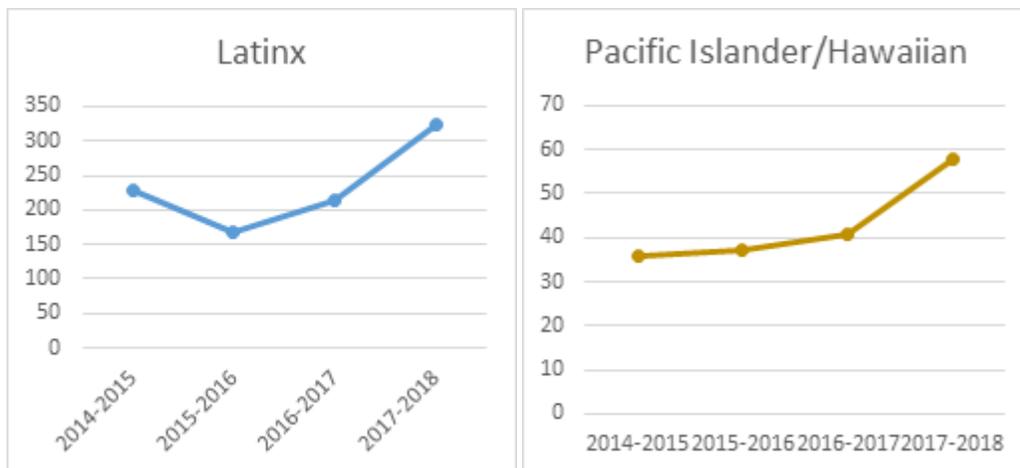
- **Comprehensive support to ensure that students have a smooth transition into EOU:** Mountaineer Days (for admitted students), are held during the summer months to allow students to take placement tests, register for classes, and get connected with student services and other resources that promote success. EOU's Week of Welcome (WOW) orientation program, starting the week before classes, helps students successfully transition into the university by making connections with fellow Mountaineers, becoming familiar with campus resources and participating in campus traditions. In addition, EOU's hosts a Summer Bridge program, Kick Start, designed for international and Micronesian students.
- **Early intervention, support and individualized outreach:** Staff and faculty provide referrals to the "early alert" program (Mountaineer Student Support Referral) designed for students that are struggling academically and/or personally. The Student Success Coordinator tracks the alerts and manages a coordinated outreach effort to get the students connected with the appropriate resources. The students are tracked throughout the year to ensure their success.
- **Registration campaigns:** Registration Blitz is a multi-pronged strategy to get all students (online and on-campus) registered each term before the current term is completed. Professional advisors, faculty advisors and other support staff provide outreach to students to assist with the registration process through advising and/or removing barriers that may prevent students from returning the following term.
- **Quality advising:** EOU has recently *decentralized* on-campus advising to the colleges guided by college deans, and *centralized* online advising under the executive director of regional outreach and innovation. The hub for operational consistency remains the Advising Council, which has been operating under an Advising Scope for deliverable improvements since June 2017.

Diversity

EOU strives to create an inclusive environment where students feel a sense of belonging. In 2015, EOU expanded efforts to recruit and retain a more diverse student population. Programs, services and initiatives are designed to provide enriching opportunities for campus engagement and dedicated support.



As part of our recruitment and retention efforts, EOU has implemented focused programs and initiatives for the Latinx and Island Pacific/Hawaiian student populations. With those concerted efforts, EOU has seen an increase in both populations. In particular, this past fall term EOU saw a significant increase in the Latinx student population with 111 more students (FY 2018 = 324; FY 2017 = 213).



Highlighted efforts

- **TRIO Student Support Services** (started 2016) is a federally funded college retention program for first-generation, low-income, veteran or students with disabilities that provides academic and support services to promote academic success and graduation.
- **Oregon Teacher Pathway** is centered on student success by partnering with local schools and community organizations, developing mentors at the high school and college level and recruiting, retaining, supporting and graduating quality teacher candidates. The program focuses on recruiting, educating and retaining pre-service teachers of color and pre-service teachers interested in becoming culturally responsive teachers.
- **Bilingual Admission Counselors and Student Admissions Ambassadors**
- **Web and print materials translated into Spanish**
- **Recruitment events in Spanish**, “Bienvenidos a EOU,” is an outreach/recruitment initiative for Latinx students in the Eastern Oregon region. The presentations are made in Spanish and provide information about admissions, financial aid and student support services. This program was recognized by PNAAC (Pacific Northwest Association of Admission Counseling) in 2015 and received the Program of Excellence award.
- **Specific print recruitment materials** for international and Micronesian prospective students.
- **Partnership with local community:** One notable example of partnership is our work with the local Latino-serving organizations for a one-day gathering called ¡Conéctate! The event brought together Latino-serving organizations in Eastern Oregon and offered opportunities to build meaningful relationships with on-the-ground leaders, volunteers, students, educators and allies in eastern Oregon’s Latino communities.
- **Summer Bridge Program:** During EOU’s Summer Bridge program (Kickstart), TRIO participants, Micronesian and international students arrive at campus one week prior to orientation (two weeks before classes start) and participate in a variety of workshops, team building exercises, personal exploration, service learning projects and mindfulness/stress reduction classes. The students explore and learn about the La Grande community and the surrounding area. Through this experience the students become a cohesive cohort of well-connected students who have been given the tools, through Kickstart, to successfully navigate the college experience.

Academic Planning

The 2015 EOU Conditions Report to the HECC provided an initial evaluation and inventory of program reductions, streamlining and program additions contributing to market niches and the economic vitality of eastern Oregon. EOU's academic leadership is cognizant that a ready workforce prepared in liberal arts, professional, or technical and applied STEM fields is essential to ensure that the region is able to realize economic stability and growth—thus, EOU's recent partnership venture with Revature, designed to connect alumni to workforce training in coding and to attract students onto degree and career pathways in high demand fields throughout the region. Educational and employer partnerships like Revature will figure increasingly in EOU's academic planning for the future to ensure vital connections between degrees and career opportunities.

Program Rationalization

Planning in Academic Affairs from 2015-2017 has focused on ensuring that EOU's array of programs are successful, sustainable and connect seamlessly to dual credit and community college transfer pathways. EOU has taken an organizational and systems approach to *program rationalization* on an annual basis. Restructuring the College of Arts and Sciences into two smaller colleges was a decision approved by the President and Board to position the College of Arts, Humanities, and Social Sciences and the College of Science, Technology, Math and Health Sciences for future success. Under new dean leadership, these colleges are actively charting future directions and defining metrics of success for annual reporting within EOU's Strategic Plan Framework.

In November 2017, faculty and deans engaged for the first time in near and long-term Academic Futures Planning (utilizing EOU's inter-college council of faculty chairs and deans as the Academic Futures Council). The deliverable from Academic Futures Council is to produce a baseline matrix of data-informed curriculum development opportunities to be considered as retirements occur in departments and market needs clarify. Their purpose is to drive curricular innovation and new program development critical to achievement of our mission and the success of on-campus and online students. The Academic Futures Matrix will be designed to be phased over time, revisited annually and will be informed by departmental metrics and action plans, market studies and employer data. In January, the Academic Futures Council will reconvene with OSU and OHSU partners—associate deans and faculty—to further explore inter-institutional and interdisciplinary curricular opportunities or joint degree ventures in sustainable resource management, as well as community and rural health administration, that surfaced during Academic Futures Planning.

The strategy informing academic planning for the future is to capture synergies between departments, colleges, institutions and employers so as to provide all EOU students with access to a transformative education. The Greater Oregon GO STEM Hub (funded by the Oregon Department of Education), hosted by EOU, serves as an example of how planning and partnerships are transforming the academic opportunities available to students at EOU. The GO STEM Hub functions as a continually growing network of partners in the region with interests and needs in the STEM disciplines. GO STEM has established key partnerships with business, industry and educational providers (school districts, community colleges) and has become an important organization in connecting and convening partners around the common goal of supporting STEM careers and enhancing the economic vitality of Eastern Oregon. Current STEM workforce vacancies in the region include jobs related to health care, natural resources, manufacturing and information technology.

A college-educated workforce to fill both current and foreseeable occupations is necessary to attract businesses and industries planning to expand or relocate to eastern Oregon. Employer and agency partnerships that provide experiential learning opportunities for students are central to a transformative education as exemplified locally in EOU's relationships with Willowa Resources and the Forest Service, as well as with Oregon Parks and our STEM-focused Cottonwood Canyon Summer Institute, EOU's "classroom without walls" affiliated with the GO-STEM Hub. EOU is looking forward to joining the Warrior Bonfire Program (WBP), the Natural University of Natural Medicine (NUNM), DyneAquaculture, Baker Technical Institute and Hot Lake Springs in the advancement of the Veterans Restorative Care Center (VRCC) project. This is a unique project that combines serving our veterans and strengthening Oregon's economy through research on and development of hydroponics and aquaculture systems for growth of this industry statewide. Moreover, continuing development of hydroponics and aquaculture systems will support global food security. In very concrete ways, the GO-STEM hub in eastern Oregon and its partnership network can be a powerful vehicle for sharing information on careers in the new hydroponics and aquaculture industry and connecting secondary-school and college students to job shadowing, practicum, and internship opportunities at the Hot Lakes facility.

40-40-20

Education is central in preparing students for existing jobs and in building capacity to serve new industries. EOU continues to lead the state in *40-40-20 initiatives*. Mapping pathways from high school CTE and dual credit programs and Community College associate degrees to EOU's degree and career pathways is crucial in connecting the educational resources of eastern Oregon to the goals of 40-40-20.

Eastern Promise, EOU's signature sponsored dual-credit collaboration between Blue Mountain Community College, Eastern Oregon University, the InterMountain Education Service District and several school districts in eastern Oregon, was implemented in 2011. The success of Eastern Promise in creating a college-going culture, improving the instructional alignment between K-12 and post-secondary institutions, improving academic preparation and transitions, and increasing the opportunities for students to participate in and earn college credits for courses taken in high school is well documented and has been adopted across the state. In the six years Eastern Promise has been in operation, the program has seen significant increases in the numbers of students participating, the number of students earning college credits and the number of students enrolling in college following high school.

Eastern Promise continues to expand and mature, serving more students every year to help our region meet the expectations of 40-40-20. Eastern Promise has just received a grant to expand EOU's signature Oregon Teacher Pathway (OTP) to bring diversity to the teacher workforce in eastern Oregon and to address teacher shortages in rural areas by incentivizing high school students onto the dual-credit teacher pathway in their junior and senior years. The students can matriculate to EOU where they are offered a tuition fee remission while they complete the education program. By incentivizing future teachers to stay in eastern Oregon, EOU's College of Education is bringing Eastern Promise full circle. The students mentored and coached to attend college will return to encourage the next generation of college attendees to set goals for themselves and follow their career pathways through an array of baccalaureate programs available to them.

As statewide initiatives, policies, and resources are developed, the rural perspective must continue to be part of the overall plan for the state. A large part of EOU's mission, currently guided by the statewide Transfer Committee (HB 2998) and overseen by new leadership in EOU's Regional Outreach and Innovation unit, has

been to review policy and remove institutional barriers to degree completion for dual credit and community college transfer students. Post-secondary students poised to transfer from community colleges or larger universities where they are not thriving is a population of students EOU has served for several decades—since the 1980s. In repositioning our regional centers for success, EOU searched for and hired experienced leadership to expand our mission footprint to serve adult learners underserved in the current transfer space. With new leadership in place, EOU is moving aggressively to broker or renew transfer articulation agreements with community college partners. Development and expansion of the [Fast Track Transfer pathways](#) to EOU degrees illustrates how EOU is operationalizing smooth transitions to baccalaureate degree programs as students plan their dual credit and community college course work, confident that they can matriculate to degree completion and career opportunities through EOU with no loss of time and no loss of credit.

Executive Conclusions

Over the past several months, EOU's institutional community has come together to identify, develop and implement the tools necessary to guide our collective goals and values and power the contributions of passionate students, employees, alumni and friends. There are many indicators to show this, including our strong financial viability, changes in the enrollment landscape and new initiatives that serve rural Oregon and support our student needs. There are two others that stand out: *The Economist* magazine recently ranked EOU as second in Oregon and third in the Pacific Northwest for value, yielding students with higher earnings than they would have achieved with the same degree from a different institution. A second indicator is that EOU is one of only two public universities to hold increases in tuition and fees at below five percent for the 2017-2018 academic year. Moreover, we have developed a financial reserve that allows us to begin strategic investment in supporting the life cycle of the student with transformative educational opportunities while reducing costs and gaining efficiencies.

There is a renewed vitality and growing sense of possibility at EOU. With an energetic governing board, stable leadership, dedicated faculty and staff, and the help of EOU's University Council, we are united in our values and principles. With these attributes, we are mastering the organizational stability critical to our success and demonstrating our value as an educational, cultural and economic bellwether worthy of state funding and philanthropic support.

We continue to be impressed with the intelligence, talent, and compassion of our students, the accomplishments of our alumni, and the deep relationships between the two. This partnership in discovery is in our university's DNA, and it fuels the cycle of talented students becoming accomplished, fulfilled alumni. With our new strategic plan, "The Ascent," we look toward our centennial in 2029 with a framework for a bold and transformative future for EOU.