Eastern Oregon University
Report to the OUS Board Re. Board Conditions
May 2015

Nationwide, the higher education sector is undergoing significant change. Oregon funding for higher education, when measured on a per student basis, is currently 47th in the nation. In addition, state funding for student financial aid also ranks near the bottom of the country at 43rd. 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. Coupled with increasing competition for students, the growth of online programs at many universities and a slowly recovering economy have made it difficult for many of the regional universities and community colleges serving lower income populations.

Couple these facts with significant changes in the governance structure and funding models for higher education in Oregon and the significant changes in our natural resource intensive economies and significant disruption becomes a real possibility. Yet at the same time, this disruption creates opportunities to be pursued for the betterment of Oregon. Navigating this perpetual whitewater will require a deft strategy, nimble reactions and visionary leaders who are willing to think and operate in new ways.

Eastern Oregon Background Information:
Population

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. Umatilla County, with 76,720 residents, is the most populous county, while Wheeler County has less than 1,500 residents. Hermiston (population 17,111) has grown significantly of late and recently surpassed Pendleton (population 16,612) as eastern Oregon's largest city.

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. All but two of the region's counties have more elderly residents than the statewide population. Wallowa County has the oldest population in the region, with 31% of the population aged 60 or older.

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. However, there is variability among the region's counties in terms of child poverty. While Gilliam and Grant have child poverty rates just below the state average, child poverty rates in the remaining eastern Oregon counties are higher than the state average.

Education Levels

The Oregon Governor, legislative, education and business sectors have set a goal of having 40% of Oregon residents possessing four-year college degrees or higher, 40% possessing community college degrees or technical certifications, and 20% possessing high school diplomas by the year 2025. Currently, the eastern region's high school graduation rate, at 80% 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, 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, and in Morrow and Malheur Counties just 12% and 13%, respectively.

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 is intended to **i**ncrease 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.

Emerging Economy

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.

The brew pub industry led by Terminal Gravity Brewing in Enterprise, Barley Brown in Baker City, Prodigal Son Brewing in Pendleton, 1188 in John Day and Jolts and Juice in Ontario seems to be growing in the region. In addition, the transformation in Walla Walla led by the vineyard and wine making industry seems to offer some hope for certain parts of the region where the climate and elevation are appropriate for grapes.

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.

Eastern Oregon University Background and History:

Eastern Oregon University began in 1929 as a normal school and has always had a strong Education program. In addition, EOU has 2+2 professional degrees through partnerships with OIT in dental hygiene, OHSU in nursing and OSU in agriculture. The institution also has a strong College of Arts and Sciences with degrees ranging from computer science, chemistry, biology, political science, English/writing, anthropology/sociology, psychology, math, communications, history, music, art and theatre. Degrees in business, economics, and physical activity and health are offered through the Colleges of Business and Education and are in high demand.

The presence of EOU and its fine and performing arts programs make it a cultural hub and major amenity for the region. The Grande Ronde Symphony is Oregon's oldest symphony, and features community members from throughout the region combined with EOU faculty, staff and students. Arts East is another non-profit organization that collaborates with EOU to provide fine arts programs and services for school districts, EOU and community members. Numerous choirs connected to EOU host performances throughout the year and productions at the Elgin Opera House draw attendance from all over the region These activities provide cultural assets that allow the eastern Oregon communities to attract professionals (doctors, dentists, attorneys, etc.) that otherwise may not consider eastern Oregon as a place to live.

EOU athletics offer additional forms of entertainment for regional citizens. EOU's football, volleyball, women's basketball and men's cross country, and track teams were nationally ranked by the NAIA in 2015-16. This year, EOU's women's volleyball team went to the national NAIA tournament for the first time. In addition EOU has a strong tradition in its men's basketball program. EOU shares its football stadium, track and tennis courts with the La Grande High School for competitive and community events. Next year, EOU will add men's soccer. Athletics is a bright spot for the university and is a source of great pride throughout the campus and in the community.

EOU is Affordable

Tuition increased markedly in Oregon, especially after the passage of Ballot Measure 5 in 1990. This ballot measure rolled back property taxes and thereby shifted the burden for funding the K-12 education system to the State with concomitant reductions in property taxes. In 1990, the State funded 30% of the K-12 education system and property taxes provided 70% of the funding. In 1990, higher education received roughly two-thirds of its funding from the State and the students provided the other one-third. Today these amounts are reversed, with the State providing 70% of the funding for the K-12 system and college students now providing two-thirds of the funding for higher education. Thus, tuition at EOU has increased markedly since 1990. Yet, despite these increases, EOU maintains the lowest tuition price of any public university in Oregon.

Overview of Institutional Situation:

Institutional mission in this context, means the role, market niche, that EOU believes it has or should obtain in order to best serve the higher education needs of the state and attain financial success. One of the first requirements of this mission discussion and clarification involves an analysis of the strengths, weaknesses, opportunities and threats currently confronting the institution. These are as follows:

Strengths, Weaknesses, Opportunities and Threats (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, on-line and on-site) 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, under-served or under-represented; and
- EOU, as one of the only public four year universities on the east side of the State enjoys strong regional and alumni support.

Weaknesses –

- EOU is located in remote location in a region experiencing population decline and significant demographic changes;
- 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 for 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 can 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 is well positioned to assist in forging a new economy for Eastern Oregon and helping communities cope with this changing 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 institutions 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.

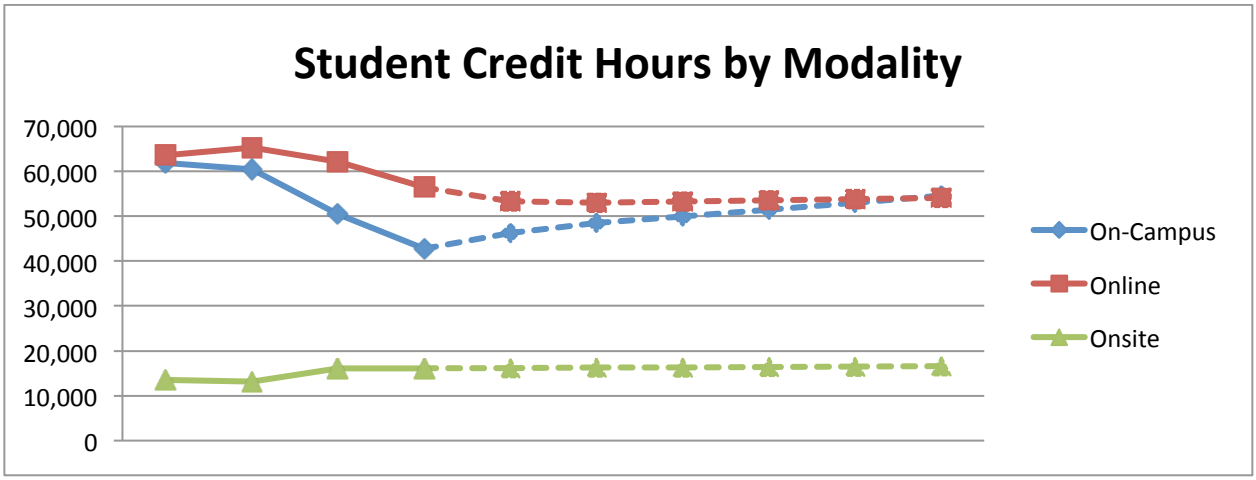
Overview of Institutional Identity ("competitive niche")

The institution is distinguished by many of the things it was initially founded to do; those being:

- 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 is well positioned to educate teachers with dual language and bi-lingual certifications an intense need in the State and throughout the nation today.
- 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.
- 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 above.

As mentioned above, rural areas throughout the nation are imperiled as they are heavily dependent on natural resource extraction and utilization, yet the environmental movement of late has begun to present challenges to this way of making a living. Given this, EOU can play a very key role in assisting rural communities adapt to these changes and in forging a new economy for the region.

EOU as mentioned earlier, offers three primary modalities of instructional delivery, on-campus, on-line and on-site. 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, on-line and on-site) educational modalities and delivery systems. Finding the right balance will likely entail rebuilding the on-campus enrollments which has fallen to the point where the on-campus populations are less than ideal for student activities and a robust campus. Rebuilding these on-campus enrollments will also require reallocation of resources, creation of new incentives 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%

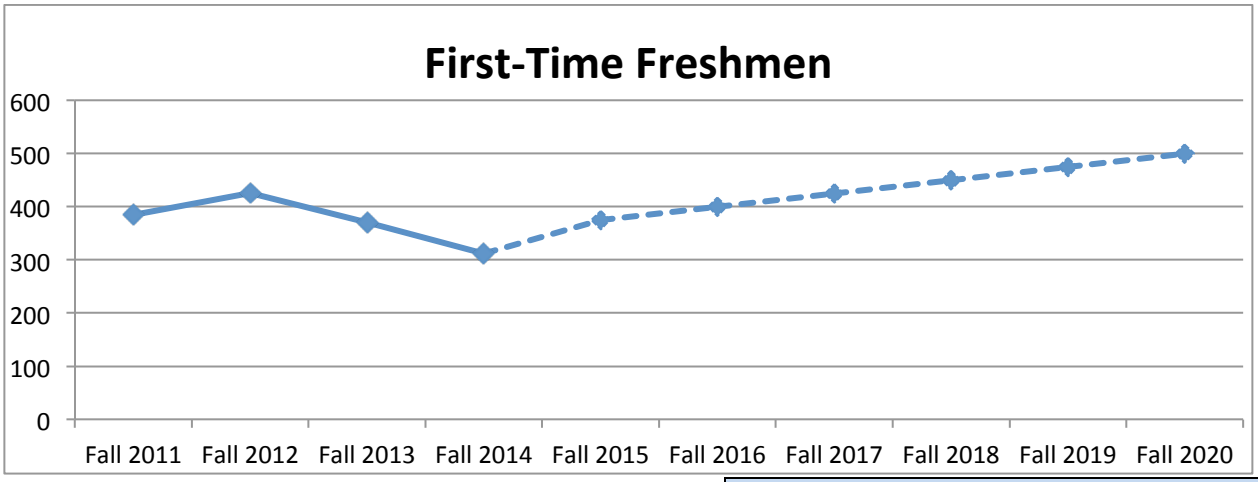
Onsite	9.7%	9.5%	12.5%	14.0%	14.0%	13.8%	13.6%	13.5%	13.4%	13.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Enrollment and Completion

EOU is interested in doing what it can to help the state achieve its 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 other 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.

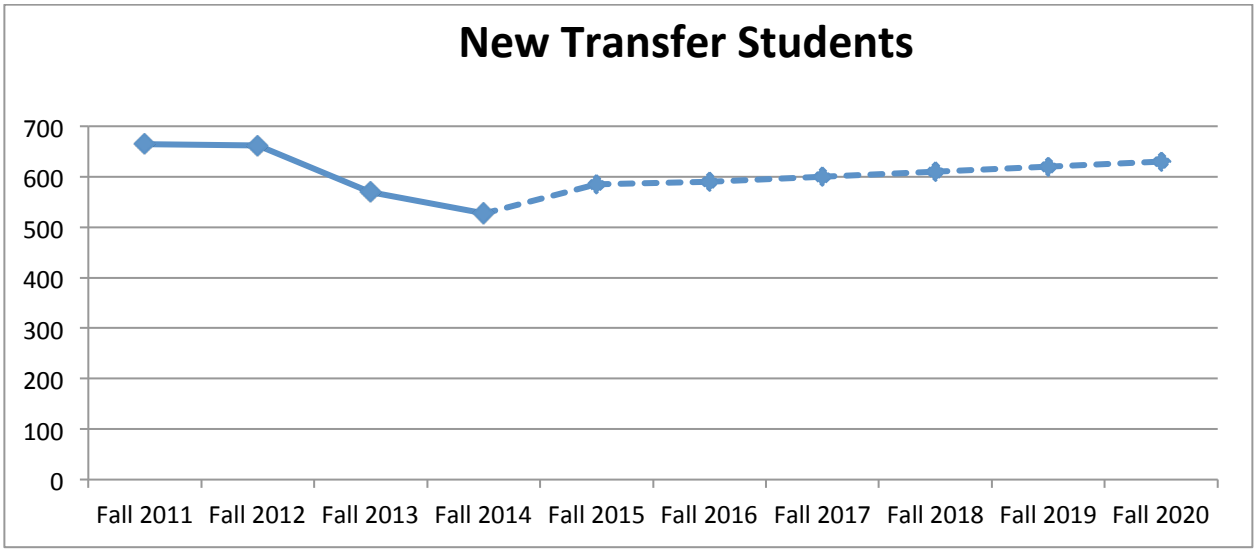
Over the next five to ten years, EOU needs to rebuild its on campus enrollment to between 2,000 and 2,500 students. Having a larger on campus student body creates more energy for events and activities and provides local business with more customers. On campus students report greater satisfaction with 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.

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. Most attribute the decline in transfer students to the improving job market, while the decline in first-time freshman may be the result of increased competition, program reductions, and uncertain state funding for regionally situated universities.



					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%



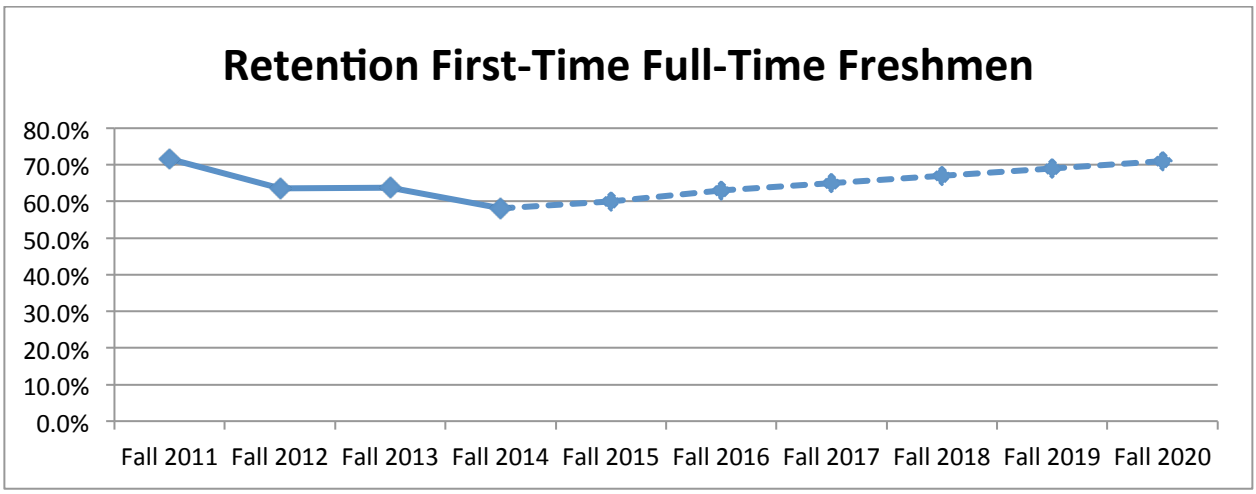
					Targets					
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
New Transfers	664	662	569	527	585	590	600	610	620	630
% Change from Prior Year	14.1%	-0.3%	-14.0%	-7.4%	11.0%	0.9%	1.7%	1.7%	1.6%	1.6%

Eastern Promise and Other Precollege High School Initiatives
EOU will help prepare students for full admission to university academic programs through early college credit experiences, and pre-university developmental academic experiences. This program will permit greater access to regional high school students to achieve a college degree through increased access to proficiency-based college courses taught in the high school as well as online classes offered by EOU faculty. The program will also be part of the EOU mission to connect to our rural regions and will increase new student numbers, retention and graduation rates.

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 of late indicative of a need to improve programs 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 often which require "high touch" and "time intensive" strategies but when well deployed will positively impact student retention numbers.

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. While the multi-faceted system ensures all students advising needs are attended to, it tends to create inconsistencies. Improved, consistent advising will support EOU's retention effort.

Information flow between advisors and faculty on campus has traditionally been clear, with regular reports by advisors at division meetings, when CAS employed the division structure. In addition, Advising Council uniformly invites faculty to present revised and new programming so they remain current with curricula. An advantage on campus advisors enjoy is proximity to the faculty in the disciplines, units, and colleges they serve. In those cases, coordination has been consistent and communication strong. In fact, there was some resistance at the outset of the establishment of the Advising Center model, under the direction of the vice provost, because on campus advisors thought they would lose that close connection as their reporting lines shifted out of the colleges to the vice provost. In addition, there was concern that the establishment of clear operational procedures and policies would limit informal exchanges between on campus advisors and faculty. However, the connections between on campus advisors and the disciplines they serve remains strong and direct, while processes are becoming more effective and consistent.

Improved Scheduling for Student Planning and Four-year Graduation Guarantee
Course offerings in the schedule have been reduced in response to budgetary constraints, with the result that fewer electives remain in the schedule, and multiple sections of service courses have been streamlined based on past enrollment data. As a result, course scheduling has become a very careful and complex task, requiring consultation with advisors, attentiveness to possible time conflicts for students working in multiple disciplines, as well as requests for adjustments in faculty schedules. For on campus offerings the result is a schedule that challenges students to stretch their coursework into earlier morning and later afternoon or evening times. All disciplines are revisiting their curricula and four-year plans to see that they align and allow students who plan carefully, register for an average of fifteen credits per term, and persist to satisfactory course completion to complete their degree requirements in four years. Some bottlenecks may still exist, and these are being identified and addressed as part of curricular review, course scheduling, and load assignment.

Given the changing curriculum, rising costs and the various modalities offered by EOU, and the four-year graduation guarantee it is increasingly important that students be 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.

Financial aid – Leveraging Our Limited Resources
Institutional Fee Remissions
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)							Projected
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	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%

Going forward it is recommended that fee remissions be budgeted at a minimum of 10% of gross tuition as one can see that enrollment is positively correlated with the level of fee remissions. With EOU's student demographics, 12-15% 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 housing remissions will be used to assist students in funding their total costs of enrollment.

Improved Pricing for a Sustainable Future
As noted above, EOU has the lowest tuition of the seven public universities in Oregon. In addition, 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 has the lowest income student body 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.

Another area that should be explored is differential tuition. Most public institutions in Oregon charge business majors a higher "differential" tuition rate. And, it is likely that there may be other areas, such as in the sciences or performing arts where a differential tuition may be justified on the basis of the program costs or the post-graduation earnings potential available to graduates. Thus, we will begin a discussion with students to consider a differential tuition program effective fall 2015. Any such pricing program will include the requirement that some portion of this increase—a minimum of 10%—be set aside to be 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 teacher to partake of the training as it may qualify them for new certifications or promotional opportunities. These programs and the presenters' credentials must be reviewed and approved by campus faculty to ensure accreditation standards are being met. 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.

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, and establishing dual credit opportunities in the regional high schools.

Enhanced Student Services: Career Center, Childcare, and Other Auxiliary Services
The EOU Career Center was eliminated three years ago during a previous budget reduction. This is one of the fundamental and required student services at most universities. In addition to providing placement services for students who are nearing graduation this office can offer resume writing services and interviewing skills. A Career Center can also 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 programs can be paid internships which can also 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 term 2015. This should help students with children afford childcare and facilitate their participation in on-campus courses.

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 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. Textbook prices have become so expensive that they are now challenging the financial ability of students. We must evaluate options to outsource the bookstore and find lower cost options for our students. A RFP for an outsourced bookstore management was released in November 2014 and we are in the process of transitioning the bookstore to contracted management with Barnes and Noble in May 2015.

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 10 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. The work of adopting institutional changes to strengthen EOU's community engagement efforts will follow the best practices recommended by the Carnegie Foundation for the Advancement of Teaching Elective Community Engagement Classification guidelines and the American Association of State Colleges and Universities publication, Becoming a Steward of Place, Lessons from AASCU Carnegie Community Engagement Applications.

Curricular Changes

With a local board comprised of people from the region, it will become more and more important for the curriculum to be aligned with the needs of the region. In addition, as the costs for higher education and borrowing to finance their education have risen, more and more students will want an education that will provide them an opportunity to secure a better paying job. Given these factors it is recommended that the institution consider making investments in the following new or existing programs. These investments will largely need to be self-supporting based on securing adequate enrollments needed to generate sufficient revenues to fund these investments.

The process for adding these programs will depend whether they are new, and thus require the approval of the Faculty Senate, Provost's Council, OUS/EOU Boards and the Higher Education Coordinating Commissions (HECC); or whether they are simply additions to existing programs for which the institution already has the requisite authority to offer. For the former, we will also need the University Planning and Budget committee to review the projected costs of these new programs as contrasted against some estimate of their revenue generating potential. Many of the programs outlined below will address critical employment needs in the region/state and propel EOU in addressing the 40-40-20 educational goals of the state.

- **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. Several conversations on campus with the chemistry faculty have begun the process of curricular action, with next steps to identify concrete needs, cost and resources required, and to work collaboratively with regional partners to build the curricular structure necessary for an undergraduate degree program. 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." The required associate's degree does not necessarily have to be in Emergency Medical Services but most are if the paramedic graduated from an Oregon program.
- **Career and Technical Education -** There is currently no other public four-year institution providing a CTE Teacher Preparation program. There are currently 54 CTE I licensed teachers who need coursework to maintain their licenses. We expect a high percentage of retiring CTE teachers over the next decade and have no current pipeline to fill those jobs. 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. Existing teachers who are endorsed in other content areas will be able to add the CTE endorsement through this online credit overlay opportunity.
- **Computer Science -** Though relatively small in terms of both faculty FTE and numbers of students, the Computer Science program nonetheless plays an outsized role in our regional communities and our mission-related activities in terms of serving as EOU's Engineering and Technology Industry Council (ETIC) primary focal point, as well as other recent STEM-oriented efforts. The small scale at which the program operates is EOU's central challenge. ETIC-specific funding currently sustains 2 FTE for the program. Curricular streamlining and redevelopment needs to be in the direction of industry needs in the region.

- **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.
- **English/Writing -** EOU's English/Writing program serves multiple roles across multiple levels, from the lower-division writing courses and general education courses all the way to the recently developed and innovative low-residency Master of Fine Arts program in Creative Writing. Ongoing attention to efficiencies, enrollments, program quality, and recruitment and retention has resulted in a more purposeful repackaging of existing offerings, capitalizing on expertise in the writing area. The loss of faculty FTE due to resignation, retirement, and reduction in force has required program faculty to engage in revision of their program due to loss of expertise, concerns about student access, streamlining of the core curriculum, and elimination of concentrations.
- **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. Refocusing the Psychology program towards a field of practice reconnects the program to communities of need in the rural eastern Oregon health care landscape.
- **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. The Center for Rural Studies is expected to offer a portal through which regional partners, both in the private sector as well as in public agencies, will find resources in data and human capital to link up to build problem solving teams. Finally, professional development opportunities with agencies and private sector employers could be further developed to provide credit overlay options across our region.
- **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. Low-enrolled offerings are under review towards a more streamlined and focused curriculum utilizing one less FTE in line with peer programs. 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. It is recommended that this academic program start as a programmatic minor by creating synergies with the existing Outdoor Program in Student Affairs. The academic program would also engage non-degree students in outdoor recreation activities for credit. The program also interacts well with community and economic development initiatives. This program, offered in conjunction with the Outdoor Program, Mountaineer Base Camp concept, and an outdoor resource data base and center presents some very interesting possibilities to pull the university and the community closer together and co-brand EOU and La Grande as a gateway to outdoor activities.

- **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. This is a good way for students with liberal arts degrees to earn a professional certification and qualify for many business careers.
- **Public Administration -** Philosophy, Politics, & Economics has a long history at EOU of serving students regardless of their location and doing so in productive and useful ways. Given recent program area curricular revisions, the center of gravity in PPE is clearly moving away from Philosophy (an FTE retirement in June 2016) and toward Public Administration, while still retaining solid Economics and Political Science dimensions. These shifts seem consistent with EOU's larger strategic goals, which drive our institution's role and mission throughout the region. The recent addition of Economics as a major that continues to serve the PPE 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 -** Subsequent to the recommendations articulated in the 2011 Sustainability Plan, the Modern Language Global Culture major action plan resulted in the discontinuation of the major and the implementation of a teach-out plan for those few students affected by the elimination of the degree. A minimal minor focused on Spanish language and culture has remained in place during the teach-out, but the minor was recommended for elimination, suspension, or revision pending ongoing conversations with the dean around maintaining a proficiency-based curriculum. Elimination of the major has resulted in the reduction of a regular faculty FTE due to retirement and reduction in force. Given the growing Latino populations in the region, it is recommended that FTE be added with programming redirected to regional needs in business, health care, and education.

Long-Term Financial Viability

Improved Technology Support for More Efficient Operations - EOU Information Technology is working on a variety of fronts to improve technology support that will bolster campus efficiency. EOU has not invested in information technology at the same rate other universities have. This shows in many of the administrative and academic services provided. In some cases, the rudiments needed to support the campus are lagging or completely missing and need to be built or restored. Investment is needed in information technology and given our small computer science academic program, we need to create synergies in creative ways. Despite these constraints, effective use has been made of students and staff in the department. Investment in more staffing in computer science faculty, information technology staff and systems has begun, resulting in two new programmers, implementation of a more robust and user-friendly learning management system (Canvas) and a major upgrade in campus network infrastructure. This addresses a critical need for the near future and iss key to economic development activities around the region.

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. The following reports are utilized both internally and externally to monitor financial performance on a monthly, quarterly, and annual basis. Monthly budget-to-actual reports are monitored by the central budget office, and are also sent to each budget manager on campus. These reports show total budget, total spend, total encumbrances, total remaining balance and easily allow budget managers and central administration to monitor burn rate. Monthly reporting/updating of year-end projected E&G fund balance is reported to EXCOM, as well as to EOU's Budget & Planning Committee. Within this forecast, current revenue and expense is adjusted based on actuals recognized to date, and all possible new expenses and revenues are tracked and monitored.

Ongoing and periodic cash flow analysis occurs in the budget office and is shared with EXCOM on a monthly or quarterly basis, depending on need. The budget office prepares a cash flow forecast at the beginning of each fiscal year, and then updates the forecast as necessary and reports that to EXCOM. Monthly revenue, expense and cash monitoring of all funds outside of E&G occurs in the budget office and is reported to EXCOM on a quarterly basis. These forecasts/benchmarks/dashboards allow EXCOM, the Budget & Planning Committee of the University Council and the Finance and Administration Committee of the EOU Board of Trustees to continually monitor ending fund balance, while also preparing, in a timely manner, for additional expense and/or revenue that the institution may recognize.

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					
Financial Ratios	**Actual FY12**	**Actual FY13**	**Actual FY14**	**Target FY15**	**Target FY16**	**Target FY17**
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 Balance	11%	14%	13%	12%	12%	12%
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 release from instruction documented in the case of the Nightingale Gallery Curator, the Writing Center Director, *The Voice* student newspaper Advisor, Chemical Hygiene Officer, and in one instance to secure continued Eastern Promise collaboration to respond to regional needs.

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 2009, the EOU Foundation, working with University Advancement, launched a long-term private giving campaign to raise $11.5 million for scholarships and programs. Despite staffing reductions over the past four years, the UA staff and Foundation trustees have managed to raise over $6 million and are over halfway to their goal and has dramatically increased the full assets of the Foundation to over $12 million. With the recent hire of a new development director and a return of a full-time major gifts officer, the next phase for the campaign is to review fundraising goals and efforts to date and update the project lists and priorities. Connecting with trustees, deans, colleges, faculty, coaches and students and staff will be critical in determining who to work with and how to proceed. A major gifts officer on loan part-time to admissions will return fulltime in January, and a faculty member is also working on much-needed fundraising projects specific to their college. With these assets in place consistently, EOU has new opportunities for direct staff support in line with university and foundation funding priorities and new resources may be added to the University Advancement funding portfolio.

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. Until last year, the Oregon University System and the State Board of Higher Education led and coordinated state legislative efforts on behalf of the seven public institutions.

What makes these changes durable?
We believe that the durability of these plans is predicated on three things:

1. Quality – faculty, staff and programs quality is critical to the long-term durability of the institution. Without quality the institution's brand will suffer and in the new competitive environment the institution will suffer. Thus, quality must be enhanced and maintained in all areas, programs and services.
2. Leadership and improved accountability – both from the institutional president and executive team and the new EOU Board of Trustees. Having a local board as opposed to being one of seven campuses in a system will enhance accountability as the Board will be more familiar with the campus, its operations and its leadership as well as the needs of the region.
3. Renewed focus on the region. Eastern Oregon University is eastern Oregon's university. As such, there exists a symbiotic relationship between the university and the region. One can assist the other and working together can be a catalyst for much needed changes in the economy, communities and people of the region.

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