

Comments to meeting of EGSC Foundation Trustees

Monday 11/27/2017

Re: Fall 2017 at East Georgia State College

Dear EGSC Foundation Trustees:

Happy Thanksgiving. I hope all of you enjoyed a restful and peaceful weekend with family and friends.

Congratulations, Mayor Schwabe, on your re-election. We are proud of you and grateful for all you do for this great community.

Also, I want to say a special thank you to all of the trustees and senior administrators who participated in my recent 360-degree evaluation by the Chancellor. I know this took a large block of time out of your busy schedules and I deeply appreciate the commitment to the college which your participation demonstrates.

The months since our last regular meeting at the beginning of fall semester have been by far the most challenging and exhausting of my 40-year professional career due to enrollment challenges, resulting financial challenges, employee relations issues and other challenges. The Thanksgiving weekend provided me the opportunity to spend a few days on Tybee Island with Joyce and work and reflect. Here are my thoughts.

My overriding thoughts are optimism about the college's long term future, despite the challenges we face, and thankfulness for the roles which you, as trustees, and our faculty and staff play in making a college education - an opportunity for a better life - available to so many deserving students in this vital region of the state of Georgia. Thank you!

In addition to this confidence in our EGSC family, the primary reason for my optimism for the long range future of the college is the alignment between the mission and the great need in our region for expanded access to higher education. Simply put, if we focus squarely on meeting that need and do not let the short term challenges deter us, our future is bright. The state's high priority Complete College Georgia initiative calls for a dramatic increase in the number of college graduates in Georgia. In order to reach that goal, it will be necessary to dramatically increase the college

expectations and the number of qualified high school students who choose to attend college. The state colleges in Georgia generally --- and East Georgia State College specifically -- are uniquely positioned to serve as the point of access to higher education for this important sector of the state's population. East Georgia State College and the other state colleges of Georgia are uniquely positioned because we provide the low-cost, high-value, high quality choice for students across Georgia.

Not only are state colleges like East Georgia uniquely positioned to provide access, we are uniquely positioned to keep these students in college once they make the college choice. Once these students choose college, many have extremely high needs for academic and student support. State colleges understand the needs of this group of students. We are most attuned to the needs of the access student and best prepared to provide appropriate support to assure that a high percentage of these students are retained.

This increased academic and student support must, of course, lead to higher college graduation rates; and many of the students who graduate from college need to stay in our region and provide leadership. It is, of course, true that college is not the ideal path for each and every high school graduate. Nonetheless, far too few in our region are choosing that path. The number of students in our region choosing college and the number attaining a college degree needs to increase dramatically in order for our region to have a thriving economy. A very high percentage of the students – the ones for whom college is the smart choice but are not now choosing college - are those who EGSC's mission calls us to serve --- first generation college students, students from lower socio-economic groups with low expectations of college attendance, adult learners needing to return to college to adapt to the future, students whose financial situation demands a low total cost of education, and students needing intrusive academic assistance to succeed. In short, the region needs an institution focused squarely on these students like EGSC.

Another reason for my optimism for the long term is my deep belief in the capacity to succeed of the students who choose EGSC. Two of my favorite events of the fall semester were the Sunday afternoons when, on the first Sunday, around 125 of our athletes and coaches visited our home for dinner and when, on the second Sunday, about 40 of the students in our African American Male Initiative did the same. If you spend two afternoons with these bright, energetic, motivated, respectful young people and fail to have a sense of optimism about the future, you are simply not paying attention.

So, did the fall of 2017 move us towards our aspirations to bring the dreams of these promising students to reality? Yes, thanks to your support and the hard work of our

amazing faculty and staff. Consider a few of the major developments which took place at the college this semester:

- The new wing of our Academic Building opened. This nearly \$5,000,000 project added approximately 13,500 square feet of new classroom and lab space and approximately 15,000 square feet of renovated space to our beautiful campus.
- The 2-year process of designing and constructing the Student Center Expansion began. This is another nearly \$5,000,000 project, which will add another 20,000 square feet of space allowing us to expand our book store and add desperately needed activity space for our students. We will break ground next summer and open in fall 2019. I say that this activity space is desperately needed because our residence halls are more than full and these new full-time residents need a place for eating, socializing and co-curricular activities. This fall's occupancy rate is over 100%.
- Following all of this construction activity our balance sheet essentially shows no debt. Perhaps more importantly, we completed another clean audit of our FY 2017 finances.
- We welcomed a highly experienced and creative new Vice-President for Academic Affairs. She will, I am confident, lead major and creative initiatives in our academic programs which will lead to even higher retention and graduation rates.
- We began our RN to BSN program with our first 10 nursing students.
- Our other 2 bachelors programs are growing. At graduation in just a few weeks, we will celebrate our first Fire and Emergency Services Administration graduates.
- Our CHOICE program for intellectually disabled students has grown to 15 students with 11 of those students living in our residence halls.
- We welcomed a strong class of recruits to join a large group of returning athletes, which appear likely to challenge for league championships in all 4 sports.

So, with all of this optimism and thankfulness, why do I say that this fall has been so challenging? The reason is that the fall, in addition to these accomplishments, has brought us a series of challenges which are going to require a great deal of time, planning and simple hard work to address. Solutions are not going to be fast and, certainly, not easy.

So let's talk about these challenges.

First, final fall 2017 enrollment dropped from fall 2016 levels. At this point in time, it appears likely that spring 2018 enrollment will also drop from spring 2017 levels by a similar amount.

This enrollment drop has made it necessary for us to formulate a budget reduction plan. As all of us must do at home, the college must live within its means. Specifically, we are putting in place a plan which will result in a reduction in our operating budget by around \$850,000 by the beginning of fiscal year 2019, i.e., July 1, 2018.

We are not, due to responsible fiscal management over a period of years, in a position of financial exigency. The point is that we will not allow ourselves to be put in a position of financial exigency should enrollment trends continue.

This budget reduction plan makes the following assumptions:

1. Spring 2018 and academic year 2018-19 enrollment will drop at about the same rate as fall 2017 enrollment dropped from the prior fall --- about 4%;
2. The state will not allow tuition increases in FY 2019; and
3. Our state budget allocation for FY 2019 will remain flat at 2018 levels.

We, of course, will work extremely hard to bring about a reality which is different from these assumptions. However, we have to plan for the very realistic possibility that these assumptions are correct.

The first step has already been implemented. We have reduced all operating budgets already by 10%. As a next step, we placed a hiring freeze in place. In other words, when a position becomes vacant this year, it won't be filled unless it is one which I approve as critically important. As a third step, we are prioritizing our staff and faculty position and identifying about 20 positions – everything from entry level to senior positions - to be eliminated effective July 1, 2018.

By taking these steps, we intend to reduce the human impact of this plan as much as possible. For example, by identifying the positions to be eliminated now --- not waiting until July 1, 2018 --- a person whose position may be eliminated will have an opportunity to apply for other positions not to be eliminated as those continuing positions become vacant.

Budget issues, however, are not the only reason which have made this fall semester so challenging. Budget issues are, undoubtedly, one of the underlying reasons for a significant change in employee morale. This has, for example, contributed to a

significant rise in the number of employee relations issues which must be managed immediately as they arise. These employee relations challenges provide an apt example of one of the biggest hurdles we now face. This is a time when we need teamwork, commitment to our mission, passion about the success of our students and simple hard work. Yet, it is exactly the time when it is most difficult to deliver those things because human resources to address those issues are limited and there is an undeniable fear about the future created by any budget reduction plan. We must find a path to working through this time as a team.

So, why do we find ourselves in this situation despite all of the hard work and planning we have done together? One key reason is, of course, simply the demographics of this region of Georgia. Essentially, population is flat in the region served by East Georgia State College and families in this region of the state have far less financial resources to spend on higher education. There are other reasons:

1. There is an emphasis on providing access by USG institutions in other sectors in the area. As these institutions seek to attract students traditionally served by the access sector, this has a direct and immediate impact on EGSC.
2. There is an undeniable overlap in the missions of the state college sector and TCSG institutions. TCSG institutions are more and more focused on delivering the core curriculum at lower tuition rates than USG institutions. Also, they are more and more focused on providing dual enrollment opportunities. Again, as TCSE institutions attract students to complete their core classes this has a direct and immediate impact on EGSC.
3. Competition by private institutions and Georgia Military College is increasing.
4. As we have discussed so many times, and despite increases in state funding which have been allocated as a result of our efforts, low rates of state funding (as compared with higher funding per FTE of institutions in other sectors) continues to make it difficult to provide the tutoring, advising, student services and activities necessary to bring about student success. Access sector students are more likely to be first generation college students, students from families in lower income quartiles, and less well-prepared academically than students in other USG sectors. They need high levels of support to attain their potential, yet the institutions which serve them have the lowest level of financial support.

All of this is not complaining. It is simply laying out the facts. It is a description of the scenario we face. It does not mean we throw up our hands and get out of the game. It means we have to find ways to increase college expectations, college going rates, retention rates and graduation rates. It instead means that these enrollment challenges and the resulting financial concerns are going to require a sustained period of very hard work and will require leadership by everyone in this room in order for the

college to continue to survive and thrive. During this period, it will be essential that we do not let these enrollment challenges cause us to lose sight of the importance of other important initiatives such as developing a plan for a downtown Swainsboro presence of the college; and continuing to make essential connections between college and community at the Morgan House.

A strong communications effort will, of course, be essential to assure that faculty, staff and the community understand the underlying reasons and resulting decisions. Tough personnel choices are going to have to be made. When those decisions are made, I am going to need your support and understanding of these decisions. Questions from residents of the area will arise at community meetings, church meetings and over lunch and coffee. It is going to require strong leadership to respond to those questions with clarity and in a manner which will maintain the strong level of community support which this college now enjoys. Questions from faculty and staff will arise at staff and faculty meetings and over lunch and coffee. It will similarly require strong leadership to respond to those questions in a manner which will maintain strong employee morale in the face of limited resources. As we all face the need to do more with less, I am going to need a team with a willingness to work hard because the work is so important.

I ask everyone to spend some time following this meeting to evaluate how important you believe the work of this college to be. Is this work really essential to the economic viability of this community? Do we really need to raise expectations about college attendance and rates of college degree attainment in this area? I personally believe that the answer to both of those questions is "yes." I hope all of you will reach a similar conclusion and will, along with me, recommit to the hard work necessary to get the job done.

Thank you.

Robert G. Boehmer
President