

**State of the College Address
October 13, 2014 – 11 a.m.**

[Slide: Title Slide]

[Slide: Educating, Graduating, Serving Community]

[Thank you to Foundation Trustees]

Thank you Whitney Heath and all the students of the college, Angie Brown and all of the staff of the college and Dr. Alan Brasher and all of the faculty of the college. Thank you Denny Key and all of the other members of the Board of Trustees of the Foundation for your sponsorship of today's events.

Good morning, members of the East Georgia State College Community. Thank you for your interest in the future of the College and the community it serves.

It is an honor to serve this community as president of the College. As I said when giving this address last year, my role as president is to act as steward of the treasure that is known as East Georgia State College.

The purpose of this address, which will be delivered each year, is to provide you with my analysis of the achievements of the College, the challenges and opportunities facing us and the strategies we will use to meet those challenges and seize those opportunities. Since I know by your attendance today that you have a stake and a strong interest in these topics, I will make that analysis in some detail today.

[Slide: Ben Mimbs photo]

Let me begin today with a brief update about one of our recent graduates, **Ben Mimbs**. Perhaps this update will provide us with perspective about today's events.

Ben is currently attending the University of Georgia and working at a job for which he was recommended by my executive assistant, Mrs. Susan Gray. Ben plans to earn a bachelors degree in English and pursue graduate school.

We asked Ben, "What is your best memory of EGSC?"

Ben's response:

"Just one?"

July 18, 2014 -- the day I officially left EGSC.

It was 5 pm on a Friday during summer semester, and everything was quiet. I said goodbye to all of the friends I had made while working in the Presidential suite, walked through the beautiful rotunda, where I had often spent time reading, laughing with friends, and playing guitar, I passed the learning commons and library where I would go in-between classes to catch up with friends, headed out towards the stairway leading to the Humanities division, where I spent hours upon hours talking with, joking with, and being mentored by the incredible individuals who instilled in me a love for learning and a desire to pursue knowledge and wisdom --- people who were at one time merely teachers, yet I now proudly call friends. That one moment brought back all the amazing memories I had made in my two years at EGSC. And as I made it to my vehicle and drove away, I remembered

the words of A.A. Milne, "How lucky I am to have something that makes saying goodbye so hard."

We also asked Ben:

"Did EGSC have a positive impact on your present situation?"

"Definitely.

The faculty members at EGSC did an incredible job preparing me for the academic environment at UGA and the staff helped me considerably in the transfer process. UGA is a massive school ...” "... Had I not attended EGSC before UGA, I have no doubt that I would have experienced much higher levels of stress and anxiety ...” and “probably would never have developed the love for learning that I now have.”

Perhaps I would be wise to simply say “nuff said” and conclude my remarks right here and now. Ben’s comments really do provide a sound answer to the question “What is the state of the college?” The answer: The college is serving students like Ben in an exemplary fashion.

But, as you might imagine, I do have a few more things I need to share with you.

As I began to write these remarks, I found that I needed to remind myself about the answers to two basic questions in order to focus my thoughts:

[Slide: Mission and Vision of the College]

First, to know the state of the college, we have to know its very reason for being – its mission. So the first question is why does this special place, East Georgia State College, exist? The college exists to provide access to a high-quality, affordable college education so that our graduates obtain a great start on a productive, fulfilling life. We all work each day to maximize the likelihood that each student will earn a degree, commit to a life of learning and, in turn, live a fulfilling life and contribute to the economic and social vitality of the region.

Measured against this standard, I submit to you today that the state of the college is very good indeed.

Second, is my conclusion about the state of the college standing alone enough? Why is a formal report to you about the state of East Georgia State College important – important enough for all of you to take a morning out of your very busy lives and come to the auditorium in the Luck Flanders Gambrell Center and listen? The answer is, of course, quite straightforward yet extremely important. It is certainly not because the oratory will be gripping. It's because East Georgia State College changes the lives of our amazing students. The students whose lives are changed then live in, work in and serve our community and make it vital. If we are to continue this tradition of producing excellent graduates like Ben, it is essential that we convene periodically to reflect on the challenges and opportunities we face.

I know that the importance of those students to each of us is the reason you are here today. Students like

Wayne Badie (pronounced Bay-dee), who -- about 20 years ago -- graduated from a place then called ECJC. Wayne went on to earn two degrees at Georgia Southern followed by a Ph.D. from University of Sarasota. He recently retired as the Assistant Superintendent of Schools in Ware County. He gives credit for his long, fulfilling career to EGSC. Wayne says

“Being young, without an automobile, with limited financial resources would have made it easy to give up but the people at ECJC – now EGSC - did not give me that option.”

[Slide: What is the new normal?]

Keeping graduates like Ben and Wayne in the front of our minds, let’s now roll up our sleeves and get on with the hard work of analyzing the state of the college. I say “hard work” because the complexity of higher education has heightened dramatically in recent years. Sorting through this complex maze is hard work, yet, institutions failing to do this hard work, understand the new normal and directly confront it, do so at their own peril. EGSC won’t make that error.

This new normal is not a local or state issue alone; it’s facing institutions of higher education from Alaska to Florida. It is characterized by two key factors:

- #1 - Declining state funding coupled with students paying a higher share of the rising cost of their education and graduating with far too much debt; and
- #2 - Downward enrollment pressures.

[Slide: Ivy Cadle Photo]

I warn you in advance. You are unlikely to find this new normal to be uplifting. So let's pause once again quickly and remind ourselves why we are here.

Ivy Cadle and **Meagan Williams** graduated from EGSC almost a decade apart. Ivy, a Swainsboro native graduated in 1998. He went on to UGA to earn both Bachelors and Masters degrees. He then earned his law degree from Mercer Law. Ivy is now a successful attorney with Baker Donelson in Macon. Recently, he was the alumni speaker at our commencement ceremony. **Meagan Williams**, also from Swainsboro, graduated in 2010. She went on to earn her Bachelors and Masters degrees from Georgia Southern. Meagan is now the owner of Nuts and Bolts Clothing, a very successful casual clothing line based on agriculture (i.e., cotton). She sees farming as the backbone of our nation. 10 percent of her profit goes to the Georgia Future Farmers Association Foundation.

I know that all of you feel a deep sense of pride in the accomplishments of the many, many graduates which Ben, Wayne and Ivy and Meagan represent. Their successes remind me that we don't have the option of failing to navigate the new normal. We must understand and confront it if more and more students are to follow their paths.

[Slide: EGSC's budget – state funding and tuition]

So, let's get back to the hard work of navigating the new normal. I mentioned earlier that the first key piece of the new normal is declining state funding of higher education across the United States. When I first began my career in higher education (in another century), the common wisdom was that

state institutions of higher education were funded about 50/50: one half from state dollars and the other half from tuition dollars. State funding has decreased now to the point at which the reality is that we are now closer to 25% state dollars and 75% tuition dollars. In other words, a far greater share of the rising cost of higher education now falls on students and their families.

[Slide: Declining state funding]

As our window for analysis of declining state funding, let's look at the national picture from fiscal year 2008 through 2014. That roughly corresponds to the beginning of the great recession through late spring of this year.

This blinding bar graph behind me now shows the change in state funding per student from fiscal year 2008 through fiscal year 2014. As you can see, Georgia is #13. Adjusted for inflation, state higher education spending has fallen over \$2,000 per student from its 2008 level. That's real money – and it means that the cost of going to college must have been managed during this difficult period by spending cuts, tuition increases or both. As you might readily guess, the lion's share of this burden across the nation was, in fact, financed by tuition increases. Published tuition at four-year public institutions has risen by almost \$2,000 since 2008.

[2 Slides: declining EGSC funding]

But, this increased tuition has not fully compensated for the state funding cuts. As a result, public institutions of higher education also made deep spending cuts. For example, as demonstrated by these two slides illustrating trends in the

college's state funding and tuition revenue, EGSC weathered a \$550,000 budget reduction in the last fiscal year.

[Slide: Student loan debt – “don't be this guy”]

As state funding declined and tuition increased across the land another troubling trend emerged: more student loan debt and higher rates of default on those loans. When I speak with new students and their families at student orientation, I typically show them this slide and urge them not to be this guy. I urge them to use student debt prudently, choose a major with care, have a financial plan and discuss that plan with their family.

I do that because student loan debt in the U.S. now exceeds \$1.2 trillion. At the end of 2012, over 70% of graduates from four-year colleges had student loan debt. On average, each student owed nearly \$30,000.

The default rate on this burgeoning debt, however, gives me even more concern than the sheer amount of the debt. Until the most recent reporting year, these default rates climbed steadily for a number of years to reach a peak of 14.7% in 2012. That means that, among borrowers in their third year of repayment in 2012, 14.7% were in default. This declined, thankfully, to 13.7% in 2013. Although a decline in any year is good, 13.7% is simply too high to be sustainable.

[Slide: Increasing state revenue collections in Georgia]

So, what does the future hold? Does higher education face an inevitable future pattern of continually declining state funding, rising tuition and student debt spiralling out of control? I do not believe that this is our future, but it's going

to take some serious planning and effort by all of us to avoid that outcome.

What is my basis for this cautious optimism? Fiscal year 2014 reports already indicate that 37 states (including Georgia) in the U.S. increased funding for higher education. In addition, state revenue collections in Georgia increased over 5% in FY 14 and signs are positive that a similar increase will take place in FY 15. This is great news. Nonetheless, higher education funding still remains below pre-recession levels; and, there is little likelihood that it will soon return to pre-recession levels. Furthermore, there is certainly no national appetite for making up the difference with large tuition increases.

[Slide: Declining enrollment]

Let's now turn to the second key piece of the new normal: downward enrolment pressures, particularly for public institutions of higher education similar to East Georgia State College. As you can see from this chart, the enrollment boom brought significantly increased tuition revenues to many institutions for many years. This, however, peaked in 2011.

[Slide: Declining enrolment in 2012 and 2013]

This boom was followed by significant drops in enrolment at many institutions across the country in 2012 and 2013. As you can see from this slide, that was certainly the case in the state of Georgia.

The decline appears to have slowed at the present but the enrollment boom which characterized higher education nationally in the past is unlikely to return anytime soon.

[Slide: long term U.S. Enrollment projections]

Although a major enrolment boom does not appear to be on the horizon, long term college enrollment projections for the U.S. do project some growth. As you can see from this chart, the projected rate of growth during the next decade is significantly slower than the prior decade, however.

So there really is a “new normal.” Colleges and universities, which desire to survive and thrive, will need to adapt rapidly. As I describe this new normal to you today, please understand that my message is that East Georgia State College will adapt and we will survive and thrive. We must because, as we are continually reminding ourselves today, the impact on the lives of our amazing students compels us.

[Slide: Beau Gunn and Bruna Rodriquez]

Theses amazing students include graduates like Andrew Darley, Beau Gunn, and Bruna Rodriquez:

Andrew Darley of Lyons wrote the EGSC Alma Mater. He went on to graduate from the UGA School of Pharmacy and now works there.

Beau Gunn graduated from EGSC, went on to graduate from Georgia Southern University and is now county administrator for Emanuel County.

Bruna Rodriguez of Swainsboro, graduated from EGSC in 2012. She went on to graduate from Mercer 2014 and is now in 1st year Mercer Law.

[Slide: the value of a college education]

The successes of these students, also, reminds me that, despite all of the national debate about whether a college education is worth it, the undeniable answer is “yes – it is worth it.”

Consider the following:

- Individuals holding college degrees earn more, are unemployed at lower rates and are less likely to live in poverty; and
- The gap between those with and those without a college degree is widening.

[Slide: increasing earning gap]

For example, the Federal Reserve Bank recently pointed out that the average college graduate paying an annual tuition cost of \$20,000 is likely to fully recoup their investment by age 40. After that, the difference in annual earnings means that grad is likely to earn around \$800,000 more than their counterpart with only a high school degree by retirement time.

Let's be honest with each other right now. You are thinking, my college education is worth it because, at the very least, it least prepared me to endure all of these PowerPoint slides.

I do recognize that this discussion of higher education trends is wearing you down. But, that's exactly the point. It's been wearing all of us down for quite some time now.

Nonetheless, we have faced it together and directly and with good humor and have kept the ship pointed in the right

direction. We have a strategic plan which guides our decisions and this has produced good results.

[Slide: Strategic goals]

Consider just a few examples:

[Slide: EGSC enrollment trends]

- East Georgia State College recruited and communicated until we dropped last year and our enrollment has turned the corner this fall. Although numbers will not be final until tomorrow, an increase of 2-3% over fall 2013 is likely;

[Slide: Augusta campus]

- Our Augusta campus, opened in fall 2013, grew from under 100 in its first semester to well over 300 this semester;

[Slide: EGSC is a bargain]

- We have remained among the best bargains in higher education in the country. Consider that recent data released by the U.S. Department of Education lists EGSC in the lowest 5% in terms of the total annual cost of education;

[Slide: Student loan default rate]

- East Georgia State College's Student Loan Default Rate Task Force has kept its nose to the grindstone. As a result, our default rate dropped 3.5% this fall;

[Slide: photo of Bobcat Villas]

- We have actively participated in the University System of Georgia's Public Private Partnership Initiative – P3. As a result, construction on our second residence hall will likely start in spring 2015 – another 200+ bed facility next to our existing 200 bed residence hall;

[Slide: Proposed addition to Academic Bldg]

- We are working with the best legislative delegation in the state to seek approval of a nearly \$5,000,000 addition to our original academic building. This addition will bring badly needed lab and classroom space. The legislature will address our proposal for this new space next spring – but we are encouraged by the fact that the Board of Regents has included this important project on its recommended list;

[Slide: First Biology graduates]

- Our first bachelors degree program, biology, is already growing and thriving. We celebrated our first two graduates last fall. Later this week, we anticipate approval of a second bachelors degree program intended to serve firefighters and emergency services personnel across the state. This will be a degree in fire services administration;

[Slide: Athletics]

- Our athletic teams continue to make us proud on the field and in the classroom.

[Slide: Costa Rica]

- We reached an agreement with four other colleges in the University System of Georgia to significantly expand our study abroad program in Costa Rica. Students will have an opportunity beginning next summer to spend a full-month in Costa Rica, earn 6 hours of general education credit and perform service in a community in Costa Rica. The program will be affordable and extremely high quality.

[Slide: rate of funding per FTE]

Oh, and by the way, all of this took place while the college absorbed a cut of approximately \$550,000 in our operating budget. Also, it took place despite the fact that EGSC's rate of funding per full time equivalent student is substantially lower than our peer institutions.

How was this possible? It was possible because, as you know, it's all about the students. East Georgia State College faculty and staff always put these students first --- even in trying times.

[Slide: collage of students]

Consider these students who graduated from EGSC and are now excelling at other USG institutions:

Rick McNeely, a 2012 graduate, is now attending UGA and will complete a bachelor's in Biology in the Spring. He is planning to attend dental school.

Haley Chester, a 2013 graduate, is now at Georgia Southern University pursuing a double major. Her future plans are to work with Human Trafficking victims in Georgia.

Raven Hudson, a 2014 graduate, is attending UGA as a History major, minoring in Art. She will become a high school history teacher.

“Everyday, the professors, administrators, and courses from EGSC enable me to progress at UGA. I am a much better student with a foundation from EGSC where I learned how to grow.”

T'Keyah Sutton, a 2014 graduate, is now at Armstrong State majoring in Law and Society.

Austin Carruth, a 2014 graduate and former Miss East Georgia State College, is a senior at Columbus State University majoring in Mass Media with a minor in business administration. She plans to obtain her Master's in Public Relations & Corporate Communications.

“Starting out at East Georgia State College was the best decision I ever made. Not only was it much cheaper than the typical university, but it provided me with a higher quality education than I could not have received elsewhere. The small class sizes, the professors that were always available for questions or help, and flexibility with my schedule all made East Georgia the school for me.”

Natalie Love, a 2013 graduate, is a current student at Georgia Southern, majoring in mechanical engineering and working as a tutor for East Georgia State College at our Statesboro Campus.

Tre Hagood led the East Georgia State College Bobcats to the national tournament two years ago and graduated from EGSC in 2013. Tre is now leading the Prarie View basketball team in D-1 competition. He will be graduating in the spring and will attend graduate school.

Tyler Wilson, a 2014 graduate, is a junior at Georgia Southern University majoring in Business Management with a minor in Finance. He is preparing for the LSAT and applying to Law School.

“East Georgia State College served as an important stepping stone in my academic career, had it not been for EGSC I definitely would not have accomplished all I have to date. I cannot thank you all enough.”

Thomas Simons came to East Georgia State College from California and graduated in 2014. He is now at UGA pursuing a business degree and will own his own business.

Can we sustain East Georgia State College’s positive direction in the “new normal” environment and continue to produce graduates like these? Yes – we must and we will.

[Slide: demographics of Emanuel County]

One reason is the close match of the needs and demographics of our community with the mission of the college. Simply

put, we are an institution charged with providing access and the numbers of qualified, deserving students in our region needing the very type of access our mission charges us to provide is very high.

[Slide: photos of signing agreements with tech colleges]

Another compelling reason is the leadership in our community. Our K-12 educators, our technical college colleagues, the leaders of our research universities and our community leaders are all on the same page. It's not about the territory. It's all about the students in this part of the state. In short, we can get things done because we are all focused on the students and meeting the challenges.

[Slide: Cost of attending EGSC]

We are fully committed to remaining a leader in affordability while continuing our tradition of offering high quality academic programs taught by highly qualified faculty with a personal touch;

[Slide: local students at Fulford Center]

We recognize the importance of a dramatically expanded partnership with our K-12 systems to assure that students in the region develop the expectation of attending college and the tools to succeed in college beginning at the time they enter kindergarten and continuing through the time they complete high school.

[Slide: photos of EGSC Statesboro and EGSC Augusta]

We believe in our partnerships with Georgia Southern University in Statesboro and Georgia Regents University in Augusta. We provide a point of access and prepare the students for upper division work. The students transfer, earn a bachelors degree and move-on to contribute as a member of the work force. Everyone wins.

[Slide: collage of current students]

We believe in our students. There are so very many. Students like

Heather Correll, who recently received the Dekle-Lamb Kiwanis/Circle K Scholarship;

Amber McNure, who is majoring in foreign languages, will graduate in December and plans to teach.

Lucas Frink, who will graduate, attend UGA to major in business management and pursue a successful business career;

Harley Strickland, our current Miss Georgia and a student at our Statesboro Campus;

and

Whitney Heath, our Student Government Association president and member of our women's softball team.

There are so many others. We believe in all of you.

[Slide: Faculty and Staff who graduated from EGSC]

We believe in our dedicated and outstanding faculty and staff. Do you know that 38 EGSC faculty and staff members graduated from EGSC and are now working each day to serve these outstanding students and contribute to the economic vitality of the region?

[Slide: faculty staff awards]

Faculty like **Antre Drummer**, who went to high school in our community, earned his EGSC degree, earned a Georgia Southern degree and then returned to teach math at East Georgia State College. Imagine if we could replicate this pattern over and over – inspire our young people to attend college, give them and great start at EGSC, and then see them return to serve our community?

[Slide: Correll Scholars Program]

At 10 a.m. today, we were honoured to host Pete and Ada Lee Correll and to honor their creation of the Correll Scholars Program. I believe this gift will be the beginning of the attainment of this vision. This program will allow us to offer 20 renewable scholarships of \$5,000 each year beginning in fall 2015 to our Correll Scholars. Over five years, we will have the potential to produce 100 graduates with the capacity to fundamentally change our community.

[Slide: Economic Impact]

We know that this program, along with the other efforts of the college and the community, will even further grow the already significant economic impact of the college on the region.

Please join me in thanking Pete and Ada Lee Correll for this leadership, foresight and generosity.

[Slide: Closing slide]

Thanks for spending this time with me to consider the future of the College. Let's roll up our sleeves and get this done together.