



November 15, 2011

Colleagues,

Last Spring, in response to our financial and economic realities, we came together as a university community and worked diligently and earnestly to develop a sustainability plan guided by four broad goals:

- 1) achieve financial stability;
- 2) provide the structure to continue to achieve our goals and objectives;
- 3) protect our academic core (instructional capacity and scholarship & research activity); and,
- 4) ensure that we protect the essential elements that form our core values and beliefs as a community of scholars.

Our plan was based on the known facts surrounding us at the time, as well as what we could responsibly and reasonably project for the near future. Since the plan is a dynamic response to a volatile environment, its successful implementation requires us to continually monitor and recalibrate based on changes in our operating environment, to proactively forecast changes and adapt to them early to avoid emergency situations. The plan also requires us to observe the impacts of our actions within the plan, to learn from these, and to make further refinements. As we constructed the plan, we specifically discussed our “Fourth Week” numbers as one of the key points at which to review the progress of the plan and make any necessary adjustments.

Over the past several months, as we initiated the plan, we have learned a great deal and have made modifications. Also during this time frame, our environment has changed as well. I articulated many of these elements to you in my previous letter on October 27, 2011. The state increases in health care costs (PEBB) that are passed directly to us exceeded what was projected at the state level. The fact that the PERS board did not take action regarding pension plan funding was totally unexpected and again significantly increased our personnel costs. Furthermore, the negotiated settlement with one of our representative unions increased the total compensation figure by over 2% of what the state planned and what we projected last spring. In

addition, though we are enjoying record enrollment totals again this year our tuition revenue forecast, while close to the targets we projected, was shy of what we called for in our plan. While we do have record enrollments, the mix of students we have attracted and the full time equivalent (FTE) and types of courses in which they are enrolled points to an overall reduction in revenues and requires us to update our projections. For example, we have seen a precipitous drop in new first time freshmen enrollments, a phenomenon seen across the Oregon University System as well as the country, and at the same time, an incredible surge in community college transfers. The result is more students, many of which are not taking a full load.

The combination of these financial conditions are such that in order for us to maintain the integrity of our sustainability plan and remain financially viable—to continue to have the underpinning needed to achieve our goals and to protect the essential elements that define who we are as an institution—requires us to reduce our on-going budget by another \$500,000 to \$750,000 in this biennium. These further reductions allow for us to meet our current fiscal demands, as well as a 3.5% state budget “holdback” that the state’s Legislative Fiscal Office has asked us to plan for. It does not account for future draconian cuts by the state, if these are in fact to be triggered in the next legislative session.

The budget reductions that have been proposed fall into two categories. The first is tactical in that the prime rationale is to reduce costs through either eliminating certain functions and/or positions in areas that can be absorbed into other positions or just not performing those tasks. For example, one of these reductions entails shifting a portion of an administrative salary line onto an appropriate student fee structure. A second tactical budget reduction is that administrative new hires will not begin until a new academic term has started. This delay in starting dates will produce a reoccurring source of salary savings that can be used. The tactical reductions are illustrated in Attachment 1 of this memorandum.

The second area of reductions are strategic and should be viewed as a realignment of resources—human and fiscal—to better perform core functions and to provide a more streamlined and efficient model of operation. The implementation of these plans requires, in each case, cross-divisional work, cooperation and coordination. In the end, these plans will strengthen our ability to serve students and faculty, will protect the instructional capacity, and will have the potential to produce even more savings and efficiencies.

The first of these strategic reductions is the consolidation of all of the custodial, maintenance and trades functions of the university under one management system. This proposal is described in more detailed in Attachment 2 of this memorandum. Currently, we have two separate systems performing their work on our campus—one that serves the residential halls singularly and a second that serves the rest of the campus, including all of the core academic and administrative building as well as the grounds. Under the proposed plan, there will be one system that will serve the entire campus. This consolidation will eliminate redundancies of management,

scheduling, purchasing and other functions. Through its implementation, staffing levels at all functional levels will be analyzed and matched to the needs of the entire campus in a manner that will not be hampered by the location of the need and/or funding source—e.g., E&G funding versus auxiliary funding.

The second of these strategic reductions is a further transformation of our technology resources and structure. This proposal, which was driven by members within this department, has two component aspects. Attachment 3 details the various positions, duties and structures that are directly impacted by this proposal. The first aspect builds on the work that was initiated this past spring with a complete re-tooling and analysis of our Information Technology area, as well as by the very successful Summer Institute of Instructional Technology (SIIT) and the continued investment in the faculty-led Innovative Instructional Initiative (I3). While this does represent a net decrease in salary costs, it also puts the resources in direct line of serving faculty and students in an extremely effective and efficient manner. Furthermore, this change increases the necessity of a greater strategic reliance on the I3 and should position us to achieve more consistent and focused results in leveraging technology for more effective teaching and learning, both on campus and off campus. Consistent and on-going consultation with the faculty steering committee of the I3 will be a critical component in the design and implementation of this part of the proposal.

The second component aspect of this technology-centered strategic recommendation, which is beyond the scope of the I3, is a change in the way we manage and support our web site. This is a significant change and one that is not taken lightly. The web site is one of our most valuable marketing and communication tools and it is essential that we continue to have a well-designed and functioning web site for recruitment, information and continuity. This past year, significant changes have occurred within the web site to improve it. However, the core question is that to truly optimize the efforts of the web site, to realize its full potential, we need to expand—and expand greatly—the web team (which right now is basically one person). Ultimately and unfortunately, we do not have the resources at this time to do so—to make this a priority it would require an additional three or four people, at minimum, at an extreme cost to the university and the elimination of other priorities. Therefore, providing on-campus help desk support, off-campus hosting and server management and the engagement of a professional organization for web implementation—all at the direction of EOU—is a viable option. It would allow for the resources of a multi-person team to provide expertise and guidance of our web site not only in design, but the all important infrastructure and strategies that guide the technical aspects of our web site, in a manner that is cost efficient and more productive than what we are currently able to allocate to this area.

These two steps were the result of an ongoing review undertaken by our IT staff, looking not only at the current staffing structure but also towards their future goals focused on realigning their efforts to serve faculty, staff, and students. They are

clearly thinking anew about what they are doing and how they can do it better and more efficiently.

The challenging times we experienced last year continue, and it will take a great deal of courage and determination for all of us to stay the course in our efforts. I, personally, do not relish this time in any manner as I struggle mightily with the decisions that must be made to ensure that our university and our educational mission remains intact to serve our students now and in the future. In doing so, I am building on what was created in the past by many of you as well as many former colleagues who have poured your hearts and souls into this institution. I do not take this responsibility lightly or without reverence. On a daily basis I talk with our students and hear about their goals and aspirations that have been spurred on by you, our outstanding professors and staff members who have an unyielding commitment to the success of our students and the future of our university. I am reminded of this regularly by our ongoing and remarkable successes—having just experienced the performance of Richard III in the McKenzie Theater, I must comment on how awed I am by our students as they demonstrate their amazing abilities.

I pause daily in front of Inlow Hall and read the inscription above the entrance: “Have the Wisdom to Resolve and the Patience to Perform.” As we continue to direct our path through these unpredictable and tenuous times, we must live up to that credo and continue to have our sights set on the end, utilize our wisdom and intellect to deal with the issues at hand, and remain patient in our performance. In that vein, I look forward to hearing your comments on the proposed adjustments. Please contact me by November 25, 2011 either directly or by using the electronic suggestion box located on my web site at www.eou.edu/president or by going to: chinook.eou.edu/eouforms/listening.cfm

Thank you for your support of Eastern Oregon University and your ongoing commitment to our core values, values that create a space for us “To reveal truth and beauty; to develop intelligence and skill; to inculcate social and civic ideals” in all of our students and the members of our university community.

Respectfully,



Bob Davies
President

Sustainability Plan Adjustments
Attachment 1

EOU Sustainability Plan Adjustments 11/14/2011

	FY 2012 Impact	FY2013 Impact
Recommended Tactical Reductions		
Elimination of Administrative Support Position Athletic Department	\$ 29,500.00	\$ 59,000.00
Elimination of the Director position at Southwest Oregon University Center	30,000.00	60,000.00
Move a portion of the Vice President for Student Affairs salary to Student Health Fee	43,000.00	43,000.00
Salary savings from delayed hiring for positions	34,500.00	34,500.00
Savings from Tactical Reductions	<u>\$ 137,000.00</u>	<u>\$ 196,500.00</u>
Recommended strategic reductions		
Combine University Facilities and Housing Maintenance and Custodial	\$ 20,000.00	\$ 68,000.00
Savings from IT reorganization	111,477.00	218,855.00
	<u>\$ 131,477.00</u>	<u>\$ 286,855.00</u>
Total FY Savings	<u>\$ 268,477.00</u>	<u>\$ 483,355.00</u>
Total Saving Biennium		<u><u>\$ 751,832.00</u></u>

Sustainability Plan Adjustments Attachment 2

Proposed Combining of University Facilities and Student Housing Maintenance and Custodial Services

In response to the unanticipated increases to EOU's cost structure that requires action to modify the current Sustainability Plan, the EOU Housing maintenance and custodial programs will combine with the University's Facilities Services program. This move will allow EOU to recognize immediate reduced costs in overlapping duties and management synergies and further savings as reductions in personnel requirement are identified in the near term.

Under the new organization, Facilities & Planning will take on the supervision of Housing maintenance and custodial services. Employees that currently report to the housing maintenance supervisor will report to the EOU Facilities & Planning supervisory structure. The current Housing custodial staff will join the Facilities Services custodial staff and report directly to Custodial Supervisor Daniel Cashen. The current Housing Maintenance staff will join the Facilities Services maintenance staff and report directly to Maintenance Supervisor Don Adams. Scheduling and reporting for Housing maintenance and custodial services will be performed through the University's Facilities & Planning department. Housing and Facilities Services will work collaboratively to plan and manage the maintenance and custodial services provided to the residence halls.

Expected annual savings from the reorganization will amount to approximately \$68,000.

**EOU Information Technology/Enterprise Systems
Budget Reduction Proposal**

Created on November 1, 2011

**Presented to President's Executive Team on
November 7, 2011**

Executive Summary

As discussed in an email to staff from President Bob Davies on October 27th 2011, a number of factors have contributed to a financial shortfall for the remainder of biennium 2012-2013. It also appears this shortfall may be indefinite. In fact, EOU may be facing prolonged and sustained reductions from state funding for the foreseeable future if not indefinitely. An estimated shortfall of approximately \$750,000 for the biennium must be accounted for through a combination of cost reductions and perhaps optimistically, increased revenues.

Information Technology (IT) has been challenged with absorbing a large percentage of this shortfall while also meeting current and future technology needs. While this challenge may appear somewhat daunting, it also represents an opportunity for IT to reinvent itself strategically and better align itself with the long-term mission and goals of the university. We believe this proposed plan meets the above challenge head-on with a combination of organizational redesign, investment in personnel, improved efficiencies, outsourcing and position reductions. All represent lasting benefits to the university.

The development of this proposal was structured around three potential states of the university. The first state is an immediate need to reduce costs for survival. Surviving will take us into the second state, innovation. This is a systematic review of what EOU is, and what the IT related services within university are and how we can bring forward an infrastructure that takes us into the third state, rejuvenation. Rejuvenation is the return investment of resources into Information Technology, leading to the realization of the goals from the sustainability plan as presented by President Davies this summer.

This plan outlines four interdependent strategies that meet short term cost reductions while minimizing impact to customers and providing for future growth within IT. Additionally, IT will be structurally prepared to meet emerging challenges and foundationally established to leverage technology investments to meet the university's mission and goals. The four strategies are; reorganization of IT resources, task assignment appropriate to position class, investment in key personnel assuming higher level roles and the immediate elimination of three high-level positions.

Sustainability Plan Adjustments Attachment 3

Before fully disclosing this proposal, it should be noted that this is not a cafeteria plan, nor have provisions for selectivity been included. It is critically important that administration understand the resource-lean nature of this plan and how interdependency's are critical to its success. Furthermore, and equally as important, this plan depends on a philosophical change campus wide, which begins with support at the very top of the organization.

Together, these strategies will save the university approximately \$111,477 for fiscal year 2012. Beginning fiscal year 2013, these savings are expected to be approximately \$218,855 annually. Combined, the total savings for biennium 2011-2013 is approximately \$330,332.

Proposal Narrative

While it is clearly understood that critical services cannot be reduced, IT must become much more efficient in delivery of these services. This can be accomplished through a combination of self-service initiatives, customer empowerment and task assignment prioritization. There is a widely known proverb, 'Give a man a fish, you feed him for a day; teach the man to fish, you feed him for a lifetime.' The delivery of IT services must shift from doing the work to teaching and thus enabling, our users how to accomplish their work. This is potentially challenging and painful for IT's customers. However, with the vocal support of administration, this challenge is not insurmountable. Furthermore, the assignment of IT personnel to given tasks must become more selective and assigned at the appropriate position class level. This will facilitate in freeing high-level technical personnel from lower-level supporting roles and thus allot more time to business and mission critical activities.

The efficiencies gained from this new philosophy, along with task prioritization and restructuring of resources will result in the reduction of three high-level positions while only requiring the addition of one entry level position, an upgrade to one existing position and outsourcing web design services. For the remainder of the 2011-2013 biennium, this will result in a cost savings of \$330,332. The positions being reduced are: Information Systems Manager, Director of Academic Technology and Webmaster. The position being created is an Equipment Support Specialist 1. The position being upgraded is an ESS2. The specific redistribution of duties and responsibilities is discussed below.

Information Technology and Enterprise Systems cannot absorb the entire \$750,000 shortfall. We can however, mitigate nearly half of that amount. Collaboratively, both departments have reviewed staffing levels and our roles supporting the mission, values and goals of EOU. We've identified areas for optimization and subsequent cost reductions. These changes will be modeled after similar processes that have been completed by the Network Systems group and Enterprise Systems related to FIS. These groups have shifted their philosophical approach from solving the problem du-jour to helping our users help themselves. In the case of Network Systems this was done by standardization of service levels across campus, modernization and homogenization of infrastructure. In the case of Enterprise Systems this was done by developing external environments for custom data mining while leaving our core Banner system as close to "baseline" as possible. The ideology behind these changes has led to more optimized work

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Attachment 3

groups, which are now able to better support current issues AND help the university move forward. This shift, once applied to other aspects of IT operations, will aid EOU in meeting our stage one needs (survival) as well as preparing us for stage two (innovation) and beginning to position us for stage three (rejuvenation).

Position Reductions

Information Systems Manager (ISM): The duties of this position fall into three primary responsibilities. A majority of this position is development support for Banner SIS functions. This role is going to be added to the existing three analyst/programmers in the Enterprise Systems group. Secondly, the ISM position is responsible for strategic planning for Banner enhancements. This role is going to be assumed by the Director of Enterprise Systems. The remaining duties of the ISM position are in regards to the management of the campus telephone system. This role is going to be filled by an Equipment Support Specialist (ESS)2. This ESS2 is currently an ESS1 position that will be upgraded. The existing PC support provided by the current ESS1 will be transferred to the new ESS1 position, once filled.

Director of Academic Technology (DAT): The duties of this position fall into three primary responsibilities. A portion of the DAT position deals with strategic planning for learning management systems such as Blackboard. This role is going to be assumed by the Network Systems Manager. The Network Systems Manager will sit on the faculty committees involved in innovative instruction and instructional technology. These committees will review and plan for enhancements to our learning management systems, content delivery and other instructional technology initiatives. A second area of responsibility for the DAT position is Blackboard administration and the remaining core area of responsibility of the DAT position is faculty training and support for the Blackboard system. These roles will be delegated to the IT Consultant. Currently the IT Consultant is a divided role between Academic Technology and Media Services. The IT Consultant will become entirely dedicated to Academic Technology. The Media Services requirements will be assumed by the Media Services Manager. Administrative functions currently performed by the Media Services Manager will be offloaded to the IT Purchasing Agent and augmented by Help Desk staff.

Webmaster: There are three categories of duties for the webmaster position. The first area of responsibility of this position is web content development and management. A portion of this function will be outsourced to an independent contractor, which can provide the same services at a significant savings. This will include the actual hosting of the web site, which will create efficiencies by eliminating redundancy as well as increase security measures. The design and implementation of communication strategies will be at the direction of EOU. It is expected that the professional service provider will be able

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to assist EOU greatly in enhancing our overall technology strategies, by suggesting best practices, as it relates marketing and communication efforts. A second area of responsibility of the webmaster position is infrastructure management. This function will be shared by two ESS2 positions that currently focus on server and network management. The existing PC support provided by these current ESS2 positions will be transferred to the new ESS1 position, once filled. The final area of responsibility for the webmaster position is direct user support in development of content and publishing using Wordpress and Contribute. These functions will be assumed by the Help Desk Coordinator (HDC) and Help Desk Analyst (HDA) positions (both currently temporary). Administrative support for Information Technology currently provided by the HDC and HDA will be delegated to the IT Purchasing Agent. User support for the university community is mission-critical to the success of this program and this will be a high priority for this proposal.

To mitigate the strain of these reductions, workloads and tasking will be shifted to other resources. This is going to ultimately result in the need for one new entry-level position; Equipment Support Specialist 1. Furthermore, and to help provide stability and incentive to key personnel within IT, it is important that administration recognize the requirement for investing in current staff through position upgrades and appropriate increases in compensation. This is especially true for those personnel who will be assuming higher levels of responsibility and risk.

In summary, the above three positions will be eliminated, while one new position will be created. This will offload lower support functions from more technically advanced positions, which will in turn assume higher level functions from the vacated positions. For the balance of this biennium, a net savings of \$330,332 will be realized.

Personnel and Budget

The table below shows the projected costs and savings for the 2012 fiscal year. Personnel costs include salary and benefits for a partial year. Timing of these moves will be made as part of the overall implementation plan and will be staged in a manner to ensure as smooth of a transition as possible. The figures presented here are estimates based on this timing, which we acknowledge may need to be adjusted based on external factors.

Event	Cost (Savings)
Reduction of Information Systems Manager	(\$49,928)
Reduction of Director of Academic Technology	(\$42,840)
Reduction of Webmaster	(\$48,909)
Implementation of Web Outsourcing	\$19,900
Promotion of ESS1 to ESS2	\$1,800
Hiring of ESS1	\$8,500

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Total savings for 2012 fiscal year: \$111,477

The table below shows the projected costs and savings for the 2013 fiscal year.
(Personnel costs include salary and benefits.)

Event	Cost (Savings)
Reduction of Information Systems Manager	(\$119,828)
Reduction of Director of Academic Technology	(\$102,815)
Reduction of Webmaster	(\$97,812)
Implementation of Web Outsourcing	\$39,800
Promotion of ESS1 to ESS2	\$10,800
Hiring of ESS1	\$51,000

Total savings for 2013 fiscal year: \$218,855

Total savings for 2012 - 2013 fiscal years: \$330,332

Conclusion

This plan is presented in a spirit of hope and usefulness. We do “cut across” divisional lines; however this was done to achieve efficiencies and effectiveness. EOU is in a budgetary predicament and we must do things differently or we will continue to reach the same results. The previous Sustainability plan initiated that process; this is a furthering of those ideas and thoughts. Information Technology tasking has been divided across business units of the campus, which has led to inefficiency and redundancy of effort. To avoid this redundancy and improve efficiency, a dedicated effort is needed to bring these IT functions into a centralized department. At the same time, we know that we must work effectively with, and at the direction, of the marketing efforts of university. We also must work with the faculty to meet their needs and efforts as they perform their educational duties and be guided by these needs. The staff reductions proposed herein start that process, however, more consolidation efforts maybe needed moving forward. In the end, it is our goal, by making theses adjustments, we will be able to continue to serve students and faculty and in fact will be able to do this more efficiently and effectively.