



ENROLLMENT PROJECTIONS UPDATE REPORT January 2010

Over the past months we have been working to develop a statistical model that can forecast enrolment beyond one year. Thus far we have had good success in one-year projections, but have not mastered a long-term view. Because our enrollments have fluctuated over the past five years, this makes prediction a bit tricky. To solve this problem we developed a simple model that tracks student growth based on retention averages and enrollment trends.

There are basically four buckets of students that we have identified that can give us insight about future enrollment: On campus freshmen and their persistence over time; on campus transfer students; all other students such as non admits, grads, and on site programs; and online students.

On Campus Freshmen

For on campus freshmen we use a multi-year record of retention to predict how many students will stay at EOU until they graduate. For example, the five-year trends of persistence for on campus freshmen are as follows:

Retention of Freshmen*

Year 1	100.0%
Year 2	62.28%
Year 3	45.79%
Year 4	43.3%
Year 5	20.3%
Year 6	6.8%

*Percentage corresponds to proportion of students from the original cohort that remain through each successive year.

If we track our on-campus freshmen, we see a dramatic increase in our campus enrollment over the next several years as a result of 1) replacing a relatively small Fall 09 class with a larger F10 class, and 2) from the compounded impact of an increased retention rate.

Fall 2010 will not see a significant gain as we are still reeling from the effect of poor retention from 2007 and from smaller freshmen classes in 2005, 6 and 7. The numbers jump in 2011, however. We can expect, based upon average levels of retention (62.28% FR-SO) and freshmen recruitment at the F2009 level (450) increases in total students on campus as follows:

Least Optimistic On Campus Enrollment Forecast

Fall 2010	Fall 2011	Fall 2012	Fall 2013	Total
+64	+209	+195	+95	+562

If we sustain our current 72% FR-SO retention rate and improve our SO-JR rate by 5% and modestly increase recruitment of freshmen by 25 each of the next three falls, we can expect an even larger effect:

Most Optimistic On Campus Enrollment Forecast

Fall 2010	Fall 2011	Fall 2012	Fall 2013	Total
+64	+253	+239	+150	+707

A most conservative approach would estimate the growth as a result of these two factors interpolated:

Average of Most and Least Optimistic On Campus Enrollment Forecast

Fall 2010	Fall 2011	Fall 2012	Fall 2013	Total
+64	+231	+217	+122.5	+634.5

We are already seeing the impact of more students: Closed classes, stress on the learning center, and pressure on 100-level courses. This is a terrific problem! We will need to start thinking and planning for the impact of the addition of 300 or more students in Fall of 2011, 500 by fall of 2012, and at least 600 by fall of 2012. Remember that a net gain of 200 students on campus in fall of 2011 will yield new resources to address these needs.

A caveat and warning is necessary at this point, however. We have been very successful with recruiting--primarily as a result of higher yields of matriculated students from the existing pool of students. We will need to continue to apply pressure to the admission yield activities such as post admission advising and orientation and to search-out new sources of students if we are to maintain a continued strong freshmen intake. Similarly, we must continue to apply effort in FR-SO retention activities and ramp-up our work to increase SO-JR retention if we are to capitalize on the compounding effect of positive retention gains. Eastern knows the heartache of relaxing efforts in both these arenas. Our previous drop in enrollment was a result of a non-systematic approach in recruitment and retention activities.

Some have speculated that a portion of our enrollment success may be explained as a hydraulic of the economy. Generally, when the economy slips, attendance increases. This has certainly explained the growth in community colleges and may explain some of our success. We would not expect a jump, such as experienced Fall Of 2009, next fall or in the future unless the economy continues to flag. We may even experience some loss in student participation resources for scholarships and State support dwindle.

So the overall caution is, "let's not get too complacent about our current boon." We need to do all we can to improve our recruitment strategies and to explore new markets.

Online

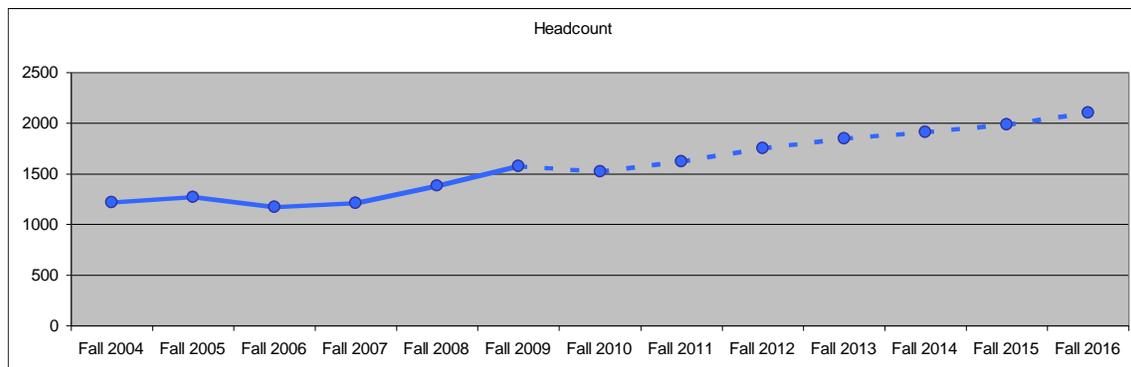
Our online audience requires a much different way of looking at the model. If we remove all students from online enrollment that are taking at least one campus course, we find that the remaining students are generally part-time. Since these students take a great deal longer to complete a program and since they enter at a variety of points in their progress towards a degree, tracking retention rates is not helpful in trending year-to-year or long-term growth.

Instead, total headcount is tracked using linear regression. One can eyeball the data to see this trend:

Online Enrollment in Fall Term 2004-2009--Actual

Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009
1215	1268	1171	1211	1383	1577

Some might be skeptical of this data to suggest that Fall 2010 will not be flat as predicted because the overall trend is an average 6% increase in enrollment. The overall online enrollment curve looks like this:



In summary, what we can look forward to minimally is a trend that accumulates enrollments for the next four years:

Online Enrollment in Fall Term 2004-2009--Forecast

Fall 2010	Fall 2011	Fall 2012	Fall 2013	Cumulative Gain
1524	1622	1754	1850	273

In some respects, headcount in online course enrollment is not as important as the total number of student credit hours. SCH has been increasing faster than headcount, so the overall prediction of Fall 2010 may vary from the model. If it does, there are few serious implications to planning other than making sure we have the faculty and capacity to serve students at a distance. Since most of our resources are tied to enrollment, any unexpected growth can be accommodated with increased revenues.

Of interest to each College will be the tipping points where added students will tax the support system for online students. Blackboard, testing services, advising, administration

may need to take a careful look at where the pressures will be as enrollments increase another 20% in the next four years.

Transfers

Like new freshmen, on campus transfer students can be tracked over time in terms of intake and retention. Transfers enter at all levels, from freshmen to senior. The transfer rates for EOU have steadily dropped over the past five years (about a 3% slope over 5 years with a most recent increase this last year). Modest growth of transfers may be expected based upon new strategies employed to attract community college students and the benefit of increased retention rates. Curricular pathways, increased attention to on-site community college transfer fairs, remission scholarships, and other strategies may allay the recent reductions in transfer admissions. Based upon several assumptions and trends, the increase in transfers over the next three years is a modest 100 students or so.

Others

The final category of students includes graduates, un-admitted part-time on campus students, and those at other sites. Since graduate and on site programs are cohort designs, the numbers of students do not vary until a new cohort is developed and offered. Determining growth in this category depends on decisions to add or delete cohorts. Some growth that anticipated in the off-campus business programs may be offset by the general downward trend in teacher education as students follow the perceived trail of potential jobs.

We are experiencing a small growth in un-admitted students that may be reflective of the economic realities of displaced workers retooling for new positions.

In sum, all other categories of students add very few to the total. In a four-year window we can probably anticipate another 50 students from these categories.

Total Enrollment

Based on the analysis of the two major components of enrollment, on campus and online, we can predict, if we stay the current course, that enrollment will grow over the next four years as follows:

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Total
On campus	+64	+231	+217	+122.5	+634.5
Online	0*	+98	+132	+96	+326
Transfer	0	+61	+22	+7	+91
Others	0	+19	+13	+13	+46
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All	+64	+409	+384	+238	+1031

*This number is probably +50 or more students, but the statistical model predicts flat.

This means that by fall of 2013 we should have 1000 or more students going to EOU. This is outstanding news. These are conservative estimates based on assumptions that we will continue to work hard to recruit and retain students. If the campus invests in new strategies, this matrix can be significantly improved beyond this projection.

Summary

The President has described our current status as being in a good place--temporarily. As we look forward to the next biennium, 2011-13, the financial forecast is bleak. Economists are starting to suggest a significant deficit following lackluster growth, continued unemployment, a loss of federal stimulus dollars, and the increases in public retirement rates, health costs, and increases in labor costs. An early place holder for reductions for 2011-13 has been set at 20%. For EOU, 20% would be approximately a \$3.2M per year loss. There are only two ways to address this magnitude of deficit, we either cut--or we grow. The growth projections in the chart above would fill the deficit gap and would keep us from further reductions.

If you would like to manipulate the models and test out hypotheses, I would be happy to send you the work that Farooq and I have cooked-up. It is an EXCEL spreadsheet that allows you to plug figures and to fiddle with assumptions.