

State of the University Address
September 28, 2005.
Dr. Jerilyn McIntyre, President

Thank you all for being here for this annual state of the university report.

Introductions: Cabinet, Trustees, David Smith.

There are 26 new faculty at CWU this year. I'd like to invite all of the new faculty who are here today to stand and be recognized. During the past year, 7 faculty retired and 14 left the university for other reasons.

There are 48 new members of the classified staff. Would our new classified staff please stand and be recognized? Eleven classified staff retired and 45 left the university for other reasons.

There are 16 new administrative exempt employees. Would these new employees please stand and be recognized? During the past year, two administrative exempt staff retired and 22 left the university for other reasons.

We welcome our new colleagues, and send our best wishes to those who left the university during the 2004-2005 year.

At the same time, there were other, sadder transitions in the life of our university. This year, at our annual memorial ceremony, held the day after the Memorial Day Weekend, we honored and said goodbye to 34 students, faculty, staff and friends of the university who died during the preceding year. We remember them all with gratitude and affection.

In previous years, this annual State of the University address has been an occasion to go over our accomplishments and challenges and link them to the university's strategic plan. The focus of this year's review is longer, however.

The strategic plan still provides the framework for the directions we set and the assessment of our progress on the major goals we identified for ourselves five years ago. However, a major activity this year will be the campus and community conversations that will lead to a revision of our strategic plan for the next five years--the period 2007-2012. The Strategic Plan synthesizing committee has been established, and that committee will hold forums around campus to generate discussion.

The starting point for those discussions will be the current strategic plan and its statement of goals and sub-goals. But the discussion will proceed from there to determine if those strategic goals are still the ones we want as a

roadmap for our future, and to consider whether or not new sub-goals should be added for the next five year period.

Because they will be so crucial to this effort, I'd like to invite members of the synthesizing committee who are here today to stand now and be recognized.

As we look ahead to that planning horizon, I'd like to look back at the challenges we have faced and the progress we have made under the old plan. Where were we in the fall of 2000? What issues were on our minds as we began our most recent strategic planning process?

There were a number of concerns the campus and the community had mentioned to me during the presidential search process earlier in the year. There was a need to achieve greater diversity within student and employee ranks and to improve the reputation of the university within the state, especially with state legislators. There were several dimensions of the issue of campus climate that required attention. And there were other challenges as well—notably the implementation of PeopleSoft system which was already underway, replacing an old Legacy system that was close to breaking. And as all of these forces came together, Central Washington University was struggling with the question of how to develop and expand its university centers without compromising the quality of the educational experience on our Ellensburg campus.

Rather quickly, however, another challenge arose which began to command our resources and our attention. I realize it is easy from the vantage point of today to forget how difficult our circumstances were at that time. But as we look ahead to planning for our immediate and long-range future, we need to be aware of the nature of the challenges we faced in the not-so-distant past, to think about how we met those challenges, to consider the way our planning assisted us in those efforts, and to be prepared for the possibility of similar challenges in the years ahead.

So let me recall for a moment the seriousness of the situation we faced in the fall of 2000.

All of the concerns that were mentioned in the search process remained, of course, but what overshadowed them all for a while was the fact that CWU missed its enrollment target by nearly 600 FTE in the 2000-2001 academic year – which was unfortunately also the year in which the legislature was making budget decisions for the 2001-2003 biennium.

The result was that our budgeted enrollment was rebased downward and our budget cut accordingly. A downturn in the state economy led to an additional 2 per cent budget cut for us and for our sister public institutions. Additional cuts would follow the next two years.

Collectively, these cuts amounted to a reduction in state funding of \$7,367,000 over three years, on an operating budget base of approximately \$82 million. The cuts were partially but not entirely offset by tuition increases of 29 per cent over that same period, but those tuition increases were particularly devastating to the students CWU has historically attracted. More than 40 percent of our students are first generation college students. Many of those families were already stretched to pay for college. The tuition hikes hit them especially hard.

At another time, a reduction of that kind might have led to a declaration of financial exigency. Indeed, at an earlier period in this institution's history, as some of you know, financial exigency was declared. However, the trustees and I rejected that option.

Overall, there were two phases in the ways we tried to manage all of the changes CWU ultimately needed to make. Phase I (approximately the first two and a half years) was more adaptive and moderate in both form and function, although throughout this phase, I asked the institution to think about our circumstances and "reinvent ourselves." Phase II, following our realization that the state's budget problems and their consequences for our university budget were likely to be more enduring, was more clearly and intentionally transformative. I'll explain the significance of the term "transformative" in a few moments.

Significantly, we began by laying out a road map and developing a sense of who we were and what we wanted to be. The year-long campus-wide process that led to the development of the focused strategic plan produced a road map that has served very well as a framework for resource planning and budgeting decisions in the years since it was first adopted. Its goals were in some ways continuous with some we had had in the past, but it became increasingly apparent that the way we achieved those goals—and others we might set—had to come from a gradual but genuine transformation of campus and organizational culture.

The strategic planning goals have been as follows: to provide for an outstanding academic and student life at Ellensburg and at the centers; to develop a diversified funding base to support our academic and student programs; to build mutually beneficial partnerships with industry, professional groups, institutions and the communities surrounding our campus locations; to strengthen the university's position as a leader in the field of education; and to create and sustain productive, civil and pleasant campuses and workplaces.

As the campus discussed those goals and added sub-goals to them, the administration and the trustees developed several management objectives representing conditions that would be instrumental to achievement of the strategic goals; in other words, they identified necessary conditions for the success of the overall strategic plan.

These instrumental conditions or management goals were to:

- ☞ Stabilize the budget
- ☞ Stabilize and grow our enrollment
- ☞ Integrate planning
- ☞ Focus on excellence
- ☞ Build a strong and collaborative leadership team.
- ☞ Improve partnerships and external relationships
- ☞ Improve the visibility and reputation of the university

In many ways, the university needed to find a new model for itself. To that end, in campus presentations, meetings, newsletters, and considerations of our resource and planning goals over the past five years, I asked faculty, administrators, and staff to take these transforming steps—steps that I believe we should resolve to continue as we plan for the next five years and beyond:

- ☞ Become active rather than passive in understanding and responding to the impact of external forces on the university.
- ☞ Identify centers of excellence within the university (what we have agreed to call “spheres of distinction”) identifying and promoting ways in which Central is truly distinctive and outstanding.
- ☞ Become more selective in our admission process at the same time that we enhanced our diversity. This may have seemed risky at first, given our enrollment woes, but we needed to signal that we were not an open access institution; that we had applied and would apply rigorous criteria for admission to the university. We also needed to step up recruitment of and provide a more welcoming environment for underrepresented students.
- ☞ Grapple with the realities of being two universities in one—the Ellensburg campus and our six university centers. In other words, we needed to clarify the role and mission of these two integrated but functionally different components of our university, set goals for the optimal size of each, and identify budgetary requirements to support their programmatic and service needs. The trustees have echoed this concern and have asked repeatedly for clarification of our goals for our university centers.
- ☞ Publicize our accomplishments widely and strategically.

The predominant theme in all of this is that we needed to take control of the agenda for our future. We could no longer just let things happen to us, and we needed to put into place mechanisms that could benefit the university in both good times and bad.

What we have achieved by following this planning agenda since it was adopted in 2001 has paved the way for the planning we can now do for the next five years and beyond. I’d like to comment on a few accomplishments—in other words, ones that I believe have been crucial in bringing us to the improved circumstances in which we now, happily, find ourselves and that provide the foundation for the planning on which we will be embarking this year.

First, we have been able to stabilize the budget

When the enrollment crisis first hit us in the fall of 2000, we had no idea that we were in for three years of budget stabilization exercises, but – as you all know – few states escaped the post-9/11 economic crisis. In the first year, with little time to plan for the downturn in revenue, we asked every unit to tighten its belt. Vacant positions, except those most crucial to operations, were not filled. Tenure-track faculty positions were held open, and teaching loads were delegated to more faculty who were not on continuing contracts. Because so much of the university's budget is invested in people, we made cuts in the only other area where we had some flexibility: goods and services, and this meant that during the roughest years, departments and units were operating on a shoestring and travel of all sorts was severely curtailed. We used our interest income and even borrowed from our reserves to find every penny that could be used to as one-time funding for adjunct faculty and for the PeopleSoft implementation.

During that year and later, as the revenue picture worsened, we began to encourage divisions, units, and departments to identify cost-saving and revenue-generating ideas. Our goal was to protect staff positions that were necessary to ensure that students received the educational programs and support they deserved. We cut association memberships and administrative journal subscriptions. We eliminated three athletic programs. For three consecutive years, we made an early retirement package available, in the first two years to faculty and in the third year to exempt staff. Administrators who held appropriate credentials agreed to teach classes; several others volunteered for cyclic leave – often reducing their contracts from twelve months to eleven or ten months. Our facilities staff looked for economies in the operation of the plant and, in fact, won an award from the governor for energy conservation just last year as a result of work that began at that time.

We have also stabilized and grown our enrollment.

When our enrollment dipped in the fall of 2000, state officials not only took away our proviso funding, they also asked us to develop an enrollment recovery and stabilization plan.

Funded by a one-time allocation from the legislature, we contracted with Stamats, Inc. to conduct a market survey of potential students, parents, and counselors at selected high schools and community colleges in Washington state to determine how Central was perceived. The survey told us that we didn't have a negative image. If anything, it was neutral: people simply didn't know much about us. In fact, some didn't even know exactly where we were located. Those who did know about us were aware mainly that we prepared teachers—despite our excellent programs in other areas as well.

Based on what we learned from the Stamats survey, we developed a marketing and recruiting plan. The marketing plan has been crucial to our goal of improving our image and name recognition. However, we knew that we also needed to step up personal contacts with potential students and those who influenced them. Using part of the one-time money we had received from the legislature, we hired additional recruiters and established a more consistent presence in high schools and community colleges in the region. We talked directly with middle and high school teachers and counselors throughout the state, but particularly in our region.

We also turned our attention to retention. Fixing our enrollment downturn depended not only on getting more students in the door, but also on keeping them once they arrived. To respond to this challenge, Vice President Charlotte Tullos and her team, assisted by many faculty and staff throughout the university, have strengthened our orientation programs and developed an outstanding first-year experience that now provides stepped up assessment, support, and mentoring for entering students.

The results have been impressive. At every fall orientation for the past four years, I've welcomed our incoming students with the announcement that they are the most academically talented and diverse entering class in our university's history. Our applicant pool has grown considerably, allowing us to become increasingly selective. The freshmen acceptance rate declined from 89% in 2001 to 80% in 2005. Thus far the main effect of improved selectivity has been a marked reduction in under-prepared students. Other measures of improved academic quality of our students include our retention rates. Freshman retention has risen from 72.8 per cent in fall, 2000, a number which was already well above national averages, to 79.7 in fall, 2004. And our graduation rates, which have always been above the national average, have improved as well.

We've also been increasing our diversity. Of undergraduate students who enrolled in fall, 2000, 12.9 per cent were students of color. By fall, 2004, this percentage had grown to 15.6 percent, with Hispanics constituting the largest cohort. Enrollment of students of color in graduate programs rose from 9.5 to 11.1 percent during the same period. We've taken a particular interest in increasing participation among Hispanic students because of the rapidly growing Hispanic population in the center of the state. CWU now enrolls the largest percentage of Hispanic students among the state's public universities, and we are working with our American Indian tribal neighbors to increase in that cohort as well.

I know that this rapid enrollment growth has created challenges, and I realize it is important to address them. However, I also want to emphasize that the connection between stabilizing and growing our enrollment and stabilizing our budget is a direct one. Much of the increased funding we have had over the past

five years has come from the tuition revenue from the additional students we have enrolled. The past couple of years, there has also been some increased state support designated specifically for additional FTEs for transfer enrollment, and in certain high-demand fields. In the current biennium, CWU has been allocated funding by the legislature for an additional 650 FTE—with the stipulation in the budget bill that this must go to support NEW enrollment—i.e. to provide additional instructional capacity and services for the increase in the number of new students.

We are developing a strategic emphasis on excellence.

I've already mentioned the improving quality and diversity of our student population. There have also been remarkable individual and collective achievements among our staff and faculty—continuations of commitments to excellence in teaching, research and service that distinguish Central in a wide range of endeavors. We have acknowledged, celebrated, publicized and encouraged those accomplishments in a variety of forums, from meetings of the Board of Trustees to articles and news items in university publications and in publicity elsewhere. We need to do more of this—to make visible the excellence that already exists at CWU.

The “spheres of distinction” I announced this summer, developed after recommendations came forward from all divisions of the university as well as from members of the Employee Council, represent another dimension of this focus on excellence. The spheres of distinction simply provide a more systematic way to identify and support areas in which excellence at CWU can and should continue to be strategically nurtured and encouraged.

What lies ahead?

All of this brings us to the issues that may shape our planning for the next five years and beyond. Our current strategic plan was crafted at a time in the institution's history when, frankly, things looked very bleak. We had let things happen to us—not plan for them—and as a result we weren't ready for the rather dramatic change in our fortunes that we abruptly faced in the fall of 2000.

Our goal as we look ahead to our next strategic plan, and to the integrated, longer-range planning that will grow out of it, will be to make sure we are ready and we will be able to adapt to whatever might confront us in the future. What we have learned from our own past, in other words, can serve us well as we look not just to the next five years at CWU, but also to the longer planning horizon we need to keep constantly in mind.

The story of our past and of our future-- is ultimately a story about **change** – the kinds of change that many of us in higher education have encountered or will encounter in this era of dwindling support and increasing public and student

demands. It's about how institutions can manage change and even use it to move forward in positive new directions.

The American Council on Education's invaluable 1998 publication *On Change* is an insightful discussion of the way institutions can manage dramatic transitions. Recognizing the range of definitions of what constitutes change, ACE calls on institutions to "chart intentionally" their futures. Some change strategies are "superficial" tweakings of curriculum, staffing, or administrative processes or more moderate adaptations that do not fundamentally alter institutional structure

On the other hand, there are those who believe that there are times when radical changes may be necessary. For them, that time may already be upon us.

Advocates for radical change reason that higher education as we know it must be overhauled if it is to survive. University leaders must change their basic assumptions and fundamentally alter the way colleges and universities do business, not simply adjust their current models.

Proponents argue that unless traditional higher education reinvents itself, the providers of less expensive and more convenient education will eventually dominate the market (p. 2).

ACE calls this "transformational change," for which it provides the following working definition:

Transformation (1) alters the culture of the institution by changing select underlying assumptions and institutional behaviors, processes, and products; (2) is deep and pervasive, affecting the whole institution; (3) is intentional; and (4) occurs over time (p.3).

Much of the planning and many of the resource decisions we engaged in for the first two or three of the years after fall 2000 involved what ACE might call more "superficial" or moderate changes in the way we do things. Increasingly, however, for the past couple of years and especially into our future, change has been, and—I believe, will have to continue to be—more genuinely transformational.

We can develop a sense of what transformations may be necessary by considering some of the trends that will be likely to shape our destinies for the next generation or so. I shared some observations about what those trends might be at last week's Fall Faculty Day. I did so because of the importance of thinking intentionally about how we approach change and about which of our assumptions and institutional behaviors, processes and products may need to be reconceived and redirected in the context of some the trends that may well affect us.

The trends likely to be of most importance are in the current and potential demographics of our student population (with the number of entering students and transfers continuing to grow until they level off anywhere between 2014 and 2017, at the same time that there is growth in the senior citizen population and in our nation's overall diversity). Other trends are in the fields, disciplines and degree levels that will in greatest demand over the next generation; in the policies and the level of state and federal fiscal support for public higher education; in the impact of technology on student's instructional and campus lives; and in competition from other providers of academic and professional training.

Last week, I asked those who attended Fall Faculty Day—as I ask all of you now—to think about these trends and their consequences for CWU and other similar institutions in the next twenty years. Basically, in our planning we need to be thinking about (1) who our students are likely to be; (2) what coursework will be most in demand, both by society and by our students; (3) how we will balance student interest in new areas with instruction in fields that have dominated our curriculum in the past; (4) what will be the role of technology in instruction and how will it transform student learning experiences, data gathering and library collections; (5) what should be the direction and the role of our undergraduate and graduate missions in the future; (6) how large our Ellensburg campus and our university centers should be; and (7) what kinds of entrepreneurial or resource-enhancing activities we should pursue to provide the additional revenue our expanded mission may require in the future.

On that last point, I can tell you that one such resource-enhancing activity is already underway: with recent approvals by the CWU Foundation and the Board of Trustees, CWU has already embarked on its first comprehensive fundraising campaign—something you will be hearing quite a bit about in the future. This is an important step in the life of this university.

To this point, the university has gone through a process of soliciting ideas about needs that exist in all areas of the university. Next, we presented a case statement—a description of those needs—to a group of potential donors to see which they would be most likely to support in a fundraising campaign. From their responses, the needs have been distilled into three categories that both capture the array of needs that were suggested earlier, and that are likely to generate financial support from friends and alumni of CWU.

We are now in the “silent phase” of the campaign. That is, we have set a tentative goal and a tentative time-frame for the campaign. That goal will stretch our fundraising capacity—it will set a target that exceeds what we have thus far been able to raise annually. But it's an achievable goal.

From this point on, our development office, working with deans and

other administrators—including me-- will begin to make contact with potential donors to solicit their interest and their donations. We're following a typical pattern for fundraising campaigns, in the sense that our effort will be centralized in some ways—coordinated by the development office—and decentralized in others—that is, the development office will rely on assistance from department chairs, and other individuals around the university, as we make contact with potential donors. All of this will require campus-wide communication, collaboration and coordination.

We feel we will achieve the goal we have set for this campaign. But, as is the case with campaigns at other universities and in other organizations, this is just the first campaign. It will create the institutional structure and capacity to do subsequent campaigns—which will surely be necessary—and will cultivate a “culture of philanthropy” among our friends and alumni that will carry over into campaigns in the future.

Summing Up.

All of the issues I have described to you today are complex and difficult, and their various dimensions require thoughtful consideration and study. But it is critical that we begin thinking about them now. We've been through dramatic challenges and changes already in the past five years; we may have to weather others as well in the future. But even if the changes we must make are more gradual in character, their cumulative impact may be equally dramatic over the next generation.

This year, as we focus on planning for our short-term and longer-term futures, I ask you to consider the kinds of change in ourselves and in this university that may be necessary as we plan for, and determine to manage, the forces and the challenges that lie ahead. Can we set goals for the cumulative processes that lead to even more positive changes in our future? Can we continue to control the agenda and the pace of change even in the face of some of the dramatic events and possibly unanticipated transformations that may occur? Can we identify ways to meet the challenges posed by trends and new directions in the evolution of American higher education, and at the same time continue to nurture the dimensions of excellence that have been fundamental to the transformations we have undergone the past few years?

I think we can. We have already demonstrated how the connection between planning and decision-making can create a new model and a new vision for ourselves. I think we can continue to build on that foundation for our future. The planning processes in which we will be engaged this year will provide the blueprint that will guide those efforts for the next several years—and beyond.

I'd like to make a couple of announcements before I invite your questions: I want to call your attention to the new Diversity Training Initiative, an array of programs that explore the many aspects of diversity. More about this will be appearing in the University bulletin soon, and you are invited to support and participate in this important initiative.

We also encourage you to remember, among the many who have suffered from tragedy and disaster, the victims, families and friends of victims of hurricanes Katrina and Rita. As we look ahead to our own immediate and longer-term future, we need to keep in mind that the future for those individuals has been drastically and tragically changed. I thank the many of you who have already responded in support of campus, community and other relief efforts

Thank you for your attention. And thank you for all that you do for CWU.