

Special Evaluation
Peer-Evaluation Report

The Evergreen State College
Olympia, Washington

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NWCCU Liaison to the Peer Evaluation Team:

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A confidential report of findings prepared for the
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Introduction

The peer evaluator notes that the documents assembled by the Evergreen State College (TESC) for the Ad Hoc visit, which included the 2023 Special Report, a Strategic Enrollment Plan, and a document titled “New Directions for Evergreen” were relevant, logically organized, and of sufficient content to support the evaluation that was requested by the NWCCU. The people of Evergreen State, to include President Carmichael, administrators, faculty, staff, and students, and in particular, ALO Erik Gimness and Julie, Slone, Executive Associate to the Provost, were welcoming, accommodating, and timely in meeting my requests during the visit. I also offer my gratitude to Evergreen’s Information Technology, and Food Services departments for taking care of my IT, and dining needs during the visit.

Visit Summary

The evaluator met with the president and members of the Executive Leadership Team, Senior Advisory Personnel, and individuals from the office of the CFO. Additionally, Forums were held with C-PEG and Strategic Planning core team and Students.

Recommendation 3:

TESC-2018-Mission Fulfillment and Sustainability; Recommendation 3: That the Evergreen State College develop a realistic multi-year enrollment management plan to ensure short term financial health and long term financial stability and sustainability (2020 Standard 2.E.3)

Standard 2.E.3 Financial resources are managed transparently in accordance with policies approved by the institution’s governing board(s), governance structure(s), and applicable state and federal laws.

Progress on Recommendation 3

Introduction

During the 2018, Year 7 peer evaluation, TESC received a recommendation to develop a realistic long term enrollment management plan that could support financial resource planning. Subsequently, the 2021 Mid-Cycle Peer Evaluation Report cited little progress toward increasing enrollments, noting that, “Enrollments have continued to decline since the 2018, Y7 Report, and based on current IPEDS numbers, it appears that enrollment is, at best, flat.” The 2021 Mid-Cycle Report continued “that there is ample evidence that the college has thoughtfully

developed a phased plan to address this recommendation”, while also calling attention to one positive indicator, that graduate and non-traditional student enrollment was increasing faster than TESC projections for fall 2021. The 2021 peer report also noted that the plan appeared to lack full marketing support for its enrollment initiatives, and that some of those initiatives would not be fully implemented until 2024. As a result, the 2021 evaluation report expressed some concern about TESC being able to achieve short and long term financial health due to the timing of the implementation of its initiatives. Evaluators also expressed concern over the sources of funding for some of TESC’s enrollment initiatives. The 2021 Mid-Cycle Report concludes that the years leading up to the 2024 PRFR would be critical for TESC. Accordingly, the Northwest Commission scheduled an Ad Hoc site visit for fall 2023, to observe and report on TESC progress toward achieving the objectives that were outlined in Recommendation 3.

The 2023 Ad Hoc Report Format

The Ad Hoc report will summarize changes in TESC enrollment numbers since the NWCCU 2021 evaluation report, while also providing updated observations regarding the concerns noted in that report. Following these updates, the Ad Hoc Report will provide evaluator observations from multiple reviewed resources, and the onsite visit, which focus on specific TESC efforts to increase enrollments and improve its financial position. Following an executive summary, the report appendix will include a meeting roster for the onsite visit, and a copy of a written summary of evaluator observations provided to the President and Provost during the visit exit meeting.

Enrollment and Financial Progress since the 2021

TESC reports that its enrollments bottomed out in 2021, and that new student enrollments since that time have increased by 17%, as a result of three consecutive quarters of positive growth. Fall 2023 enrollment was projected by TESC to increase by 120 to 204 students. While onsite, the evaluator received 10th day enrollment numbers from TESC for fall 2023. Total enrollment on October 6, exceeded TESC’s higher projection of 204 students, by 41 students. This enrollment outcome marks the fourth consecutive quarter of enrollment growth at the institution. TESC indicated during the visit that for budgeting purposes, it intends to continue using a more conservative enrollment growth projection of approximately 120 students per year for the next two fiscal years.

TESC’s financial projections through 2027, indicate that tuition revenue will increase by about 21% over the next three fiscal years. After accounting for an estimated 2% per annum tuition increase allowed by the State of Washington, the evaluator was able to verify that the remaining tuition revenue increases in the TESC budget projections would come through sustained enrollment projections of approximately 120 additional students each year. The resulting total headcount, if realized, would be at approximately 3,000 enrolled students, the total number of enrolled students proposed in the current strategic enrollment plan for FY27.

Since the 2021 Mid Cycle visit, TESC reports that it has reduced its budget deficit from a projected \$7.3 million in FY 2022, to an estimated \$1.2 million in FY 2024. When utilizing a conservative enrollment growth number of 120 students each year, TESC's projected budget deficits will continue, although decrease in magnitude over the next two budget cycles. TESC has indicated that it does expect to close its budget deficit over the next two years, relying less each year on its reserves for balancing the budget. TESC has received state appropriations for mandated salary increases that amount to 85% of needed funding, while being able to self-fund the difference through budget reallocations. Some budget reallocations came through salary savings from faculty buyouts of 13 positions at the end of FY22. However, TESC reported during the Ad Hoc visit, that due to improving enrollment and financial position, a prior negotiated reduction in force of faculty will not need to be implemented at this time.

Notably, TESC has also received increases in state appropriations exceeding \$1 million to help fund Prison Education programs, and student success initiatives, such as Greener Foundations, a four-credit hour course designed to help students acclimate to academic and student life. Additionally, TESC received \$1 million in one-time Foundation support for its Returning Greeners program, and a \$2.17 million Title III grant to help support the institution's Holistic Advising program. Returning Greeners was devised to attract former TESC students who had dropped out of school, to re-enroll in TESC by offering a \$1,000 stipend, while Holistic Advising is being developed to improve student support services and advising for academic success.

TESC indicated during the visit that it is working to establish a defined reserve policy, which might be established at \$17 million, or roughly 6 months of working capital. Combining all existing institutional reserve accounts including summer school, housing, and the emergency reserve, TESC reports that it could presently produce the anticipated amount of reserves that would be specified in its proposed policy.

Through salary savings from faculty buyouts, budget reallocations, supplemental State funding support, TESC Foundation support, TESC enrollment growth, and Title III grant funding, TESC appears to be gaining substantial momentum toward achieving short term financial health. By successfully securing identified funding sources for its enrollment enhancement initiatives, the funding sources and marketing support concerns noted in the 2021 peer evaluation report should be relaxed. Should TESC enrollment projections come to fruition over the next two years, a projected increase in revenues in excess of expenses starting in 2027, as well as codifying a reserve policy, might signal the start of a return to long term financial stability at the institution.

Overview of Evergreen Enrollment and Curricular Initiatives

Evergreen's objectives when developing its enrollment enhancement strategies, were to create initiatives that were prioritized, measurable, clear, specific, and realistic. The evaluator's observation is that while Evergreen's initiatives are clear, specific, and realistic, there is a lack of measurement data for some of its enrollment enhancement initiatives that would more directly

associate increases in enrollments to an outcome of a specific initiative. This observation is truer for recruitment, enrollment, and retention initiatives, than for the institution's enhanced curricular programs.

TESC's reported enrollment enhancement initiatives which offer little information regarding their creation, priority, or monitoring of results, include FAFSA assistance, early financial award offers, the Latinx Youth Summit, faculty letter writing campaigns, and partnerships with Amazon, and the Chief Leschi High School. Many of these TESC recruitment, enrollment, and retention initiatives have a low financial cost, and personnel hours needed to employ them. However, a lack of performance metrics to establish at least a correlation to increased enrollment and retention, may make it difficult for the institution to effectively prioritize these programs with other potential enrollment enhancement concepts. Conversely, the majority of TESC's enrollment initiatives appear creative, logical, and worthy of the investment being made by TESC.

Curricular programs which appear to be initially successful, include Paths of Study (Paths), PaCE (Professional and Continuing Education), Greener Foundations, and the new Early Childhood Education program at the TESC Tacoma location, which has seen a doubling of students from 40 to over 80 students in the first two terms offered. Paths, helps TESC students better navigate the unique curricular offerings at the institution, and has been attributed in a survey to the potential retention of about 25% of impacted students. TESC became aware that PaCE, which offers its students certificate options, is also drawing participation from existing students. This outcome could reduce the intended impact of the program, which was aimed at attracting new students to the school. TESC is determined to adjust its strategies to more effectively market PaCE to attract new students, while encouraging existing students in degree programs who also earn certificates, to remain in school to complete their degree programs. TESC is complimented for its careful monitoring of PaCE outcomes, such that it intends to improve its strategies so that program results are more aligned with institutional mission.

TESC has supplemented regional advisors within the state, as well as in the Portland, Oregon area. TESC was able to initiate improved regional advising by reassigning existing resources that were being utilized for out of state recruitment. TESC observes, that while out of state recruitment might increase overall per student tuition revenues when compared to in-state and Western Exchange students, the total return is better when emphasizing local and regional recruitment, than it is for more dedicated out of state recruitment. TESC is complimented for recognizing an opportunity to reallocate existing resources to focus on increasing enrollments and higher total revenues, while also improving services within its regional service area.

By acquiring additional state funding for Prison Education, and student success programs, as well as receipt of a Title III grant for Holistic Advising, and securing Foundation assistance for the Returning Greeners, TESC demonstrates how it is leveraging its political presence, existing resources, and new opportunities to attract funding assistance from multiple sources. TESC is

complimented for creating enrollment, retention, and curricular initiatives that have attracted new students and augmented institutional funding.

A new workgroup, Curriculum Planning for Enrollment Growth (C-PEG), established by the Provost, is charged with recommending which new and existing academic programs should be emphasized for expansion. C-PEG focuses on existing academic programs and emerging fields of study to help justify hiring priorities and legislative funding requests. TESC is complimented for establishing a standing workgroup that evaluates and recommends academic program prioritization based on student demand and for adding value to TESC's overall curricular offerings.

Another investment made by TESC was to simplify its website. The evaluator was able to access the former website prior to the scheduled visit, and then compare it with the updated website. Overall, the evaluator observed vast improvements in how TESC's information is organized and presented on the updated website, as well as how institutional information is more easily accessible in the redesigned version. An issue noticed by the evaluator, and noted during the onsite visit, was that the \$1,000 stipend for Returning Greeners, was not apparently mentioned in the website link for this program. Likewise, workshops to assist students with applying for FASFA financial aid was not very prominent in the link. TESC notes that the new website is very much a work in progress, which will require ongoing and regular adjustments. TESC is complimented for the organization and clarity presented by its revised website.

Appendices

Executive Summary

TESC has provided evidence through its Strategic Enrollment Plan, a comprehensive self-evaluation study, titled "New Directions for Evergreen", and the fall 2023 Special Report, that it has created a realistic multi-year enrollment plan. TESC demonstrates that it is providing continuing overview of TESC's enrollment and curricular planning initiatives that is allowing TESC to inclusively manage, adjust, and improve its planning to be practical and effective.

TESC financial planning, which appears to be relying on conservative projections of steady enrollment growth of 120 students per year through 2027, is presently being supported by positive results from the academic years 2022, 2023. A continuation of enrollment growth over the next two years is still needed to eliminate TESC's projected budget deficits, and to begin accumulating revenues in excess of projected expenses. Likewise, TESC embarked on a fund raising plan that has nearly reach its \$55 million goal, and subsequently, the institution received \$1 million in one-time funds from the TECS Foundation to assist with some of its enrollment enhancement programs. TESC appears to be having early success with its updated curricular programs such as PaCE, Greener Foundations, and Early Childhood Education.

While there are encouraging signs that TESC is restoring enrollments and balancing its budget, it is too early to say that TESC has fully restored short term stability, or long term financial sustainability.

Evaluator Observations

Evergreen State College has invested substantial time and resources to develop a comprehensive and realistic strategic enrollment plan.

The major initiatives in the strategic enrollment plan such as PaCE, and Greener Foundations, are being actively monitored by the institution for costs and returns, which is allowing for adjustments to program initiatives, or wholesale changes in program direction.

Some enrollment enhancement and retention initiatives, such as Partnerships, Financial Aid Assistance, and Recruitment Communications, have few metrics by which they are being monitored for effectiveness by the institution. While it is hoped that Evergreen can provide additional information on the status of these initiatives in the future, many of these programs have low to no cost and are ultimately pragmatic, making them worthy of pursuit by the institution.

Establishing regional counselors in new areas of the State, and in the western U.S. region, was accomplished primarily with reallocation of resources, at little or no additional cost to the institution.

One program, Holistic Advising, received a \$2.17 million Title III grant to help offset the costs of implementation.

Evergreen has been able to secure additional state funding appropriations for enhancing programs such as Prison Education, and student success initiatives.

Evergreen exceeded its higher projection for total enrollment of 204, by 41, resulting in 245 more students from 2022 to 2023, as evidenced by its fall 2023 10-day student enrollment count. This marks the fourth consecutive quarter of enrollment growth at the institution.

TESC enrollment growth projections are likely to remain at 120 new students per year through 2026, to remain on the conservative side of institutional estimates.

The evaluator compliments Evergreen on its updated website design, which is far better organized and much more clear than the former website

Some website links may yet need improvements, such as clearer access to the FAFSA workshops, and notification of the \$1,000 stipend available to Returning Greeners. Being only launched in August of 2023, the updated website is still a work in progress.

Evergreen reports that they are working on a reserve policy. A desirable level of reserves, might be targeted at approximately \$17 million, which can be assembled at this time.

With conservative enrollment growth estimates for the next two years, TESC continues to project a deficit which would require use of reserves to balance the budget. The institution expresses its belief that budget deficits will likely be closed in two years.

Fully closing the budget deficit gap would signal the beginnings of attaining short term financial health.

Building on reserves, or use of excess revenues to fund enrollment and curricular initiatives, new programs, and additional personnel, should be evidence of a return of long term financial stability.