

Portland State University

Campus Budget Planning Overview

**From Faculty Senate Budget
Committee**

February 7, 2022

FY 2023

Budget Parameters Presentation

This presentation has been given to:

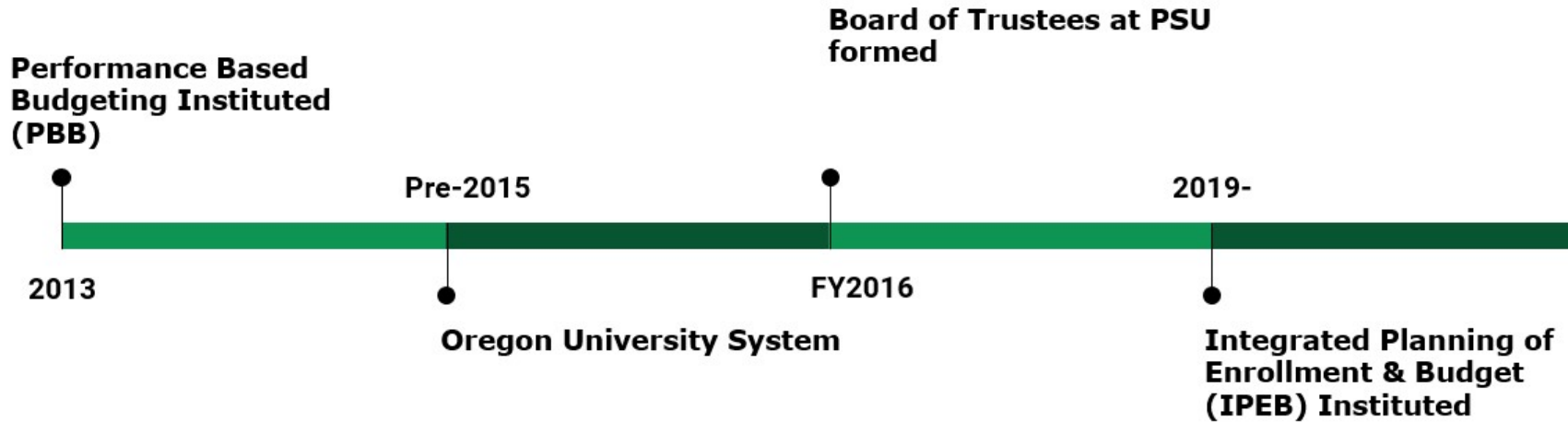
- **Board of Trustees**
- **Tuition Revenue Advisory Committee**
- **Faculty Senate Budget Committee**

The documentation is informed by data supplied by FADM, OIRP, & OAAwe are not showing all the underlying data but these slides are available through links on slide 3**

Sources Used for this Presentation

- [Office of Academic Affairs Budget Planning Overviews](#)
- [Board of Trustees Finance & Administration Committee Meeting Slide Deck from January](#) specifically slides: 17, 19, 20, 24, 30, 50, 69
- [Undergraduate Dashboards](#)
- [Graduate Dashboards](#)

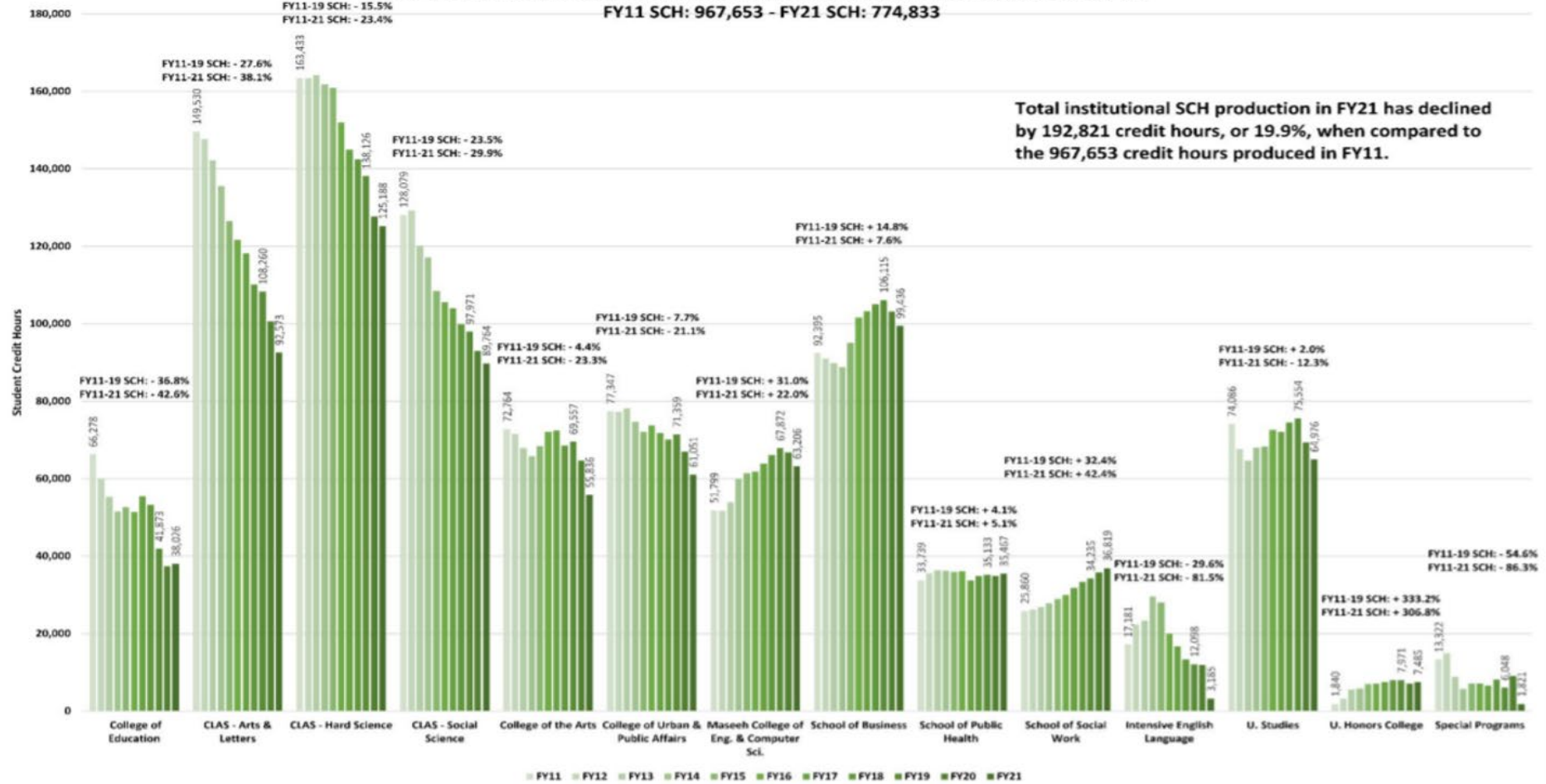
Office of Academic Affairs Budget Planning Overviews



Timeline of budget planning at Portland State University

Shift in Enrollment Patterns

10 Year Change in Student Credit Hour (SCH) Production by School/College FY2011-21:
FY11 SCH: 967,653 - FY21 SCH: 774,833



Undergraduate Dashboards

- Faculty data
- SCH
- Enrollments
- Graduation rates
- Graduation timelines
- Research expenditures

Graduate Dashboards

- Faculty data
- SCH
- Enrollments
- Graduation rates
- Graduation timelines
- Research expenditures

Quick Review of Academic Dashboards

Forecasts from Kevin Reynolds, VP for FADM

Forecasts: A quantitative estimate (or set of estimates) about the likelihood of future events which is developed on the basis of past and current information. Major factors:

- » New student enrollment
- » Retention
- » State Support
- » Inflation (Salary and wages, benefits, services and supplies)
- » Covid 19, recovery of downtown Portland and other external factors
- » Greater variability in the outyears

Magnitude: \$308 million General Fund expenditure budget

- » Average daily expenditure \$845,000
- » 1% change in inflation is \$3 million
- » Expect multimillion dollar impacts from small 1-2% variances in expenditures or revenue forecasts
- » 84% of the general fund is personnel costs

Improved Outlook & Caution

Revenue outlook has improved:

- » Increase in state funds in 2021-2022 (increase in the mission differentiation component for PSU provides a new base)
- » Reduced budget allocations and actual expenditures for 2 years (response to decreasing general fund revenue) and now have a lower employee headcount from which to base inflationary costs
- » New first year and transfer students increased in Fall 2021-2022

On the Cost side:

- » Inflation is higher than seen in recent history

Summary – An enrollment goal-based pathway to financial stability

Major Components:

- Reasonable expectation around increases in state support for next 2 biennia
- Meeting the university goals around new student enrollment and student retention (persistence to graduation)
- Goals are funded by both moderation of budget reductions and one time investments
- Resident undergraduate tuition increases are kept at or below inflation
- Some years of budgeted E&G reserve spending
- Small increases in general fund budget allocations
- Leveraging general fund budget underspending to meet inflationary costs without further eroding enrollment and core services and operations
- Leveraging the Support Services Review and Academic Program Review/Reduction Process to moderate overall costs increases (including inflation)

Risks:

- Do not meet increased general fund revenue target or cost containment (larger use of reserves initially and then larger cuts)

How has the University changed over a time of overall enrollment decline and a global pandemic?

- A comparison of the annual November Census for employees (Full Time Employment calculation, excluding student labor)
- FY11 to FY19 Overall FTE (all funds) decrease of 1.30%
- FY11 to FY21 Overall FTE (all funds) decrease of 8.86%
- Differential decreases in employee types (instructional and non-instructional)
- Impact on workload, services and morale
- Universities are not static and looking forward we need to adapt to the changing landscape

Summation of Parameters

- Supplementing FY23 & FY24 with funding from reserves for strategic initiatives
- Continued program review process to align with program growth in targeted areas in OAA which is entering [Phase II](#) now & those areas are identified
- Continued review of campus services across campus through Huron Consulting processes
- Modeling a 2.6%r 3.6% tuition increase which is seen to not have a negative impact on enrollment as it still positions Portland State well below other area Colleges & Universities
- Current service level spending in units plus 4% increase for inflation but still less than actual inflation

Next Steps

- | | |
|------------------|--|
| Mid-April 2022: | Enrollment Forecast updated, FY2023 Tuition established |
| Late April 2022: | Divisional Base General Fund Budget Finalized |
| May 14, 2022: | Preliminary Unit Budget Submissions Due |
| June 8, 2022: | Board of Trustees Finance & Administration Committee Approve FY2023 Operating Budget |
| June 16, 2022: | Final Unit Budget Submissions Due |
| June 17, 2022: | Board of Trustees Approval of the FY2023 Budget |
| July 1, 2022: | Final Budget Loaded into Banner |

Good News: Student Loan Decreases

- Student loan debt has decreased over the past 5 years for PSU students
- The primary contributors to the decreasing student loan debt have been the annual increases in Federal Pell Grants combined with small tuition increases as well as the first class of Four Years Free students having graduated
- Third of the graduates in 2021 graduated with no student loan debt
- PSU has the lowest loan debt upon graduation of the Oregon four-year public universities

Questions?