

**Minutes of the Portland State University Faculty Senate, 1 November 2021  
(Online Conference)**

**Presiding Officer:** Vicki Reitenauer

**Secretary:** Richard Beyler

**Senators present:** Ajibade, Baccar, Carpenter, Caughman, Chorpenning, Clark, Clucas, Colligan, Cortez, Cruzan, De La Vega, Donlan, Dusicka, Eastin, Eppley, Farahmandpur, Feng, Ferbel-Azcarate, Finn, Flores, Gamburd, Goforth, Gómez, Harris, Heilmair, Heryer, Hunt, Izumi, Jaén Portillo, Kelley, Kennedy, Kinsella, Labissiere, Lafferriere, Law, Limbu, Lindsay, Loney, Luckett, Mikulski, Mudiamu, Oschwald, Raffo, Rai, Reitenauer, Romaniuk, Sanchez, Taylor, Thieman, Thorne, Tretheway, Tuor, Watanabe, Webb, Wern, Wilkinson.

**Alternate present:** Jack Miller for Erev.

**Senators absent:** Borden, Duncan, Smith.

**Ex-officio members present:** Beyler, Bowman, Burgess, Chabon, Chaillé, Chivers, Coll, Comer, Duh, Emery, Estes, Feng (Wu-chi), Ford, Jeffords, Knepfle, Lambert, Mulkerin, Podrabsky, Read, Recktenwald, Rosenstiel, Toppe, Wooster.

The meeting was **called to order** at 3:02 p.m.

**A. ROLL CALL AND CONSENT AGENDA**

1. **Roll call** was effected using the participants list of the online meeting.
2. **Minutes of 4 October meeting** were received as part of the *Consent Agenda*.

**B. ANNOUNCEMENTS**

**1. Announcements from Presiding Officer**

REITENAUER gave an overview of the agenda and meeting procedures.

**C. DISCUSSION:** Budget (BC, AHC-APRCA, FADM, OAA)

EMERY summarized the role and function of Budget Committee [BC]. [For presentation slides see **November Minutes Appendix C.1.**] BC consults with Finance and Administration (FADM) and Academic Affairs (OAA), makes recommendations, analyzes documents, and meets with the various colleges and schools. BC considers budgetary implications of new programs, elimination of programs, etc.; and reviews expenditures of public and grant funding, especially when conditions are attached. BC recommends to the President and Senate policies that have to be followed in case of financial exigency.

EMERY stated several questions raised by BC. What are the projections and budget implications of reduced enrollments? What adjustments, investments, and relocations have been made outside of OAA? How will OAA's annual budgeting process, IPEB, integrate with program review? How has the Education and General (E&G) budget changed since adoption of the current fiscal year [FY] budget? For the [previous] FY, what was the surplus or deficit, and how much does the University currently hold in reserves? Finally, what are the plans for discussions around program reductions—how and when will they be implemented?

REITENAUER recognized Andria JOHNSON, Associate Vice President for University Budget and Financial Planning (FADM). [For presentation slides, see **Appendix C.2.**]

JOHNSON first reviewed the Higher Education Emergency Relief Fund (HEERF). This term covers several rounds. Around \$44 million went to direct payments to students. The institutional portion, including strengthening funds, totaled about \$61.7 million. Rules on usage changed several times during the year. Once the rules stabilized, in spring, FADM went to the Board of Trustees [BoT] with a recommendation for use of funds in FY21. About \$30.5 million of the institutional funding was applied to lost tuition revenue, auxiliary losses, reduction in research [indirects], and designated operations. Decisions around lost revenue reimbursement followed discussions about the best ways to limit audit risk. When the FY books closed in July, we ended up using just over \$29 million of the \$30.5 million proposed. The tuition revenue reimbursement has, in effect, been parked in central reserves; the final use of those funds has not been decided. We received slightly more institutional funds than originally anticipated, bringing the total available to just under \$62 million. Including costs for COVID-related [modifications] from FY21 and FY20, the total spent and allocated so far is about \$35.7 million, leaving just over \$26 million for FY22. The third tranche requires spending to monitor and suppress COVID, and outreach to financial aid applicants.

JOHNSON then summarized how we ended FY21. There were impressive enrollment gains in summer 2020, but combined with academic year decline, we ended the FY down 6.4% [in student credit hours] from the prior FY. Undergraduates showed the largest decline, in particular non-residents, down 18%. This had a major impact on tuition revenue. Actual gross tuition revenue was slightly lower than our budget, but that revenue loss was offset by lower spending on [tuition] remissions. The revised budget did not include the impact of work-share and leave without pay with extended benefits, nor savings from the hiring freeze and executive pay reductions, because these were unanticipated one-time savings. Combined, these created about \$30 in salary and other personnel costs in FY21.

The pandemic's greatest effect, JOHNSON said, was on auxiliary funds. FADM sought BoT approval for \$7.6 million in treasury reserves to cover debt payments; we used \$7.1 million of that. They are working on a plan for [auxiliary] units to replenish the reserves.

Looking at fourth quarter financials, JOHNSON cited four points of interest. Net tuition came in higher than budget (\$191 million versus \$188) due to lower remissions. Gifts and contracts were up, primarily due to the Federal reimbursement [of grant indirects]. Auxiliaries showed a cash gain of \$7.9 million, but [as noted above] this was primarily from treasury reserves which will have to be repaid.

Overall, JOHNSON continued, we budgeted for a \$29.5 million loss, but we did not [actually] experience it due to E&G savings, use of reserves for debt payments, reimbursement of lost revenue, etc., so the bottom line after HEERF was \$20.2 million positive for E&G and \$32.4 million positive for All Funds.

Looking more closely at E&G, JOHNSON observed that gross tuition revenue is down from prior fiscal years; we anticipated that to happen again this year and next year. Tuition is the largest revenue source. Savings came from not spending all of the budget we thought we were going to spend. Personnel expenses were down, mostly due to work-share, the hiring freeze, and unfilled budgeted positions. Some of these savings aren't going to be repeated in future years. S&S [services and supplies] was down due to utility and travel savings. We added almost \$6.5 million to E&G reserves before the HEERF reimbursement, divided among operating and central reserves; after HEERF reimbursements, E&G reserves

increased by \$20.2 million. From reimbursements, \$12.5 million went to central reserves and \$1.3 million to operating reserves.

JOHNSON then looked at reserves. BoT policy set in 2016 indicates the types of reserves, and goals and standards for each. These are intended to mitigate effects of unforeseen shortfalls. The status is reported each year in the financial dashboard. For E&G reserves there are two components: central and operating. The BoT's combined target minimum is 25% or 13 weeks of the annual E&G budget. The National Association of College and University Business Officers recommends holding 20.8 weeks of reserves.

E&G operating reserves, JOHNSON noted, showed an increase [from last FY]. Many people, including BC, asked why our reserves have been increasing while we've been cutting budgets. Operating reserves increase when divisions do not fully spend their budgeted expenditures, or when they bring in more revenue than expected. As noted earlier, we had about \$30 million in salary savings—for example, if there was a delay in hiring for a planned position, or if a faculty member got a grant mid-year and bought out a portion of their time. Since 2016, operating reserves have consistently been above the BoT minimum.

In FY21, JOHNSON said, [E&G] operating reserves grew by \$12.6 million. Part of that was due to the University making \$5.2 million in bridge funding available to supplement the FY21 operating budget. Since divisions didn't actually need those funds, we return them back to central reserves, so some reserves moved from central to operating and then back again. Going forward divisions will need to use their own operating reserves to supplement the budget. In FY22, divisions have budgeted just under \$15 million in bridge funds from those reserves. It remains to be seen how much of that divisions will actually need to use, or if we will again have salary savings.

Similarly, JOHNSON said, central reserves have grown since 2015. Unlike operating reserves, this was an intentional line item from 2016 through 2019. It was down in 2020, then up again in 2021, largely from the [HEERF] tuition revenue reimbursement. We are now over the target minimum. The President, Executive Council, and BoT are working on a plan for use of a portion of central reserves, but no decisions have been made yet.

The [FY 2021-22] budget was built using a tuition increase, JOHNSON reported, with enrollment forecast down 5.5% and a slight increase in the state allocation. There is a 1.5% reduction in the general fund from the FY21 revised budget, applied to all divisions. It includes [use of] \$15 million in reserves. Each division figured out how to readjust their own budget. Divisions may use some strategic use of additional [operating] reserves, but we encouraged everyone to stay above the BoT minimum. One-time HEERF funding is not included in the budget numbers.

JOHNSON said that E&G net tuition revenue is projected at just under \$179 million, based on a 5.5% enrollment decline for FY22. Total E&G revenue is forecast at \$325 million, expenses at \$340 million; we anticipate \$15 million out of reserves or bridge funds to balance the budget. As in past years, we may or may not spend all of our budget, particularly in personnel expenses, which means we may not need all of the \$15 million in reserves. That is good because we're going to need to draw on these reserves as we work through a multi-year plan to get our budget balanced over the next several years.

Continuing to designated operations and service departments, JOHNSON said they are planning for a slight rebound from FY21. Designated operations are projected to have a loss of \$740,000; they have \$5 million fund balance to cover that loss. Auxiliaries anticipate about \$88 million in revenue, a phased return to pre-pandemic conditions, with expenses at \$94 million. The all funds budget indicates a cash loss of \$21.5 million, not including any additional strategic reserves, nor HEERF. \$244 out of \$340 million in E&G expenditures is allocated to OAA. At just under 57%, this is a large portion of our budget.

JOHNSON turned to student credit hours. For summer we were down 18% from the prior year—we expected to be down but not that much—and as of October 25<sup>th</sup> [for fall term] down 5.5%. They are working to understand the impact of these declines and will report to BoT on November 10<sup>th</sup>. They do not plan to have mid-year cuts, but declining student credit hours will definitely impact plans for FY23.

MULKERIN (Vice Provost for Academic Budget and Planning, OAA) described the IPEB (integrated planning of enrollment and budget) process. [For presentation slides, see **Appendix C.3.**] This process for strategic enrollment management typically starts in December and is completed in May. She worked with BC and Provost to define the process and timeline. It's an iterative process. The colleges, schools, and academic support units prepare materials, which are reviewed by BC and the enrollment team. There are college-level meetings between deans and BC to review the materials, looking for trends, opportunities, and concerns. Throughout this process, we update enrollment forecasts. We finalize the process through resource allocation, which is really determined when we understand the final budget. The strategic enrollment plan document is based on projections from the Office of Institutional Research and Planning (OIRP); when they finalize the forecast for next year, they share that back the academic units, and we revise [the document] to make sure it is in alignment. The strategic planning narrative helps us understand how investments, reductions, and collaborations may impact enrollment and retention, and understand details that are not presented in the numbers elsewhere. They have scenarios for budget increases or decreases, asking units how they would achieve a balanced budget given contractual obligations. They look at how remission requests align with the enrollment plans.

MULKERIN continued: we also have a multi-year view of the anticipated strategic use of management reserves for such things as startup packages, equipment replacement, and one-time project costs. As JOHNSON mentioned, we need to use reserves to bridge our operational budget, so we need to monitor this multi-year view.

GAMBURD offered comments on behalf of the Ad-Hoc Committee on Academic Program Reduction and Curricular Adjustment (AHC-APRCA). Their goal, she said, is to mediate the tension between budget, which is the responsibility of OAA, and curricular decisions, which are the responsibility of the Faculty. As budgets shrink, we have fewer resources to do what we need to do as Faculty to offer curricular programs and courses to students. The committee hopes to ensure that Faculty concerns about curriculum are part of the budget conversations—that we have meaningful participation and opportunities for input. The committee also wants to make sure that a diversity, equity, and inclusion lens is placed on decisions, so that we are aware of their impact on the most vulnerable members of our communities: faculty, staff, and students. AHC-APRCA is working with BC, JEFFORDS, and MULKERIN, and continue to talk about plans and seek input from faculty.

JEFFORDS thanked AHC-APRCA for rich and robust conversations. The committee reviewed and given feedback on drafts of the proposed timeline. She also thanked BC for their feedback. She hoped to share a final version with campus soon. They also have been working on the dashboards developed by the working group last spring. These have continued to be revised and updated with recent data. OIRP said that updated information will be incorporated this week.

It's clear, JEFFORDS said, that the process will not be completed by spring 2022. AHC-APRCA made clear that a chief concern is adequate time for consultation and feedback. Conversations are unlikely to be concluded this coming year, and will be incorporated into budget conversations not only for the following year but likely for the year after that.

KELLEY appreciated that the process is more thoughtful and inclusive, though it is slower. She felt that, for a long time, PSU has been entrenched in a culture of fear and deficit thinking. She hoped that we could pull back from that. It seemed that almost always when we drill down, the numbers aren't as bad as predicted, or there are surpluses in some places and not in others. We are still in a situation where everything is changing and interconnected, from climate to COVID. She would like to see more of an abundance mindset. The current model, that we've been using for ten years or so, has discouraged collaboration and has siloed us. From her experience, part of why enrollment has gone down is that students are not seeing relevance in the way we've been doing things for decades. That is not unique to PSU.

CHIVERS asked JOHNSON: out of the \$30 million in personnel savings referred to, based on the [budget model] that personnel are hired for a full year, how much of the savings comes from converting full-time or tenure-track lines to part-time, adjunct positions with contingent faculty hires? JOHNSON said it would not be easy to answer—it would take significant research. Much depends on the timing of when the hire happens.

LINDSAY commented that, if she understood correctly, the surplus is higher than it's ever been. Yet last year we went through a painful process, using Article 22 of the collective bargaining agreement, which is supposed to be used only under extreme conditions and hasn't been used in decades. The was used to justify the termination of nine continuous-contract [non-tenure-track] faculty who had been here at least fifteen years. Those nine terminations were based on the idea that we were in such a crisis; the facts presented here [today] clarify the reality. At that time, there was enough supporting coming from the Federal government to protect those positions and allow those people to continue to be of service at the University. She was therefore disappointed by what happened last year. It has been absolutely wrenching within their department. She had lost much faith in an institution to which she had devoted the majority of her adult life. She felt as though they had been guinea pigs for flexing the Article 22 muscle. She thought it was unethical, and that the numbers prove it. Her comment was: please don't do this to anyone else.

GAMBURD, reverting to CHIVERS, thought that it would be difficult to trace particular lines, but that it would not be too hard to report about the percentage of student credit hours delivered by different categories of faculty, which would show trends in the mix of types of faculty. REITENAUER suggested that BC could look into this.

FARAHMANDPUR observed that in this legislative session Oregon approved an 8.1% increase to the public university support fund; the Oregon opportunity grants increased by 21.8%; Oregon's total post-secondary and training budget increased by 23.2%. Legislators

seem to be optimistic about improving the higher education system by investing more money. Is that part of the calculation? He was thinking about our mission to serve low-income, BIPOC, and first-generation students. As KELLEY asked, how could we change our narrative to something optimistic? By all accounts, it seemed that we do have the resources.

JOHNSON replied that the increase in the public university support fund was not built into the budget; however, when we do the first quarter forecast on November 10, it will show as a variance against our budget. Against the declining enrollment that was built into our budget it is likely that an increase state funds will in fact offset a gross tuition revenue loss. They are still fine-tuning some of the numbers. The quarter one forecast will appear on both on the Budget Office website and the BoT website.

FERBEL-AZCARATE, echoing KELLEY, said that the scarcity mentality doesn't play out when we look towards investment, as opposed to cutting budgets as a knee-jerk reaction, which he had seen for not just ten but for twenty years. He didn't know the mechanisms by which we could change that mentality, but thought it had to do with how we market ourselves with investment language and communication. These realities play out in people losing jobs, and they impact students. He thanked the colleagues for pointing this out.

#### **D. UNFINISHED BUSINESS – none**

#### **E. NEW BUSINESS**

##### **1. Curricular proposals (GC) – Consent Agenda**

The new course listed in **November Agenda Attachment E.1** was approved as part of the *Consent Agenda*, there having been no objection before the end of announcements.

##### **2. Notifications of program moratorium (UCC) – Consent Agenda**

Notification of a moratorium of the following programs, as stated in **November Agenda Attachment E.2**, was **received** as part of the *Consent Agenda*:

- a. Undergraduate Major in Chinese**
- b. Undergraduate Minor in Chinese**

##### **3. Resolution: Defending Academic Freedom to Teach and Research Race and Gender Justice and Critical Race Theory (Steering)**

CHORPENNING / THORNE **moved** the resolution defending academic freedom to teach and research race and gender justice, and critical race theory, as stated in **November Agenda Attachment E.3**.

CARPENTER, speaking on behalf of Steering Committee, said that this resolution builds on the resolution passed last year regarding academic freedom [March 2021, item E.4], and responds to attempts by legislators, school boards, and university trustees across the country to limit research and teaching related to critical race theory and to race and gender justice. A group of colleagues developed the resolution and brought it to Steering Committee, which endorsed it and decided to bring it to the floor for consideration.

KINSELLA offered additional background: the resolution addresses the nationwide campaign to restrict teaching about so-called divisive concept, the usual targets of which are courses or training programs on racial and gender justice. The campaign started largely with the former President's executive order on "race and sex stereotyping" in

September 2020. That order used superficial appeals to equity to restrict or chill teaching or training that may appear divisive or create discomfort. The concepts referred to in the order included various things that anyone would find objectionable, but also definitions that were subjective and vague. It was widely criticized on those grounds. Section Four, which was most directly concerned with training by government contractors, was enjoined by the US District Court of Northern California in December 2020, and the entire order was revoked by President Biden on 20 January 2021, as was the executive order creating the 1776 Commission.

KINSELLA continued: the campaign to prohibit teaching on the topics of race and gender justice when they're deemed divisive has been taken up by many states and localities. Critical race theory, or what people think of as critical race theory, has come in for special attack. Fourteen states have passed such restrictive bills, and ten others are continuing them. Thankfully Oregon is not one of those states, but the battle has been waged in some Oregon localities.

The resolution, KINSELLA said, takes a stand against this campaign: first, reaffirming our academic freedom and responsibility for the University's curriculum as recognized in the Faculty Constitution, in the Collective Bargaining Agreement, and by the Board of Trustees; second, highlighting the subjectivity involved in labeling a topic divisive and the potential this has to chill open pedagogy; and third, highlighting the importance of race and gender justice in our curriculum, consistent with PSU's mission statement and communications by President Percy. The resolution also calls on the President and Provost to oppose any efforts by outside bodies, including the legislature or BoT, to restrict or dictate our curriculum. It affirms the statement by AAUP, now endorsed by over seventy organizations, on efforts to restrict education about racism.

The **resolution** on academic freedom as given in **Attachment E.3** was **approved** (49 yes, 1 no, 3 abstain, vote recorded by online survey).

REITENAUER: with the news out of Florida, this issue continues to affect colleagues across the country. She was glad that we stood with our colleagues today.

## F. QUESTION PERIOD – none

## G. REPORTS

1. **President's report** – *PERCY was out of town and did not present a report.*
2. **Provost's report**

JEFFORDS appreciated the work that went into the last resolution; she shared the sentiments of those who put it together.

JEFFORDS shared that the most recent update showed the six-year graduation rate for first-time entering students had gone up to 51.7%. She believed this was the first time at PSU that it was above 50%. The four-year graduation rate for transfer students had gone up to 60%, again apparently for the first time in anyone's memory. She applauded the faculty and staff who contributed to increasing these outcomes and enabling students to achieve their dreams for going to college.

In an effort to regularize and improve communications coming from OAA, JEFFORDS said, they were putting together an OAA newsletter, the first edition of which was planned for November. She thanked Vanelda HOPES for pulling that together.

JEFFORDS reported on the summer bridge program for first-time college students. It was free to all students; those with high school GPAs lower than 3.0 were particularly encouraged to participate. There was a course in quantitative skills, another in writing, and one in college success. There were other activities for students to connect with each other and get to know the campus. Of 245 students who took part, 95% enrolled for the fall term, and 97% of those who took advantage of the housing option. They have committed to the program again next summer. Funds for the program come from the state. They will be conducting assessments and listening sessions with participants to see how students perform and persist during the coming year. JEFFORDS thanked all who participated, and in particular Shoshana ZEISMAN-PEREYO of The Learning Center.

JEFFORDS said that discussions were underway about continuing the retirement incentive program for the coming year.

Thirty-four Reimagine PSU proposals were received by the October 15<sup>th</sup> deadline, JEFFORDS said. Her intention is, as much as possible with the resources available, to support each of the proposals (potentially with some adjustments to the proposed budget). She appreciated the good ideas that had been brought forward.

There were questions at the last BoT meeting, JEFFORDS said, about a statement in her fall welcome-back letter that we were thinking about what it might look like for PSU to become a hybrid university. This might have been taken to suggest that we'd already had these conversations and made decisions. She intended to say that we have not had those conversations, but that she looked forward to an opportunity to have them. She had reached out to the Futures Collaboratory to find a robust way to structure such conversations over the course of the next year. Student surveys indicated a strong interest in having options available to them for their course modalities—both in-person services and opportunities for remote access when they are unable to come to campus. The more options we can provide, they more likely they are to succeed. We need to think about how to respond to our students with flexibility.

One step in this direction, JEFFORDS said, was that many students indicated a preference for two-day-a-week classes rather than three days. Therefore we will add Monday-Wednesday course meetings as a regular scheduling option.

JEFFORDS said that it had become apparent to her that we need strong leadership for our student success work. After discussions with the Presiding Officer and Presiding Officer Elect, she had decided to reopen the position that had been vacant for most of her time here, what had been a Vice President and would now be a Vice Provost for Student Success. The consultations also resulted in agreement that the position should be filled by an internal candidate. She believed it is important to have someone who will be thinking full-time about how to ensure students get the support they need to be successful. LABISSIERE had agreed to chair the search committee. She looked forward to hearing about potential candidates, and from potential candidates.



### 3. Final Report of Ad-Hoc Committee on Interdisciplinary Teaching and Research

Committee chair JAÉN PORTILLO said that a discussion of the report [**November Agenda Attachment G.3**] is planned for December. She thanked members of the faculty and administration who shared information about their interdisciplinary practices in the survey. Based on that input, the committee had a set of recommendations to address barriers such as the budget model and distribution practices. She asked senators to consider how to coordinate out efforts, and to take action to overcome these obstacles.

### 4. Report of University Research Council

REITENAUER recognized Karen CELLARIUS to present survey information [see **November Agenda Attachment G.4**] from the URC report [presented originally at the June 14<sup>th</sup> meeting]. As a new committee, URC surveyed the faculty about what was going in related to research; she wished to present an updated report. The committee needed to address research, scholarship, and creative activities, not just [grand funded] research. They received 530 responses to the survey in April; about half of the respondents were tenured, and about one-third were non-tenure track. About two-thirds of respondents worked on research and one-third worked in creative arts and humanities. Respondents told us they felt research was important to the educational mission: not only [directly] educating students, but also as a way of providing them with employment and financial aid, including graduate assistantships, stipends, tuition remissions. Research also provided compensation for faculty and staff through course buyouts and soft money.

Despite this, CELLARIUS said, more than half of respondents felt that research activities were undervalued by the University, even though most of them felt they were valued by their department. People said that they wanted to collaborate and desired more information about research and creative activities going on at PSU.

Over half of the respondents, CELLARIUS reported, were unfamiliar with the open access publication policy, and less than a quarter had deposited their work in PDXScholar.

There was a desire for more collaboration across departments and more internal support, CELLARIUS said. The report outlined perceived barriers and suggested supports. The committee did qualitative analysis to get into these statements. They worked with Research and Graduate Studies to develop the survey, but RGS was also doing its own research and analysis over the summer. REITENAUER noted that PODRABSKY planned to share some of this analysis at the upcoming December meeting; this would be in conjunction with further discussion of the AHC-ITR report.

REITENAUER thanked all of the participants in the meeting who brought us important information, brought us an important resolution to consider, and shared in a heartfelt way about what it is like to be faculty, administrators, staff, and students at this institution.

*The following reports were received as part of the Consent Agenda [see the **respective November Agenda Attachments**]:*

#### 5. Monthly Report of ACH-APRCA

#### 6. Letter on childcare at PSU from Committee on Work/Life Balance

**H. ADJOURNMENT** – The meeting was **adjourned** at 4:58 p.m.

# Budget Committee

## (Faculty Senate Budget Committee)

### Charge

- 1. Consult with the President and his or her designee(s) and make recommendations for the preparation of the annual and biennial budgets.
- 2. Consult with academic leaders of colleges/schools, Intensive English Language Program, and University Studies, and make recommendations for the preparations of their annual budgets and enrollment plans. Each Budget Committee member from one of the above listed units shall serve as liaison to his/her unit for this purpose, with other members assigned as liaisons as needed.
- 3. Recommend budgetary priorities.
- 4. Analyze budgetary implications of new academic programs or program changes through the review of a business plan that anticipates and provides for the long-term financial viability of the program, and report this to the Senate.

# Budget Committee

## (Faculty Senate Budget Committee)

### Charge (continued)

- 5. Analyze budgetary implications of the establishment, abolition, or major alteration of the structure or educational function of departments, schools, colleges, or other significant academic entities through the review of a business plan that anticipates and provides for the long-term financial viability of the unit, and report this to the Senate.
- 6. Consult regarding changes from budgets as prepared.
- 7. Review expenditures of public and grant funding as requested by the Faculty Senate.
- 8. Recommend to the President and to the Senate policies to be followed in implementing any declaration of financial exigency.

# Budget Committee Faculty Representation

## Committee Members

- |                    |                |                     |                  |
|--------------------|----------------|---------------------|------------------|
| • Allen, Jennifer  | CUPA (PA)      | • Law, Anna         | AO (ACS)         |
| • Cruzan, Mitch    | CLAS-Sci (BIO) | • Lee, Janice       | CLAS-AL (ENG)    |
| • Emery, Jill      | LIB            | • Mirpuri, Anoop    | CLAS-AL (ENG)    |
| • Garton, Derek    | CLAS-SCI (MTH) | • Sugimoto, Amanda  | COE (C&I)        |
| • TBD              | COTA (A+D)     | • Tretheway, Derek  | MCECS (MME)      |
| • Gioia, Sam       | SSW            | • Eckhardt, Cara    | SPH              |
| • Glascott, Brenda | OI (HON)       | • Friedrich Schuler | EPC (ex-officio) |
| • Hansen, David    | SB             | • Tim Anderson      | EPC (ex-officio) |
| • Hsu, Chia Yin    | CLAS-SS (HST)  | • Lanie Sticka      | ASPSU            |
| • Lafrenz, Martin  | CLAS-SS (GGR)  | • Ryne Shelton      | ASPSU            |

# Budget Committee Communication

## Ex Officio Membership or Shared Membership

- Faculty Senate Steering Committee
- Education Policies Committee (EPC)
- Tuition Review Advisory Committee (TRAC)
- Faculty Senate
- Academic Program Reduction and Curricular Adjustments (APRCA)

# Questions: Enrollment & Financial Conditions

1. What are the implications for reduced enrollment for our budget?
  - a. What are the projections for enrollment levels for the next few years?
2. How were the CARES/HEERF funds used?
3. What budget adjustments (investments, reallocations, or cuts) have been made outside of OAA?
4. What is the OAA annual budgeting process (IPEB) and how will that be integrated with program review?
5. How has Education and General funding changed since the adoption of the 2021/22 fiscal year budget?
6. What was the PSU FY2021 surplus/deficit?
7. How much does the university hold in reserves?
  - a. Why have reserves been increasing the last few years even as OAA units have been asked to make more budget cuts?
8. What are the plans for discussions around program reductions?
  - a. How and when will program adjustments be implemented?

# Faculty Senate Budget Forum

November 1, 2021



*Portland  
State*  
UNIVERSITY



# Faculty Senate Budget Forum

## Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

<u>AWARD</u>	<u>STUDENT PORTION</u>	<u>INSTITUTIONAL PORTION</u>	<u>STRENGTHENING INSTITUTIONS PORTION (SIP)</u>
The Coronavirus Aid, Relief, and Economic Security Act (CARES/HEERF I)	\$8,320,203	\$8,320,202	\$827,183
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA/HEERF II)	\$8,320,203	\$22,419,901	\$1,300,752
The American Rescue Plan (ARP/HEERF III)	\$27,338,293	\$26,714,861	\$2,128,770





## Purpose of Funds

- » Learning continuity
- » Direct financial aid to students impacted by the pandemic,
- » Institutional stabilization to address transition to remote learning and lost revenue

## Information from U.S. Department of Education

Authorized uses of funds continues to shift due new legislation and administration changes

- » Retroactive changes in use of funds
- » Expansion of eligible students



## ***FY 2020-21 Lost Revenue Reimbursement***

	<b>FY 2020-21 Proposed Allocation</b>	<b>Actual Amount</b>
	<b>\$30.5 million</b>	<b>\$29,076,608</b>
Lost Tuition Revenue	\$12.5 million	\$12,493,593
Auxiliary losses	up to \$16 million	\$14,776,810
F&A reduction (research)	\$1.4 million	\$1,241,630
Designated Operations	\$600,000	\$564,575



# Faculty Senate Budget Forum

Higher Education Emergency Relief Funds (HEERF I, II, III) Updates

## ***Maximum Institutional Funding Available (Including Strengthening the Institution Portion)***

<b>Category</b>	<b>Amount</b>
Total Awards*	\$ 61,968,827
Total Spent/Allocated as of June 30, 2021**	\$35,732,607
Remaining Available Funds	\$26,236,220



# FY 2020-2021 Summary Financial Results



# Faculty Senate Budget Forum


## FY21 Fourth Quarter Financial Reports

### *FY21 Enrollment - Student Credit Hours*

	FY20 #	F21 #	Change #	Change %
Resident Undergraduate	539,353	515,973	-23,380	-4.3%
Resident Graduate	85,623	86,598	975	1.1%
Resident Subtotal	<i>624,976</i>	<i>602,571</i>	<i>-22,405</i>	<i>-3.6%</i>
Non-Resident Undergraduate	164,271	134,045	-30,226	-18.4%
Non-Resident Graduate	38,987	38,217	-770	-2.0%
Non-Resident Subtotal	<i>203,258</i>	<i>172,262</i>	<i>-30,996</i>	<i>-15.2%</i>
<b>Total</b>	<b>828,234</b>	<b>744,833</b>	<b>-53,401</b>	<b>-6.4%</b>



## *FY20-21 Budget to Actual and Forecast Update*

- » Gross tuition revenue  \$290 thousand from revised budget offset by less remissions
- » Expenses under budget mostly due to personnel savings of \$30.6 million
- » Auxiliary funds saw the most impact from COVID-19 due to restricted campus activities.
- » Auxiliary expenses were offset by the use of \$7.1 million in treasury reserves to cover debt payments
- » Shows the mitigation of COVID-19 impact from federal stimulus funds as a separate line item

<i>Dollars in 000s</i>	E&G	Designated Operations	2021.11.01 Service Departments	Minutes Appendix Auxiliary Enterprises	C.2 - p. A14 Restricted Funds	Total All Funds	Total All Funds 2020-21 Budget	FY21 Q3 Forecast to Q4 Actuals: Forecast	FY21 Q3 Forecast to Q4 Actuals: Percent
<b>Revenue</b>									
<i>Gross Tuition</i>	211,442	-	-	-	-	211,442	211,730	211,529	0.0%
<i>Less: Remissions</i>	(20,363)	-	-	-	-	(20,363)	(23,111)	(20,393)	-0.1%
<b>Net Tuition</b>	<b>\$ 191,079</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 191,079</b>	<b>\$ 188,619</b>	<b>\$ 191,136</b>	<b>0.0%</b>
Student Fees & Non Credit Tuition	\$ 12,443	\$ 1,764	\$ -	39,342	\$ -	\$ 53,549	\$ 60,443	\$ 54,061	-0.9%
Government Resources & Allocations	110,608	-	-	1,127	-	111,735	110,677	111,558	0.2%
Gift Grants and Contracts	12,964	1,295	0	1	96,200	110,461	85,101	81,716	35.2%
Student Financial Aid	-	-	-	-	65,213	65,213	64,537	67,711	-3.7%
Investment/Debt/Debt Service	3,666	832	-	373	57	4,928	4,917	5,597	-12.0%
Sales, Services & Other Revenue	5,923	1,726	2,879	25,687	334	36,549	44,304	34,609	5.6%
<b>Total Revenue</b>	<b>\$ 336,683</b>	<b>\$ 5,617</b>	<b>\$ 2,879</b>	<b>\$ 66,531</b>	<b>\$ 161,804</b>	<b>\$ 573,514</b>	<b>\$ 558,598</b>	<b>\$ 546,388</b>	<b>5.0%</b>
<b>Expense</b>									
Salaries & Wages	\$ 171,467	\$ 2,431	\$ 746	\$ 15,608	\$ 26,318	\$ 216,569	\$ 239,532	\$ 217,369	-0.4%
OPE (fringes)	89,616	1,056	320	\$ 9,167	12,471	112,629	120,257	111,294	1.2%
Service & Supplies (net of transfers)	61,210	2,405	1,150	\$ 33,848	29,134	127,747	152,302	133,756	-4.5%
Student Financial Aid	-	-	-	-	64,611	64,611	64,606	67,711	-4.6%
Management Reserve Expenses	7,904	-	-	-	-	7,904	-	8,656	-8.7%
<b>Total Expense</b>	<b>\$ 330,197</b>	<b>\$ 5,891</b>	<b>\$ 2,215</b>	<b>\$ 58,622</b>	<b>\$ 132,534</b>	<b>\$ 529,460</b>	<b>\$ 576,697</b>	<b>\$ 538,786</b>	<b>-1.7%</b>
<b>Net before Depreciation</b>	<b>\$ 6,486</b>	<b>\$ (275)</b>	<b>\$ 664</b>	<b>\$ 7,909</b>	<b>\$ 29,270</b>	<b>\$ 44,053</b>	<b>\$ (18,099)</b>	<b>\$ 7,602</b>	
Depreciation	\$ -	\$ -	\$ 121	\$ 11,532	\$ -	\$ 11,652	\$ 11,447	\$ 11,610	
<b>Net before HEERF Reimbursements</b>	<b>\$ 6,486</b>	<b>\$ (275)</b>	<b>\$ 543</b>	<b>\$ (3,623)</b>	<b>\$ 29,270</b>	<b>\$ 32,401</b>	<b>\$ (29,547)</b>	<b>\$ (4,008)</b>	
<b>HEERF Reimbursements</b>	<b>\$ 13,735</b>	<b>\$ 565</b>	<b>\$ -</b>	<b>\$ 14,777</b>	<b>\$ (29,077)</b>	<b>\$ -</b>			
<b>Actual Net</b>	<b>\$ 20,221</b>	<b>\$ 290</b>	<b>\$ 543</b>	<b>\$ 11,154</b>	<b>\$ 193</b>	<b>\$ 32,401</b>			

*TOTAL UNIVERSITY FY20-21 Quarter 4 Unaudited Actuals*

# EDUCATION & GENERAL (E&G) Fiscal Year 2020-21 Quarter 4 Unaudited Actuals

2021.11.01 Minutes Appendix C2 p. A15

	FY20 Actuals	FY21 Budget	FY21 Q4 Actuals	FY21 Budget to Q4 Actuals - Dollars	FY21 Budget to Q4 Actuals - Percent	FY21 Q3 Forecast to Q4 Actuals - Forecast	FY21 Q3 Forecast to Q4 Actuals - Percent
<b>Revenue</b>							
Gross Tuition	\$ 218,695	\$ 211,730	\$ 211,442	\$ (288)	-0.1%	\$ 211,529	0.0%
Less: Remissions	(20,536)	(23,111)	(20,363)	2,748	-11.9%	(20,393)	-0.1%
<b>Net Tuition</b>	<b>\$ 198,160</b>	<b>\$ 188,619</b>	<b>\$ 191,079</b>	<b>\$ 2,460</b>	<b>1.3%</b>	<b>\$ 191,136</b>	<b>0.0%</b>
Student Fees	\$ 14,478	\$ 14,502	\$ 12,443	\$ (2,059)	-14.2%	\$ 12,359	0.7%
Government Resources & Allocations	107,018	109,659	110,608	949	0.9%	110,608	0.0%
Gifts Grants and Contracts	11,870	12,622	12,964	342	2.7%	12,754	1.6%
Investment/Debt/Debt Service	9,161	3,700	3,666	(34)	-0.9%	4,338	-15.5%
Sales, Services & Other Revenue	5,670	6,936	5,923	(1,013)	-14.6%	4,962	19.4%
<b>Total Revenue</b>	<b>\$ 346,355</b>	<b>\$ 336,038</b>	<b>\$ 336,683</b>	<b>\$ 645</b>	<b>0.2%</b>	<b>\$ 336,157</b>	<b>0.2%</b>
<b>Expense</b>							
Salaries & Wages	\$ 175,569	\$ 187,261	\$ 171,467	\$ (15,794)	-8.4%	\$ 172,427	-0.56%
OPE (fringes)	90,072	95,974	89,616	(6,358)	-6.6%	88,945	0.75%
Service & Supplies (net of transfers)	61,104	63,803	61,210	(2,593)	-4.1%	56,553	8.24%
Management Reserve Expenses	8,651	-	7,904	7,904	-	8,656	-8.69%
<b>Total Expense</b>	<b>\$ 335,397</b>	<b>\$ 347,038</b>	<b>\$ 330,197</b>	<b>\$ (16,841)</b>	<b>-4.9%</b>	<b>\$ 326,581</b>	<b>1.11%</b>
<b>Net before Depreciation</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 6,486</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	
Depreciation	\$ -	\$ -	\$ -			\$ -	
<b>Net before HEERF Reimbursements</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 6,486</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	
<b>HEERF Reimbursements</b>			<b>\$ 13,735</b>				
<b>Actual Net</b>	<b>\$ 10,958</b>	<b>\$ (11,000)</b>	<b>\$ 20,221</b>	<b>\$ 17,486</b>		<b>\$ 9,576</b>	





# Faculty Senate Budget Forum

## Reserves

### *Component Reserves*

**Reserves Management Policy has a target minimum of holding 25% (13 weeks) of the annual E&G Budget in Central and Operating Reserves. This minimum is based on guidance from NACUBO on having 20.8 weeks of reserves. At the close of FY21 PSU had 25.8 weeks of reserves (excluding GASB 68 & 75).**



\$5.2 million of unused bridge funding from FY2021 were returned to central reserves

\$14.9 million is budgeted as bridge funds to supplement the FY 2021-22 operating budget

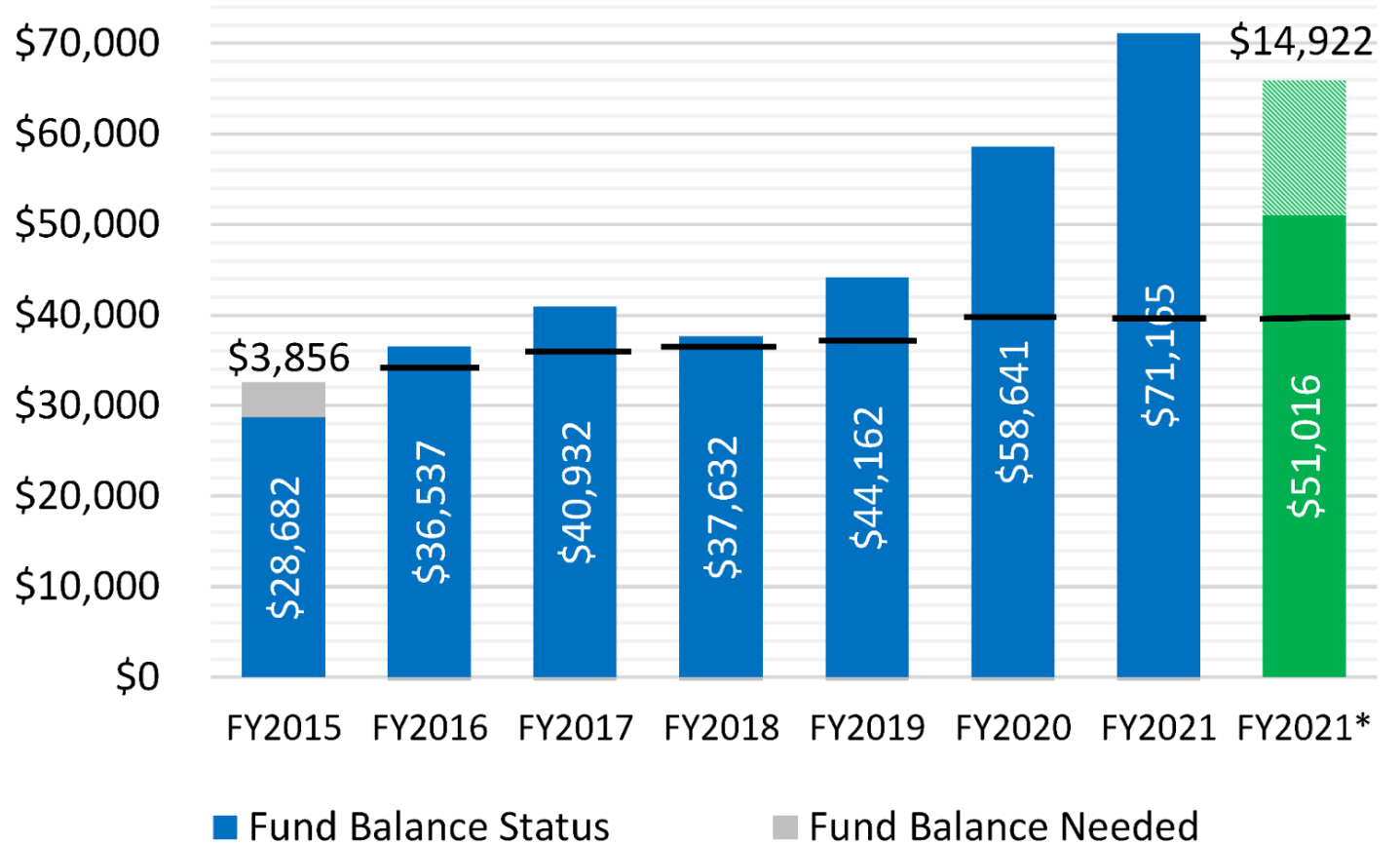
After the use of bridge funds, operating reserves are still over target by \$11.8 million

Divisions historically underspend their budgets which may result in little to no reduction in operating reserves in FY 2021-22

Operating reserves will be needed to supplement the operating budget for at least the next 2 years

# Operating Reserves

(thousands)

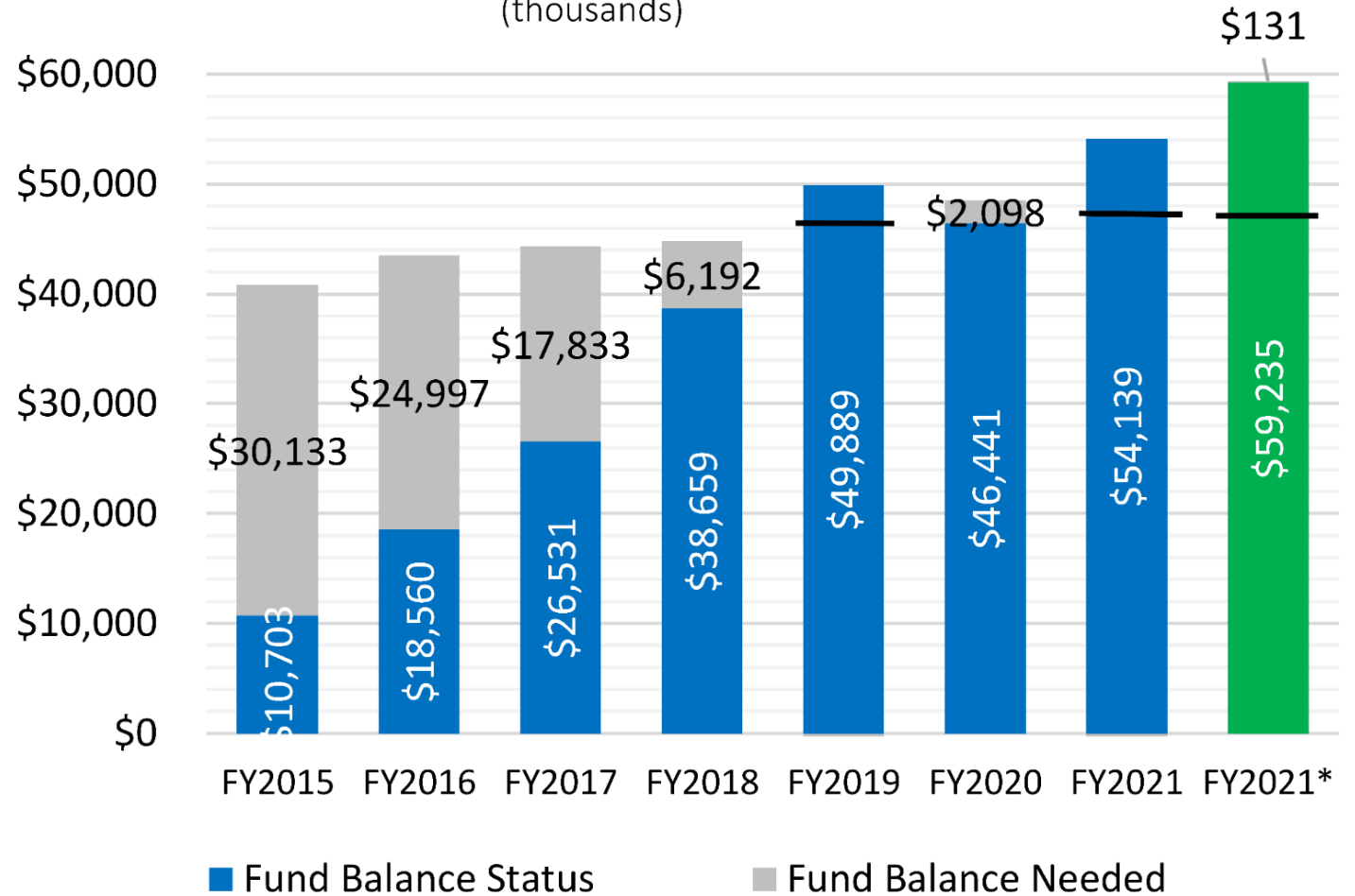


# Faculty Senate Budget Forum

## Reserves

### Central Reserves

(thousands)





# ***FY 2021-2022 All Funds Budget***



# Faculty Senate Budget Forum

FY 2021-22 All Funds Budget

## *Budget Summary*

- » The 2021-22 budget is built using the tuition increase approved by the Board of Trustees in April 2021, a forecast change in enrollment of 5.5% from 2020-21, a slight increase in the state allocation and roughly a **1.5% reduction in the general fund from the 2020-21 revised budget** which includes an estimated \$15 million in reserves.
- » Each division made strategic decisions on how to deploy the general fund budget.
- » In addition to the \$15 million in reserves for the operating budget, divisions may use additional reserves for strategic purposes
- » The All Funds Operating budget anticipates a cash loss of \$21 million
- » One-time funding Higher Education Emergency Relief Funds slated to be used in 2021-22 are not included in the budget

## FY 2021-22 Final All Funds Budget

<i>Dollars in 000s</i>	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds
<b>Revenue</b>						
<i>Gross Tuition</i>	201,855	-	-	-	-	201,855
<i>Less: Remissions</i>	(23,138)	-	-	-	-	(23,138)
<b>Net Tuition</b>	<b>\$ 178,716</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,716</b>
Student Fees & Non Credit Tuition	\$ 13,394	\$ 3,268	\$ -	42,824	\$ -	\$ 59,486
Government Resources & Allocations	111,122	-	-	1,000	-	112,122
Gift Grants and Contracts	11,512	1,940	5	-	63,389	76,846
Student Financial Aid	-	-	-	-	57,384	57,384
Investment/Debt/Debt Service	4,146	532	-	468	81	5,227
Sales, Services & Other Revenue	6,695	2,007	3,092	43,718	319	55,830
<b>Total Revenue</b>	<b>\$ 325,585</b>	<b>\$ 7,747</b>	<b>\$ 3,097</b>	<b>\$ 88,010</b>	<b>\$ 121,173</b>	<b>\$ 545,612</b>
<b>Expense</b>						
Salaries & Wages	\$ 181,766	\$ 2,988	\$ 916	\$ 22,244	\$ 24,997	\$ 232,912
OPE (fringes)	98,295	1,392	430	\$ 11,315	12,008	123,441
Service & Supplies (net of transfers)	60,577	4,114	1,061	\$ 60,867	26,783	153,402
Student Financial Aid	-	-	-	-	57,384	57,384
Management Reserve Expenses	-	-	-	-	-	-
<b>Total Expense</b>	<b>\$ 340,638</b>	<b>\$ 8,494</b>	<b>\$ 2,407</b>	<b>\$ 94,426</b>	<b>\$ 121,173</b>	<b>\$ 567,139</b>
<b>Net before Depreciation</b>	<b>\$ (15,053)</b>	<b>\$ (748)</b>	<b>\$ 689</b>	<b>\$ (6,416)</b>	<b>\$ -</b>	<b>\$ (21,527)</b>
Depreciation	\$ -	\$ -	\$ 141	\$ 12,285	\$ -	\$ 12,426
<b>Net</b>	<b>\$ (15,053)</b>	<b>\$ (748)</b>	<b>\$ 549</b>	<b>\$ (18,701)</b>	<b>\$ -</b>	<b>\$ (33,953)</b>



# Faculty Senate Budget Forum

## FY 2021-22 All Funds Budget

<i>Dollars in 000's</i>	E&G	Designated Operations	Service Departments	Auxiliary Enterprises	Restricted Funds	Total All Funds	% of total
Academic Affairs	\$224,607	\$8,030	\$281	\$44,710	\$51,504	\$329,131	56.8%
Office of the President	11,116	124	3	221	1,361	12,825	2.2%
PSU Foundation	6,481	-	-	-	123	6,604	1.1%
Enrollment Management	7,851	-	-	-	3	7,853	1.4%
Research & Graduate Studies	10,266	341	363	7	10,262	21,240	3.7%
Office of Information Technology	19,387	-	2,199	-	3	21,589	3.7%
Finance & Administration	34,785	-	402	34,818	25	70,030	12.1%
Athletics	2,373	-	-	7,830	508	10,710	1.8%
General University Obligations	23,773	-	(700)	19,125	57,384	99,583	17.2%
<b>Total Expenditure Budget</b>	<b>\$340,638</b>	<b>\$8,494</b>	<b>\$2,548</b>	<b>\$106,711</b>	<b>\$121,173</b>	<b>\$579,565</b>	<b>100%</b>



# Faculty Senate Budget Forum

## Student Credit Hour Update

### ***FY22 Enrollment - Student Credit Hours Summer 2021***

	FY 21 #	FY22* #	Change #	Change %
<b>Resident Undergraduate</b>	47,535	41,022	-6,513	-13.7%
<b>Resident Graduate</b>	11,688	10,251	-1,437	-12.3%
Resident Subtotal	<i>59,223</i>	<i>51,273</i>	<i>7,950</i>	<i>-13.4%</i>
<b>Non-Resident Undergraduate</b>	15,953	10,725	5,228	-32.8%
<b>Graduate</b>	4,016	3,067	-949	-23.6%
Non-Resident Subtotal	<i>19,969</i>	<i>13,792</i>	<i>-6,177</i>	<i>-30.9%</i>
<b>Total</b>	<b>79,192</b>	<b>65,065</b>	<b>-14,127</b>	<b>-18.0%</b>

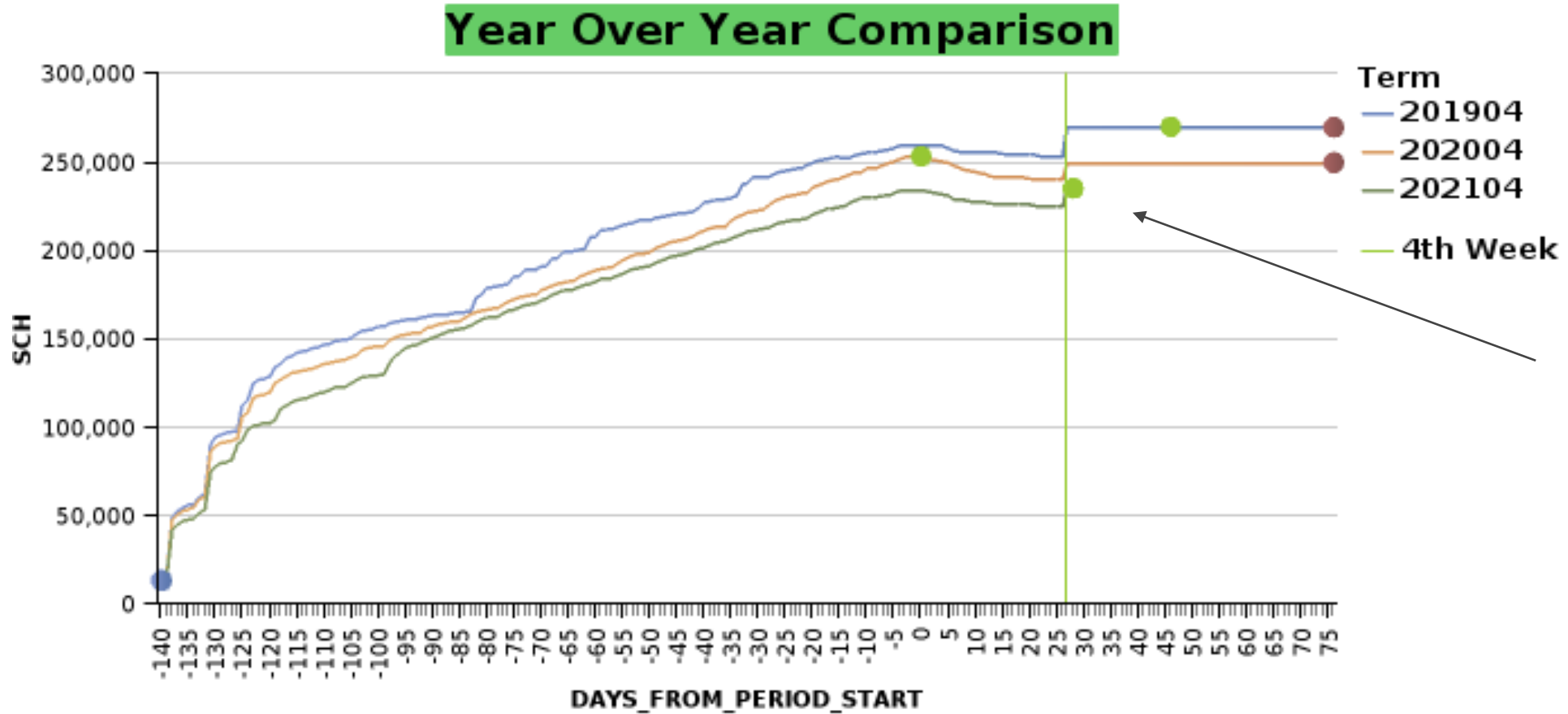




# Faculty Senate Budget Forum

## Student Credit Hour Update

### *Fall 2021 Student Credit Hours as of 10/25/21*



 Faculty Senate Budget Forum

Information presented today can also be found on the Board of Trustees website on Finance & Administration Committee page:

<https://www.pdx.edu/board/finance-and-administration-committee>

We encourage you to tune into the next meeting on November 10, 2021 at 9am which will be live-streamed at

<https://video.ibm.com/channel/vGfGtyfbjwL>

# *OAA IPEB Process*

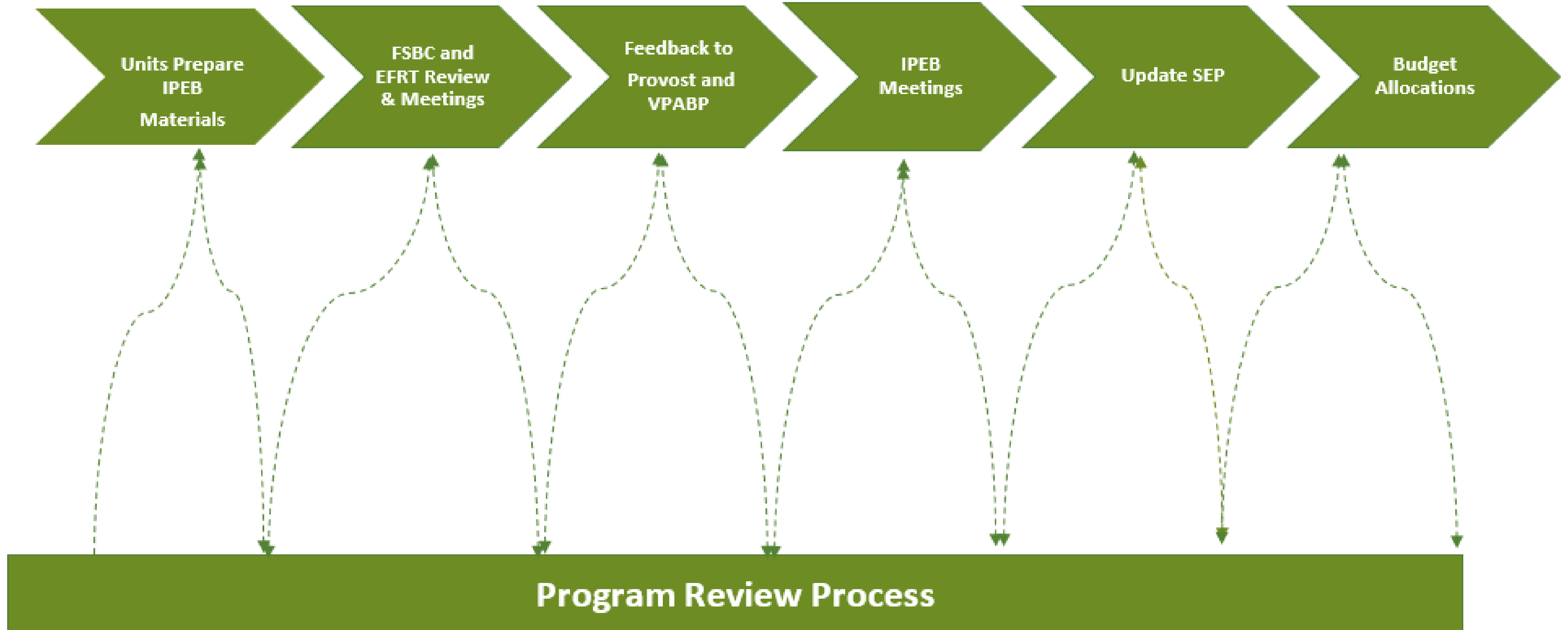
Faculty Senate , November 1, 2021

## **Integrated Planning of Enrollment and Budget (IPEB) Process**

- ***OAA annual process to support strategic enrollment management, unit level strategic planning and resource allocation***
- ***Process is reviewed and agreed between the Faculty Senate Budget Committee, Provost and Academic Budget and Planning***
- **Iterative process to align academic planning decisions with institutional enrollment and revenue forecasts**
- **Facilitates discussion about budgets among multiple stakeholders**



# IPEB Process Flow



FSBC - Faculty Senate Budget Committee

EFRT- Enrollment Forecast Review Team (Chuck Kneple, Vice President for Enrollment Management, Rossitza Wooster, Dean of Graduate Studies. Kathi Ketcheson, Director, OIRP, Andria Johnson, Associate Vice President, University Budget & Financial Planning)

VPABP - Vice Provost for Academic Budget and Planning

## Key IPEB Materials

Document	Purpose
Strategic Enrollment Plan (SEP)	Based on initial OIRP* projections of department-level enrollment, enrollment-generating units develop unit-level plans/projections. These are informed by both unit-level and institutional enrollment trends. This information is shared with OIRP for consideration in OIRP's institutional projection model. The enrollment plans are updated throughout the process, based on updated enrollment forecasts, which are the basis of the University's tuition revenue forecast. The SEP should also incorporate trend information from the PRWG Driver Metrics Dashboards.
Strategic Planning Narrative (SPN)	To gain an understanding of how investments, reductions and cross-functional collaborations may impact enrollment and retention for the coming academic year. The SPN should also incorporate information from the PRWG Dashboards to address topics of completion and service courses.
Budget Scenarios	Outline possible annual cost increases and unit scenarios to achieve a balanced budget. Any proposed adjustments that result from the Program Review/Reduction Process should be included here.
Resource Plans	Identify areas of investments that could increase tuition revenue or other revenues, based on Dashboard data and enrollment trends.
Remissions Request	Requests remissions based on enrollment trends, the SEP, and OIRP enrollment projections.
Management Reserves Spending Plans	Provides details of strategic use of management reserves for current and future years.

\*Office of Institutional Research and Planning, member of EFRT.