

To: Faculty Senate

From: Budget Committee

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RE: June 6, 2022 Annual Report

### **Committee Charge and Roles**

The Budget Committee has a multipart 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.
- 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.
- 9) Report to the Senate at least once each year.

### **University Budget**

The committee received updates on the university budget by Kevin Reynolds and Andria Johnson. The first presentation in the fall of 2021 included a recap from FY21 and an update on FY22. The second presentation in April included updates on the budget for FY23, the use of reserve funds, and the tuition increase recommended by TRAC. The committee has also met with Kevin Neely regarding updates to funding from the state, including modifications to the allocation formula used by the Higher Education Coordinating Commission. Enrollment continues to decline due to a loss of continuing students even as we had an increase in new students in the fall of 2021. The expenditures for the FY22 year are expected to be less than what had been budgeted for because PSU received unanticipated additional funding from the state due

to modifications of the Student Success and Completion Funding Model for the distribution of funds to campus, and due to recovery of reserves through the use of federal aid related to the impacts of the pandemic.

The FSBC learned that a structural budget variance (a surplus) exists between budgeted revenues and expenses as compared to actual revenues and expenses. The University Budget Office and OAA are working to revise current budget processes to minimize this structural variance in future budget planning.

### **FY22 OAA Budget Process**

The Office of Academic Affairs follows a budget process called Integrated Planning of Enrollment and Budget (IPEB). This budget process has the revenue generating units develop enrollment plans. Enrollment plans detail the student enrollment outlook. These are accompanied by enrollment narratives that explain the impact on students via persistence, recruitment, degree completion, and program management strategies.

Budget Committee co-chairs were invited and attended the launching of the IPEB process in November. The Budget Committee worked with Amy Mulkerin to modify the IPEB timeline to allow liaison meetings with deans and directors to occur in February so that more accurate FY23 budget information would be available.

Context:

Members of the Budget Committee (FSBC: Faculty Senate Budget Committee) met with the deans, directors, and financial officers of eleven colleges and academic units across campus between 2/8/2022 and 2/28/2022. Each unit was provided with a list of questions developed by the FSBC (see Appendix 1). Reports from nine of eleven of these were provided in the form of written responses and notes taken by FSBC members. Members of the APRCA committee were invited to provide additional perspectives on the longer-term process of reorganization and reduction processes initiated by the provost, and they attended most of these meetings. Below is a summary of common trends noted by committee members from across the interviews with representatives of the eleven units.

### **Challenges:**

1. Impacts of faculty attrition.
  - a. Loss of Tenure Track Faculty (TTF) and Non-Tenure Track Faculty (NTTF) through cuts, retirements, and retention failure has had a negative impact on curricula, and consequently the retention and recruitment of graduate and undergraduate students. This impact varies among units across campus. Some units mentioned loss of students because of class cancellations, and other difficulties imposed by lack of curriculum continuity when departments had to rely on adjunct faculty for essential course offerings.
  - b. Cuts have reduced the number of NTTF, adjunct faculty, and GTAs to the point where the reductions in course offerings will negatively impact our ability to recruit new students and will negatively impact continuing students' ability to complete their degrees.
  - c. For many departments the growth of graduate programs is limited by the number of TTF who act as graduate student mentors. TTF attrition has resulted in reductions in graduate enrollment.
  - d. Difficulty funding competitive start-up packages is reported by several colleges.

- e. The general decline in the diversity of course offerings has had negative impacts on undergraduate retention and recruitment, and on the quality of our students' education experiences.
  - f. Units that rely on adjunct faculty to produce or increase SCH over several years might be in a vicious cycle (e.g. A+D) resulting in increased reliance on adjunct faculty, which has negative impacts on curriculum continuity.
2. Impacts of staffing shortages:
- a. Lack of faculty support services has shifted more of these responsibilities onto faculty. This has had a negative impact on their ability to complete their teaching and research responsibilities.
    - i. Existing staff have been asked to take on additional responsibilities, which reduces their efficiency, and results in burnout. Consequently, we have lost many experienced staff across units so their responsibilities have been transferred to less experienced individuals, which reduces efficiency.
    - ii. Several units mentioned a general lack of advising and recruitment resources, which negatively impacts retention and recruitment. Centralization of advising services has removed advisors from contact with faculty within departments, which hampers their ability to provide accurate advice to students. In some cases this has led to students taking unnecessary courses that did not contribute to their graduation. Advising caseloads of 150:1 in programs such as TRIO, ATMOS and Exito produce high retention and graduation rates. While NACADA recommends advisor to student ratios at 250:1, ACS advisors each serve closer to 450 students. Some units mentioned the lack of discipline-specific recruiters as one factor contributing to enrollment declines.
    - iii. With a budget model that rewards retention and graduation (not to mention new enrollments), colleges with the resources for staff dedicated to student success activities have built-in advantages. Should there be an intentional approach to allocating this staff to the colleges? Should there be guidance for where these staff should be housed (departments vs. dean's offices) – noted that Architecture has this staff, but does the dean's office in COTA as well? Do the other schools in COTA?
3. Concerns with the budgeting process:
- a. Several units expressed concerns over transparency and a shared understanding of how budgeting decisions are made. There was a general concern of too much focus on SCH, and not enough focus on revenue.
    - i. The growth of several units (or departments within them) are limited by a lack of adequate resources. These are units and departments that have been receiving more applicants than they can accommodate for many years, yet their budgets have not been adequately adjusted to meet this demand. There was a general call for more TTF to provide adequate course offerings and research. In some cases (e.g., SB) they have the minimal number of TTF for accreditation. In other cases (e.g., COTA) more TTF are required to provide curricular stability.

- ii. Disproportionate budget reductions for some units will lead to additional loss of SCH and degrees in the majors they support. Under the current budget model (the “three-year trend” model), this will impact future budgets and will lead to disproportionate declines in some units.
- iii. There is a concern that by basing each future year's budget on past three-year trends, the focus negates the ability to look forward and really expand where successful recruitments and generation of revenue can happen.
- iv. There seems to be a built-in disparity in how much wiggle room is in the colleges' allocations. Some colleges have the resources to meet student demand and amass significant reserves and others do not.

### **Opportunities:**

1. Expansion of online curricula.
  - a. Several units mentioned past success and future plans for increasing the number of online course offerings. There was a general appreciation of the fact that some types of courses are not effective or even possible in an online format. Units and departments are continuing to look at their curricula to identify courses that would be effective in an online format.
2. Shifting resources to capacity-limited units and programs.
  - a. As mentioned above, some units (e.g., HON, SB, SSW) and departments (e.g. Computer Sciences, Architecture, Counseling Education in COE) have enrollments that are limited by inadequate resources. As additional resources become available, it may be prudent to invest additional resources in existing programs rather than generating new ones.
3. Investment in discipline-specific advising.
  - a. One unit (SPH) highlighted the success of implementing discipline-specific advising (Career Mentorship Bridge) to the existing Pathways model of advising. As mentioned above, retention degree completion could be improved through additional discipline-specific advising efforts.
4. Additional opportunities:
5. Giving credit for Prior Learning. Some units (e.g., COE, SB) mentioned the possibility to increase recruitment in some areas by providing credit for prior experience in the field.
6. Other successful recruitment efforts were mentioned by UNST including Senior Inquiry and the Higher Ed in Prison Program. Look for opportunities to expand these programs.
7. Intentionally design college-EM recruiting partnerships. Should every college have a dedicated staff person doing recruiting and retention work? (Related: COTA mentioned ARCH has a staff person doing this – would this be better in the dean's office if the other 3 colleges in COTA don't have this staff?)

### **Summary:**

As the university is expected to continue to experience budget challenges for the next few years, the challenge will be to make funding adjustments and investments that will take advantage of

units and departments with growth potential while not crippling programs that are essential to student success. We encourage the following:

1. A holistic view that allows some units to continue to operate at deficits that are offset by units with positive revenue.
2. Effective use of bridge (reserve) funds to insulate colleges, departments, programs, and units from further damage. This should include the prudent use of funds to refill TTF lines to restore instructional and research capacity.
3. A focus on direct revenue (rather than indirect expenses) from the RCAT to provide a more equitable and reliable tool for revenue assessment.

### **Proposal Reviews**

The committee has completed reviews of one proposal for new academic programs, four proposals for new certificates, 45 proposals for academic program changes, and 2 proposals for academic program eliminations. These proposals were reviewed by two-person or three-person review panels which report their recommendations (no significant impact/modest impact/significant impact) to the committee via an online google document. This system enables other committee members to review and comment on proposals not assigned to them. Major proposals such as those for completely new programs are discussed in committee meetings. We have been using google docs to facilitate communicating these recommendations to Andreen Morris, the Curriculum Coordinator, who posts the final recommendation in the curriculum proposal system.

### **Upcoming Agenda Items (postponed until the 2022/23 AY)**

1. Discussion of IPEB funding decisions, enrollment projections, and the use of reserves for the FY23 budget with Amy Mulkerin and Susan Jeffords.
2. Discussion of the Program Reorganization and Reduction process Phase II decisions with Amy Mulkerin and Susan Jeffords.
3. Discussion of enrollment strategies and early enrollment projections from Chuck, Knepfle, VP of Enrollment Management

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