

To: Faculty Senate

From: Budget Committee  
Jill Emery (co-chair), Jennifer Allen (co-chair until April 2023), Travis Bell, John Beer, Mitch Cruzan, Derek Garton, Sam Gioia, Brenda Glascott, David Hansen, ChiaYin Hsu, David Kinsella, Martin Lafrenz, Lynne Messer, alex, Sager, Amanda Sugimoto, Derek Tretheway, and Blythe Urutia

RE: June 5, 2023 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 2022 included a recap from FY22 and an update on FY23. The second presentation in February 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

Chuck Knefle regarding student enrollment goals, breakdown of the tuition costs to students and the impact of tuition increases upon total student expenditures. The expenditures for the FY24 year are expected to be more than revenues generated. Despite an ongoing hiring freeze/pause of all campus personnel positions, the financial savings/cost recovery has not been articulated or shared either to the faculty senate budget committee or to the Board of Trustees Finance and Administration Committee.

We had a presentation from Amy Mulkerin and Susan Jeffords on the Program Review and Reduction Processes which included the co-chairs of the Academic Program Reduction and Curricular Reduction ad hoc Committee. The work completed by this process including early retirement offers has resulted in an overall saving of ~\$10 million to OAA.

In order to have a better articulation of the Budget Data FY 2010 through FY 2022, David Hanson & Andria Johnson worked to create a more simplified and readily understood rubric of financial analysis. We will continue to build upon this rubric going forward as a way to further develop a deeper understanding of the overall financial trends of the University.

### **FY23 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 January. The Budget Committee worked with Amy Mulkerin to modify the IPEB timeline to allow liaison meetings with deans and directors to occur in March and early April so that more accurate FY24 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 2/21/2023 and 4/5/2023. Each unit was provided with a list of questions developed by the FSBC (see Appendix 1). Interested 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.

### Shared Principles Identified:

- All of the interviewed OAA units provided examples of engagement with student success and various attempts at finding more effective pathways for the recruitment & retention of students.
- All of the units indicate a strong commitment to maintaining research efforts and research support undertaken by their faculty members as a way to increase student participation in research enterprises across campus.
- All of the units acknowledged a lack of comprehensive strategic framework to work within that facilitates the setting of meaningful unit goals and outcomes.
- All of the units do not see personnel as the problem but rather the solution if a comprehensive strategic framework existed.

### Challenges:

- All of the units noted a drop in undergraduate enrollment over the past two years and recognize this as a fundamental budgetary problem. The School of Public Health notes that their undergraduate graduation rate is below what their accrediting organization wants to see and this is a result of both a resource allocation and structural challenge.
- The hiring freeze/pause across the University has impacted OAA units heavily and has derailed the agency of the units to respond to critical personnel deficits with any urgency. The current practice of having the President of the University ultimately determine who is and is not to be hired not only erodes the shared governance of the faculty but the shared governance of OAA. Specifically, the following problems were noted by multiple units in OAA:
  - Relying on contingent faculty is putting programs in risky positions to be able to maintain retention targets and increase enrollment even in programs that are deemed successful. The School of Public Health points out that their accreditation board has noted the over reliance on adjunct faculty.
  - Continued and sustained loss of support staff is resulting in the lack or reduction of fundamental student support services in units in critical ways as noted by MCECS, the Library, and UNST who all noted the sense of over burden felt by remaining support staff now serving multiple roles and triaging services.
  - The lack of hiring in units & in the Office of Research & Graduate Studies is jeopardizing both the awarding and completion of federal grants which means we've lost out on significant funding opportunities as noted by CUPA.
  - For some of the professional programs, the faculty to student ratio is becoming precarious and it could result in the loss of program accreditation for key areas on campus such as the School of Social Work and Engineering programs. Both program areas noted that hiring impacts created by the hiring freeze/pause now carry forward to future accreditation shortfalls if faculty FTE continues to drop below accreditation limits outlined.

- CLAS continues to have to cut GTA positions and is considering trying to raise more philanthropic support for the positions but this takes time to build a solid foundation of support. In the meantime, this means either greater course loads for faculty or hiring of more adjuncts.
- Promotion of program offerings is inconsistent and there is not a strategic enrollment plan in place across the University. CLAS notes they have a zero budget for recruitment and the flattened model for marketing to undergraduates de-emphasizes centralized support. Some units such as Honors, MCECS, and The School of Business have created enrollment processes either as stand-alone arrangements or in conjunction with enrollment management, however these are limited to these areas on campus and result in enrollment growth without faculty FTE to support programs offered. SSW noted that even though they have a nationally ranked MSW program, there is virtually no advertising budget to recruit out of state students. Having an overall comprehensive enrollment plan would help to delineate the strategic directions found lacking and grow the University in a more sustainable manner.
- There is the ongoing concern that SCH continues to be the main driver of determining course/program success and even with better ways to indicate cost share across disciplines developed by OIRP, this rubric does not fit with the overall ethos of Portland State as an access institution and get at what we should be measuring in regards to “success” at Portland State. CLAS would like to explore how to disconnect from the student success and completion model and focus more directly on State-focused earmarks and appropriations. SSW is also pursuing a bill for direct allocation of funds from the State legislature.
- There is a lack of transparency and comprehension of what the personnel hiring freeze/pause has achieved in regards to offsetting our shortfalls in the budget due to enrollment declines. There is the concern that money once designated for ongoing curricular support is just being converted into one-time spending opportunities that does little to help sustain enrollment planning and budgeting.

#### Opportunities:

- Portland State provides a significantly lower cost for tuition than other Oregon public universities and there are significant numbers of students graduating without student debt; there is a strong marketing case to be made to help increase enrollment. Across all OAA units, there are stories from students of their worthwhile educational experience at Portland State. Creating a mechanism to broadly capture and share these stories from all disciplines is needed.

- COE and CLAS both note that developing certificates, especially graduate certificates for licensure-only pathways in COE, is an ongoing shift and aligns with HECC funding models more readily and provides opportunities for growth to Portland State.
- Portland State does have a strong tie-in with various undergraduate research programs across campus. Doubling down on being the best R2 institution possible with more undergraduate research participation could help define a particular niche for Portland State. This focus could set us apart from other Oregon universities and potentially help to grow enrollments and face competitors more readily. In addition, this is an area where grant funding could be steadily increased if there were the personnel in place to help with federal and private funding support.
- There continues to be growth in interdisciplinary programs across campus. These initiatives are led in large part by CLAS but performed in conjunction with almost all the other schools and colleges on campus. This work needs greater visibility and promotion.. Our interdisciplinary program development would benefit from broader coordination and codification in order to fully succeed. It is recognized that the work to fully integrate true interdisciplinary programmatic design extends beyond the determination of SCH allocation and calls for the development of a rubric or framework to assess and determine financial stability and sustainability of these programs. We keep hearing there are pockets of the campus working on interdisciplinary frameworks but again, it is occurring in a very ad hoc and administratively driven way. We'd like to see this work highlight shared governance and utilize existing faculty senate curricular structures to be accomplished.

#### Summary:

In summary, the Faculty Senate Budget Committee acknowledges a campus struggling to come together and face the budgetary challenges ahead of us. The ad hoc personnel hiring freeze/pause without a strategic framework has hampered and hindered the ability of OAA units to achieve goals of both student recruitment and retention. The benefits of the hiring freeze/pause for offsetting shortfalls have not been made transparent to either campus divisions or units in OAA. There are significant concerns in many of the professional programs that this ongoing situation puts accreditation status in potential jeopardy if carried out much longer. Staffing in all the units are at a critical level that make it uncertain the advent of a federated service center model will rectify. On the other hand, there are opportunities for growth and resilience if we can start a strategic focus in key areas such as undergraduate research participation, further codified and structural development of meaningful interdisciplinary programs, and greater promotion of the lower tuition costs and more students graduating debt free from Portland State. Interdisciplinary study is continuously brought up as a path forward to greater sustainability but this work is being done outside the rubric of faculty senate and shared governance. Therefore, this curricular work, cultivated without faculty input, will not be codified in any cohesive way. While we can find

indications in the integrated planning and enrollment budget processes and discussions of the OAA units attempting to work more comprehensively together, the lack of a cohesive vision and shared purpose thwarts the attempts currently undertaken by the OAA units to act with agency at this time of urgency.

### **Proposal Reviews**

The committee has completed reviews of 9 new programs, 37 program changes, and 13 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.

### **FSBC Endorsements**

The committee submitted three endorsements this year. The first was the Endorsement of the Proposal to allow interdisciplinary majors to use “extra” courses from their Major Towards their Upper Division Cluster which was then passed at faculty senate. The second endorsement was for the FY 2023-24 Tuition Recommendation to raise tuition by \$7/credit hour to both resident and nonresident undergraduates & graduate students which was presented to the Board of Trustees in April 2023. An endorsement is to state the minimal financial impact of the formalization of the student ability to transfer upper-division courses and empower departments to use articulation agreements to count external courses toward the cluster requirement, while allowing the consideration of student petitions. Lastly, support of the Alteration of Program Form regarding the Integration of Faculty and Programs from the Department of International and Global Studies (DIGS) into the Department of Political Science (PS) was completed by the FSBC. However, it was noted that this came to the FSBC at the very end of the year and didn't allow full discussion and the financial analysis of this integration was not presented to FSBC.

### **Upcoming Agenda Items and Items postponed until the 2023/24 AY**

1. Discussion of framework to be instituted as federated service centers to achieve further savings in OAA by consolidation of common activities across OAA units to be held on May 15th and what financial impacts this framework implementation may have.
2. A discussion on May 15th, regarding the management reserves freeze that was announced to Senior Financial Officers on May 3rd.

3. Discussion of late fees and failed classes charged to students and what financial impacts these fees have on students and to the University on June 5th .
4. Development of a financial literacy guidebook to better inform faculty and staff on the campus budgeting processes.
5. Recommendation for meeting with the OAA Senior Financial Officers and the FSBC in Fall 2023.

### **Acknowledgements**

We thank administrators, staff, and XO member faculty who have contributed to thoughtful and informative conversations over the past academic year including [Susan Jeffords](#), [Amy Mulkerin](#), [Kevin Reynolds](#), [Kevin Neely](#), [Chuck Knepfle](#), [Kathi A. Ketcheson](#), David Burgess, [Vanelda Hopes](#), [Tim Anderson](#), and Vicki Reitenauer.