

# **Portland State University**

## **Education & General Fund Budgeting**





# **PSU Budget Allocation Model (PBAM)**



A New Approach  
to Manage  
Institutional Resources

# Model Characteristics

- Revenue / Resources based vs. Expenditure based
- Productivity Informed
- Explainable and Transparent
- Flexibility for Long Term Strategic Planning and Investment
- Multi-year Full Implementation

# Model Desirability:

- Provide budget allocation information (at a high level) to units before a new fiscal year begins
- Support administrative functions and infrastructure
- Recognize, reward and incentivize productivity
- Provide sufficient institutional flexibility and discretion

# How the Model Works:

- 1: Estimate E&G Net Revenue***
- 2: Set Aside Centrally Administered Funds***
- 3: Allocate Targeted or Mandated Funds***
- 4: Make Functional Allocations***
- 5: Academic Allocation by Productivity and Strategic Investments***
- 6: Make Strategic Allocations***
- 7: Buffer Revenue Uncertainty***

# 1: *Estimate E&G Net Revenue*

*( Net of Programmatic Fee Remission)*

- Two major revenue categories:
  - Central** - State Enrollment Funding
    - In-load Tuition
    - Misc. Revenue
    - Indirect Cost Recovery
  - Departmental**
    - Targeted Funding
      - Self Support Tuition
      - Resource Fee
      - Course Fee

## *2: Set Aside Centrally Administered Funds for Later Distributions & Payments*

- Distributions to Academic Units
- Distributions to Administrative Units
- Pools and Reserves
- University-wide Expenses paid to Outside Agencies and Vendors

### *3: Allocate Targeted or Mandated Funds*

- Legislatively Mandated Funds
- Institutional Earmarked Funds
- All Departmental Revenues

## *4: Make Functional Allocations by predetermined %'s*

### a) Academic Support Units:

- The Library
- Research, Public Service
- Reserve Funds for Instructional Space Improvement
- Reserve Funds for Instructional Equipment Replacement & Improvement

## *4: Make Functional Allocations by predetermined %'s*

### b) Support, Services and Management Units:

- Office of the President
- Office of Academic Affairs
- Office of Student Affairs
- Facility Services
- Other FADM Units
- Information Technology Unit

## *5: Academic Allocation by Productivity and Strategic Investments*

- Set aside % (to be determined) of remaining fund as Strategic Investment
- Remaining fund to be allocated to Academic Units based on several measures (to be determined) of productivity.

## *6: Make Strategic Allocations*

- Strategic Initiative Investments according to the institution's long term goals.
- Buffer drastic funding changes to certain units (related to multi-year implementation approach of the new model)

## *7: Buffer Revenue Uncertainty*

- Withhold % of Estimated Revenue from allocation
- Release the funds in Fall when clarity of Enrollment and State Funding is enhanced
- Fall distribution can be at the discretion of the Central Administration as additional Strategic Investments