1. Call to Order/Roll/Quorum  (1:00pm-1:02pm)

2. Resolution Appointing Acting President  (1:02pm-1:05pm)
   Resolution Appointing Acting President - Page 2
   Stephen Percy Vita December 2018 - Page 3

3. Open Comment  (1:05pm - 1:45pm)

4. Consent Agenda  (1:45pm-1:55pm)
   a. Approval of January 24, 2019 meeting minutes
      Draft Meeting Minutes Jan 24 2019. - Page 22
   b. Approval of March 7, 2019 meeting minutes
      Draft Meeting Minutes March 7 2019 - Page 26
   c. Approval of long term utility vault lease
      Resolution Approving Utility Vault Lease - Page 31
      PSU City of Portland Utility Vault Lease - Page 32

5. Report of ASPSU President  Presented By: Luis Balderas Villagrana  (1:55pm-2:15pm)

6. Report of Standing Committees of the Board  (2:15pm-2:35pm)
   a. Report from the Academic & Student Affairs Committee
   b. Report from the Finance & Administration Committee

7. Process for Selection of Interim President  Presented By: Gale Castillo  (2:35pm - 2:45pm) Discussion

8. Resolution Recommending Approval of 2019-2020 Tuition Rates  (2:45pm-3:25pm)
   Cover sheet - 2019-20 Tuition - Page 57
   2019-20 Tuition Resolution - Page 60
   2019-20 Tuition Recommendation Memo - Page 76

9. Meeting Review & Action Items  (3:25pm-3:30pm)

10. Adjourn
RESOLUTION APPOINTING ACTING PRESIDENT OF PORTLAND STATE UNIVERSITY

Approved by the Board
May __, 2019

BACKGROUND

A. Oregon law, ORS 352.096, vests the Board of Trustees with authority and responsibility to appoint and employ the President of the University. Appointment of the President is one of the most important roles of the Board.

B. The Board has accepted the resignation of Dr. Rahmat Shoureshi as president of PSU.

C. The Board is committed to engaging in a deliberative and inclusive process to select the person best suited to serve as Interim President. The Board recognizes that such a process will take time and effort.

D. Dean Stephen Percy has served the University well as leader of the College of Urban & Public Affairs, and is well suited to lead PSU through a period of transition. Dean Percy has agreed to serve as Acting President while the Board engages in a process to identify an Interim President.

RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that:

1. Dean Stephen Percy is appointed as the Acting President of Portland State University, with all of the responsibilities and authorities delegated to and vested in the position of President.

2. The Board authorizes the Board Chair to enter into supplemental employment agreements with Dean Percy as needed to implement this action. The Board further directs the Officers of the University to take all actions as are appropriate to facilitate an effective transition.

APPROVED BY THE BOARD OF TRUSTEES
May __, 2019

Secretary to the Board
Stephen L. Percy, Curriculum Vita

College of Urban and Public Affairs
Portland State University
506 SW Mill Street, Suite 750
Portland, Oregon 97201
Phone: (503) 725-4043  Fax: (503)-725-5199
Email: spercy@pdx.edu

EDUCATION

A.B., Hamilton College, Government
Ph.D., Indiana University, Political Science

CERTIFICATIONS


ACADEMIC POSITIONS

Professor of Political Science, Portland State University, 6/14 to Present.

Professor of Public and International Affairs, University of Baltimore, 8/11 to 5/14.

Professor of Political Science and Public Administration, University of Wisconsin-Milwaukee, 8/94 to 7/11.
Professor of Urban Studies (Interdisciplinary Program), University of Wisconsin-Milwaukee, 6/98 to 7/11.
Associate Professor of Political Science, University of Wisconsin-Milwaukee, 8/89 to 8/94; Assistant Professor, 8/88 to 8/89.

Assistant Professor of Government and Foreign Affairs, University of Virginia, 9/82 to 8/88.

ADMINISTRATIVE POSITIONS

Dean, College of Urban and Public Affairs, Portland State University, 6/14 to Present.

Responsible for the overall management of the College of Urban and Public Affairs which joins together cornerstone disciplines of contemporary urban life and public policy. The College includes the Mark O. Hatfield School of Government, the Nohad A. Toulan School of Urban Studies and Urban Planning, and the Departments of Economics and International & Global Affairs. As Dean, working to expand academic programs and student enrollment, advance a diverse set of centers and institutes that promote civic engagement, support community problem solving, advance community and regional planning, and create knowledge to inform policy making at the local, regional and state levels. Also working to advance international programs, expand external support, and sustain the public visibility of the College. Website: www.pdx.edu/CUPA/.

Chair, Search Committee for Dean of the Maseeh College of Engineering and Computer Science, 12/17 to 4/18.
Chair faculty, staff, students and community representatives charged to identify finalist candidates for the dean position to the PSU Provost and President.

**Member, Diversity Action Council Steering Committee and Co-Chair, Diverse Faculty Recruitment and Retention Committee**, Portland State University, 10/16 To Present
Support the work of the 85-member Diversity Action Council (DAC) and serve as co-chair of the DAC Committee created to advance the recruitment and retention of a diverse and inclusive faculty.

**Vice Chair, Search Advisory Committee for University President**, Portland State University, 10/16 to 3/17.
Share responsibility for leadership of a 21-person Presidential Search Advisory Committee charged by the PSU Board of Trustees to select and recommend finalists for the next university president. Dr. Rahmat Shoureshi joined PSU campus in August 2017.

**Chair, Drafting Team for Campus Diversity Action Plan**, Portland State University, 10/16 to 6/17.
Responsible for leading a team of faculty, staff and students to craft a new Portland State University Diversity Action Plan.

**Chair, Strategic Planning Development Team**, Portland State University, 10/14 to 12/15.
Responsible for coordinating the goals and operation of the leadership team for Portland State University’s strategic planning team composed of 30 members. Also responsible for coordinating the team’s connection to campus leadership. See PSU Strategic Plan 2016-2020: [https://www.pdx.edu/president/sites/www.pdx.edu.president/files/StrategicPlan2016-4.pdf](https://www.pdx.edu/president/sites/www.pdx.edu.president/files/StrategicPlan2016-4.pdf)

**Co-Chair, Implementation Advisory Committee for Campus Public Safety**, Portland State University, 11/14 to 6/15.
Shared responsibility for coordinating the efforts of an 18-member team to develop recommendations for implementation of a campus police department with sworn officers. The Committee’s work focused on policies and practices, recruitment and training, and creating of a campus oversight committee.

**Founding Dean, College of Public Affairs**, University of Baltimore, 8/11 to 5/14.
Responsible for the overall leadership of the College of Public Affairs (created in 2009) that contains the School of Public and International Affairs, the School of Criminal Justice, and the School of Health and Human Services. College composed of 36 faculty members and 10 academic staff. As Dean have developed (with faculty) a college stratetgic plan and am taking lead on programs to grow academic programs and enrollment, expand faculty, create continuing education (non-credit) programs for professionals, expand opportunities for experiential learning for graduate and undergraduate students, grow on-line course offerings and create an Institute for Race, Equity and Society. Serve as a member of the President’s Executive Committee.
Acting Dean, School of Public Health, University of Wisconsin-Milwaukee, 9/09 to 7/11.
Responsible for academic leadership in the early formation of the Zilber School of Public Health created at UWM in 2009. School was designed to offer doctoral degrees in Environmental and Occupational Health, Epidemiology, Social and Behavioral Health, and Public Health Policy as well as a Masters of Public Health Degree. The School fosters the values of high quality scholarship, education of the public health workforce, interdisciplinary scholarship and instruction, and community engagement. Hired first ten faculty members and lead planning efforts to house the new school in a renovated historic building in downtown Milwaukee funded by a $10 million philanthropic gift. (Prior to serving at the Acting Dean, served for one and a half years as the Chair of the Public Health Planning Committee charged with design the overall plan for the School of Public Health). Appointed by the Provost.

Director, Center for Urban Initiatives and Research, University of Wisconsin-Milwaukee, 6/92 to 7/11.
Responsible for overall administration of the Center with dual mission: (1) to encourage and support collaborative and interdisciplinary research on urban policy issues and (2) to facilitate university-community partnerships that contribute to life quality in Milwaukee and southeastern Wisconsin. The Center conducts applied research (survey research, evaluation, community assessment audits, GIS mapping, and statistical analysis services) for state & local governments, nonprofit agencies, school districts, regional authorities, and private corporations. Responsibilities included developing extramural grants and contracts, administering the Center's budget (annually, approximately $300,000 university funding and $700,000 extramural grants and contracts), managing staff (approximately 25 FTE including faculty, academic staff, classified staff, graduate research & project assistants, undergraduate students, and high school interns). Appointed by the Provost.

Director, Teachers for a New Era Program, University of Wisconsin-Milwaukee, 5/03-7/11.
Responsible for overall administration of UWM’s participation in a national teacher preparation reform program operating under support of the Teachers for a New Era initiative funded by the Carnegie Corporation of New York and other funders. The $5 million initiative focused on core principles that included substantial participation by faculty in Arts, Letters & Sciences, work driven by empirical evidence, and support for new teachers in their first years in the classroom.

Chair, Public Health Planning Council, University of Wisconsin-Milwaukee, 6/07-8/09.
Responsible for organizing and leading the Public Health Planning Council, an inter-disciplinary team charged with overseeing the creation of an accredited School of Public Health at UWM. Coordinated and aligned the creation of three doctoral and one master’s degree programs, stimulated research program, developed administrative infrastructure, and garnered extramural support for creating the new school.

Director, Knowledge Management Component, UWM Helen Bader Institute for Nonprofit Management, 1/02 to 7/11.
Responsible for organizing the Center for Urban Initiatives and Research to conduct research on the nonprofit sector in greater Milwaukee and Southeastern Wisconsin as well as gathering and organizing knowledge to support capacity-building in nonprofits. Also oversaw nonprofit capacity building initiatives that focused on networking in the sector.

Chancellor’s Deputy for the Milwaukee Idea (Office of the Chancellor Nancy Zimpher), University of Wisconsin-Milwaukee, 1/00 to 9/05.
Responsible for overall management of the Milwaukee Idea Initiative, UWM’s bold plan to pursue university-community engagement to support the institution’s research, teaching and service missions as well as to provide expertise and assistance to problem-solving in the greater Milwaukee community. Held administrative responsibility for community partnership initiatives ten initiatives with total budget of $2.5
Director, Master of Public Administration Program, University of Wisconsin-Milwaukee, 1/98 to 9/99. Responsible for overall management of the interdisciplinary MPA program in the College of Letters and Science. Managed recruitment, admissions, diversity initiatives, student affairs, course scheduling and coordination among participating departments, and alumni relations.

Chair, Department of Political Science, University of Wisconsin-Milwaukee, 9/89 to 8/92. Responsible for overall management of the Department composed of 18 faculty members, including both its undergraduate and graduate (MA, Ph.D.) programs. Responsible for coordinating faculty recruitment, administering the department budget, scheduling courses and faculty teaching assignments, student affairs, programs for major, and related management activities. Appointed by the Dean of the College of Letters & Science, upon recommendation of departmental faculty.

Director, Master of Public Administration Program, University of Virginia, 9/84 to 6/88. Responsible for academic leadership and development of the program.

PROFESSIONAL POSITIONS

Executive Council Member, Section on Intergovernmental Administration and Management, American Society for Public Administration, 6/18 to Present. Support the academic and practitioner education missions of the ASPA section.

Member, Urban Serving Universities Resilient Cities Strand, 2/18 to Present. Provide strategic oversight and advice to Urban Serving University’s Resilient Cities Strand.

Member, American Society for Public Administration Endowment Awards Section Committee, 1/19-2/19 Join colleagues in selecting endowment award recipients.

President, Board of Directors, Cascade Chapter, American Society for Public Administration 7/18 to Present. Provide leadership for a newly formed chapters of ASPA encompassing Oregon and SW Washington. Communicate with ASPA National office, local communities and local government agencies to advance the chapter and promote public sector leadership and advancement.

Member, Board of Directors, Evergreen Chapter, American Society for Public Administration, 7/16 to 6/18. Member of the chapter leadership team, responsible for creating and presenting programs for chapter membership. Communicate with our ASPA National Office, local communities and government agencies to advance the chapter and promote public sector leadership and advancement.

RESEARCH POSITIONS AND GRANTS

Grants to Support Start-Up of UWM School of Public Health

Took lead in preparing proposals for grant awards to support the early implementation of the School of Public Health.

Principal Investigator, “Creating the Public Health Impact Institute at UWM.” U.S. Centers for Disease Control, 9/10-8/11, $900,000. Grant supported community-university collaboration to implement strategies to reduce health disparities associated with healthy birth outcomes. Key partner: City of Milwaukee Health Department.

Grant to Support University-Wide Engagement in Advancing Teacher Preparation

Coordinated Project Team for Award of Grant to Innovate Teacher Education

Co-Principal Investigator, “Teachers for a New Era at UWM.” Carnegie Corporation of New York, 9/03 to present, $4.75 million. Grant awarded to UWM as one of eleven higher education institutions participating in the Teachers for a New Era Program designed to advance university-based teacher education by (1) linking pedagogical training to content knowledge provided in letters, arts and sciences, (2) basing assessment on evidence-based research, and (3) understanding teaching education to be a clinically taught, academically-based profession.

University-Community Partnership Grants

Served as Principal or Co-Principal Investigator on 9 grants and contracts focused on university-community partnerships with cumulative funding of $8.5 million.

Co-Principal Investigator (with Pamela Clark), “Trio Dissemination Partnership Partnership at UWM,” U.S. Department of Education, 10/1/03-9/30/06, $600,000.

Co-Principal Investigator (with Marleen Pugach, Linda Post, and William Kean), “Teachers for a New Era,” Carnegie Corporation of New York and other Funders, 9/03-10/08, $5,500,000. Milwaukee Public Schools was a key partner in the initiative.

Principal Investigator, “Revitalizing Milwaukee Through Organizational Empowerment,” U.S. Department of Housing and Community Development (Office of University Partnerships), $150,000, 1/03-12/04.

Principal Investigator, “Community Development Work Study Program at UW-Milwaukee,” U.S. Department of Housing and Urban Development (Office of University Partnerships), 8/02-7/04, $89,500; 8/04-7/06, $90,000; 8/05-7/07, $90,000.


Principal Investigator, "Initiative to Create the UWM Helen Bader Institute for Nonprofit Management," Helen Bader Foundation ( $1.2 million); Faye McBeath Foundation ($50,000); Greater Milwaukee Foundation, Ongoing, ($100,000).

Principal Investigator, "Case Study in Institutionalizing the Milwaukee Idea at the University of Wisconsin-Milwaukee," U.S. Department of Housing and Urban Development, 5/00-12/00, $14,950.

Principal Investigator, "Building Capacity in Milwaukee's Nonprofit Housing Industry: A University-Community Partnership," Fannie Mae Foundation's University Community Partnership Initiative, 11/98-10/01, $200,000.
Project Director, Evaluation Director: "Building Capacity in Milwaukee's Inner City: Partnership for a Sustainable Future," Funded by the U.S. Department of Education, Urban Community Services Program, 10/93-9/98, $1,625,000.

Evaluation Projects and Grants
Served as Principal or Co-Principal Investigator of applied research projects focused on program/policy evaluation.


Principal Investigator, “Evaluation of Supporting Teen Parents Program,” Rosalie Manor Community and Family Services, 1/08-9/08, $6,957.


Principal Investigator, “Evaluation of Community-Based Abstinence Education Project,” Rosalie Manor Community and Family Services, 9/06-9/07, $20,000.

Principal Investigator, “Evaluation of Milwaukee Public Library Summer Reading Program,” Milwaukee Public Library Foundation, 6/07-9/07, $12,540.


Principal Investigator, “Evaluation Services for WWBIC’s OCS Grant,” Wisconsin Women’s Business Initiative Corporation, 9/06-8/09, $44,100.


Principal Investigator, “Evaluation of the VITA Supersite at La Casa de Esperanza,” Waukesha, Wisconsin, 2/06-6/06, $10,000.


Principal Investigator, “Evaluation of the Milwaukee County Sports Authority,” Milwaukee County Department of Health and Social Services, 9/15/03-3/1/04, $20,000.
**Principal Investigator**, “Evaluating Supporting Teen Parents Program,” Rosalie Manor Family and Community Services, 5/01-Present.

Evaluato r, National Science Foundation’s Industry/University Collaborative Research Centers Program, UWM’s Center for Intelligent Maintenance Systems, 1/02-6/05, $50,000.

**Co-Investigator**, "Evaluation of Targeted Outreach Initiative to Divert Youth From Gang Involvement," Boy’s and Girl’s Club of Greater Milwaukee, 2/00-2/02, $19,984.

**Principal Investigator**, "Phase II Evaluation—Metropolitan Milwaukee Adolescent Pregnancy Prevention Program,” Health Department, City of Milwaukee (through consortial agreement with the Center for Disease Control and Prevention), 6/98-6/02, $325,000.

**Applied Research Projects and Grants**

*Served as the Principal or Co-Principal Investigator on applied research projects focused on organization and community development.***


**Principal Investigator**, “Feasibility Study for Creating a Community Indicator Project,” Greater Milwaukee Foundation, 2/08-6/08, $20,000.

**Principal Investigator**, ”Research to Support the Brighter Futures Initiative,” Community Advocates, 4/08-12/08, $10,000.


**Principal Investigator**, “Data Reporting to Support Community Development,” Sixteenth Street Community Health Center, 2/08-3/08, $2,000.

**Principal Investigator**, “Policy and Services Survey,” Village of Shorewood, Wisconsin, 2/08-6/08, $4,956.


**Principal Investigator**, “Surveys to Measure Perceptions of Regional and National Business Leaders about Milwaukee,” Spirit of Milwaukee, 12/07-6/08, $24,000.

**Principal Investigator**, “Wisconsin Youth Tobacco Survey,” Wisconsin Department of Health and Family Services, 8/07-7/08, $125,000.

**Principal Investigator**, “Special Reporting for the 2007 Wisconsin Youth Risk Behavior Survey,” Wisconsin Department of Public Instruction, 10/07-1/07, $7,906.

**Principal Investigator**, “Administration of Youth Risk Behavior Survey,” Milwaukee Public Schools, 9/06-5/07, $9,564.
Principal Investigator, “Research to Support the Head Start Program Community Needs Assessment,” 9/06-5/07, $10,000.


Principal Investigator, “Survey and Research on Waukesha County,” Greater Milwaukee Foundation, 3/07-5/07, $6,000.

Principal Investigator, “Research to Support Strategic Planning and Development,” United Performing Arts Fund, 1/07-3/07, $23,245.


Principal Investigator, “Research for Strategic Planning,” Milwaukee Business Improvement District Council, 10/06-11/06, $1,553.73.


Principal Investigator, “Research to support the Marketing Initiative,” Social Development Commission, 5/06-10/06, $16,196.


Principal Investigator, “Research to Support the Head Start Program,” Community Relations-Social Development Commission, 12/06-5/07, $10,000.

Principal Investigator, “Community Assessment Study for Racine Head Start Program,” Racine/Kenosha CAA, Inc., 10/06-2/07, $9,000.

Principal Investigator, “Survey of Community Residents,” Historic King Drive Business Improvement District, 10/06-12/06, $5,000.

Principal Investigator, “Survey of Metropolitan Milwaukee Residents,” United Ways of Greater Milwaukee, 12/05-3/06, $9,000.

Principal Investigator, “Community Assessment Study for Milwaukee Public Schools Head Start Program,” Milwaukee Public Schools, 5/05-6/05, $8,261.
Principal Investigator, “Research Surveys to Support Philanthropic Marketing and Development,” Greater Milwaukee Foundation 3/05-6/05, $18,000.


Principal Investigator, “Feasibility for Nonprofit Board Recruitment,” Nonprofit Management Fund, 8/04-12/04, $15,000.

Principal Investigator, “Research to Support Philanthropy On-Line Project,” Greater Milwaukee Foundation, 1/04-12/06, $100,000.


Lead Researcher, “Study of Arts and Culture Sector of Milwaukee,” UWM Helen Bader Institute for Nonprofit Management, 1/03-8/04, $50,000.

Co-Principal Investigator, “Inventory of Latino Organizations Project,” Nonprofit Management Fund, 10/02-6/03, $12,800.

Principal Investigator, “Analysis of Employee-Assisted Housing in Milwaukee,” National Housing Conference, 2/02-11/02, $5,000.

Principal Investigator, "Study of Poverty in Greater Milwaukee," Greater Milwaukee Foundation, 4/02-8/02, $15,000.

Co-Investigator, "Neighborhood Schools Planning Initiative," Milwaukee Public Schools, 2/00-6/00, $71,058.

Co-Investigator, "Visioning Project for a Healthier Milwaukee," Health Department, City of Milwaukee, 2/00-7/00, $14,199.


Curriculum Grants
Grant awards to support curricular development.

Principal Investigator, “Creating a Student Government and Leadership Course,” Fund for Excellence, University of Baltimore Foundation Fund for Excellence, 11/12-10/13, $8,095.

Principal Investigator, “Establishing a Community Engagement Corps at the University of Baltimore,” University of Baltimore Foundation Fund for Excellence, 11/12 to 12/13, $24,800.

Special Projects
Co-Organizer, People Speak Poll, a periodic public opinion survey conducted in collaboration with the Public Policy Forum and Business Journal of Greater Milwaukee.

PUBLICATIONS

Books


Textbooks


Selected Journal Articles

Published 29 articles in academic and professional journals, including:

https://journals.iupui.edu/index.php/muj/article/view/22179/21892


"To Change a University, Start with the Community," with Mary Jane Brukardt, University and Community Schools, Volume 7, Number 1-2, (Fall-Winter), 2002, 59-64.


Chapters in Books


Book Review Essays


Selected Reports and Other Publications


“Feasibility Study for An American Indian Cultural Center in Milwaukee,” prepared for Indian Summer Festivals, Milwaukee, Wisconsin under a grant from the Nonprofit Management Fund, (September), 2001.

**Selected Consultant Reports**


*Plan for Ongoing Assessment of Arts Education Programs Provided in Milwaukee Public Schools*, prepared for the Skylight Opera Theater, December 2010.

*Evaluation of the Milwaukee Public Library Summer Reading Program*, prepared for the City of Milwaukee Public Library Foundation, November 2010.

*Evaluation of the Senior Housing Assistant and Repair (SHARP) Program, prepared* for Layton Boulevard Neighbors West, December 2009.


*Evaluation of the Racine Healthy Birth Health Families Program*, prepared for the City of Racine Health Department, July 2009.
SPEECHES AND PRESENTATIONS

Invited Speeches and Presentations


Social Resilience as Key to Earthquake Preparedness and Response. Community Forum organized by City Club of Portland, February 18, 2016.

Effective Survey Research Techniques for Evaluation. Presentation to a panel of auditors in the City of Milwaukee and Milwaukee Public Schools, organized by the Milwaukee County Department of Audit, September 25, 2007.

Design Teams as a Mechanism for Engaged Arts, Letters & Science Faculty in Teacher Education, Regional Meeting of the Teachers for a New Era Program, Arizona State University, May 7-8, 2007.


Selected Presentations

In addition to invited speeches and presentations, other presentations on the following topical areas were made at professional meetings and conferences from 1996 to date.


Discussant, “Community-Engaged Programs at Urban-Serving Universities,” Annual Conference of the Network of Schools of Public Administration and Affairs, Atlanta, Georgia, October 10-13, 2018.


Panel Organizer and Moderator, “Exploring the Key Role of University Centers and Institutes in Engaging Urban Universities,” Annual Conference of the Network of Schools of Public Administration and Affairs, Washington, D.C., October 11-14, 2017.


The Organizational Spine Supporting Community Engagement, with Jacob Sherman and Amy Spring, Annual Meeting of the Coalition of Urban and Metropolitan Universities, Washington, D.C., October 24-26, 2016.

Using a Partnership Spectrum to Deepen Coordinate Efforts, with Kevin Kecskes, Campus Compact Celebrates 30 Years of Educating Citizens and Building Communities, Boston, Massachusetts, March 23-25, 2016.


The Imperative of Program Evaluation. Presentation at the Accountability Imperative for Nonprofits Conference, Organized by the Nonprofit Center of Milwaukee, October 25, 2006.

Teacher Education. Presentation made at the Annual Meeting of the American Association of Colleges for Teacher Education (AACTE) (2006); Annual Meeting of the Coalition of Urban and Metropolitan Universities (2005).


Testimony

Testimony before the State of Wisconsin State Assembly Committee on Colleges and Universities on The Milwaukee Idea at the University of Wisconsin-Milwaukee, Milwaukee, Wisconsin, April 3, 2001.

Editorial Pieces


COMMUNITY ENGAGEMENT
Selected Community Activities
Member, Research Board, City Club of Portland, January 2018-Present.

Member, Earthquake Resiliency Research Committee, City Club of Portland, May 2016 to March 2017. Chaired the subcommittee on Social Resilience.
Selected Member, Greater Baltimore Committee’s Leadership Program, Class of 2012.

Member, Greater Milwaukee Committee’s Committee on Reforming County Government, 2008 to 2009.

Member, Strategic Visioning Committee, Moving Forward the Creative Economy in Southeastern Wisconsin, 2008.


Co-Sponsor, Campaign for a Strong Regional Future, Initiative to foster inter-local collaboration in the Southeastern Wisconsin region in the areas of housing, employment, education, and transportation. Co-sponsored with the Greater Milwaukee Committee and Public Policy Forum, November 2002.

Co-Sponsor of the Fourth Street Forums—A weekly panel series that explores policy issues of relevance to the community, region, and state. Co-sponsored with the Milwaukee Turners, 2000-2006.

Staff Member, The Select Committee on Milwaukee County Government, formed by the Greater Milwaukee Committee, March 2002 to February 2003.

Strategy Team, ICIC Initiative for a Competitive Inner City Milwaukee Initiative, February 2002-Present.

Member, Wisconsin Blue-Ribbon Commission on State-Local Partnerships, Appointed by Governor Tommy G. Thompson, April 2000 to August 2001.

Invited Member, Steering Committee, Healthiest Milwaukee: Community Health Assessment, Organized by the Health Department, City of Milwaukee, March 1999 to June 2000.

Community Boards of Directors

Member, Board of Directors, Live Baltimore, 2013 to 2014.

Member, Wisconsin Advisory Council, Fannie Mae Wisconsin Partnership House, 2002 to 2005.

Member, Board of Directors, Latino Community Center, 2004 to 2011.

Member, Board of Director, Milwaukee Achiever Literacy Services, 2008 to 2011.

Member, Board of Directors, Rosalie Manor, 2003 to 2009.

Member, Board of Directors, Riverworks Development Center (formerly Northeast Milwaukee Industrial Development Corporation), 2003 to 2011.

Member, Board of Directors, Planning Council for Health and Human Services, 2000 to 2008.

Member, Board of Directors, Nonprofit Center of Milwaukee, 1997 to 2004.

Commissioner, Social Development Commission ($27 million anti-poverty agency), Milwaukee, Wisconsin, 1998 to 2003. Also, member SDC Executive Committee and Chair of the SDC Planning and Development Committee.

Facilitator/Moderator in Community Forums
Served as the facilitator or moderator of 23 panels, programs, or conferences sessions, including:

American Co-Chair, Workshop #4, Leveraging Urban Partnerships: Universities and Other Nongovernmental Organizations as Change Agents in Urban Communities, 9th Annual Transatlantic Dialogue Conference, Baltimore, Maryland, June 12-14, 2013.


Facilitator of Partnership Creation in Milwaukee of an Educare Center (Early Childhood School) in Milwaukee involving Buffett/Spirit Foundation, Next Door Foundation, Milwaukee Public Schools and Milwaukee Partnership Academy, April-August, 2002.

Program Reviewer
Reviewer for the International Association for Research on Service-Learning and Community Engagement (IARSLCE) Annual Research Conference, 2017.


Invited Member of the External Review Team of Maquette University’s Undergraduate Programs in the College of Professional Studies, May 3-4, 2007

Invited Member of the External Review Team of Marquette University’s Master of Arts in Public Service program, October 23-24, 2006.
AWARDS
Distinguished Public Service Award, University of Wisconsin-Milwaukee Alumni Foundation, 1996.


Sesquicentennial Award, University of Virginia, to conduct research on Public Policies to Protect the Rights of Persons with Disabilities, Fall, 1986.

University Policy Research Council Grant, University of Virginia, to conduct research on disability policies, 1985-86 academic year.

ACADEMIC COURSES TAUGHT
Graduate Seminars
Capstone Seminar in Public Administration (with emphasis on administrative ethics); Public Policy Implementation; Municipal Management and Service Delivery; Empirical Research Design; Public Program Evaluation; Institutional Dynamics of Public Policy.

Undergraduate Courses
Introduction to American Government; Scope and Methods of Political Science; Political Data Analysis; Community Building and Urban Revitalization; Dean’s Seminar in Urban and Public Affairs.

AREAS OF SPECIALIZATION
1. Public Policy, Policy Analysis and Implementation
2. Urban Politics, Administration and Service Delivery
3. Public Administration, Administrative and Nonprofit Ethics
4. Nonprofit Board Governance
5. Disability Rights Policy
6. Empirical Research Methodology
Board of Trustees

January 24, 2019
Board Conference Room, Suite 515
ASRC Building
8:30AM – 11:00AM

Minutes

Board Members Present: Gale Castillo, Erica Bestpitch, Sho Dozono, Maude Hines, Tom Imeson, Margaret Kirkpatrick, Antonio Leiva, Irving Levin, Pete Nickerston, Lindsay Stewart, Peter W. Stott, Christine Vernier, and President Shoureshi

Board Members Not Present: Greg Hinckley

The meeting was webcast.

1. Call to Order/Roll/ Declaration of Quorum

Chair Castillo called the meeting to order at 8:34am. Roll was taken, a quorum was present, and the meeting proceeded.

2. Review of Previous Meeting Action Items

No comments were made pertaining to previous action items.

3. Open Comment

Kaitlyn Dey, a student, requested an update on the Margolis Healy report and upcoming special board meeting.

Erik Bodegom, Physics faculty, gave feedback regarding the failure of shared governance with doctoral students.

Jose Padin, President of AAUP, shared that the union is aware of the looming budget crunch with state appropriations and wanted to let the board know they are partners and want to work together. They feel strongly that the budget should put education put first, no matter the situation, so that the values and priorities of the institution are represented.

Tyler Houghton, a student, shared his experience of feeling unsafe on campus and concern that the Board does not represent his interests.

Alex Reed, a student, expressed concern over shared governance.
4. Opening Comments and Reports

a. Comments from the Associated Students of Portland State University

ASPSU President Luis Balderas-Villagrana reviewed his written report with the Board. He emphasized that students can be very active in lobbying, but they want to see no tuition increases if they are going to put in the time to lobby. He included a copy of the ASPSU Resolution for Upholding Self Determination of Gender.

b. Report of the Chair

Chair Castillo will give her remarks as part of the E&A Committee report.

c. Report from the President

President Shoureshi highlighted aspects of his written report, focusing in particular on the student success initiatives, updates on the searches on campus, and the upcoming Dr. Martin Luther King, Jr. events.

The February 5 Special Board Meeting is set to have Margolis Healy present their report to the Board.

5. Reports of Standing Committees of the Board

a. Executive & Audit Committee

Gale Castillo, Chair of the Executive and Audit Committee, shared that the committee received an update regarding Legislative activities from Kevin Neely at their last meeting. Chair Castillo and President Shoureshi recently attended a meeting with the Governor with other university presidents and board chairs. The meeting emphasized the importance of everyone working together. Costs are rising, but we want to minimize the impact to students.

Several members of the Board will not be able to renew their positions this year. While Trustees can only make recommendations to the Governor, the Executive & Audit committee will be seeking potential candidates that represent diversity and integrity.

The Executive & Audit committee also discussed the possible merger of PSU with the Oregon College of Art & Craft.

b. Academic and Student Affairs Committee

Margaret Kirkpatrick, Chair of the Academic and Student Affairs Committee, reported that the committee met January 10, 2019.

CeCe Ridder, Assistant Vice President for Student Access & Success, made a presentation to the committee about the work her department is doing around programming around underrepresented students. They committee learned the two main resource gaps are in services for disables students
and in the availability of emergency funds. Kevin Neely spoke about the Governor’s upcoming budget. President Shoureshi thanked the trustees in their efforts to engage with legislators. And Provost Jeffords shared the new organizational chart for the Office of Academic Affairs.

c. Finance and Administration Committee

Irving Levin, Chair of the Finance and Administration Committee, reported the committee will be meeting on Feb 6. The committee did meet in fourth quarter against backdrop of Salem budget issues. The committee is tasked with assessing how significant the gaps are with the enrollment forecast and if the State budget does not improve. There are still many moving parts, and as such, they are behind their usual timeline in presenting a budget proposal to the HECC.

The committee supported the TriMet property acquisition. Castillo clarified for the attendees that State budget for capital projects is different than PSU’s general operations budget. The money for building work is separate, and oftentimes, new buildings represent less cost than maintaining the safety and security of old buildings.

6. Consent Agenda

   a. Approval of Minutes from October 4, 2018 Meeting
   b. Approval of June 18, 2018 Retreat minutes
   c. Approval of TriMet Property purchase at 4th and Lincoln
   d. Approval of ASAC Committee Charter Update
   e. Approval of Academic Year 19/20 Board Meeting Dates

ACTION: Nickerson made a motion to approve the Consent Agenda. Stewart seconded. The Motion was approved unanimously.

The Board took a break from 9:56am-10:10am.

7. Update Digital Cities Testbed Center

Jon Fink made a presentation on the Digital Cities Testbed Center (DCTC). ‘Smart cities’ refers to the use of digital technology to improve urban operations and residents’ quality of life. Testbeds are using education, medical, and corporate centers with a goal of creating a network of campuses in the Pacific Northwest. PSU in collaboration with OMSI and UBC are creating a network that will expand over the next several years. Fink will be leading a retreat in the coming days to work though the next round of logistics.

8. Update: Homelessness Research & Action Collaborative

Marisa Zapata reported the Board that the Collaborative’s (HRAC) goal is to help reduce homelessness and its negative impacts on individuals, families, and communities. The Collaborative will bring together the expertise of eight founding members and 20 faculty that are interested in participating. They will work with external partners to ensure the research agenda builds on community knowledge, and adds critical value and enhances partnerships. They are in the process of securing funding and conducting projects. They hope to have a website of resources available soon.
9. Update Campaign for PSU

Bill Boldt, President of the PSU Foundation, gave a quick update on the Campaign for PSU. They are currently at $43 million and hope to be at $50 million at the end of the campaign. 97% of the gifts they receive are restricted gifts, as donors often want to give to causes and programs they feel strongly about. The number one priority for the PSU Foundation is to raise money for student support (scholarships). At this time, they have raised $75 million toward scholarships. All of the work the Foundation does is to support education and the university.

10. Student Presentations

Students Hannah Clein, Sal Nuhu, Ariana Abalos, Brady Brick, Kasey Isobe and Ghazal Tayebimansourivijeh made comments to the Board about their experiences at PSU.

11. Review and Action Items

No items for review.

12. Adjourn

Chair Castillo adjourned the meeting at 11:12am.
March 7, 2019
Smith Ballroom
Smith Memorial Student Union
9:00 AM – 12:00 PM

Minutes

**Board Members Present:** Erica Bestpitch, Chair Gale Castillo, Sho Dozono, Greg Hinckley, Maude Hines, Tom Imeson, Margaret Kirkpatrick, Antonio Leiva, Pete Nickerson, Lindsay Stewart, Christine Vernier, and President Shoureshi (ex-officio)

**Board Members Not Present:** Irving Levin, Peter Stott

The meeting was webcast.

1. **Call to Order/Roll/ Declaration of Quorum**

Chair Castillo called the meeting to order at 9:09am. Roll was taken, a quorum was present, and the meeting proceeded.

2. **Opening Remarks**

Chair Castillo welcomed the audience and thanked them for joining the Board to discuss the very important topic with them.

3. **Margolis Healy Report**

Walk through the report and recommendations.

Honored to do the work. Spent three weeks on campus.

Scope of work- comprehensive review of cpso office.

Their work was limited to these areas, not charged with looking at Washington events.

Hope recommendations create new paradigm.

Trained to level Oregon statutes

Cpso not donea good job of communicatong with community

Failed to manage transition- added too many sworn officers first and not non sworn officers
Upsoc not have appropriate infrastructure- a lot of expectations- but the group wasn’t resourced appropriately. It is impossible to say.

THE CAMPUS IS DIVIDED

High degree of mistrust, that has impacted the way cpso engages with community.

Ronnell- STRATEGY authentic relationships- mission should align with the mission of the institution. The sanctity of life should be a major theme in the strategy – procedural justice should be a major theme- community buy in- sustained engagement.

First step- cpso enage in campus wide strategic planning process ,data analysis capacity. Identify trends. How to work with community.

Highly visable unarmed officers, LIKE UK, increase the staffing of unarmed officers, respond to calls not warranting officers. Behavioral health unit. Like PPB enmeb health officials is a model cpso should seek.

Invest in campus liason. Full time officers to do community outreach. Campus is part of city. Woven into tapestry of the city.


PHYSICAL SECURITY-

Cameras

Lighting

Access control

A lot is decentralized right now- it is not providing community with a sense of security. Peoples percetions of security are vastly different than each others.

Campus public safety function- create one office and managed by someone who has core skills- creating a position to do that. Goal is to make campus safer and make us feel safer. Create physical security working group. Developing standards for buildings. How to support use of technology. Set standards.

Resource Implications

closing
4. Board Questions

Castillo- training, oversight, physical space, engagement, (top four)- what are your top five if you were to help prioritize- Physical security, policy, lighting, consensus on how buildings are to be used for legit purposes. Oversight and training.

CV- thank you for extensive report- in 2014-15- possibility of PPB take care of campus- at the time they said they didn’t have resources and couldn’t do it. Has that changed?

SH- PPB is not interested in policing campus. RH- we spent time with PPB with chief, PPB has own staffing challenges and PSU is best suited to police their own campus. People who know the campus and are familiar with higher education safety- connection between uniformed people and this community. Ppb are there as back up, but they will not be a primarily role or function to police campus. SH- same as OSU.

SD- what is the highest risk if we disarm officers- being unable to respond to potentially violent situation in a timely manner. Risk is high. Relying on local police to respond to campus where they don’t know campus or buildings creates a significant delay.

PN- appreciate time and report. Rundown of MH. Formed in 2008, campus safety and security consulting firm. In your exp was participation rate for the survey is that normal? SH said that 14% response rate was normal. Would have liked to have more.

AL- look at pros and cons and different things, but the majority of the staff faculty and students want to disarm. What are your thoughts about that. SH don’t want to quibble. 52% of 14% want disarming. Board has to make the decision on path forward. We think primarily composed of non sworn but has armed officers for incidents of violence.

AL- bill at capitol- taking away armed officers at here at UO- how does that work and relate to us. SH- I read the bill, I am not in Oregon politics regarding likelihood of passage that negates the conversation.

GH- can you comment on the level of incidents of violence on campus- how do we compare to other urban locations. SH It’s the same level from their experience. It is what you expect in an urban area.

MH- access control- campus wide access control? Recommendation- that isn’t contemporary anymore- we should be able to secure offices and classrooms.

MH- one of themes emerged from survey and focus groups had to do with jurisdictional issues- we aren’t connected to 911. And issues with ppb in terms of response time- is having an armed police a disincentive to ppb to respond- SH- core response incidents- ppb asking cpso to respond as backup- ppb is understaffed- jurisdictional issues- more about who is doing what and how, what do groups have primary responsibility for and clear communication of that. RH- not a disincentive. Address statistics issue- ppb central precinct- those calls are psu, if you look at ppb look at their calls- the openness of the institution allows people in.
MH encouraged by types of conversations they are talking about. Part of our issue is we can’t create uniformity as we are so mixed—housing owned by whom?

SH porous nature of campus—comments from students concerned about right wing extremists on campus—students felt unsafe by that—but it came up enough—its something university should pay attention to

MH—recommendations around non lethal weapons—SH we didn’t make any—we make recommendations in alternatives—SH would look at that

MK recommendation retaining armed officers like UK—UK is thinking about transitioning—armed person isn’t the first person you see, only respond to certain level of incident—RH blended approach to deployment strategy—SH distinctions —on transition all focus on sworn officers, we need to flip more of the non sworn officers and trained at the same level.

EB—level of—exemplars?—innovation—upsoc standard more expensive—who out there has an integrated campus that is—is there a sample—Yale—is very similar. Vanderbilt university.

GH—procedural justice—define. RH—community members aren’t concerned about outcome of interaction, but care that their interaction was free of bias and they were treated fairly.

Break 10:37-10:59

GC—Next steps—the goal is to have a transparent process—objective outside information—decisions based on financial information—establish a campus public safety report and review committee—fac senate apssus grad student, staff, upsoc rep, board reps, charge to summarize the campus responses to the board and to provide campus feedback. Bould will direct staff to assess impact of recommendations. Get back to us by may for review at june board meeting.

5. Open Comment

The following students, faculty, staff and community members shared remarks relating to the Margolis Healy report and campus safety:

1. Kaitlyn Dey
2. Juli Castro
3. Tyler Houghton
4. Kristin Teigen
5. Alexander Reed
6. Olivia Pace
7. Benjamin Donlon
8. Marshall Scheider
9. Andre Washington
10. Miranda Cunningham
11. Chris May
12. Anamika Vaughan
13. Lesley Guerra
14. Megan Horst
15. Jose Padin
16. Pedro Ferbel-Azarate
17. Donald E Thompson III
18. Marisa Zapata
19. Greg Townley
20. Zia Laboff
21. Timothy Kay
22. Jonathan Cavada
23. Keton Hill
24. Hannah region???

6. Adjourn

Chair Castillo adjourned the meeting at 12:47pm.
RESOLUTION APPROVING

Approved by the Board
May __, 2019

BACKGROUND

A. On April 11, 2017, the Board approved the 4th and Montgomery Project (“Project”), the construction of a mixed-use commercial condominium project to house the University’s College of Education, the OHSU-PSU Joint School of Public Health, Portland Community Colleges pre-dental programs, one or more bureaus of the City of Portland, and commercial space owned by the University. The University broke ground on the Project on January 11, 2019.

B. In late March of this year, we learned that we need to execute a Utility Vault Lease with the City of Portland to serve the Project, and the City would not issue our second building permit until the lease was executed. Failing to execute the lease by the building permit target date of April 26, 2019 would have resulted in a costly stall in the project.

C. The Lease is between the City of Portland, as lessor, and Portland State University, as lessee. The term of the Lease is 30 years, with two 30-year renewal options. The annual rent is $14,000, with 15% increases every 5 years. All costs associated with the lease are Project Costs that will be shared among the partners pursuant to the Development Agreement. The lease will be assigned to the condominium association shortly after completion of construction.

D. Under Section ii.A.3 of the Board’s Debt Management Policy, the Board must approve any real capital lease with a lease term over 15 years in which the University will be the Lessee. Because advance Board approval would have resulted in a costly project delay, Chair Castillo authorized the execution of the lease on behalf of PSU on April 18, 2019 on the condition that it would be approved by the Board at the next regular Board meeting.

RESOLUTION

Now, therefore, be it Resolved by the Board of Trustees, that:

1. Utility Vault Lease necessary to serve the 4th and Montgomery Project is approved; and

2. The Board hereby ratifies and approves all prior actions taken on behalf of the Board or the University relating to the Utility Vault Lease.

APPROVED BY THE BOARD OF TRUSTEES
MAY __, 2019

__________________________
Secretary to the Board
EXCLUSIVE USE UTILITY VAULT LEASE
SW Harrison St west of SW 4th Ave
RW File #8854

THIS LEASE (this “Lease”) is made and entered into on the last day of mutual execution, said date being [May 2] 2019 (the “Effective Date”), by and between the CITY OF PORTLAND (“City”), a municipal corporation of the State of Oregon, and PORTLAND STATE UNIVERSITY (“PSU” or “Lessee”). In this Lease, City and Lessee may individually be referred to as “Party” and jointly referred to as “Parties”.

RECATALS

1. City owns, possesses, and/or controls certain property interests known as SW Harrison St west of SW 4th Ave (the “ROW”);

2. PSU owns, controls or occupies property adjacent to ROW as described on Exhibit D attached and incorporated by reference (the “Property”). For purposes of this Lease, “Owner” means a fee owner or ground lessee of all or any portion of the Property;

3. PSU desires to lease a portion of the ROW abutting the Property for an Exclusive Utility Vault (“UVE”);

4. PSU is making significant improvements in the vicinity of the ROW;

5. The Director of the Bureau of Transportation (“the Director”) has reviewed the proposed street opening and placement of utilities into the public right-of-way and, subject to PSU complying with certain conditions provided for in this Lease, has determined it to be consistent with approval criteria and policies pursuant to City rules;

6. The Director has determined that the use of the ROW for the UVE will not unreasonably interfere with public use and utility use of the ROW, as provided by law during the term of this Lease. It is understood that this Lease shall not affect the prior dedication or grant of the ROW for street and sidewalk purposes and that this Lease will give the best return to City for use of such area.

Now, therefore, in consideration of the leasing of the ROW and of the mutual agreements contained in this Lease, the consideration of which is acknowledged by each Party, the Parties do expressly covenant and agree as follows:

1. Premises - City agrees to lease to Lessee, for use by Lessee’s and its utility providers, affiliates, contractors, employees, and agents (the “Lessee Parties”), a portion of the ROW, depicted on Exhibit A and Exhibit B, attached to this Lease and incorporated by reference (the “Premises”). The surface of the Premises shall not be exclusively for the use of the Lessee Parties; surface rights are limited to access to the UVE within the Premises. The Premises contains one UVE, shown in more detail on Exhibit C, attached to this Lease and incorporated by reference. The dimension of the UVE within the Premises, including the vault, vents, and a 1.00 ft buffer, are 50.0’L x 16.0’W x 20.0’D.
Contains approximately 16,000 cubic feet, more or less.

In the event that the final size, dimensions, and/or location of the Premises change upon issuance of the REVOCABLE Permit to Open Street (the "Permit"), City will initiate an Amendment to this Lease. Lessee acknowledges that said changes may affect/alter annual rent payments.

2. Authority - This Lease is entered into in accordance with general authorities provided under Oregon law, Portland City Charter and City Code. It is understood that this Lease shall not affect the prior dedication or grant of the right-of-way for street and sidewalk purposes.

3. Term - The term of this Lease shall be thirty (30) years, commencing on the Effective Date and will expire at 11:59 pm on the last day of the thirtieth (30th) year ("Initial Term"), unless sooner terminated under the provisions hereof or extended pursuant to Section 4 below.

4. Option to Renew:
   a) Lessee shall have the option to renew this Lease for two (2) successive terms of thirty (30) years each commencing on the expiration of the Initial Term ("Renewal Period"). Each Renewal Period shall commence upon the expiration of the prior term.

   b) In order to exercise an option to renew, Lessee must be in full compliance with the terms and conditions of this Lease at the time the option is exercised and must give written notice to City at least six (6) months prior to the expiration of the current term but not earlier than twelve (12) months from the expiration of the current term. Within sixty (60) days of receipt of Lessee's written notice of election to exercise its option to renew this Lease, City shall contact Lessee and schedule a time and place to negotiate changes in the terms and conditions of this Lease for the Renewal Period. Lessee's exercise of an option shall be of no force or effect and any purported renewal null and void, if:

      i) the Parties failed to negotiate mutually acceptable changes to the terms and conditions for the Renewal Period prior to expiration of the then current term;

      ii) Lessee fails to execute and return to City lease renewal documents within ten (10) calendar days after receipt; or

      iii) Lessee becomes in default in the performance of any obligations under this Lease on any day after exercise of option to the date lease renewal documents are executed.

   c) Should Lessee exercise its option to renew, Rent for the renewal period will be subject to the City's Administrative Rules addressing the setting of Rent for leases in the right-of-way, and will be calculated pursuant to City Administrative Rule TRN- 8.11 or the applicable successor to such administrative rule.

5. Rent:
   a) Lessee shall pay City as annual rent ("Rent") for the Premises, the amount of $14,000.00 per year ($350/sf x 800 sf x 50% alienation rate x 10% rental rate). Lessee shall commence Rent payments on the date that the Permit is issued ("Rent Commencement Date"). Rent shall be adjusted as provided in Section 6. Rent will be made payable to the City of Portland and sent to City of Portland, Attn: General AR, PO Box 5066, Portland, Oregon 97208, or such other address as a duly authorized representative of the City may designate in writing.
b) Lessee shall pay Rent to City in advance on or before the **first (1st)** day of the month that the Rent Commencement Date falls on each calendar year following the Rent Commencement Date during the Initial Term of this Lease or any subsequent Renewal Period, except the initial Rent which shall be paid within ten (10) business days following execution of this Lease by all parties and delivery hereof (the "Initial Rent").

c) All Rent to be paid by Lessee to City shall be in lawful money of the United States of America and shall be paid without deduction or offset at such place or places as may be designated from time to time by City.

d) Payment by Lessee or receipt by City of a lesser amount than the Rent and other charges due shall not be deemed full payment on the account. No endorsement or statement on any check or payment shall be deemed an accord and satisfaction. City may accept such check or payment without prejudice to City's right to recover the balance of such installment or payment of Rent or other charges or fees, or pursue any other remedies available to City. Payments received shall be credited to the oldest outstanding amount due.

e) The Rent provided for in this Lease has been determined according to the limited use of the Premises by the Lessee Parties as described in this Lease. In the event Lessee requests, and the Director approves, use of the Premises for purposes other than those currently approved, City, at its sole discretion, may correspondingly review the terms and conditions of this Lease, including the amount of Rent.

f) In the event that any check, draft, or other instrument of payment given by Lessee is dishonored for any reason, City may exercise remedies available to it under this Lease or as otherwise available under law which will be due immediately upon billing by City. City, at its sole discretion, may require Lessee to pay all future Rent by cashier's checks or other methods.

6. **Rent Adjustment** - Commencing at the beginning of the sixth (6th) full calendar year following the Rent Commencement Date and thereafter on the first day of each succeeding five (5) year period throughout the remainder of the Initial Term and any subsequent Renewal Period (the "Rent Adjustment Dates"), Rent shall be adjusted to equal Rent at the beginning of the previous five (5) year period for which Rents were fixed, increased by fifteen percent (15%) for the 5-year period.

7. **Late Fees & Interest:**
   a) All amounts not paid by Lessee when due or demanded shall bear interest at the rate pursuant to City Code.
   
   b) In addition to all of the remedies provided by this Lease, if any Rent or other charge required by this Lease is not received by City within ten (10) days after it is due, City may impose a late charge equal to the greater of Two Hundred and Fifty Dollars ($250.00) or five percent (5%) of the amount of the delinquent Rent or other charge for the month in which Rent or other charge is delinquent. Lessee shall pay any late charges immediately upon billing by City. The imposition by City and/or the payment by Lessee of any late charges shall not waive or cure Lessee's default hereunder. Failure to impose a late charge on one occasion does not effect a waiver of City's right to impose a late charge on subsequent delinquent payments.

8. **Net Lease** – This Lease is a “net lease” to City; all cost or expense of whatever character or kind, general and special, ordinary and extraordinary, foreseen and unforeseen and of every kind and nature whatsoever that may be necessary in or about the operation of the Premises and Lessee
Parties’ authorized use during the Initial Term, or any subsequent Renewal Period, to be paid by Lessee, including but not limited to taxes, utilities, insurance, and/or property assessments, if applicable. All provisions of this Lease relating to expenses shall be construed to achieve the intent and purpose of this Lease as a “net lease”.

9. Security Deposit:
   a) At the request of City, Lessee may be required to deposit with City, a security deposit to assure performance equal to three (3) years of Rent at time of execution of this Lease or upon default by Lessee (the “Security Deposit”). Upon an Event of Default (as defined in Section 22) and at City’s sole discretion, City may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to satisfy past due Rent or to cure any uncured default by Lessee, and Lessee shall replenish the Security Deposit to the original amount immediately upon demand.

   b) Lessee shall increase the Security Deposit to equal three (3) years of Rent as adjusted pursuant to Section 5.

   c) The Security Deposit, along with accrued interest, is the property of City. No part of the Security Deposit shall be considered held in trust or be prepayment for any monies to be paid by Lessee under this Lease. Lessee is not, under any circumstances, entitled to the accrual of interest on the Security Deposit amount. The return of any portion of the Security Deposit is contingent upon Lessee having fully and faithfully carried out all provisions of this Lease without uncured breach or uncured default, during the Initial Term or any renewal thereof, including payment of all monies due to City and surrender of the Premises according to the terms of this Lease.

10. Permitted Use:
    a) Lessee accepts full responsibility for its use of the Premises from and after the Effective Date during the Initial Term or any subsequent Renewal Period. The Lessee Parties’ use of the Premises is limited exclusively to constructing the UVE and entering into an agreement with Lessee’s utility providers to place its infrastructure, conduit, and other facilities inside the Premises, including utility equipment necessary to serve the Lessee’s abutting property, within the Premises. The utility’s construction, operation and maintenance of the UVE and equipment within the Premises shall be separately subject to receiving the required permits. Lessee shall not allow any other use.

    b) In relation to the Lessee Parties’ use and enjoyment of the Premises, the Lessee Parties shall not:

       i. Use the Premises for any other uses other than those allowed in this Lease;
       ii. Construct or permit to be constructed any improvements within the Premises without prior written approval of City;
       iii. Allow any lien to be filed or fail to remove any lien filed against the Premises by anyone supplying labor or materials for any improvements by or for the benefit of Lessee;
       iv. Damage survey monuments, witness corners and other location markers within or upon the Premises, without complying with City Code 17.96;
       v. Interfere with or obstruct the rights of City, users, or occupants of the ROW, or nearby properties. Lessee shall not create, and shall use commercially reasonable efforts to avoid, any condition that would: constitute a fire hazard; or be unreasonably dangerous to persons or property. Lessee shall not install, or cause to have installed, any power
11. **Hazardous Substances:**

a) The term "Hazardous Substances", as used in this Lease, shall mean any hazardous, toxic, infectious, or radioactive substance, waste or material as defined or listed by any Environmental Law except for immaterial quantities of substances customarily and prudently used in the cleaning and maintenance of the Premises in accordance with any applicable law. The term "Environmental Law" shall mean any federal, state, or local statute, regulation, rule, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment.

b) Lessee is prohibited from generating, manufacturing, refining, producing, processing or disposing of any Hazardous Substances within the Premises. Lessee shall, at Lessee’s own expense, comply with all Environmental Laws. Lessee shall not cause or permit to occur:

   i. Any violation of Environmental Laws, at, above, from, or affecting the Premises, or arising from Lessee’s use or occupancy of the Premises, including, but not limited to: soil, groundwater, indoor air or outdoor air quality conditions; or

   ii. The storage, handling, or release of any Hazardous Substance at, above, from, or affecting the Premises, or the transportation to or from the Premises of any Hazardous Substance without City’s prior written approval.

c) Lessee shall immediately notify City in writing of:

   i. Any material spill, discharge, or release of any Hazardous Substance whether or not the release is in quantities that would legally require reporting to a regulatory agency and any spill, discharge, and release that must be reported to a regulatory agency; and

   ii. Any inquiry, investigation, enforcement action, notice of potential violation, or other action that is instituted or threatened against Lessee that relates to the spill, release, or discharge or Hazardous Substances in, above, under, from, or affecting the ROW.

d) Lessee shall, at Lessee’s own expense, make all submissions to, provide all information required by, and comply with all requirements of all regulatory authorities related to Environmental Laws. Should any regulatory authority or any third party require that a clean-up plan be prepared and that clean up occur for any release of Hazardous Substances that occurs as a result of Lessee’s use or occupancy of the Premises, Lessee shall, at Lessee’s own expense, prepare and implement the required plans and provide all financial assurances in accordance with applicable requirements.

e) City may at any time request that Lessee provide information regarding the storage, handling, or release Hazardous Substances within the Premises. Lessee shall promptly respond by providing any information that is requested by City.

f) Lessee’s obligations and liabilities under this section shall survive the expiration or termination of this Lease.

12. **Fire Prevention** – For purposes of this Section 12, "Lessee" includes Lessee’s agents or any utilities using the Premises under an agreement with the Lessee.

a) Lessee shall comply with all rules and regulations set forth by the Fire Marshal.
b) Lessee shall promptly pay for any fire inspection or re-inspection fees assessed and make all corrections as ordered by the Fire Marshal.

c) All paints, oils, and other flammable materials shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as set forth by the Fire Marshal.

d) Lessee shall comply with any building emergency or safety plan that may be implemented for Lessee’s or its invitees’ safety.

13. Acceptance of Premises:
   a) Lessee accepts the Premises in “as is” condition. City or its officers, agents, or employees have made no representations or warranties as to the condition of the Premises. City shall have no liability to Lessee for any damage or injury caused by the condition of the Premises.
   b) Lessee accepts the Premises subject to any and all valid interests of record, including, but not limited to existing permits, licenses, leases, easements, and franchise agreements. Without implying a warranty of any nature, the City is not aware of any valid interests of record that would prevent the City from leasing the Premises to the Lessee.

14. Lessee Improvements:
   a) Lessee or Lessee's utility provider shall not make or allow to be made any alterations, additions, or improvements to the Premises, or any part thereof, that requires a permit, without first obtaining the permit from City, which will not be unreasonably withheld.
   b) If such permit is granted by City, all work performed by Lessee or Lessee's utility provider shall be carried forward expeditiously, shall not interfere with City's work and shall be completed within a reasonable time. All work shall be completed in a workmanlike manner.

15. Maintenance & Repair:
   a) Lessee agrees to maintain, or cause to be maintained, the Premises, but not the vault and facilities located within the Premises. If Lessee believes damages were caused by an act or omission of City, nothing in this Lease precludes Lessee from filing a tort claim for damages with the City's Risk Management Division. Lessee agrees to restore, to the reasonable satisfaction of the Director, any portion of the ROW which may be disturbed during operation, maintenance, or reconstruction of UVE within the Premises and agrees to maintain the surface of the ROW against settlement caused by said operation, maintenance, or reconstruction of the UVE provided said settlement is not caused by use of the surface of the ROW in excess of the load capability shown on the original final plans and specifications approved by City. If Lessee’s use of the Premises causes an immediate hazard in the ROW, Lessee must make immediate repairs and if such repairs are not made in a responsive manner as determined by the Director, then City, upon providing Lessee with written notice of its finding and reasonable opportunity to repair, may cause such repairs to be made and bill Lessee for such cost. Failure to make payment within thirty (30) days of billing shall constitute default in accordance with Section 22. The amount of such cost, if not paid to City, shall become a lien on Lessee’s interest in this Lease, or any successors or assigns of Lessee's interest in this Lease.
   b) Lessee shall at all times maintain or cause to be maintained the Premises and all improvements of any kind, in a neat condition, free of trash and debris, in good and substantial condition, order and repair.
16. **Licenses and Permits** - This Lease shall not exempt Lessee’s utility provider from acquiring all licenses and permits required by any existing ordinance or law for the maintenance, construction, or reconstruction of the UVE within the Premises.

17. **Taxes & Assessments** - Lessee agrees to pay any taxes and assessments that are or may be levied upon the Premises. If Lessee objects in good faith to the validity or amount of any tax or assessment that is or may be levied upon the Premises, Lessee, at Lessee’s sole expense, may contest the validity or amount of the tax or assessments levied upon the Premises, provided that City’s interests are not put in any jeopardy of any levy or assessment.

18. **Indemnification:**
   
a) To the extent permitted by the Oregon Constitution, and subject to the limitations of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Lessee shall indemnify and hold harmless City, its officers, agents and employees from any and all liability, damage, expenses, attorney’s fees, causes of actions, suits, claims, or judgments, arising out of or connected with: (1) the use, occupancy, management, or control of the Premises; (2) any failure of Lessee to comply with the terms of this Lease or any violation of law or ordinance; and (3) the acts or omission of Lessee, its agents, officers, directors, employees, or invitees; provided, however that Lessee shall not be liable for claims caused by the sole negligence of City, its officers, agents or employees. Lessee shall, at its own cost and expense, defend any and all claims, demands, actions or suits which may be brought against Lessee, or City or its’ officers, agents or employees, either alone or in conjunction with others upon any such above mentioned cause or claim, and shall satisfy, pay, and discharge any and all judgments; including attorney fees and costs, that may be recovered against Lessee, or City or its’ officers, agents, and employees, in any such action or actions in which they may be party defendants.

b) Lessee shall give City prompt written notice in case of casualty or accident on the Premises. As a material part of the consideration to City, Lessee assumes all risk of damage to property or injury to persons, in, upon or about the Premises from any cause other than City’s sole negligence, and Lessee waives all claims in respect thereof against City.

c) Lessee shall release and hold harmless City and its officers, agents, and employees from and shall assume all risks of damage to the Premises and contents of the Premises constructed or maintained by Lessee or Lessee’s utility provider, or to any personal property located in said Premises resulting directly or indirectly from the failure of water lines or sewers or any other utilities occurring, during or resulting from any reconstruction or maintenance of said utilities except for liability arising solely out of the City’s sole negligence.

d) City and its officers, agents, and employees shall not be liable for any latent defect in the Premises. Lessee shall indemnify, defend and hold harmless City, and its’ officers, agents and employees, from any claims, judgments, damages, penalties, fines, costs and expenses, and liabilities of losses (including, without limitation, diminution in value of the Premises) which arise during or after the term of the Lease as a result of environmental contamination as a result of acts or omissions of Lessee, its employees or agents. This indemnification of City by Lessee includes, without limitation costs incurred in connection with any investigation of site conditions or any environmental cleanup, remedial, removal or restoration work in response to hazardous substances, hazardous materials, pollutants, toxics or regulated environmental contaminants of any kind as a direct or indirect result of Lessee’s activities. Lessee shall promptly take all action
at its sole expenses as are necessary to return the Premises to the condition existing prior to the release of contaminants. Except for immediate initial response actions necessary to protect human health and the environment from substantial imminent harm, Lessee shall obtain City's approval of all such response action which approval shall not be unreasonably withheld. Damages, cost, liabilities and expenses shall include any amounts assessed, levied or otherwise claimed to be owed by any regulatory or administrative agency. This environmental indemnity shall survive the expiration or earlier termination of this Lease.

e) Nothing in this Section shall increase the City's liability beyond the maximum limits contained in the Oregon Tort Claims Act, ORS 30.260 to 30.300. Nothing in this Section is intended to limit any recourse Lessee may have against third parties causing the damage to the Premises or the contents of the Premises.

19. Liability Insurance:

a) Lessee agrees to maintain the following continuous, uninterrupted coverage for the duration of Lease:

i. In the alternative to providing written evidence of insurance to the City under this Section, Lessee may provide the City with an annual statement regarding its self-insurance. Lessee's statement of self-insurance shall provide at least the same amount and scope of coverage for Lessee and the City, its officers, agents and employees, as otherwise required under this Section. The adequacy of such self-insurance shall be subject to the City Attorney's review and approval. Upon Lessee's election to provide self-insurance coverage under this Section, any failure by Lessee to maintain adequate self-insurance shall constitute an Event of Default under this Lease.

ii. Commercial General Liability - Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease, Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that is reasonably satisfactory to the City. This insurance shall include personal and advertising injury liability, products and completed operations. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). Coverage shall be written on an occurrence basis. The limit per occurrence shall not be less than $2,000,000 for each site or location. Each annual aggregate limit shall not be less than $4,000,000.

iii. Workers' Compensation - Lessee shall comply with the workers' compensation law, ORS Chapter 656, and as it may be amended from time to time. Unless Lessee demonstrates to the satisfaction of City that Lessee is exempted from workers' compensation insurance requirements, Lessee shall maintain coverage for all subject workers and provide to City proof of valid workers' compensation insurance covering the entirety of the Lease term.

iv. Additional Insured - The liability insurance coverage required for performance of this Lease shall include the City of Portland, the Bureau of Transportation and its divisions, officers and employees as Additional Insured but only with respect to the Lessee's activities to be performed under this Lease. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

v. Notice of Cancellation or Change - There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written notice from the Lessee or its insurer(s) to City. Any failure to comply with the
reporting provisions of this clause shall constitute a material breach of this Lease and shall be grounds for immediate termination of this Lease by City.

vi. **Certificate(s) of Insurance** - Lessee shall provide proof of insurance through acceptable certificate(s) of insurance, along with applicable endorsements, to City at execution of this Lease and prior to Lessee entering upon or otherwise using the Premises. The Certificate(s) will specify all of the Parties who are endorsed on the policy as Additional Insured (or Loss Payees). City reserves the right to require, at any time, complete and certified copies of the required insurance policies evidencing the coverage required.

b) The limits of insurance coverage as provided under this Section 19 shall be subject to any changes increasing the maximum limits imposed on municipalities by the State of Oregon during the term of this Lease, consistent with City requirements established by the City's Risk Management Department. The adequacy of the insurance shall be subject to the approval of the City Attorney.

20. **Assignment and Subletting:**

a) Lessee shall not assign or mortgage this Lease or any interest in this Lease except in the conduct of Lessee's normal course of business of leasing residential units, commercial office or retail space, shall not sublet the Premises or any part thereof, or any right or privilege pertinent thereto, and shall not sell or otherwise transfer any ownership interest in any corporate Lessee, or permit any other person (the agents, employees and invitees of Lessee excepted) to occupy or use the Premises or any portion thereof, without first obtaining the written consent of City, which City will not unreasonably withhold. Consent by City to one assignment, subletting, transfer, occupation, or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, transfer, occupation or use by another person.

b) Notwithstanding the generality of the foregoing, the City consents in advance to:

   a. a sublease, license, or other agreement that permits Lessee’s utility provider to use the UVE in a manner consistent with all the terms of this Lease;

   b. an assignment to a purchaser (including, without limitation, a purchaser in foreclosure or deed in lieu) of Lessee’s interest in the Property of all of Lessee’s right, title, and interest in and to this Lease, which will release Lessee from any future liability for the Premises and obligations under this Lease, provided that such purchaser agrees to assume all of Lessee’s obligations under this Lease arising from and after the date of the assignment;

   c. an assignment to a Permitted Mortgagee consistent with Section 31;

   d. an assignment or sublease to an owners’ or condominium association for the Property; the subsequent right of the owners’ or condominium association to assign the lease back to PSU if the association terminates or otherwise; and

   e. an assignment to any entity which is controlled by, under the control of, or under common control with Lessee, or any entity into which Lessee may be merged or consolidated, or which purchases all or substantially all of the assets of Lessee.

   c) Except as provided above, City consent to an assignment, sublet, transfer, occupation, or use shall not release the original named Lessee from liability for the continued performance of the terms and provisions on the part of Lessee to be kept and performed, unless City specifically and in writing releases the original named Lessee from liability.
d) Any assignment, subletting, transferring, occupation or use without the prior written consent of the Director, except as expressly permitted in this Section, shall be void and shall be an Event of Default and City shall have all rights and remedies against Lessee as set forth herein.

e) City shall not unreasonably withhold its consent to any assignment, subletting, transfer, occupation, or use provided Rent paid by the assignee or sublessee is not less than Rent required by this Lease and the proposed sublessee's use is compatible with City's normal standards for the Premises.

f) Lessee shall pay any costs incurred by City in connection with a request for assignment, subletting, transfer, occupation or use including reasonable attorneys' fees pursuant to Section 24b.

g) Within ten (10) business days of an assignment, subletting, transfer, Lessee shall provide City with notice of such occurrence and provide updated insurance certificates and endorsements per Section 19. Lessee shall pay any costs incurred by City in connection with a request for consent to an assignment, subletting, transfer, occupation or use including reasonable attorneys' fees pursuant to Section 24(b).

h) Upon assignment, Lessee's assignees will be "Lessee" for purposes of this Lease, including with regard to the Security Deposit obligation under Section 9 above, except that the original Lessee will remain responsible as provided by Section 19(c) above.

21. Jurisdictional Transfer by City - In the event that the ROW within which the Premises are located is transferred to the control and jurisdiction of another unit of government, the City shall be relieved of all liability under any and all of its covenants, and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the jurisdictional transfer. The entity, at such transfer or any subsequent transfer of the Premises, shall be deemed, without any further agreement between the Parties and any such entity, to have assumed and agreed to carry out any and all of the covenants and obligations of City under this Lease.

22. Default by Lessee - The following shall be "Events of Default":

a) Failure of Lessee to pay any Rent within ten (10) days after Lessee's receipt of written notification from the City that such Rent is delinquent;

b) Failure of Lessee to comply with any term or condition or to fulfill any obligation of this Lease (including the obligation to pay charges required by this Lease other than Rent), within thirty (30) days after written notice by City specifying the nature of the default with reasonable particularity, or such longer period as may be provided for a specific default elsewhere in this Lease. However, if the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, Lessee shall not be in default if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to correct the default as soon as practical and to completion.

c) The bankruptcy or insolvency of Lessee or if a receiver or trustee is appointed to take charge of any of the assets of Lessee, sublessee or assignee within the Premises or in the event of judicial sale of the personal property within the Premises upon judgment against Lessee or any sublessee or assignee thereunder unless otherwise directed by order of a bankruptcy court.

23. Entry by City:
a) City may at any and all times, upon notice to Lessee (except for emergencies) enter the Premises to inspect the same for the specific purpose of rectifying any nuisance condition, to undertake necessary repairs, or to restore the structural integrity to the condition, use and appearance intended by the Parties at the time this Lease was executed, without abatement of Rent, but only after City gives Lessee written notice of the defective condition and a reasonable period of time to correct the condition.

b) City may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed.

c) In exercising any rights under this Section 23, City will take reasonable steps not to interfere with the business related to the Premises. Lessee otherwise waives any claims for damages or for any injury or inconvenience to or interference with Lessee's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned pursuant to this Section.

d) Any entry to the UVE within the Premises by City by any means shall not under any circumstances be construed, or deemed to be, forcible or unlawful entry into, or a detainer of, the UVE, or an eviction of Lessee from, or any portion of, the UVE.

24. City’s Remedies On Default by Lessee:

a) If Lessee defaults in the performance of any of the covenants or conditions of this Lease and Lessee does not remedy the default within the applicable time period for cure under Section 22, or within any additional period City allows in writing for good cause, Lessee will be subject to legal or any other administrative action deemed appropriate by City, including electing to terminate this Lease at the end of such period. If the default is not remedied and a notice of termination is issued, City may re-enter, take possession of the Premises and remove any persons or property by legal action or self-help, with the use of reasonable force and without liability for damages. City shall have a security interest in Lessee's property on the Premises at the time of re-entry to secure all sums owed or to become owing City under this Lease. Perfection of such security interest shall be taking possession of the property or otherwise as provided by law.

b) Following re-entry, City may recover from Lessee the following charges:

i. All unpaid Rent or other charges for the period prior to re-entry, plus late charges as provided by this Lease.

ii. All costs incurred by City by reason of Lessee's default, including, but not limited to the cost of recovering the Premises, including without limitation, the cost of clean-up and repair, the cost of correcting any defaults or restoring any unauthorized alterations.

iii. Reasonable attorney's fees incurred in connection with the default, whether or not any litigation has commenced.

c) City may institute actions periodically to recover damages as they accrue throughout this Lease and no action for accrued damages shall be a bar to a later action for damages subsequently accruing. Nothing in this Lease shall be deemed to require City to wait until this Lease terminates to institute action. City may obtain a decree of specific performance requiring Lessee to pay damages as they accrue. Alternately, City may elect in any one action to recover accrued damages plus damages attributable to the remaining term of this Lease.

d) In the event that Lessee remains in possession following default and City does not elect to re-enter, this Lease shall remain in effect and City may enforce all of its rights and remedies
hereunder and may recover all unpaid Rent or other charges, plus late charges, and shall have the right to cure any non-monetary default and recover the cost of such cure from Lessee. In addition, City shall be entitled to recover attorney's fees reasonably incurred in connection with the default, whether or not litigation has commenced. City may institute actions to recover such amounts as they accrue and no one action for accrued damages shall bar a later action for damages subsequently accruing.

e) The foregoing remedies shall not be exclusive but shall be in addition to all other remedies and rights provided under applicable law, and no election to pursue one remedy shall preclude resort to another consistent remedy. Lessee's liability to City for default shall survive termination of this Lease.

25. Acknowledgments and Covenants of Lessee

a) Lessee shall cause to be performed, without expense to City, all utility abandonment or relocation, including, but not limited to, storm and sanitary sewer facilities, water mains and services, street lights, traffic signals and fire hydrants, electrical, gas, telephone, or other utilities necessitated by Lessee's construction of facilities in the Premises and shall cooperate with City in the incorporation, at no expense to City, of traffic control and signing systems in the construction of the facilities. Plans and specifications for the relocation of City owned utilities shall be subject to the reasonable approval of City and if the utility facilities are within Lessee's improvements constructed in the Premises, Lessee will make arrangements reasonably acceptable to all utilities to provide them access for maintenance of said relocated utilities after the completion of construction, including twenty-four (24) hour access to such relocated utilities for repair and maintenance purposes. In the event that City cannot cause any private utility or utilities to permanently relocate at the utilities' own expense, Lessee shall indemnify and hold harmless City for all expenses reasonably incurred by it in connection with said relocation, and will pay on an ongoing basis for all expenses of said relocation work. In the event that a judgment is entered against City for reimbursement of costs incurred by private utilities in the relocation or abandonment of private utility facilities, Lessee shall indemnify and hold harmless City for the amount of such judgment, provided, however, that City shall, prior to responding to such claim, notify Lessee of any such claim made against City for reimbursement of relocation costs by a private utility, and Lessee shall have the option of paying such claim or paying City's reasonable costs of contesting such Claim, including reasonable costs of appeal. Lessee covenants and agrees to pay for any temporary relocation or improvements required to accommodate existing private utility networks necessitated by the project. Lessee covenants and agrees to pay for all relocation, abandonment or improvement costs of all public utility networks to the extent necessitated by the project.

b) When used in this Lease, "private utilities" shall include, but not be limited to, natural gas, electrical, steam lines, chilled water systems from any district cooling facility, telecommunications, telephone and cable facilities.

c) When used in this Lease, "public utilities" shall include, but not be limited to, water mains and services, storm and sanitary sewers, light rail facilities, street lights, traffic signals, and fire hydrants.

26. Default by City, Remedies - City shall not be in default unless City fails to perform obligations required of City within a reasonable time. However, City shall perform its obligations within thirty (30) days after receiving written notice from Lessee specifying where and how City has failed to
perform its obligations. However, if the nature of City's obligations is such that more than thirty (30) days are required for performance then City shall not be in default if City commences performance within such thirty (30) day period and thereafter diligently performs the same to completion.

27. **City's or Lessee's Inability to Perform** - City shall not be deemed in default for the non-performance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease if due to any labor dispute, strike, lockout, civil commotion or operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, earthquakes, or through act of God or other cause beyond the reasonable control of City. In the event of City's inability to perform, Lessee's sole remedy shall be the refund of prepaid Rents, if any. Lessee shall not be deemed in default for the non-performance or for any interruption or delay in performance of any of the terms, covenants and conditions of this Lease (except for the obligation to pay Rent) if due to any labor dispute, strike, lockout, civil commotion or operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain labor, services or materials, earthquakes, or through act of God or other cause beyond the reasonable control of Lessee.

28. **Unavoidable Delay** - Each Party hereto shall be excused from performing any of its obligations or undertakings provided in this Lease (except any of its obligations to pay any sums of money under the applicable provisions of this Lease) for so long as the performance of such obligation is prevented or delayed by any cause which is beyond the control of such Party, including but not limited to the following: fire; earthquake; flood; explosion; action of the elements; war; invasion; insurrection; riot; mob violence; sabotage; malicious mischief; inability to procure or general shortage or rationing or regulation of labor, equipment, facilities, sources of energy (including, without limitation, electricity, gas, gasoline or steam), materials or supplies in the open market; failure of transportation; strikes; lockouts; action of labor unions; condemnation; requisition; or order of government or civil or military or naval authorities; or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Party; provided, however, that no Party shall be entitled to relief for delay of performance under this Section 28 by reason of any event if such Party has given the other Party notice of such event and the nature of such event within a reasonable time after the occurrence of such event.

29. **Termination:**
   a) Upon termination of this Lease, whether by expiration of the lease term or as otherwise provided hereunder and except in the case of default, City's liability to Lessee shall be limited to the refund of prepaid Rents, if any to be calculated from the first of the month following the termination date.
   
b) In the event that termination is after June 30th of any year, Lessee will be responsible for payment of real property taxes for the entire year without proration. Lessee shall be liable to City for failure to pay any taxes or assessments due.
   
c) Notwithstanding anything to the contrary in this Lease, this Lease shall terminate one (1) year after the improvements served by this UVE are substantially destroyed, if prior to expiration of said one (1) year period, Lessee has not given notice to the City of its intention to rebuild, or cause to be rebuilt, the improvements. If Lessee gives the City notice within the one (1) year
period of its intent to rebuild the improvements, then this Lease shall not terminate and thereafter Lessee shall commence, within one hundred and eighty (180) days from the date of such notice, good faith efforts to rebuild the improvements (such commencement will be deemed to have occurred by Lessee initiating the permitting, design, demolition, site work or other actions preliminary to reconstruction) and shall diligently pursue the same unto completion. If Lessee fails to commence to rebuild within the one hundred and eighty (180) day period or fails to diligently pursue the same, City may notify Lessee that it is in default of such obligations as provided for under Section 22 of this Lease.

d) If City revokes the utility permit required in connection with the contents placed inside the Premises, City will work with utility provider and Lessee in their efforts to identify another suitable location. If, in the City's sole discretion, no suitable location can be found, the Lease will be terminated.

e) If this Lease is terminated as provided in this Section, City will provide Lessee a 90-day notice.

f) Lessee may terminate this Lease by providing City a 90-day notice.

30. Surrender Upon Termination:

a) Upon termination of this Lease, whether by expiration of the Lease term or as otherwise provided herein, if City demands, Lessee shall surrender and deliver up possession of the Premises and the UVE constructed therein to City within a reasonable period of time, in a safe and well-maintained condition and free and clear of any liens and encumbrances, or, at the option of City, remove the UVE and return the Premises to the physical condition as of the Effective Date of this Lease to the satisfaction of the Director. If Lessee does not comply with the provisions of this Section, Lessee agrees to reimburse City for reasonable costs incurred to repair or remove the UVE.

b) Should Lessee fail to vacate the Premises when required, City may elect to take legal action to eject Lessee from the Premises and to collect any damages caused by Lessee's wrongful holding over.

c) Lessee shall be responsible for all consequential damages to City as a result of Lessee's failure to surrender the Premises in accordance with this Lease, and this clause shall survive the termination of this Lease.

d) Should Lessee elect to demolish the improvements served by the UVE, Lessee will notify the City, as provided for in this Section of its intent to demolish the improvements.

31. Rights of Owners and Permitted Mortgagees:

a) Lessee shall promptly provide City written notification identifying any mortgagee whose interests include the Premises (together with its successors and assigns and purchasers of its interest in the Property, a "Permitted Mortgagee").

b) Upon receipt of written notification of a Permitted Mortgagee, City shall contemporaneously provide each Permitted Mortgagee with a copy of each notice sent to Lessee, including, without limitation, notice of the occurrence of any default or Event of Default. After receipt by Permitted Mortgagee of written notice of a default from City, Permitted Mortgagee shall have the same period as Lessee to remedy, cause to be remedied, or commence to remedy, and complete the remedy of an Event of Default; provided, however, that if a non-monetary default cannot by its
nature be accomplished within such 30-day period without taking possession and control of the Premises, so long as the Permitted Mortgagee shall have commenced curing the same promptly and in all events within such initial cure period and thereafter shall diligently and continuously prosecute the cure of the same to completion, including, if necessary taking steps to take possession and control of the Premises and thereby effect such cure, then City shall not exercise any remedy under this Lease or otherwise with respect to any such default by Lessee. City shall accept such performance by, or commenced by, the Permitted Mortgagee as if the same had been done by Lessee.

c) Nothing contained in this Lease requires a Permitted Mortgagee to cure any default that occurs as a result of a breach of or failure to comply or perform the terms of this Lease, such as Lessee’s bankruptcy or insolvency, or to discharge any lien, charge, or encumbrance against Lessee’s interest in this Lease junior in priority to the lien of the Permitted Mortgage.

d) A Permitted Mortgagee shall notify the City of its election to proceed with due diligence to foreclose the Permitted Mortgage on this Lease or otherwise to proceed promptly to acquire possession of the Premises; and

i. During the period that any Permitted Mortgagee is in possession of the Premises and/or during the pendency of any such foreclosure or other proceedings and until the interest of Lessee in this Lease terminates, the Permitted Mortgagee will pay or cause to be paid to City all sums becoming due under this Lease for Rent pertaining to such time period; and consents to proceed promptly to acquire possession of the Premises and becoming the Lessee hereunder.

ii. If delivery of possession of the Premises is made to any Permitted Mortgagee, or successor to or purchaser of such interest ("Acquirer"), the Acquirer shall assume responsibility for performance of all Lessee’s obligations under this Lease.

e) If City terminates this Lease due to the occurrence of an uncured Event of Default, or this Lease expires because Lessee did not provide notice of extension as herein provided, City shall immediately notify Lessee and each Permitted Mortgagee or Acquirer of such termination or expiration. Upon written request of a Permitted Mortgagee or the Acquirer after receipt of the City's written notice of termination or expiration, City shall enter into a new lease of the Premises with such Permitted Mortgagee or Acquirer within thirty (30) days after receipt of such request. The new lease shall be effective as of the date of termination of this Lease for the remainder of the term of this Lease (and any extension periods), at the same Rent and upon the same terms; provided that the Permitted Mortgagee or Acquirer shall:

i. At the time of delivery of the written request, pay to City all Rent owed by Lessee;

ii. At the time of delivery of the written request, pay to City all Rents that would have been due from the date of termination of this Lease to and including the date of the execution and delivery of a new lease, together with all expenses, including reasonable attorneys’ fees incurred by the City, less the net amount of all sums received by City from any sub-lessees or licensees of any part of the Premises up to the commencement of the new lease; and

iii. Before execution of the new lease, agree in writing that the Permitted Mortgagee or Acquirer shall, with due diligence and within a reasonable time, perform all of the other obligations of Lessee. The new lease shall have the same relative priority in time and in
right as this Lease and shall vest in Permitted Mortgagee or Acquirer all of the right, title, interest and privileges of the Lessee under this Lease.

32. **Estoppe] Certificates** - Each Party agrees that at any time and from time to time at reasonable intervals, within fifteen (15) days after request by the other Party, it will execute, and deliver to the requesting Party, or to any prospective Permitted Mortgagee, assignee or sublessee, designated by such requesting Party, a certificate stating:

a) That this Lease is unmodified and in force and effect (or if there have been modifications, that this Lease is in force and effect as modified, and identifying the modification agreements), or if this Lease is not in force and effect the certificate shall so state;

b) Whether or not there is any existing default by the requesting Party in the performance of any of its obligations under this Lease and whether or not there is any other existing default by either Party under this Lease with respect to which notice of default has been served, and if there is any such default, specifying the nature and extent thereof;

c) Whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations of the requesting Party.

33. **Holding Over** - If Lessee remains in possession of the Premises or any part thereof after the expiration of the Initial Term or any subsequent Renewal Period, without the express written consent of City, such occupancy shall be a tenancy from month-to-month with Rent in the amount of 150% of the current Rent, being payable in equal monthly prorated payments in advance on or before the first (1st) day of each month, plus all other charges payable hereunder, and upon all terms of this Lease, otherwise applicable to month-to-month tenancy. The hold over tenancy may be terminated at will at any time by City. City shall have the right to adjust Rent payments, charges, or use fees for such hold over upon thirty (30) days prior written notice to Lessee. In the event of hold over beyond June 30th of any year, Lessee shall be responsible for payment of real property taxes for the entire year without proration. Upon termination of this Lease, City may elect to take legal action and to collect any damages caused by Lessee’s wrongful holding over.

34. **No Partnership** - Neither anything contained in this Lease nor any acts of the Parties shall be deemed or construed by the Parties, or either of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or any other association between the Parties to this Lease, other than the obligations between City and Lessee as described in this Lease.

35. **General Provisions:**

a) **Administrative Fees** - City reserves the right to require Lessee to pay reasonable administrative fees, including reasonable attorney fees, for providing written consents, estoppel certificates, assignments, and other administrative actions that may be required under this Lease.

b) **Ambiguity** - Both Parties have had the opportunity to provide input into the drafting of this Lease and have had the opportunity to review it with counsel, whether or not that opportunity has been exercised. Therefore, this Lease shall not be construed for or against either Party in order to resolve any ambiguity.

c) **Americans With Disabilities Compliance:**

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Lessee shall comply, at Lessee’s sole expense, with all applicable sections of the Americans With Disabilities Act of 1990 (ADA), as it may be amended, including any duty the ADA may impose on City or Lessee as a result of Lessee’s use, occupation, or alteration of the Premises.

i. Within ten (10) days after receipt, City and Lessee shall advise the other Party in writing, and provide the other Party with copies (as applicable) of any notices alleging violation of the ADA relating to any portion of the Premises; any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Premises.

ii. In the event of any assignment or sublet of the Premises, Lessee and Lessee’s assignee or sublessee shall agree to comply with the ADA, at their sole expense, and Lessee shall remain liable under this Lease for any duty the ADA may impose upon Lessee or Lessee’s assignee or sublessee as a result of their use, occupation or alteration of the Premises.

d) Amendments - This Lease shall not be amended or modified except by agreement in writing signed by duly authorized representatives of the Parties.

e) Authority of Lessee - If Lessee is a corporation, or other business entity (the “Entity”), each individual executing this Lease on behalf of that Entity shall provide an affidavit verifying that they have been duly authorized to execute and deliver this Lease on behalf of the Entity, in accordance with the bylaws, board’s resolution, operating agreement, etc. of the Entity, and the Entity warrants and represents that this Lease is binding on the Entity.

f) Binding Terms and Conditions - The covenants and conditions of this Lease shall be binding on any heirs, successors, executors, administrators, sublessees and assigns of the Lessee.

g) Choice of Law and Forum - This Lease shall be governed by the laws of the State of Oregon without reference to any of its conflict of law provisions. Any litigation arising under this Lease shall occur, if in the state courts, in Multnomah County Circuit Court, and if in federal court, in the U.S. District Court located in Portland.

h) Consent of City - Whenever consent, approval, direction, or decision by City is required or requested under this Lease, all such consents, approvals, directions, or decisions shall be in writing from the Director, and shall not be unreasonably withheld or delayed.

i) Construction - In construing this Lease, if the context so requires, the singular pronoun shall be taken to mean and include the plural, and the masculine shall include the feminine and the neuter. All provisions of this Lease have been negotiated at arms-length, and this Lease shall not be construed for or against any Party by reason of the authorship of any provision of this Lease.

j) Cumulative Rights and Remedies - No right or remedy or election provided by this Lease shall be deemed exclusive but shall, whenever possible, be cumulative with all other rights and remedies available under this Lease.

k) Days - Whenever days are referenced in this Lease, all such references mean calendar days unless otherwise specified.

l) Merger - This Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, advertising, agreements and understandings, oral or written, if any between City and
Lessee or displayed by City or its agents to Lessee with respect to the subject matter of this Lease, the Premises. There are no representations between City and Lessee or between any real estate broker and Lessee, other than those contained in this Lease, and all reliance with respect to any representations is solely upon representations contained in this Lease.

m) **Non-Waiver** – Neither acceptance by City of any rental nor other benefits under this Lease shall not constitute a waiver of any default. Any waiver by City of the strict performance of any of the sections of this Lease shall not be deemed to be a waiver of subsequent breaches of a different character, occurring either before or subsequent to such waiver, and shall not prejudice City's right to strict performance of the same section in the future or of any other section of this Lease.

n) **Obligations** - By granting this Lease the City is not obligating itself or any of its agencies with respect to any discretionary action relating to development or use of the Premises, including, but not limited to, re-zonings, variances, environmental clearances, or any other governmental agency approvals or permits which are or may be required. Lessee shall correct, at Lessee's own expense, any failure of compliance created by the fault or use of Lessee or its agents, employees or invitees.

o) **Severability** - Any section of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other section of this Lease and other sections shall remain in full force and effect.

p) **Quiet Possession** - Upon Lessee paying the Rent reserved hereunder and observing and performing all of the covenants, conditions, and provisions on Lessee's part to be observed and performed hereunder, Lessee shall have quiet possession of the Premises for the entire term hereof, subject to all sections of this Lease.

q) **Recordation** - Neither City or Lessee shall record this Lease, but a short form memorandum regarding the existence of this Lease may be recorded by City.

r) **Section Headings and Capitalization** - The section headings to the sections of this Lease are not part of this Lease and shall have no effect upon the construction or interpretation of any part of it. Capitalization of certain words is provided to assist the reader. Capitalization of words or lack thereof shall have no effect upon the construction or interpretation of this Lease.

s) **Third Parties** - City and Lessee are the only Parties to this Lease and as such are the only Parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended beneficiaries of this Lease.

t) **Time is of the Essence** - Time is of the essence in this Lease.

36. **Notices:**
   a) All notices or other communications required or permitted under this Lease shall be in writing, and shall be:
      i) Personally delivered (including by means of professional messenger service), which notices and communications shall be deemed given on receipt at the office of the addressee; or
      ii) Sent by a confirmed e-mail copy (either by automatic electronic confirmation or by affidavit of the sender) directed to the e-mail address of the party set forth below; or
iii) Sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications shall be deemed given three (3) days after deposit in the United States mail; or

iv) Sent by overnight delivery using a nationally recognized overnight courier service, which notices and communications shall be deemed given one business day after deposit with such courier.

b) Either party may specify to the other in writing, a change of physical or electronic address from time to time during the term of this Lease.

**To City:**
City of Portland
Bureau of Transportation
Right of Way Acquisition
1120 SW 5th Ave, Suite 800
Portland, OR 97204
rwaleases@portlandoregon.gov

**To Lessee:**
Portland State University
Facilities and Property Management
PO Box 751
Portland, OR 97207-0751
Attn: Director of FPM
FPM-Business-Services-group@pdx.edu
PORTLAND STATE UNIVERSITY

By:
Name: Kevin Reynolds
Title: Vice President for Finance and Administration

STATE OF OREGON)
) ss.
County of Multnomah

On this 18th day of April, 2019, before me personally appeared Kevin Reynolds, who acknowledged that said instrument was executed in his capacity as Vice President for Finance and Administration of Portland State University.

[Signature]
Before me
Notary Public for OREGON
My Commission expires July 24, 2022
CITY OF PORTLAND

By: [Signature]
Name: Christopher M. Wier
PBOT Director

Pursuant to authority granted to the Director of the Portland Bureau of Transportation of the City of Portland, a municipal corporation of the State of Oregon, by City Code 17.16.140 E "Rental or Leasing of Real Property or Public Right-of-Way by the Bureau of Transportation", approved June 6, 2012 by the City Council of the City of Portland, Oregon.

STATE OF OREGON)

)ss.
County of Multnomah )

On this 2nd day of May, 2019, before me personally appeared Christopher M. Wier who acknowledged that said instrument was executed as Director of and on behalf of the Portland Bureau of Transportation of the City of Portland, a municipal corporation of the State of Oregon.

[Notary Public Stamp]

Before me
Notary Public for OREGON
My Commission expires 4/2/21

Approved as to form:

[Signature]
CITY ATTORNEY

City Attorney

5\Leases\UVE Lease\Lease template 3-15

{008710466}
EXHIBIT "D"
Legal Description

PARCEL 1:
Lots 1, 2, 7, 8 and the North 35 feet of Lots 3 and 6, Block 153, PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.

EXCEPTING THEREFROM that portion thereof described in Deed For Right-of-Way Purposes, including the terms and provisions thereof, Recorded March 6, 2015 as Recording No. 2015-024231.

PARCEL 2:
Lot 4 and the Southerly 15 feet of Lot 3, Block 153, CITY OF PORTLAND, in the City of Portland, County of Multnomah and State of Oregon.
AGENDA ITEM: 7

DATE: May 13, 2019

TITLE: Approval of Resolution Concerning 2019-20 Tuition Rates

SUMMARY OF ITEM: Under ORS 352.102, the Board of Trustees is required to establish tuition and mandatory student fees pursuant to a process that includes involvement of University students and student government.

The Board’s Policy on Tuition, Fines and Fees states:

When setting Tuition and Mandatory Student Fees, the Board considers a number of factors, including state-appropriated funds, financial need of the University, market factors, the mix of students, and students’ wellbeing and financial constraints. The Board’s consideration of Tuition and Mandatory Student Fees will be based on the recommendation of the President. The President shall establish a process for student participation in the development of the recommendation, which is to include, at a minimum, the ability to receive input from the Tuition Review Advisory Committee and ASPSU, and which complies with the requirements of Oregon law, including HB 4141 (2018).

In order to make a recommendation to the Board regarding tuition and mandatory student fees and in compliance with Oregon House Bill 4141, the President has established the Tuition Review Advisory Committee to provide tuition-setting comments and advice to senior leadership. The TRAC is chaired by the Vice President of Finance and Administration (VPFA) and includes the Faculty Senate Budget Committee Co-Chairs, students appointed by ASPSU, the Provost, the Director of Student Financial Services and Interim Director of Financial Aid, and representatives of the Budget Office. All meetings of TRAC were open to the public and information shared at those meetings are available online at: www.pdx.edu/budget/tuition-review-advisory-committee-trac.

After a deliberative process the TRAC has made a recommendation to the President to increase tuition and mandatory student fees for the 2019-20 academic year and 2020 summer term assuming a biennial increase to the Public University Support Fund (PUSF) of $40.5 million and full restoration of the Engineering Technology Sustaining Funds (ETSF) and Sports Lottery funds. In the event ETSF and Sports Lottery funding is not restored to at least FY19 levels, the TRAC recommends the Alternate Increase Plan for Undergraduate Residents:
## Tuition Category

<table>
<thead>
<tr>
<th>Tuition Category</th>
<th>Dollar per Credit Increase</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Undergraduate</td>
<td>$19</td>
<td>11.11%</td>
</tr>
<tr>
<td>Resident Undergraduate (Alternate Increase Plan)</td>
<td>$27</td>
<td>15.79%</td>
</tr>
<tr>
<td>Resident Graduate</td>
<td>$20</td>
<td>4.83%</td>
</tr>
<tr>
<td>Non-resident Undergraduate</td>
<td>$28</td>
<td>4.91%</td>
</tr>
<tr>
<td>Non-resident Graduate</td>
<td>$31</td>
<td>4.92%</td>
</tr>
</tbody>
</table>

## Mandatory Fees

<table>
<thead>
<tr>
<th>Mandatory Fees</th>
<th>Dollar per Term Increase</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Building Fee</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Incidental Fee</td>
<td>$23</td>
<td>9.58%</td>
</tr>
<tr>
<td>Health Service Fee</td>
<td>$7</td>
<td>4.70%</td>
</tr>
<tr>
<td>Recreation Center Fee (ASRC)</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Overall Resident Undergrad at 15 credits per term</td>
<td>$945</td>
<td>10.38%</td>
</tr>
<tr>
<td>Overall Resident Undergrad (Alternate Increase Plan)</td>
<td>$1,305</td>
<td>14.33%</td>
</tr>
</tbody>
</table>

In the event of greater state funding, the percentage increase to resident undergraduate tuition is reduced in increments tied to the overall level of State of Oregon funding to the PUSF for the 2019-21 biennium as follows:

<table>
<thead>
<tr>
<th>Increase to the Unrestricted State of Oregon Appropriation to the PUSF for the 2019-21 Biennium</th>
<th>Percent Increase in Resident Undergraduate Base Tuition</th>
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<tr>
<td>Less than $60 million</td>
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<td>8%</td>
<td>12%</td>
</tr>
<tr>
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<td>4.9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

The actual increase in resident undergraduate base tuition per credit hour shall be rounded to the next whole dollar.

The recommendation for all other tuition rates and mandatory enrollment fees shall remain unchanged.

This recommendation has been accepted by the President and is being recommended to the Board for adoption. The full recommendation of the TRAC with the rationale for the proposed increase, is attached.
The student members of the TRAC do not support this increase. The full recommendation of the student members of the TRAC is attached.

REQUESTED COMMITTEE ACTION: Approve a Resolution Concerning 2019-20 Tuition Rates and recommend the Resolution to the full Board for approval in March

ATTACHED DOCUMENTS:  
1. Draft Resolution Concerning 2019-20 Tuition Rates  
2. Recommendation of the Tuition Review Advisory Committee

BACKGROUND READING: None.
RESOLUTION CONCERNING 2019-20 TUITION RATES

Approved by the Finance and Administration Committee
May __, 2019

Approved by the Board
May __, 2019

BACKGROUND

1. Pursuant to the Board of Trustee’s Tuition, Fees and Fines Policy (the “Policy”), the Board retains authority and responsibility to annually establish tuition and mandatory student fees, as defined in the Policy. The Policy states:

   When setting Tuition and Mandatory Student Fees, the Board considers a number of factors, including state-appropriated funds, financial need of the University, market factors, the mix of students, and students’ wellbeing and financial constraints. The Board’s consideration of Tuition and Mandatory Student Fees will be based on the recommendation of the President. The President shall establish a process for student participation in the development of the recommendation, which is to include, at a minimum, the ability to receive input from the Tuition Review Advisory Committee and ASPSU and which complies with the requirements of Oregon law, including HB 4141 (2018).

2. In order to make a recommendation to the Board regarding tuition and mandatory student fees and in compliance with Oregon House Bill 4141, the President has established a Tuition Review Advisory Committee (TRAC), to provide tuition-setting comments and advice to senior leadership. The TRAC is chaired by the Vice President of Finance and Administration and includes the co-chairs of the Faculty Senate Budget Committee, students appointed by ASPSU, the Provost, the Director of Student Financial Services and Interim Director of Financial Aid, and representatives of the Budget Office. All TRAC meetings were open to the public and information provided at those meetings are available online at www.pdx.edu/budget/tuition-review-advisory-committee-trac.

3. After a deliberative process the TRAC recommends the following increase in tuition and mandatory fees for the 2019-20 academic year and 2020 summer term, assuming a biennial increase to the Public University Support Fund (PUSF) of $40.5 million and full restoration of the Engineering Technology Sustaining Funds (ETSF) and Sports Lottery. In the event ETSF and Sports Lottery funding is not restored to at least FY19 levels, the TRAC recommends the Alternate Increase Plan, also included in the chart below, for Undergraduate Residents:
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The increase the Incidental Fee is the recommendation of the President, as provided for in the Policy and the Student Fee Guidelines adopted by ASPSU. The full recommendation of the TRAC is included in the Board docket.

4. Factors considered in establishing this recommendation include the University’s current and forecast budget and financial outlook, the anticipated funding level from the State of Oregon for the 2020 fiscal year using the Co-Chairs of the Ways & Means Committee framework, the University’s commitment to a measured and balanced approach to fiscal stability, the scope of our current tuition rates in comparison to our peers and other Oregon universities, the ability of PSU students to absorb tuition increases, and the University’s implementation of a more strategic use of remission funds to assist students who have a limited ability to pay. The student members of the TRAC provided a recommendation to the President that there be no increase to any category of tuition. The full recommendation of the student members of the TRAC is included in the Board docket.

5. In the event of greater state funding, the percentage increase to resident undergraduate tuition is reduced in increments tied to the overall level of State of Oregon funding to the PUSF for the 2019-21 biennium as follows:

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<td>4.9%</td>
<td>9%</td>
</tr>
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</table>
The actual increase in resident undergraduate base tuition per credit hour shall be rounded to the next whole dollar.

The recommendation for all other tuition rates and mandatory enrollment fees shall remain unchanged.

6. The President has accepted the recommendation of the TRAC has concluded that the proposed rates are part of a measured and balanced approach to financial stability, and recommends the proposed increases to the Board for adoption.

7. The University is committed to minimizing the financial impact of these increases on our students and will strategically utilize remissions to minimize the cost to the neediest students.
RESOLUTION

Now, therefore, be it resolved by the Board of Trustees, that tuition and mandatory enrollment fees for the 2019-20 academic year and the 2020 summer term are approved as follows:

1. Base undergraduate and graduate academic year and summer tuition rates as provided in Exhibit 1.

2. Differential undergraduate and graduate academic year and summer tuition rates as provided in Exhibit 2.

3. Academic year mandatory fees as provided in Exhibit 3.

4. Summer mandatory fees as provided in Exhibit 4.

5. Restricted differential tuition rates as provided in Exhibit 5.

APPROVED BY THE BOARD OF TRUSTEES
May __, 2019

Secretary to the Board
### Portland State University

**Exhibit 1 - Base Academic Year and Summer Tuition**

**Academic Year 2019-20 and Summer 2020 Tuition Rates**

<table>
<thead>
<tr>
<th>Credits</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>190.00</td>
<td>434.00</td>
</tr>
<tr>
<td>2</td>
<td>380.00</td>
<td>868.00</td>
</tr>
<tr>
<td>3</td>
<td>570.00</td>
<td>1,302.00</td>
</tr>
<tr>
<td>4</td>
<td>760.00</td>
<td>1,736.00</td>
</tr>
<tr>
<td>5</td>
<td>950.00</td>
<td>2,170.00</td>
</tr>
<tr>
<td>6</td>
<td>1,140.00</td>
<td>2,604.00</td>
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<tr>
<td>7</td>
<td>1,330.00</td>
<td>3,038.00</td>
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<td>10</td>
<td>1,900.00</td>
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<td>11</td>
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<td>12</td>
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<td>13</td>
<td>2,470.00</td>
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<tr>
<td>14</td>
<td>2,660.00</td>
<td>5,808.00</td>
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<tr>
<td>15</td>
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<td>6,108.00</td>
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<td>16</td>
<td>3,040.00</td>
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<tr>
<td>17</td>
<td>3,230.00</td>
<td>6,708.00</td>
</tr>
<tr>
<td>18</td>
<td>3,420.00</td>
<td>7,008.00</td>
</tr>
</tbody>
</table>

*Each Add'l Credit Hour*

<table>
<thead>
<tr>
<th></th>
<th>Resident</th>
<th>Non-Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td>Graduate</td>
</tr>
<tr>
<td>190.00</td>
<td>598.00</td>
<td>661.00</td>
</tr>
<tr>
<td>300.00</td>
<td>1,196.00</td>
<td>1,322.00</td>
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<td></td>
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<td>2,392.00</td>
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</tr>
<tr>
<td></td>
<td>10,764.00</td>
<td>11,724.00</td>
</tr>
</tbody>
</table>
### Exhibit 2 – Differential Undergraduate and Graduate Tuition Rates

#### Academic Year 2019-20 and Summer 2020 Undergraduate Differential Tuition Rates

<table>
<thead>
<tr>
<th>Credits</th>
<th>Business Undergraduate</th>
<th>Engineering Undergraduate</th>
<th>College Of The Arts Undergraduate</th>
<th>University Honors Program Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Non-Resident</td>
<td>Resident</td>
<td>Non-Resident</td>
</tr>
<tr>
<td>1</td>
<td>208.40</td>
<td>617.00</td>
<td>236.60</td>
<td>644.60</td>
</tr>
<tr>
<td>2</td>
<td>416.80</td>
<td>1,234.00</td>
<td>473.20</td>
<td>1,289.20</td>
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<tr>
<td>3</td>
<td>625.20</td>
<td>1,851.00</td>
<td>709.80</td>
<td>1,933.80</td>
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<tr>
<td>4</td>
<td>833.60</td>
<td>2,468.00</td>
<td>946.40</td>
<td>2,578.40</td>
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<td>5</td>
<td>1,042.00</td>
<td>3,085.00</td>
<td>1,183.00</td>
<td>3,223.00</td>
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<tr>
<td>6</td>
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<td>7</td>
<td>1,458.80</td>
<td>4,319.00</td>
<td>1,656.20</td>
<td>4,512.20</td>
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<td>8</td>
<td>1,667.20</td>
<td>4,936.00</td>
<td>1,892.80</td>
<td>5,156.80</td>
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<td>10,489.00</td>
<td>4,022.20</td>
<td>10,958.20</td>
</tr>
<tr>
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<tr>
<td>Each Add'l Credit Hour</td>
<td>208.40</td>
<td>617.00</td>
<td>236.60</td>
<td>644.60</td>
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</table>

**Endnotes:**

1) If a student is admitted to a school or college with a program differential and also admitted to the University Honors program, then both the program differential and Honors, differential will be assessed.

2) If a student is admitted to more than one school or college with a program differential, the student’s primary major code will take precedence, and will determine the differential tuition rate to be assessed.
Portland State University

Exhibit 2 – Differential Undergraduate and Graduate Tuition Rates

Academic Year 2019-20 and Summer 2020 Graduate Differential Tuition Rates

<table>
<thead>
<tr>
<th>Credits</th>
<th>Graduate Resident</th>
<th>Graduate Non-Resident</th>
<th>Masters in Finance Resident</th>
<th>Masters in Finance Non-Resident</th>
<th>Masters in Global Supply Chain Management Resident</th>
<th>Masters in Global Supply Chain Management Non-Resident</th>
<th>Masters of Taxation Resident</th>
<th>Masters of Taxation Non-Resident</th>
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<td>790.00</td>
<td>521.00</td>
<td>699.00</td>
<td>649.00</td>
<td>790.00</td>
<td>510.00</td>
<td>661.00</td>
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<td>1,580.00</td>
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<td>1,580.00</td>
<td>1,020.00</td>
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<td>1,563.00</td>
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<td>2,370.00</td>
<td>1,530.00</td>
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<td>2,796.00</td>
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<td>3,160.00</td>
<td>2,040.00</td>
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<td>2,605.00</td>
<td>3,495.00</td>
<td>3,245.00</td>
<td>3,950.00</td>
<td>2,550.00</td>
<td>3,305.00</td>
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<td>4,740.00</td>
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<td>3,894.00</td>
<td>4,740.00</td>
<td>3,060.00</td>
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<td>5,530.00</td>
<td>3,647.00</td>
<td>4,893.00</td>
<td>4,543.00</td>
<td>5,530.00</td>
<td>3,570.00</td>
<td>4,627.00</td>
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<tr>
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<td>4,689.00</td>
<td>6,291.00</td>
<td>5,841.00</td>
<td>7,110.00</td>
<td>4,590.00</td>
<td>5,949.00</td>
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<td>7,900.00</td>
<td>5,210.00</td>
<td>6,990.00</td>
<td>6,490.00</td>
<td>7,900.00</td>
<td>5,100.00</td>
<td>6,610.00</td>
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<td>8,690.00</td>
<td>5,731.00</td>
<td>7,689.00</td>
<td>7,139.00</td>
<td>8,690.00</td>
<td>5,610.00</td>
<td>7,271.00</td>
</tr>
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<td>9,480.00</td>
<td>6,252.00</td>
<td>8,388.00</td>
<td>7,788.00</td>
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<td>7,140.00</td>
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<td>10,576.00</td>
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<td>14,220.00</td>
<td>9,180.00</td>
<td>11,898.00</td>
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Endnotes:

1) Students enrolled in the Global Supply Chain Management Certificate program are assessed tuition at the Masters in Global Supply Chain Management rate.
<table>
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<tr>
<th>Credits</th>
<th>Economics Graduate Resident</th>
<th>Economics Graduate Non-Resident</th>
<th>Social Work Graduate Resident</th>
<th>Social Work Graduate Non-Resident</th>
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<td>676.00</td>
<td>499.00</td>
<td>726.00</td>
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<td>998.00</td>
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<td>1,497.00</td>
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<tr>
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<td>2,994.00</td>
<td>4,356.00</td>
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<td>5,082.00</td>
</tr>
<tr>
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<td>3,992.00</td>
<td>5,808.00</td>
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<td>6,534.00</td>
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<td>6,760.00</td>
<td>4,990.00</td>
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<td>8,712.00</td>
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<tr>
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<td>8,759.00</td>
<td>6,353.00</td>
<td>9,409.00</td>
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<td>6,333.00</td>
<td>10,053.00</td>
<td>7,083.00</td>
<td>10,803.00</td>
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<td>11,500.00</td>
</tr>
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<td>12,197.00</td>
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<tr>
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<td>11,994.00</td>
<td>8,178.00</td>
<td>12,894.00</td>
</tr>
<tr>
<td>Each Add’l Credit over 12</td>
<td>315.00</td>
<td>647.00</td>
<td>365.00</td>
<td>697.00</td>
</tr>
</tbody>
</table>

**Endnotes:**

1) Social Work differential for all Masters students begins with Fall 2019 cohort.

Online/Distance programs with cohorts that started prior to Fall 2019 are charged a lower $55 per credit differential.
## Exhibit 2 – Differential Undergraduate and Graduate Tuition Rates

Academic Year 2019-20 and Summer 2020 Graduate Differential Tuition Rates, continued

<table>
<thead>
<tr>
<th>Credits</th>
<th>College of the Arts</th>
<th>Liberal Arts</th>
<th>Engineering &amp; Comp.Science</th>
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<td>Graduate</td>
<td>Graduate Level 1 (L1)</td>
<td>Graduate Level 2 (L2)</td>
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<td>Resident Non-Resident</td>
<td>Resident Non-Resident</td>
</tr>
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</tr>
<tr>
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<td>2,245.00 3,380.00</td>
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</tr>
<tr>
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<td>2,694.00 4,056.00</td>
<td>2,736.00 4,116.00</td>
</tr>
<tr>
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<td>3,192.00 4,802.00</td>
</tr>
<tr>
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<td>3,592.00 5,408.00</td>
<td>3,648.00 5,488.00</td>
</tr>
<tr>
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<td>4,041.00 6,084.00</td>
<td>4,104.00 6,174.00</td>
</tr>
<tr>
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<td>4,560.00 6,860.00</td>
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<td>5,472.00 8,232.00</td>
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<td>5,703.00 8,759.00</td>
<td>5,794.00 8,889.00</td>
</tr>
<tr>
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<td>6,466.00 9,910.00</td>
<td>6,018.00 9,406.00</td>
<td>6,116.00 9,546.00</td>
</tr>
<tr>
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<td>6,813.00 10,593.00</td>
<td>6,333.00 10,053.00</td>
<td>6,438.00 10,203.00</td>
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<td>6,760.00 10,860.00</td>
</tr>
<tr>
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<td>6,963.00 11,347.00</td>
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<td>7,404.00 12,174.00</td>
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</tbody>
</table>

Each Add'l Credit over 12

| Credits | 347.00 | 683.00 | 315.00 | 647.00 | 322.00 | 657.00 | 352.50 | 684.50 |

**Endnotes:**

1) Level 1 includes Communication, English, Foreign Languages, General Studies: Social Science, History, Psychology, & Sociology.

2) Level 2 includes Anthropology, Applied Linguistics, Biology, Center for Science Ed, Chemistry, Conflict Resolution, English (Writing & Creative Writing), Environmental Science, Geography, Geology, Math, Physics, and Speech & Hearing.
<table>
<thead>
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<th>Credits</th>
<th>Building</th>
<th>Incidental</th>
<th>Health Service1</th>
<th>Academic Student Rec Ctr</th>
<th>Total Fees</th>
</tr>
</thead>
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<td>Undergraduate</td>
<td>Graduate</td>
<td>Undergraduate</td>
<td>Graduate</td>
<td>Undergraduate</td>
</tr>
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<td>21.00</td>
<td>113.00</td>
<td>123.00</td>
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<td>128.00</td>
<td>143.00</td>
<td>-</td>
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<td>143.00</td>
<td>163.00</td>
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<td>25.50</td>
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<td>30.00</td>
<td>263.00</td>
<td>263.00</td>
<td>156.00</td>
</tr>
<tr>
<td>9</td>
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<td>37.00</td>
<td>263.00</td>
<td>263.00</td>
<td>156.00</td>
</tr>
<tr>
<td>10</td>
<td>33.00</td>
<td>37.00</td>
<td>263.00</td>
<td>263.00</td>
<td>156.00</td>
</tr>
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<td>37.00</td>
<td>263.00</td>
<td>263.00</td>
<td>156.00</td>
</tr>
<tr>
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<td>37.00</td>
<td>37.00</td>
<td>263.00</td>
<td>263.00</td>
<td>156.00</td>
</tr>
</tbody>
</table>

Endnotes:

(1) Health Service Fee includes services offered through the Student Health Center, counseling, dental, and testing. It does not include the health insurance premium of $875.00 per term; however, students have the option to waive the health insurance premium with proof of insurance. Please see http://www.pdx.edu/shac/insurance-information for more details.

* Fully online courses have additional fee of $35 a credit

* Does not include one time matriculation fee of $325 for all new and transfer students
## Portland State University

### Exhibit 4 - Summer 2019 Mandatory Fees

#### Summer 2020 Mandatory Fees

<table>
<thead>
<tr>
<th>Credits</th>
<th>Building Undergraduate</th>
<th>Incidental Undergraduate</th>
<th>Health Service1 Undergraduate</th>
<th>Academic Student Rec Ctr Undergraduate</th>
<th>Total Fees Undergraduate</th>
<th>Graduate</th>
<th>Total Fees Graduate</th>
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<td>28.00</td>
<td>77.00</td>
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<td>156.00</td>
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<td>125.00</td>
<td>156.00</td>
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<td>353.00</td>
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**Endnotes:**

1. Health Service Fee includes services offered through the Student Health Center, counseling, dental, and testing. It does not include the health insurance premium of $631 (summer term only); however, students have the option to waive the health insurance premium with proof of insurance. Please see [http://www.pdx.edu/shac/insurance-information](http://www.pdx.edu/shac/insurance-information) for more details.

*Fully online courses have additional fee of $35 a credit

*Does not include one time matriculation fee of $325 for all new and transfer students
## Restricted Differential Tuition

### College of Liberal Arts & Sciences

<table>
<thead>
<tr>
<th>Credits</th>
<th>Deutsche Sommerschule am Pazifik</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>UG</strong></td>
</tr>
<tr>
<td>1</td>
<td>190.00</td>
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<td>2</td>
<td>380.00</td>
</tr>
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### University Studies

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<td>2</td>
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</tr>
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<td>4</td>
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### College of the Arts

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<th>Music Education Undergraduate</th>
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<td>1,000.00</td>
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<tr>
<td>6</td>
<td>1,950.00</td>
<td></td>
</tr>
<tr>
<td>Credits</td>
<td><strong>Criminology &amp; Criminal Justice Online</strong></td>
<td><strong>Army Corp Leadership Development</strong></td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>259.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>518.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>777.00</td>
<td></td>
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<td>4</td>
<td>1,036.00</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>1,295.00</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1,554.00</td>
<td></td>
</tr>
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<td></td>
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Portland State University  
Exhibit 5 – Restricted Differential Tuition  
Restricted Differential Tuition, continued

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<th>Graduate School of Education</th>
<th>GSE-CPD Courses</th>
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<tr>
<td>2</td>
<td>$ 380.00</td>
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<td>5</td>
<td>$ 950.00</td>
</tr>
<tr>
<td>6</td>
<td>$ 1,140.00</td>
</tr>
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</tr>
<tr>
<td>1</td>
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</tr>
<tr>
<td>2</td>
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<td>660.00</td>
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<tr>
<td>7</td>
<td>770.00</td>
</tr>
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The following programs have been approved for in-state tuition regardless of student’s state of residence. These programs follow the established in-state costs for tuition and fees.

- Certificate in PBIS/RTI Coaching
- Early Intervention - Special Education
- Endorsement in Library Media
- Graduate Certificate in Infant-Toddler Mental Health
- Graduate Certificate in Service Learning
- Online Master’s in Curriculum and Instruction (non-licensure)
- Online Master’s in Early Childhood Education
- Read Oregon
- STEM Educator
- Visually Impaired Learner (VIL)
### GSE - Off-Site Partner Courses

Off-site courses offered if partner organization can guarantee a minimum enrollment and use the 3rd party billing procedures.

<table>
<thead>
<tr>
<th>Credits</th>
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<th>RDT Type A - GR</th>
<th>RDT Type A - GR</th>
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<td>Number of Students</td>
<td>15 (minimum enrollment)</td>
<td>16-20</td>
<td>21-25</td>
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<td>217.00</td>
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<td>2</td>
<td>868.00</td>
<td>520.80</td>
<td>434.00</td>
</tr>
<tr>
<td>3</td>
<td>1,302.00</td>
<td>781.20</td>
<td>651.00</td>
</tr>
<tr>
<td>4</td>
<td>1,736.00</td>
<td>1,041.60</td>
<td>868.00</td>
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<td>5</td>
<td>2,170.00</td>
<td>1,302.00</td>
<td>1,085.00</td>
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<td>6</td>
<td>2,604.00</td>
<td>1,562.40</td>
<td>1,302.00</td>
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<td>7</td>
<td>3,038.00</td>
<td>1,822.80</td>
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### School of Business Administration

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### IELP

<table>
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<tr>
<th>Credits</th>
<th>Intensive English Learner Program UG</th>
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<tbody>
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<td>2</td>
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<td>4</td>
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<td>5</td>
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<td>6</td>
<td>1,338.00</td>
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<tr>
<td>7</td>
<td>1,561.00</td>
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<tr>
<td>8</td>
<td>1,784.00</td>
</tr>
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</table>
Fiscal Year 2019-2020

Tuition Rate Recommendation

April 26, 2019
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Budget Context and Summary Recommendation

The legislative process that will establish the State of Oregon’s budget for the 2019-2021 biennium is currently underway. The outcome of the budget process remains uncertain, although absent any changes or new revenue streams it is clear that the State of Oregon expects its revenue to fall short of its needs by approximately $623 million. The Governor’s Recommended Budget (GRB) indicates a flat allocation to the state’s Public University Support Fund (PUSF) of $737 million for the 2019-2021 biennium. In addition, the GRB did not include funding for the Sports Lottery program or Engineering Technology Sustaining Funds (ETSF). The state allocates 49% of the PUSF for the first year of a biennium and 51% in the second year. If the actual funding approved reflects the GRB, PSU can expect a 3.9% decrease of approximately $3.5 million in the PUSF and over $4 million in Sports Lottery and ETSF for a total decrease in state support of over $7.5 million during our next fiscal year 2019-2020 (FY20). The Co-Chairs’ budget released on March 7th recommended an increase of $40.5 million to the PUSF, which is estimated to increase funding to PSU for FY20 by approximately $1.3 million, and made no commitment regarding ETSF or Sports Lottery funding.

At the same time Portland State University (PSU) faces a marginal increase or a potential reduction in state funding for FY20, the university continues to see significant cost increases. The State of Oregon’s Public Employee Retirement System (PERS), which provides retirement benefits to state employees including qualifying university employees, is estimated to exceed a $26 billion unfunded liability. The PERS system will likely increase the rates it charges for the next several biennia to reduce this liability. For PSU, this biennium’s rate increase results in an estimated $5.7 million in additional annual costs to the general fund for FY20. Concurrently, the cost of health care benefits will also increase, as will salaries and wages. In addition, PSU plans to designate an additional $1.5 million in recurring investments for student success and innovation initiatives. All together, general fund costs for FY20 are forecast to increase 6.1% or $18.6 million over the current fiscal year.

In consideration of the above factors, the Finance & Administration Committee of the PSU Board of Trustees indicated that absent an increase to the PUSF and restoration of Sports Lottery and ETSF allocations, tuition increases for resident undergraduate students could be as high as 14-18%. They were also concerned with the level of cuts necessary to reach a balanced budget and provided direction to use the $4 million normally set aside for risk abatement and no more than $5 million in deficit spending to offset budget reductions.

Unfortunately, the disparity between projected revenue and expenditures presents the university with a potential gap of over $20 million in FY20. As we consider the options available to close that gap in keeping with the directive received from the Finance & Administration Committee, it is important to remember that in five out of the last seven years the university has taken reductions to its current service level budgets. The information and analysis presented below provides details on the financial environment confronting the university as we establish tuition rates for the 2019-2020 academic year. In short, with continuing overall enrollment declines, decreased non-resident enrollment, the certainty of higher costs, and limited opportunities to fully close the resulting budget gap through additional reductions, increasing tuition rates...
will be necessary.

The tuition rate recommendation presented herein for 2019-2020 represents an increase of 11.11% for resident undergraduate students and slightly below 5% for non-resident and graduate students. This recommendation is based upon an increase of $40.5 M to the PUSF and assumes full restoration of ETSF and Sports Lottery dollars to PSU for the next biennium. A higher increase to undergraduate resident tuition rates of 15.8% is recommended if funding for these programs is not restored.

**Tuition Setting Process**

PSU engages in a collaborative tuition setting process with guidance provided by the Tuition Review Advisory Committee (TRAC) which includes students, staff, and faculty members. TRAC was established to provide a written report to the president of the university that sets forth the recommendations, deliberations and observations of the advisory body regarding tuition and mandatory enrollment fees for the upcoming academic year.

The committee is responsible for (1) providing opportunities for members of ASPSU and other students enrolled at PSU to participate in the tuition setting process; (2) gaining an understanding of the university budgeting process and the Higher Education Coordinating Committee (HECC) allocation mechanism for public universities; (3) providing recommendations and observations in regards to tuition and mandatory enrollment fees that consider the impact of the recommendation on historically underserved students, the mission of PSU, and alternative scenarios.

TRAC met ten times from November 2018 to April 2019 to consider the direction the university should take on its tuition and fee structure for the 2019-2020 academic year. The committee had broad representation with the Associated Students of Portland State University (ASPSU) representing students, the Faculty Senate Budget Committee providing a faculty perspective, and with representatives from the Finance & Administration, Enrollment Management, and Academic Affairs divisions providing data and support for the process (see Appendix I for a detailed list of attendees). The committee reviewed the university’s current financial condition and forecasts of likely enrollment trends, cost drivers, and potential state funding scenarios. Meeting minutes, presentations and supporting information from all TRAC meetings are provided on the PSU Budget Office website at this address: [https://www.pdx.edu/budget/tuition-review-advisory-committee-trac](https://www.pdx.edu/budget/tuition-review-advisory-committee-trac).

Additionally, at the request of students and with extensive student involvement in planning and recruitment of participants, the President and members of the university’s executive leadership team have held four budget forums for faculty, staff, and students in order to share some short- and long-term plans for the university within its current budgetary context. Three of these meetings were student focused and the agenda was developed with the student members of TRAC. The link to budget forum presentations are provided in Appendix VIII. The information shared with TRAC was also shared with the Board of Trustees’ Finance and Administration committee, the Faculty Senate Budget Committee, the university’s Academic Leadership Team (ALT), and the ASPSU Student Senate. The views and concerns of TRAC and the input from all university stakeholders that has been shared over the last five months were considered in development of this tuition recommendation. A statement from the student members of the TRAC is included as an
PSU Vision and Mission

PSU was founded in 1946 as a college for World War II veterans, and has grown into a comprehensive urban research university offering over 200 undergraduate and graduate degrees. Among our 28,000 students are many students transferring from other Oregon institutions, as well as students from historically marginalized and underrepresented racial and ethnic backgrounds, students with disabilities, first generation students and veterans. The 3-year average of resident undergraduate degrees awarded to Oregonians who are either Pell recipients, underrepresented minorities, veterans, or rural students is 1,900, which greatly exceeds those awarded by any of the other Oregon Public Universities (OPUs). As such, PSU plays a pivotal role in supporting a broad range of Oregon students, and their success depends upon our success.

![Enrollment Demographics at Oregon Public Universities](image)

PSU's core mission to provide access to high quality postsecondary education to a diverse community of lifelong learners is deeply woven into the fabric of the university and allows us to be an agent for change in many students’ lives. PSU serves and sustains the Portland region with creative, expert research and scholarship and by meeting the regional demands for a highly educated workforce. Our unwavering vision is to lead “the way to an equitable and sustainable future through academic excellence, urban engagement and expanding opportunity for all.”

As Oregon’s access university, the Board of Trustees strives to keep tuition and mandatory fees as low as possible. At the same time, the financial resources required to provide a supportive learning environment and wrap-around services that promote student success are substantial. Consequently, PSU faces a difficult
dilemma. Addressing this dilemma will require disciplined use of resources to ensure that expenditures are clearly aligned with the institutional vision. Multiple years of budget reductions have pushed this approach to the limit, and the institution is in a fragile state where further reductions will dramatically impact the university’s operations and the academic quality expected by PSU students and faculty. Absent offsetting increases in state support, successfully achieving the vision and mission of the institution are very likely to necessitate ongoing and substantial increases in resident undergraduate tuition rates in future years.

A Multi-year Perspective of State Funding

Oregon is not unique in the struggle to fund higher education, yet 2018 data suggests that it falls well below the national average in funding per full time equivalent students (FTE) and ranks 39th out of the states and the District of Columbia. Shown in the chart below, Oregon’s 2018 allocation per student FTE was $6,237 compared to the US average of $7,853. This relative position has improved modestly, primarily as a result of the last three biennia which have seen increases in the total dollar allocation to fund the OPU’s. While this increase has resulted in higher state appropriations on a per resident student basis, it followed a six biennium period in which state appropriations on a per resident student basis declined dramatically. After adjusting for inflation, the levels of funding proposed by the GRB for 2019-2021 remain below that in 1999-2001.

2018 State Educational Appropriations Per FTE

Notes:
- Source: SHEEO (State Higher Education Executive Officers), State Higher Education Finance FY2018
- Data shown in constant 2018 $
- Note on Illinois: SHEEO noted that the increase there is entirely driven by the State addressing its historically underfunded pension system

The following data obtained from the Higher Education Coordinating Commission (HECC) shows funding levels since the 1999-2001 biennium. Note that this data differs from that reflected in the SHEEO chart

2019-20 Tuition Recommendation | Page 5
above by including debt service and state programs, excluding non-resident students, and differing inflation adjustments. However, the following demonstrates the change over time in constant dollars allocated to Oregon’s universities, and shows that funding for the next biennium is likely to keep per student FTE funding below levels allocated in 1999-2001.

![State Appropriations per Resident Student (FTE) Adjusted for Inflation (HECA)](image)

**Notes:**
- **Source:** [https://www.oregon.gov/highered/research/Documents/Legislative/HECC-WM-2019-DAYS-6-14-FINAL.pdf](https://www.oregon.gov/highered/research/Documents/Legislative/HECC-WM-2019-DAYS-6-14-FINAL.pdf)
- Includes Debt Service
- University data includes PUSF and State Programs
- Enrollment for 2017, 2018, 2019 assumed based on 2016 levels
- Inflation adjustment based on HECA (Higher Education Cost Adjustment)
- Excludes non-resident university enrollment

For the 2019-21 biennium, the Governor’s Recommended Budget includes no increases to the PUSF and cuts funding for ETSF and Sports Lottery. The Co-Chairs of the Ways & Means Committee in the legislature recommended increasing the PUSF allocation by $40.5 million and reviewing ETSF and Sports Lottery allocations. Either PUSF scenario presents challenges for Portland State University. Considering university funding is provided in a 49%/51% split over the two years of the biennium, funding at the level proposed by the Governor would result in a $3 million loss of general funds for the next fiscal year while the Co-Chairs’ recommended budget would likely translate into a $1.3 million increase for PSU. Either scenario produces a significant funding gap when considering the $18.6 million in additional general fund costs the university will incur in the coming year, which are discussed at length below.

The disinvestment in higher education over time, on a per student basis, means that students must cover a larger share of the cost of their education via tuition, and that OPUs must make budget reductions that impact student success, academic quality, safety, and compliance in order to prevent even steeper tuition increases. Additionally, PSU faces factors that exacerbate this problem. Despite having the largest population of students with financial need, the most diverse student population, and higher expenses
associated with student support services, the institution is forecast to receive the lowest allocation of state PUSF through the Student Success and Completion Model (SSCM) on a per Oregonian degree basis, and the second lowest on a per resident Student Credit Hour (SCH) basis. The table below shows that assuming adoption of the Co-Chairs’ recommended budget, PSU would be allocated $16,979 per degree and $136.82 per SCH without restoration of ETSF and Sports Lottery. If those programs are restored, funding increases to approximately $17,537 per degree and $141.31 per SCH. PSU’s position relative to the other universities would remain unchanged.

**State Appropriation Analysis**

<table>
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<th>University</th>
<th>Estimated FY20 PUSF Allocation</th>
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<th>$/Degree</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>SCH**</th>
<th>$/SCH</th>
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<td>Oregon Institute of Technology</td>
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<td>350</td>
<td>187</td>
<td>26</td>
<td>0</td>
<td>163,980</td>
<td>$153.02</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$380,939,721</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

*3 year average of the count of resident Bachelor’s degrees awarded to students with a given number of targeted characteristics (PELL Recipient, Rural, Veteran, Underrepresented Minority)*

**Includes Dual Credit Hours**

The major contributing factor to the funding inequity is the base funding (also known as mission differentiation and/or regional support) provided in the SSCM to each of the OPUs. The chart below shows the components of the SSCM model and how base funding, seen in green, contributes to the university’s overall funding compared to the performance measures including both degree and credit hour completion.
In short, despite reinvestment in higher education during recent budget cycles, that momentum is lost with the budget proposals currently under consideration for the 2019-2021 biennium.

**PSU Commitment to Affordability**

**Comparison of Resident Tuition and Mandatory Fees**

PSU’s commitment to access, equity, and affordability requires a deliberate tuition setting process that takes into consideration the current and future impact of all component costs of obtaining a university degree. We are aware that tuition and mandatory fees are just a portion of the costs necessary to attend college, and it is imperative that we consider the full cost of attendance, though many of these costs are outside of our control. Tuition and mandatory fees are institutionally-established costs that can be assessed against both other OPUs and similarly situated national peers.
As shown in the chart above, PSU’s current undergraduate resident tuition rate of $9,105 for a full-time student is the second lowest of the OPUs (approximately 19% and 23% less than OSU and UO, respectively). If none of the other Oregon universities increased tuition rates, a highly improbable assumption, the proposed tuition and fees increase would result in PSU charging slightly higher rates than the Oregon Institute of Technology’s FY19 rates. Assuming other institutions increase resident undergraduate tuition by 5% or more, our proposed rate would still be among the lowest in the state.

Students and the State of Oregon reasonably focus on the rate of tuition increases, rather than the specific dollar amount. In 2013, when the legislature approved independent governance at OPUs, they required universities to obtain legislative or HECC approval for resident undergraduate tuition rate increases exceeding five percent. The focus on the rate of change rather than the dollar amount itself means that institutions charging lower tuition rates are disadvantaged in raising revenue in the face of state disinvestment. Conversely, higher initial tuition rates translate into higher revenue generation at lower percentage increases. For example, the table below shows the changes in the undergraduate resident tuition in dollars and percentage increases for Eastern Oregon, PSU and OSU over the last 3 years. Although as a percentage OSU kept its rate increase lower than PSU and Eastern for 2018-2019, the dollar increase was higher: $324 at OSU compared to $322 at PSU and $317 at EOU.
### Undergraduate Resident Tuition Increase Comparison

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2016-2017 (FY17)</th>
<th>Fiscal Year 2017-2018 (FY18)</th>
<th>% and $ impact</th>
<th>Fiscal Year 2018-2019 (FY19)</th>
<th>% and $ impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon</td>
<td>$8,004</td>
<td>$8,362</td>
<td>4.3% and $368</td>
<td>$8,679</td>
<td>3.8% and $317</td>
</tr>
<tr>
<td>PSU</td>
<td>$8,337</td>
<td>$8,783</td>
<td>5.1% and $446</td>
<td>$9,105</td>
<td>3.6% and $322</td>
</tr>
<tr>
<td>OSU</td>
<td>$10,366</td>
<td>$10,797</td>
<td>4% and $431</td>
<td>$11,121</td>
<td>3% and $324</td>
</tr>
</tbody>
</table>

Rather than using a particular percentage increase as the sole basis for analysis and approval, PSU, its Board of Trustees, and the HECC should also consider the dollar impact. Even with the proposed undergraduate resident tuition increase of 11%, PSU remains one of the lowest cost public universities in Oregon. PSU is committed to access and affordability, though lower tuition rates combined with the lowest PUSF allocation per degree creates an increasing gap in funding that is not sustainable.

### Cost Containment and Efficiency

In five of the last seven years the university has engaged in cost-cutting. During that time, the university reduced budgets by almost $30 million from current service level forecasts in the 2012-2018 period as follows.

#### E&G Budget Reduction History

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.6 million</td>
<td>$5.6 million</td>
<td>$5.7 million</td>
<td>$6.5 million</td>
<td>$8.2 million</td>
<td></td>
</tr>
</tbody>
</table>

The reductions were undertaken with the specific intent to protect revenue generation and preserve the core academic mission. That goal was achieved, however, the prospect of additional new reductions makes the choices available more and more difficult.

Cost containment was achieved through employee terminations, early retirement incentives, and positions left vacant. Since 2011, over 100 employees have been terminated due to budget reductions, while an additional 50 employees voluntarily retired early as participants in a retirement incentive program. We have sought to control costs associated with both management and executive level administration. The following table represents where PSU and the other OPUs rank against 692 US 4-year public universities in terms of number of full time managers per 1000 unduplicated undergraduate and graduate students.
A Comparison of Managers per 1,000 Students

<table>
<thead>
<tr>
<th>Rank</th>
<th>Institution</th>
<th>Full-time managers per 1,000 students</th>
<th>Spending on managers' salaries per student</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>U. of Oregon</td>
<td>8.5</td>
<td>$1,130</td>
</tr>
<tr>
<td>316</td>
<td>Oregon State U</td>
<td>8.2</td>
<td>$1,145</td>
</tr>
<tr>
<td>506</td>
<td>Eastern Oregon U</td>
<td>4.8</td>
<td>$451</td>
</tr>
<tr>
<td>570</td>
<td>Oregon Institute of Technology</td>
<td>3.5</td>
<td>$355</td>
</tr>
<tr>
<td>586</td>
<td>Western Oregon U</td>
<td>3.2</td>
<td>$349</td>
</tr>
<tr>
<td>614</td>
<td>Portland State U</td>
<td>2.5</td>
<td>$339</td>
</tr>
<tr>
<td>681</td>
<td>Southern Oregon U</td>
<td>1.1</td>
<td>$157</td>
</tr>
</tbody>
</table>

Notes:

For additional context, the public institutions ranking at the top of this list have 40 - 62 managers at a cost of $4,000 - $5,000 per student, versus $339 per student at PSU. In fact, this data demonstrates that nearly 89% of four-year public colleges have more managers than PSU. At PSU, the total compensation of the executive level cabinet and the academic deans represents just 1.5% of the overall general fund budget (for perspective, the current service level increase for FY20 is 5.9%) and the majority (>80%) of these employees are paid less than the market median for their position benchmarked against a comparator group of universities. Looking at the larger group of people in management positions at PSU, salaries as of November 2018 were approximately 92% of the market median for their roles. PSU continues to assess administrative positions, and eliminated a number of them in recent years resulting in almost $500,000 in annual savings. These changes created a flatter organization structure, and increased the number of direct reports for university executives and many working managers (those who both perform a primary job function and manage people). The arrangement is out of step with best practices for effective management, but allows PSU to contain costs. However, it also means the opportunity to find additional savings through further reductions in management level positions is limited.

PSU is also committed to finding other cost savings and efficiencies and continually wrestles with hard choices as outlined by the following examples:

- Discontinued Higher-One contract and closed Perkins loan program for PSU students (2017-2018) (~$85,000);
- Limited budget to meet the recurring disability accommodation needs of students (current shortfall for FY19 is ~$300,000 to $500,000);
- Severely underfunded campus public safety (minimal cameras, access controls, sworn and non-sworn officers);
- Minimal emergency management staffing and resources;
- Struggled to meet compliance minimums in safety programs (fire & life safety, lab safety, 2019-20 Tuition Recommendation | Page 11
occupational health);
● Limited maintenance on buildings and systems;
● Meet only a small portion of building accessibility improvement needs each year;
● Over a six year period, increased annual engineering degrees (500 to >600) with >10 % reduction in tenured faculty;
● Developing a debt portfolio, private use monitoring, and record retention system in 2019-2020 ($225,000 one time software expense and $40,000 yearly in software maintenance expense);
● Reduced the cost of risk financing by 24% since FY14;
● Built and integrated software systems to handle travel reimbursements, electronic leave reporting, new employee hiring (approximately $60,000);
● Utilities savings through use of multiyear contracts (over $500,000/year in savings) and multiple energy efficiency projects (over $200,000/year in savings);
● Information technology has extended equipment replacement cycles for, labs, classroom technology, desktop computers, and infrastructure beyond recommended industry standards by an average of 2 to 3 years.

These cuts have led PSU to become more and more efficient, and to operate with minimal staffing. For instance, the university has only one individual assigned full time to emergency management, and 1.5 FTE devoted to treasury services (managing a $590 million budget). In terms of information technology (IT) the annual budget per student FTE is less than 75% of that for other comparable institutions (taken from a database provided by Educause, the national higher education IT organization with over 2,300 member institutions). PSU has approximately 33% of the national university average of 1.7 public safety/police officers per 1,000 students. PSU is similarly understaffed in offices responsible for financial aid, human resources, and student financial services. Funding cuts result in safety and compliance concerns and inadequate campus-wide services to students, faculty, and staff. The cuts also led to $300 million in deferred maintenance (excluding asbestos abatement, accessibility and seismic improvement needs). Increasingly, limited and targeted state capital funds are the principal source of funding for renovation projects which leads to further backlogs of deferred maintenance and deterioration of academic buildings.

As indicated above, PSU prioritizes the academic mission and student success, notably in terms of academic advisors. In 2017, the advisor-to-student ratio was 1:740. The national median advisor-to-student ratio is 1:296, and when factoring in institutional size, this ratio changes to 1:233 at small institutions, 1:333 at medium-sized institutions, and 1:600 at large institutions. Through a strategic investment process, PSU hired additional advisors and the current advisor-to-student ratio is 1:400. A significant budget reduction would likely undo this investment and the important impact it is having on student success.

Challenges to PSU’s Commitment to Affordability

As demonstrated above, PSU has kept its resident undergraduate tuition and mandatory fees significantly lower than that of the OPUs. At the same time, funding from the State of Oregon to the PUSF has not been restored to the pre-recession levels, and the allocation of funding to PSU for each resident student credit hour is the second lowest among the OPUs, despite granting more degrees to Pell-recipients, veterans, rural students, historically underrepresented, and minority students. However, while our tuition rates and state funding are lower, our institution has very similar costs compared to the other OPUs.

Notably, we have the same contribution rates for retirement plans, comparable health care costs, and similar upward pressure on salaries and wages for our faculty and staff. In some cases the costs at PSU are higher. For instance, on July 1, 2019 the minimum wage within the Portland urban growth boundary will increase to $12.50/hour compared to $11-$11.25 in all other regions in the state. Nevertheless, PSU has operated with a balanced budget through careful management of its resources and a long-term commitment to efficiency. Those factors, considering the magnitude of the budget gap discussed below, leave PSU with few options for additional reductions without significantly impacting student success, academic quality, safety and compliance. Absent further investments by the state, an increase in tuition rates is the only viable alternative to closing a budget gap between our revenues and expenses.

**FY20 Context: Revenues and Expenditures**

**University Revenue Forecast**

Over 98% of university general fund revenue is comprised of net tuition and state allocated funds from the PUSF. Net tuition revenue (tuition collected after applying tuition remissions) is approximately 66% of general fund revenue, and a function both of tuition rates charged to students and the number of students enrolling in classes. The State of Oregon’s allocation to the PUSF is a legislatively determined amount, which is distributed to individual universities based on the SSCM which includes a base allocation as well other factors such as degrees granted and student credit hours. During some historically lean cycles, including the 2008-2010 recession when economic conditions forced a period of reduction in state support for higher education, PSU was able to rely on enrollment growth and short-term deficit spending to avoid significant financial impacts.

Recent years, however, have seen declines in enrollment, which reflect national trends at other universities. Looking ahead, flat to declining numbers of high school graduates and similar trends at Portland Community College, the pathway to PSU taken by a large majority of students, combine to suggest that enrollment challenges are likely to persist. In an effort to reverse this trend, PSU is implementing a range of measures, which, if successful, will take time to realize results. Given the impact enrollment has on the university’s total revenue projections, a multi-year enrollment forecast is the foundation for our revenue projections.

**Multi-Year Enrollment Forecast**

After peaking in 2011, the number of students attending PSU flattened and then declined. Developing a forward-looking model to project enrollment for the coming years requires a number of assumptions. The baseline forecast considers the actual yield and persistence trends experienced at PSU over the last five years for both undergraduate and graduate students to estimate the expected number of continuing students. To estimate numbers of new students, the model considers actual and estimated changes in Portland Metro area high school senior populations, applicant data, and the impact of PSU’s tuition remission programs.
Multi-Year FTE Enrollment Forecast - All Students

The upper range, in blue on the chart above, shows growth that can only be achieved with year-over-year increases in new student enrollment of 2-3%. The lower black range forecast suggests enrollment will continue to decline at approximately 2-3% a year. The green baseline scenario, which is being used in the current budget forecasts, assumes enrollment declines are offset by improvements in student retention rates. In both the lower range and baseline scenarios the forecast predicts a continued decrease in overall non-resident student enrollment, which the university experienced in 2018 and 2019. Historically, the university built budgets based on increased or flat enrollment and made adjustments as the actual enrollment fell short of targets. As the FY20 budget is established, it is important to recognize that enrollment may decline by incorporating a margin for fluctuations in the budget or ensuring there are sufficient reserves to cover a miss in the revenue forecast.

Concurrently, while enrollment has decreased overall for the last seven years, tuition discounting has increased. Enrollment has shown a steady decline (expressed in student full time equivalents - FTE) since 2012. This trend is depicted as a black line in the following graphic, using the scale on the right hand which shows student FTE. Over the same time period, tuition remissions as a percentage of gross tuition revenue have increased as shown in the green bars of the graph using the scale showing dollars on the left side. Note that the tuition remissions figures shown reflect university tuition remissions and do not include graduate assistant tuition remissions, which are included in expenditure budgets. The combination of lower enrollment and discounting has offset revenue gains from tuition increases and net tuition revenue has flattened.
Increased tuition remissions are part of an important effort to narrow the gap between students’ financial need and total financial aid provided, and are a key strategy for student recruitment. As part of that strategy, in Fall 2018 the university introduced the Four Years Free remission program that covers standard tuition and mandatory fees for eligible Oregon residents. While the Four Years Free program is limited to incoming freshman, in Fall 2019 a similar remission program was established for transfer students called Transfers Finish Free.

These two new programs are exciting tools to address both issues of recent enrollment declines, and affordability for many of our students. They do, however, require some heightened attention to the university’s total net tuition trends. Four Years Free and Transfer Finish Free operate as tuition guarantee programs wherein increased revenue from participants will only come from increases to their federal or state grant support, which limits the revenue impact of future year tuition increases. It is essential that PSU considers this impact during present and future tuition setting and tuition remissions processes to ensure stability in net tuition revenue.

**Public University Support Fund**

Some of the challenges PSU faces with the cyclical nature of state allocations to the PUSF were described above. It remains clear from looking at historical funding levels that economic conditions and the challenges of a significantly underfunded state retirement system greatly impact this important source of revenue for the university. The 14 year period shown in this chart of annual state allocations to PSU reflects the reductions that resulted from the protracted national recession, as well as the reversal of that trend.
between 2014 and 2019.

Total State Appropriations (not including debt service)

Notes:
- Data shows actual annual allocations to PSU from the PUSF, State Programs and ETSF

The increase in state funding over the last six years has been unquestionably important to PSU students, faculty and staff. Indeed, the additional funding allowed PSU to make modest investments in endeavors to support students and our core academic mission, as well as mitigate some of the impact of cost drivers (notably increased employer retirement contributions) on tuition costs. This increased funding at times was accompanied by a reduction in planned undergraduate tuition increases allowing students to directly benefit from the state’s higher education investments.

As we look to the next biennium, an increase of $40.5 million to the PUSF, as contemplated in the co-chairs’ budget framework, provides an increase from FY19 to FY20 of only $1.3 million for PSU. It is also likely that the ability of the state to continue expanding higher education funding will be limited. Economic conditions present a persistent threat to state revenue generation given Oregon’s reliance on income taxes as its primary source of revenue, and the current PERS unfunded actuarial liability of approximately $26 billion serve to limit the state’s ability to continue increasing the higher education allocation. Thus, it is prudent for the institution to plan for a future in which state allocations could continue to increase minimally, or even decrease.

**Total Revenue Forecast**

Forecasting involves making assumptions based on current knowledge and reflecting on historic trends, but they are inherently subject to uncertainty that increases for each year projected. The starting point was created using a baseline general fund forecast in which revenue growth for FY19-21 arises entirely from a change in student enrollment with no tuition increases and an increase of $40.5 million to the PUSF in the next biennium. As shown in the chart below, this starting baseline forecast demonstrates that revenue...
generated in fiscal year 2019-20 (FY20), despite higher levels of state funding for the biennium, will decrease primarily as a result of lower non-resident enrollment and the 49/51% state appropriation biennial split. In the outyears, the baseline forecast assumes that revenue might increase slightly, as a result of increases in retention rates and a refinement of enrollment efforts. Over this four year period, the forecast revenue declines a total of $7.2 million. As previously noted, a continued trend of increased discounting, or further enrollment declines would exacerbate the revenue shortfall.

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Estimated Net General Fund Revenue (in thousands)</th>
<th>Change from Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19 (FY19)</td>
<td>$307,218</td>
<td></td>
</tr>
<tr>
<td>2019-20 (FY20)</td>
<td>$303,393</td>
<td>-$3.8 million</td>
</tr>
<tr>
<td>2020-21 (FY21)</td>
<td>$305,337</td>
<td>$1.9 million</td>
</tr>
<tr>
<td>2021-22 (FY22)</td>
<td>$299,980</td>
<td>-$5.4 million</td>
</tr>
</tbody>
</table>

Unfortunately, this cumulative $7.3M forecast loss in revenue will not allow the university to keep pace with rising costs, resulting in a significant gap between anticipated revenue and expenditures.

**University Expenditure Forecast**

To accompany the following discussion of the university’s expenditure forecast, the following table shows general fund expenditures for the fiscal years from 2014 to 2019.

<table>
<thead>
<tr>
<th>General Fund Expenditure History Fiscal Years 2014-2019 (000s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Wages</td>
</tr>
<tr>
<td>Other Pers. Exp</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
</tr>
</tbody>
</table>

Comparing 2014 with 2019, total university general fund expenditures increased by $55 million with the largest driver of this trend being personnel costs. These increases exceed standard measures of inflation (CPI) and have occurred during a period of decreases in overall student enrollment. Furthermore, this cost increase has happened despite the implementation of significant budget reductions.

**Cost Drivers**

For FY20 the following are forecast to be the primary drivers of increased costs:
Salaries and wages are driven by a number of factors including collective bargaining agreements with faculty, staff and graduate assistant unions, and state-mandated minimum wages increases. The forecast assumes no increase in employee headcount.

Using currently available information on PERS contribution rates combined with traditional cost increases in salaries, wages and services and supplies, the following table forecasts general fund expenditures for the next three years using the current year (FY19) as the starting point:

<table>
<thead>
<tr>
<th>Cost Driver</th>
<th>FY20 Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$7.1 million</td>
</tr>
<tr>
<td>Retirement Benefits (PERS)</td>
<td>$5.7 million</td>
</tr>
<tr>
<td>Health Care Benefits (PEBB)</td>
<td>$1.4 million</td>
</tr>
<tr>
<td>Other Payroll Expenses</td>
<td>$1.3 million</td>
</tr>
<tr>
<td>Services and Supplies Inflation</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>Student Success &amp; Innovation Initiatives</td>
<td>$1.5 million</td>
</tr>
<tr>
<td><strong>Total Estimated Annual Expenditure Increase</strong></td>
<td><strong>$18.6 million</strong></td>
</tr>
</tbody>
</table>

This forecast demonstrates the upward trend with cost increases exceeding standard measures of inflation (CPI). The total growth in expenditures shown is $55.4 million, which is 18% over a four-year period and consistent with the 22% increase observed over the previous five years. Increases of this magnitude result from the compounding effect of increases in benefits costs and salary increases in previous fiscal years. In addition, the continued implementation of increases to the Oregon minimum wage drives some of the increased costs for FY20 and beyond.

As a participant in the Oregon Public Employees Retirement System (PERS), the university’s retirement benefit costs are driven by this state-managed agency. Recognizing its large unfunded actuarial liability, the agency has increased rates and is expected to continue doing so through the next three biennia. PSU has experienced increases in general fund retirement costs of 183% or $21.8 million since 2010, which is an average annual increase of 18.3%.
Personnel costs represent over 80% of the university’s total general fund expenditures. As such, wages, salaries and benefits, even if there are no increases in total employment, are the greatest driver of rising costs. The same forces drive increasing costs for all state agencies constraining the state’s ability to fully fund the increased costs.

Approximately 0.2% of the general fund expenditure increase for FY20 is related to $1.5 M in investments in innovation and student success. Through April 2019, PSU solicited over $4 million in requests (see Appendix V for a full listing of the requests). From these the following were selected for funding by the university’s Executive Council:

- $240,000 for the Financial Aid department to ensure disbursement of federal aid, provide improved response time to student questions, and to resolve the compliance issues that potentially jeopardize receipt of Title IV funds;
- $180,000 to create a Transfer Student Success Center to improve the matriculation and subsequent success of transfer students who comprise the majority of PSU’s undergraduate student body;
- $300,000 for accommodations to support students with disabilities, an area that is currently significantly underfunded;
- $300,000 for campus public safety improvements in response to a comprehensive external study during 2018-2019 that identified a significant number of needed campus safety investments in both facilities and personnel;
- $200,000 to support student-led investments in success. This allocation resulted from student requests at TRAC meetings and budget forums that the university give them meaningful input into
student success initiatives;
- $280,000 for information technology partnerships for student success initiatives to support new applications that ease the administrative burden on students as they work towards their degree such as the online degree planner, myNextSteps, and a mobile-friendly student web portal.

Budget Gap
Combining the general fund revenue and expenditure forecasts discussed in the previous two sections demonstrates the magnitude of the growing budget gap (the gap is larger if we need to use our general fund to cover expenses supported by ETSF and Sports Lottery):

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Estimated Costs (in thousands)</th>
<th>Estimated Net Revenue (in thousands)</th>
<th>Budget Gap (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19 (FY19)</td>
<td>$307,218</td>
<td>$307,218</td>
<td>$0</td>
</tr>
<tr>
<td>2019-20 (FY20)</td>
<td>$325,847</td>
<td>$303,393</td>
<td>-$22,454</td>
</tr>
<tr>
<td>2020-21 (FY21)</td>
<td>$340,749</td>
<td>$305,337</td>
<td>-$35,412</td>
</tr>
<tr>
<td>2021-22 (FY22)</td>
<td>$362,587</td>
<td>$299,980</td>
<td>-$62,607</td>
</tr>
</tbody>
</table>

Levers to Close the Budget Gap and Reach a Balanced Budget
There are few options available to close the budget gap: tuition increases, budget reductions, changes to tuition remissions programs, and use of university reserves. Choices made regarding each lever to some extent impact the ability to use the others, which will be discussed below.

Tuition Increases
In consultation with TRAC, a number of tuition rate scenarios were considered including 0% for all student categories up to 18% for resident undergraduate students. Each scenario assumed ETSF and Sports Lottery funding would be restored to at least the FY19 level.

<table>
<thead>
<tr>
<th>Biennial Increase to PUSF*</th>
<th>0%</th>
<th>3%</th>
<th>5%</th>
<th>9%</th>
<th>11%</th>
<th>14%</th>
<th>18%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$25-27M</td>
<td>$18-20M</td>
<td>$17-19M</td>
<td>$14-16M</td>
<td>$12-14M</td>
<td>$10-12M</td>
<td>$7-9M</td>
</tr>
<tr>
<td>$40 million</td>
<td>$21-23M</td>
<td>$14-16M</td>
<td>$13-15M</td>
<td>$9-11M</td>
<td>$8-10M</td>
<td>$5-7M</td>
<td>$2-4M</td>
</tr>
<tr>
<td>$80 million</td>
<td>$15-17M</td>
<td>$9-11M</td>
<td>$7-9M</td>
<td>$4-6M</td>
<td>$3-5M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$120 million</td>
<td>$10-12M</td>
<td>$3-5M</td>
<td>$2-4M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$186 million</td>
<td>$1-3M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes:
*Assumes restoration of ETSF and Sports Lottery
**Assumes 5% increase for non-resident and Graduate tuition rates with the exception of the 0% scenario

The table above presents tuition increase options for undergraduate resident students across the top and multiple scenarios for the increase to the PUSF in the 19-21 biennium down the side. The resulting intersection of the tuition increase and the increase to the PUSF provides an estimate of the budget reductions PSU would need to take in that scenario. For example, if PSU’s undergraduate resident tuition increase was 3% and the PUSF were to increase by approximately $40 million, budget reductions of $14-16 million would be required. The following discussion focuses on three of these possible scenarios.

No tuition increases to any student type:

Feedback from the student representatives on the TRAC during the very first meeting indicated a desire to pursue no tuition increases for any category. With no tuition increases, it was determined that the PUSF would need increase by a minimum of $186 million for the biennium. Even assuming that increase, PSU would need to reduce budgets by $1 to $3 million. TRAC examined other scenarios as well, including the Co-Chairs’ budget framework, and each one resulted in the need for substantial budget reductions ranging from $10 - $27 million.

With no tuition increases and $40.5 million added to the PUSF, PSU would need to find between $21 and $23 million in reductions. As discussed in Cost Reductions section below, reductions of that magnitude would have a crippling effect on the university. We also considered deficit spending to bridge the loss of revenue. As detailed in the University Reserves section below, PSU has made modest increases to our reserves in recent years, although they remain lower than benchmarks and Board of Trustees goals. Planned spending of recurring costs on one-time reserve funds does not solve a structural budget deficit and deficit spending would place PSU in a very precarious situation in future fiscal years.

Approximately 5% increase to all student types:

ORS 350.075 prescribes the HECC’s obligation to “Review and determine whether a proposed annual increase of resident undergraduate enrollment fees of greater than five percent is appropriate.” As such, PSU explored options around keeping all tuition increases just below 5%. In order to keep tuition increases at or below 5% the PUSF would need to increase by at least $120 million, and $2 to 4 million in reductions would need to be found. Assuming a $40.5 million increase to the PUSF combined with 5% tuition increases for all student categories, reductions would need to range from $13 to $15 million.

A $15 million reduction to the general fund could not be achieved. As described in the Cost Reductions section below, the university could find up to $10 million through difficult reductions but could not identify further reductions that would not lead to short and long term harm to the institution and the students. A 5% tuition scenario, like the 0% scenario would require deficit spending on the part of the university with all of the associated issues. In addition to cost reductions and deficit spending, the 5% tuition scenario would
also limit the amount of university remissions available to offset the cost of education for our students. As
detailed in the Tuition Remissions section below, a large portion of our remissions are used to support
underrepresented Oregonians. Given the impact of reductions, deficit spending and tuition remissions the
5% scenario is not feasible.

**Approximately 11% for undergraduate resident and 5% for all others:**

For this scenario, PSU’s tuition rates were compared to the other OPU’s and selected national peers.
Resident undergraduate tuition is one of the lowest in Oregon and among this group of peers. Non-resident
and graduate tuition rates on the other hand, fall into the middle or upper end of the range of peer
institutions. Double digit increases in these categories would likely make PSU uncompetitive for students,
and as non-resident and graduate rates are currently two to three times higher than resident
undergraduate rates, a similar percentage increase would have a disproportionate dollar impact on
students.

An 11% increase to the undergraduate resident rate, assuming other OPU’s increase their rates by 5% or
more, would still place PSU as one of the bottom three rates in the state. This increase in conjunction with a
$40.5 million increase to the PUSF requires PSU to reduce the forecasted FY20 general fund budget by $8 to
$10 million, the maximal level of reductions that could be identified through our institutional budget
reduction process.

Each of these and several other scenarios were considered in light of their impact on the other levers with
TRAC, the university’s executive and academic leadership teams, students, faculty and staff. Every scenario
requires significant budget reductions, as outlined in the next section.

**Cost Reductions**

Throughout FY19, each university division examined potential reductions to their budgets along with an
assessment of the associated impact. The formal process for collecting this data was initiated on March
19th, and the University Executive Council reviewed proposed reductions on April 9th. A total of $10 million
in reductions (including $4 million in funds set aside for risk abatement) were identified. Examples of
reductions within this $10 million include:

- Additional reductions of administrative positions;
- Reductions in class offerings and strategic elimination of tenure track positions as a result of
  retirements;
- Reduction of funds for classroom maintenance;
- Reductions in student employment across the institution;
- Shift of research support personnel costs from general funds to overhead funds provided with
  grants, thereby reducing funds available for research development and support activities like
  faculty startup;
- Reduction in the amount of graduate assistant support leading to decreased graduate enrollment
  and less classroom and research support;
● Reducing the recruitment travel and outreach to rural Oregon and non-resident markets.

An additional $6 million in reductions were analyzed and rejected based on their impact on timely graduation, student support and success, and impacts to revenue. Examples of these reductions include:

● Widespread reduction in classes across the university. As an example, achieving a $1.5 million cost reduction in PSU’s largest college, the College of Liberal Arts and Sciences, would result in a loss of over 1,800 student credit hours;
● Non-strategic elimination of over 15 full-time faculty lines, mostly tenure track positions would similarly reduce costs at the expense of revenue generation and in departments such as Biology, Mathematics, Geology, Education, Engineering, Sociology, Political Science, and Business;
● Further reductions in the teaching by full time faculty and greater dependence upon use of adjunct faculty;
● Further reductions of graduate assistant positions (> 50), meaning both the loss of instruction that students provide in labs and sections of large classes, but also reducing student support for those enrolled in masters and doctoral programs;
● Further reductions in student employment, impacting low income students who depend upon this income to help with the cost of college;
● Unable to make the needed $1.5 million in investments in student success and campus public safety that the university identified;
● Reductions in the number of advisors;
● A reduction in our resident undergraduate remissions budget of which 54% is used for Oregon residents (see next section for a more detailed assessment of this impact);
● Further reductions in maintenance resulting in deterioration of the physical plant;
● Reduction in positions that provide essential financial controls;
● Reduction in compliance and safety risk management.

These larger reductions would erode academic quality and student success for all students, particularly historically underrepresented students. Academic quality would be impacted by the loss of teaching capacity and student experiences would be impacted by the loss of faculty leadership in developing new degree programs that meet changing student educational goals. Professional programs that are accredited by national bodies - such as the Business School’s accreditation by the American Association of Colleges and Schools of Business - are concerned about preserving accreditation. Because national accreditation standards require distinct percentages of courses to be taught by tenure track and full time faculty, a reduction of these faculty positions creates risk in terms of continued accreditation. Research also shows a correlation between instruction by experienced faculty and the rates at which at-risk students succeed in key gateway classes such as mathematics, biology, and chemistry. Increasing numbers of adjunct faculty leads to high degrees of variability and thus inequity in student learning and pass rates for key prerequisite classes. If a class is cancelled, or if a student has to withdraw or repeat a course, their time-to-degree extends, costing them significant dollars, not only in additional tuition but in lost income in their planned career. Implementing programs that improve time-to-degree depend on investments in instruction, advising, and on-time tutoring and support, all of which would have to be reduced if an additional $6 million in cuts has to be found. Student success is also impacted by engagement, both inside and outside
the classroom. Student participation in research projects, robotics labs, and internships have all been shown to increase learning and retention. Budget shortfalls are causing elimination of the staff and resources needed to organize and support these programs that are so crucial to student engagement.

The university also reviewed these further reductions through the lens of the long term viability of the institution. Erosion of the gains in student success and graduation, poorer services overall, and decreases in academic quality would impact reputation and in turn enrollment and revenue. The deeper level of cuts through decreased offerings would affect revenue directly, while further decreases in support staff lead to the possibility of audit findings which could affect title IV funding for the institution. Jeopardizing the long-term viability of PSU would directly impact the student body. Significant tuition increases (notably above 5%), which are unfortunately the main alternative to closing a budget gap, also negatively impact our students and enrollment. This impact can be mitigated to some extent through the use of remissions (university discounting) and scholarships. Ideally, in its mission as an access institution serving historically underrepresented Oregonians, PSU should not have to face such damaging choices.

**Tuition Remissions**

PSU’s Enrollment Management team worked with Ruffalo Noel Levitz to refine and enhance remission programs and the awarding process with one of the goals being to reduce the amount of debt students incur. The graph below shows the impact of the combined changes to the remissions programs and greater emphasis on the financial health of students through counseling offered in PSU’s Financial Wellness Center.

![Average Cumulative Student Loan Debt among Bachelor’s Degree Recipients: 2015-16, 2016-17, 2017-18](image)

In every category of students earning their bachelor’s degrees, there is either no growth or a reduction in the average student loan debt over the last three years. Most notably, Pell-eligible and resident students saw an approximately $2,000 (nominal dollars) average decline in student loan debt upon graduation between 2016 and 2018. In order to continue this trend PSU needs the ability to continue to direct
institutional aid towards programs like Four Years Free (4YF) and and Transfers Finish Free (TFF).

PSU has historically budgeted a higher level of funds available for remissions when there is a tuition increase. In recent years, the remission budget has been approximately 10% of gross tuition revenue. Of the $23 million remission budget, $3.4 million is dedicated to the 4YF and TFF programs. In addition to those programs, it is estimated that over $9 million will be used for Oregon residents who qualify for other remission programs. As undergraduate tuition rates increase, so does the award for the 4YF and TFF program recipients, which holds them harmless from any tuition increases during their tenure at PSU. Those two programs currently serve approximately 2,000 Pell-eligible Oregonian students and we expect to add about 1,500 new students in Fall 2019. However, if PSU is required to keep its proposed undergraduate resident tuition increase to less than 5%, we will need to consider limiting the number of students who could participate in the 4YF and TFF programs. With minimal growth projected for net tuition revenue and state support in the form of our PUSF allocation, one possible way to close the $22 million budget gap and avoid resident undergraduate tuition increase that exceeds 5% would be to reduce our forecasted remission budget by $1 to $2 million. It is estimated that 500 to 1,000 Pell-eligible Oregonian students would be impacted by such an approach, facing tuition increase of 5% but unable to qualify for university remissions. Conversely, at the proposed higher tuition increase, Pell-eligible students would be able to participate in these programs and have all of their tuition and mandatory fees covered.

University Reserves

One possible way to close a budget gap, albeit temporarily, is to use funds set aside for reserves. The ability of PSU ability to fulfill its mission for the benefit of current and future students depends on sound fiscal management and the maintenance of adequate university reserves. At its separation from OUS, PSU had very low levels of reserves and the university operated at some points during the year with less than 60 days of cash on hand. The Board of Trustees established a policy to ensure adequate reserves are available for the long-term health and sustainability of university operations. Over the last five years, through careful management of resources, the university increased its reserves and liquidity. A 2018 Moody’s rating analysis noted that the “university benefits from significantly improved and healthy liquidity levels with monthly liquidity having more than tripled to $170 million in fiscal 2017 and up from $56 million in fiscal 2014.” That said, the reserves and the the university primary reserve ratio (expendable net assets divided by total expenses) are stable but below benchmarks and the goals established by the board. HECC’s 2018 evaluation of PSU also noted that the “The institution should seriously consider its financial stability and look to improve its primary reserve ratio in order to increase its flexibility” and that a negative net operating revenue ratio in future years “could endanger the institution’s financial health.” Deficit spending by use of reserves would rapidly decrease liquidity. There is a fiduciary responsibility to solve the structural budget problem for the 19-21 biennium as there will be an additional significant increase in retirement contribution rates for the 21-23 biennium.

While reserves should not be used to balance the operating budget for next year, judicious use of some of the university reserves to seed initiatives and improve the university financial future should be considered. An analysis of such investments including their magnitude and duration should be carried out by the university and presented to the Board of Trustees. While this is outside of the scope of the tuition
recommendation, the university will be proposing to the Board of Trustees some limited duration expenditures of reserves to total the $5 million suggested by the F&A committee at its meeting on February 6, 2019.

**Recommendation and Step Down Options**

Having established an upper limit for cost reductions, the university must look to increases in tuition rates to reach a balanced FY20 budget. It will be critical to continue to advocate for additional funding for FY20 funding from the state to reduce the impact of harmful cost reductions and tuition increases.

**Tuition and Fees Recommendation**

**Tuition:**

The following is the tuition recommendation for the 2019-20 academic year. This increase assumes an increase to the PUSF of $40.5 million and full restoration of ETSF and Sports Lottery. If ETSF and Sports Lottery funding are not restored, the undergraduate resident tuition rate will increase by 15.8% or $27 per credit.

<table>
<thead>
<tr>
<th></th>
<th>Increase Per Student Credit Hour</th>
<th>% Increase</th>
<th>Alternate Increase Plan*</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$19</td>
<td>11.11%</td>
<td>$27</td>
<td>15.79%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$28</td>
<td>4.91%</td>
<td>$28</td>
<td>4.91%</td>
</tr>
<tr>
<td><strong>Graduate:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$20</td>
<td>4.83%</td>
<td>$20</td>
<td>4.83%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$31</td>
<td>4.92%</td>
<td>$31</td>
<td>4.92%</td>
</tr>
</tbody>
</table>

*The Alternate Increase Plan would go into effect if ETSF and Sports Lottery funding is not restored to at least FY19 levels.*

The tuition increase for full-time resident undergraduates, assuming a 15 credit hour load, will be $285/term, or $855 per year, and for non-residents $420/$1,260, respectively. Resident graduate students, assuming a 12 credit hour load, will increase $240/term, or $720/year and non-residents, $372/$1,116 respectively.

In the event that the PUSF increases by more than $40.5 million for the 19-21 biennium, the following step down of the undergraduate resident tuition increase could be implemented.
<table>
<thead>
<tr>
<th>Increase in the Unrestricted State of Oregon Appropriation to the Public University Support Fund for the 2019-21 Biennium</th>
<th>Percent Increase in Resident Undergraduate Base Tuition*</th>
<th>Percent Increase in Alternative Increase Plan*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $60 million</td>
<td>11.11%</td>
<td>15.79%</td>
</tr>
<tr>
<td>$60 million or more, but less than $80 million</td>
<td>9.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>$80 million or more, but less than $100 million</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>$100 million or more, but less than $120 million</td>
<td>6.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>$120 million or more</td>
<td>4.9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*The actual increase in resident undergraduate base tuition per credit hour shall be rounded to the next whole dollar

**Mandatory Fees:**

The division of Academic Affairs recommends the following increase to one of the four mandatory student fees:

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Rate</th>
<th>Proposed 2019-20 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Service Fee</td>
<td>$149/term</td>
<td>$156/term</td>
</tr>
</tbody>
</table>

The Health Service Fee is used to support the operation of the Student Health and Counseling Center (SHAC), which provides on-campus access to health care professionals for students. A reduction in revenue due mostly to declining enrollment and increasing personnel costs have created a significant gap in SHAC’s operational budget. The increased fee will allow SHAC to continue operations at its current service level and add one new mental health position to address a growing demand for mental health services on campus.

The Student Fee Committee (SFC) and the President are recommending two separate increases to the Incidental Fee:

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Rate</th>
<th>Proposed 2019-20 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidental Fee (8 or more credits)</td>
<td>$240/term</td>
<td>$263/term</td>
</tr>
</tbody>
</table>

In February 2019, the SFC presented a proposed budget and fee increase to the President that included a reserve for raising all student employee wages that are funded by the Incidental Fee to $15 per hour. After a full review of the SFC’s work over the prior 8 months, the President agreed with all of their proposals with
the exception of the increase to the student minimum wage. The SFC’s proposal in regards to raising the student minimum wage was a late decision sparked by a request from the ASPSU Student Senate to add a reserve based on a referendum passed during student elections in 2017. The President and the University Executive team were concerned about the impact of these changes on student workers paid by other funding sources given the Oregon Pay Equity Act as well as the likely compressionary effects on employees across campus in collective bargaining units. The concerns shared with the SFC can be found in Appendix VI. The SFC’s response to the President is included as Appendix VII.

The University and Board of Trustees have previously analyzed and discussed the implications of moving PSU to a minimum rate of $15 per hour and have concluded for a variety of reasons that we should follow the legislatively approved phased process to move to $15 per hour in 2023. While wage compression issues created by an earlier transition are hard to calculate, we were able to estimate the impact on tuition for student employees paid from the general fund (these additional costs were not included in our estimates of FY20 cost drivers discussed above and throughout the tuition setting process). Our estimates indicated we would need find another $1 million in reductions or increase the undergraduate tuition rate by another 1.2% to fund the proposal. The cost increase across all funds was estimated (ignoring compression) to be more than $2.3 million.

There are two proposals for increasing the Incidental Fee for Board of Trustees review and approval. The President is proposing a $23 increase (or 10%) to the Incidental Fee and the SFC is proposing a $30 increase (or 13%) to the academic year rate and a $7 increase (or 5%) for the summer term rate which would provide a $618,000 reserve to bring all Incidental Fee funded student employees to $15 per hour and to address compression for Incidental Fee funded student employees that currently make over the minimum wage.

The new tuition and mandatory fees and the percent change from the current year is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Per Term Tuition and Mandatory Fees</th>
<th>% Increase</th>
<th>SFC Per Term Tuition and Mandatory Fees</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate (15 credit hours):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$3,350</td>
<td>10.38%</td>
<td>$3,357</td>
<td>10.61%</td>
</tr>
<tr>
<td>Resident (Alternate Increase Plan)</td>
<td>$3,470</td>
<td>14.33%</td>
<td>$3,477</td>
<td>14.56%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$9,470</td>
<td>4.99%</td>
<td>$9,477</td>
<td>5.07%</td>
</tr>
<tr>
<td>Graduate (12 credit hours):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$5,708</td>
<td>4.97%</td>
<td>$5,715</td>
<td>5.09%</td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$8,432</td>
<td>5.01%</td>
<td>$8,439</td>
<td>5.09%</td>
</tr>
</tbody>
</table>

The following is a historical perspective of tuition and mandatory fee increases since 2014-15 and includes the proposed 2019-2020 rates (based on a $23 increase to the Incidental Fee):
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Undergraduate</td>
<td>-1.14%</td>
<td>3.08%</td>
<td>3.77%</td>
<td>5.34%</td>
<td>3.67%</td>
<td>10.38%</td>
<td>$752</td>
<td>4.82%</td>
</tr>
<tr>
<td>Alternate Increase Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14.33%</td>
<td>$879</td>
<td>5.64%</td>
</tr>
<tr>
<td>Resident Graduate</td>
<td>1.06%</td>
<td>3.00%</td>
<td>3.30%</td>
<td>8.59%</td>
<td>3.15%</td>
<td>4.97%</td>
<td>$1,145</td>
<td>4.18%</td>
</tr>
<tr>
<td>Non-Resident Undergraduate</td>
<td>0.97%</td>
<td>2.96%</td>
<td>3.51%</td>
<td>5.14%</td>
<td>3.56%</td>
<td>4.99%</td>
<td>$1,697</td>
<td>3.64%</td>
</tr>
<tr>
<td>Non-Resident Graduate</td>
<td>1.10%</td>
<td>3.03%</td>
<td>3.54%</td>
<td>5.02%</td>
<td>4.02%</td>
<td>5.01%</td>
<td>$1,541</td>
<td>3.73%</td>
</tr>
</tbody>
</table>
APPENDIX I - TRAC Membership

2018-2019 Tuition Review Advisory Committee Members

Dr. Kevin Reynolds, VP for Finance and Administration (Chair)
Susan Jeffords, Provost
Andria Johnson, University Budget Director
Amanda Bierbrauer (Nguyen), Director of Student Financial Services and Interim Director of Financial Aid
Erick Lorenzo, Assistant Budget Analyst

Heejun Chang, Professor, Geography and Faculty Senate Budget Committee Co-chair
Steve Boyce, Assistant Professor, Fariborz Maseeh Mathematics and Statistics and Faculty Senate Budget Committee Co-chair

Luis Balderas Villagrana, ASPSU President
Camilo Assad, ASPSU Legislative Affairs Director
Jose Rojas, SFC member and Student Representative
Alejandro Castaneda, Student Representative
Isaac Harper, Student Representative
Olivia Pace, Student Representative
APPENDIX II - Student Member Response

Associated Students of Portland State University

President

Luis Balderas Villagrana

Fiscal Year 2019-2020 Tuition Rate Recommendations Student Response

We, the Associated Students of Portland State University (ASPSU), have prepared the following document to communicate our recommendation regarding student tuition fees for the academic year 2019-2020. This document is intended to share the perspective and conclusions made by students to the Portland State University (PSU) Board of Trustees. Contributions to our conclusions were informed by the voluntary sentiments of students, members of the ASPSU, and the Tuition Review Advisory Committee.

Our official recommendation regarding 2019-2020 Tuition Rates is as follows:

- Resident, Undergraduate student tuition rate – 0% Increase
- Non-resident Undergraduate student tuition rate – 0% Increase
- Graduate student tuition rate – 0% Increase

We make the following recommendations with the understanding that the Office of Finance & Administration (FADM) does not agree with our conclusions. FADM has expressed the following explanations for budgetary increases: increased wages for hourly employees according to municipal and state law, new contractual obligations to increase pay for graduate students at PSU, outstanding obligations for uncollected revenue to the State of Oregon’s Public Employees Retirement System, a linear pattern demonstrating declining enrollment, and increased variable expenses due to economic inflation.

We do not disagree with the explanations provided for increased costs to university education. It is clear that PSU is facing these challenges based on the State of Oregon’s failure to provide more funding to the Public University Support Fund (PSUF). While we understand this problem, we do not believe students should have to pay more for the state’s failure to understand the need to fund all public universities and communities colleges across the State of Oregon. As an organization, we will continue to advocate for more funding in non-traditional ways to send a clear message to the legislature. Students access to higher education should no longer be used
as a tool to gain political capital. Our representatives need to fund higher education to ensure that students are not faced with continued tuition increases beyond this fiscal year.

The recommended tuition increase of 11.11% for resident undergraduate students, 4.91% for non-resident students, 4.83% for resident graduate students, and 4.92% for non-resident graduate students, will have a negative impact on PSU students, especially those in underrepresented communities. Students will be forced to find more jobs, take on more debt, and in many cases be forced to completely remove themselves from getting a higher education based on these tuition increases.

PSU's mission is “to provide access to high-quality postsecondary education to a diverse community of lifelong learners is deeply woven into the fabric of the university and allows us to be an agent for change in many students’ lives.” With a diverse community comes students who seek to break the status quo, change the lives of those in their communities, and change the world with new ideas learned at this university. If higher education costs continue to increase, not only will students be pushed out of higher education, the communities which they represent will also be affected in negative ways. We must understand that when we seek to have a diverse community, our goal must not only be to get them to PSU, but to provide adequate resources for their success. If the university moves forward with these tuition increases, it would be a step back in its mission to “be an agent for change in many students’ lives.”

In our experiences this academic year with the State of Oregon legislature, PSU Administration, and Tuition Review Advisory Committee, it is clear to students that a tuition increase will occur no matter the negative impact. While we disagree with this decision, we do not only encourage but, we demand that PSU focuses on the areas described below:

Student/Staff/Faculty Employment:
- Workers at PSU should earn a living wage.
- All workers should have the right unionize including undergraduate students.

Food Insecurity:
- The university must understand that while students are paying tuition bills many of them are going hungry. Food insecurity needs to be a priority and the university must find resources and solutions to help PSU students.

Transportation:
- PSU students should not have to pay to get to campus and the university must work with our public transportation services to provide our students with free
transportation.

- Students should not have to pay parking permits at a place where they have the right to learn. We must understand that systems like these are making it difficult for students to get to campus and truly focus on their education.

Housing:

- PSU needs to ensure that no student on this campus is houseless by December 2019. A report must be provided to the campus community on actions that were taken to provide our students with adequate housing opportunities. No student on this campus should have to face housing insecurity and if this continues the university has failed to provide equitable resources to every student on this campus.

We hold the university accountable to provide reports on how the university is working to address the issues above.

Based on the information on Recurring Strategic Investments, ASPSU President Luis Balderas Villagrana will issue an Executive Order to create the Committee on Student Success (CSS). This committee will review student proposals on where the $200,000 in funding will best serve students.

PSU must continue to find resources to better support our students and prevent tuition increases. At a college where innovation is seen as a value, it is clear that we are still beholden to the systems of the past that continue to push students out of higher education. We must have students who are engaged, not worried about how many more hours they have to work, where their next meal will come from, and whether they are able to pay rent in exchange for an education. We must work together to create this university that cares for students and innovates on the ideas that will truly have an impact on students’ lives.

Let Knowledge Serve the Students of Portland State University and we demand that Portland State University Serve the Students.
APPENDIX III - HECC Tuition Increase Criteria

If an Oregon Public University anticipates the need to raise undergraduate resident tuition rates more than 5%, approval from the Higher Education Coordinating Commission (HECC) is required. In order to facilitate the review of such requests, the HECC has outlined a set of criteria to be used in determining whether the increase is appropriate. The following sections demonstrate how PSU has met the goals and criteria for the three focus areas outlined by the HECC.

Focus Area One: Fostering an Inclusive and Transparent Tuition-Setting Process

The TRAC as directed by House Bill 4141 (HB 4141) is convened annually to engage students in the tuition setting process. As stated in the Tuition setting process section of the recommendation, in addition to ASPSU students on the TRAC there were student members from the campus at large. Appendix IV, below, details the steps PSU took to go above and beyond compliance with HB 4141.

Multiple documents were prepared and posted publicly on the TRAC website that outline the tuition setting process, the university budget process and financial trends, and the HECC funding process. Each TRAC member received hard copies of the Budget Overview Book, the Financial Dashboard and the audited Financial Statements.

There were multiple opportunities for students to participate in the tuition setting process including but not limited to participating on the TRAC. In addition to 10 TRAC meetings, the University planned and held three student focused budget forums. These forums were designed based on advice of the student members of TRAC and were led in part by the students. The forums included Executive Council members sharing their vision of PSU, the funding challenges we face and several ideas on how we might mitigate those challenges. They were widely advertised to the campus community through posters around campus, social media, newsletters, message boards and through word of mouth. The information presented at each of the budget forums is also available to the public on the Budget Office website along with a form to collect additional questions and comments.

Through this process the students shared a different perspective in terms of their priorities for student success and that there should be no tuition increases to any student types. As a result, the university continues to advocate for an increase to the PUSF of at least $120 million for the 19-21 biennium and has set aside $200,000 to invest in student success initiatives that are identified through a student led process (this is described in the Cost Drivers section). The student perspective on a tuition increase is presented in Appendix II of this recommendation.

Focus Area Two: Safeguarding Access and Support for Degree Completion by Historically Underrepresented Students
Neither HB 4141 or the HECC has a clear definition for historically underrepresented students. As such, at our first TRAC meeting all committee members, including student representatives, engaged in a discussion focused on who should be considered an underrepresented student at PSU. The result of that conversation is a robust and inclusive definition of underrepresented students that is informed by students. Included in that definition are all four targeted characteristics called out in the Student Success and Completion Model (SSCM) which is used to distribute the PUSF. Out of all seven Oregon Public Universities (OPUs), PSU consistently awards the highest number of degrees to Oregonian students who are Pell recipients, rural, veterans and/or underrepresented minorities.

Over 37% of PSU’s Fall 2018 undergraduate resident student population identify as students of color. In July 2018, PSU presented President Shoureshi reports from our African American and Asian-American, Asian and Pacific Islander student success task forces which were aimed at identifying the support needed to increase the retention and graduation rates of those students. Both reports recommended that we increase scholarships and retention programming for their specific populations as ways to increase student success. In addition to our students of color, PSU embraces the opportunity to support students with disabilities. Our Disability Resource Center currently serves over 2,000 students which is expected to grow 15-20% annually for the foreseeable future. It is these students and the many other underrepresented students that PSU serves whose access we considered as we reviewed alternative tuition scenarios.

Based on the Co-Chairs’ budget which adds $40.5 million to the PUSF for the 2019-21 biennium, at a 5% undergraduate resident tuition increase PSU is facing budget reductions of $13 to 15 million dollars to its general fund budget. As a result, many of the services provided to our underrepresented students could face dramatic reductions in their ability to support our students. Examples include the underfunding of our Disability Resource Center, potentially limiting the number of awards available for our Four Years Free, Transfers Finish Free and Diversity remissions, and a reduction in the amount of academic advisors. Additional details about the proposed reductions that accompany this tuition increase can be found in the section entitled Cost reduction analyses. More details about how our targeted remissions programs for resident students work and would protect historically underrepresented students at the proposed tuition increase, but might not be possible if we held tuition at 5% can be found in the section on Tuition remission analyses.

Finally we have provided a plan for how our institution will reduce tuition costs if the PUSF increase for the 19-21 biennium is more than $40.5 million and includes full restoration of ETSF and Sports lottery dollars (see Tuition section of the Tuition and Fees recommendation).

Focus Area Three: Financial Conditions Demonstrating the Need for Resident, Undergraduate Tuition to be Increased More than 5%

PSU’s financial conditions differ greatly from other OPUs. While we strive to maintain our access and affordability mission by keeping resident undergraduate tuition the lowest in the state for a university our size, we also face cost drivers that are similar and in some cases higher than the other universities in the state institutions due to our location in downtown Portland. This disconnect between the revenue we are able to generate from net tuition and the rising costs unique to our physical location creates a constant
struggle where in order to meet our mission we have to do more with less. Details of the factors contributing to a 6.1% increase in costs have been provided in section on FY20 Expenditure Forecast. Factors contributing to revenue that does not grow to meet this expenditure increase (notably an change on enrollment and potentially declining state funding between FY19 and FY20 is detailed in the section on FY20 Revenue Forecast. These 2 sections lay out the need to raise resident undergraduate tuition more than 5%.

We have also provided examples that show we have both considered and implemented cost containment efforts for those costs that are within our control. Over the last five years we have made a concerted effort to keep the cost of education contained for our students through a number of actions as detailed in the section on PSU’s Commitment to Affordability. Specific examples of cost reductions, and estimated annual savings are provide in the subsection on Cost Containment and Efficiency. We have provided data to show savings and efficiencies in services and supplies and also in staffing with a particular focus on limiting the number of full time managers and administrators. We also provide documentation that alternatives to raising tuition above 5% were considered. Specifically this option is detailed in the Tuition increases and reduction options section. The higher level of reductions to stay below 5% and examples of their impact is detailed in the Cost reduction analyses. This section also provides an assessment of the long term consequences of additional reductions, necessitated by reduction necessary to stay below 5%, on student success, academic quality, enrollment and the ability to recruit and retain faculty and staff. More details about how our targeted remissions programs for resident students would be impacted if tuition were limited to below 5% is found in the section on Tuition remission analyses.
## APPENDIX IV - HB4141 Compliance

<table>
<thead>
<tr>
<th>HB 4141 Requirement</th>
<th>PSU Process</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>[§2. (1)] PSU shall have an advisory body to advise the president of PSU on the</td>
<td>The Tuition Review Advisory Committee (TRAC) is the advisory body to the</td>
<td>First meeting of TRAC 11/27/2018</td>
</tr>
<tr>
<td>president’s recommendation to the governing board regarding resident tuition and</td>
<td>President and makes recommendations on all tuition and mandatory fees.</td>
<td></td>
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<tr>
<td>mandatory enrollment fees for the upcoming academic year.</td>
<td></td>
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</tr>
<tr>
<td>[§2. (2)] PSU shall: (a) Establish a process to ensure that the advisory body</td>
<td>TRAC members will define underserved students of PSU that will be used in</td>
<td>Historically Underserved Students</td>
</tr>
<tr>
<td>required under subsection (1) of this section is composed of no fewer than: (A)</td>
<td>TRAC discussions to ensure representation and consideration of the impact of</td>
<td></td>
</tr>
<tr>
<td>Two administrators of the university; (B) Two faculty members of the university;</td>
<td>the TRAC recommendation.</td>
<td>- reviewed by TRAC 11/27/18</td>
</tr>
<tr>
<td>(C) Two students representing the recognized student government of the university;</td>
<td>Current membership of TRAC includes four administrators, two faculty</td>
<td></td>
</tr>
<tr>
<td>and (D) Two students representing historically underserved students of the</td>
<td>members, five students (two representing ASPSU) and one staff member.</td>
<td></td>
</tr>
<tr>
<td>university, as defined by the public university.</td>
<td>ASPSU coordinated outreach to the student body about TRAC and gathered</td>
<td></td>
</tr>
<tr>
<td>[§2. (2)(b)] PSU shall:</td>
<td>information from interested students. All students who expressed interest</td>
<td></td>
</tr>
<tr>
<td>Establish a written document describing the role of TRAC and the relationship of</td>
<td>in the committee through a google form are members.</td>
<td></td>
</tr>
<tr>
<td>TRAC to PSU, president of the university and the governing board.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRAC Committee Charter, Charge and Timeline created. They include information on:</td>
<td>Committee Charter TRAC Charge, Timeline and Membership</td>
<td></td>
</tr>
<tr>
<td>- Role and Charge to TRAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Relationship of TRAC to PSU, president of PSU, and BOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TRAC membership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TRAC timeline and process for making recommendations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PSU shall:

- Ensure all members of the advisory body are offered training on:
  - (a) The budget of the public university;
  - (b) The mechanisms by which moneys are appropriated by the Leg Assembly to the HECC for allocation to public universities; and
  - (c) Historical data regarding the relationship between the amount of resident tuition and mandatory enrollment fees charged by the public university and the amount of state appropriations that the commission allocates to the public university.

PSU has published a Budget Overview Book that includes the following sections:

- **Introduction** - current state of affairs and expected future trends
- **Budget Process** - PSU Internal process and State of Oregon process
- **Tuition and Fees** - Policy, Rates, and Comparators
- **All Funds Budget** - PSU's 2018-19 Operating Budget
- **Education & General Fund Budget** - a deeper dive on the budget funded by tuition
- **Non-Education & General Fund Budget** - a deeper dive on the budget funded by fees, auxiliaries and restricted funds
- **State Process & Funding** - a historical view and detailed look at the SSCM
- **Capital Projects** - Capital Projects requests by Campus

Each meeting will provide additional budget context including historical data and trends as appropriate.

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PSU shall provide TRAC with:

- (a) A plan for how the governing board and the PSU's administration are managing costs on an ongoing basis;
- (b) A plan for how resident tuition and mandatory enrollment fees could be decreased if the public university receives more moneys from the state than anticipated.

The University Budget Team (UBT) is working on an outline of how the university plans to manage costs on an ongoing basis.

As the TRAC considers tuition recommendations, a plan for stepping down tuition increases will be finalized by UBT and shared with TRAC (Note: PSU voluntarily stepped down tuition in FY 2015 and again in FY 2018 per legislative request).

---

11/27/18 Agenda
1/3/19 Agenda
1/10/19 Agenda
1/22/19 Agenda
2/1/19 Agenda
2/25/19 Agenda
3/1/19 Agenda
3/15/19 Agenda
3/22/19 Agenda
4/17/19 Agenda

Complete
Before making a recommendation to the president of PSU that resident tuition and mandatory enrollment fees should be increased by more than 5% annually, **TRAC** must document consideration of:

(a) The impact of the resident tuition & mandatory enrollment fees that the advisory body intends to recommend to the president of PSU on:
   - (A) Students at PSU, with an emphasis on historically underserved students, as defined by PSU;
   - (B) The mission of PSU, as described by the mission statement (re: ORS 352.089)

(b) Alternative scenarios that involve smaller increases in resident tuition and mandatory enrollment fees than TRAC intends to recommend to the president

If resident tuition and mandatory fees must be increase by more than 5% annually, TRAC will consider and document the impact of the increase on all students with an emphasis on historically underserved students and the mission of PSU along with plans to offset that impact.

All information provided and high-level minutes regarding the discussion at each meeting will be posted on the TRAC website after each meeting.

Alternative scenarios will be discussed with TRAC and shared with the Board of Trustees Finance & Administration Committee, including but not limited to, no tuition increases.

There are seven official student members of TRAC (two ASPSU representatives, and five undergrads).

ASPSU coordinated outreach to the student body about TRAC and gathered information from interested students. All students who expressed interest in the committee through a google form are members.

TRAC meetings are open meetings and advertised in advance on the Budget Office and TRAC websites.

TRAC organized three open public forums in addition to meeting with the ASPSU Senate prior to final recommendations from TRAC.

Committee formed; campus forums and senate meetings completed
### §2. (6) (b) TRAC shall:

Provide a written report to the president of PSU that sets forth the recommendations, deliberations and observations of TRAC regarding resident tuition and mandatory enrollment fees for the upcoming academic year. The written report must include any minority report requested by a member of TRAC and any documents produced or received by TRAC under subsections (4) and (5) of this section.

**TRAC provides a written recommendation that is drafted by the chair and circulated to the entire advisory group for review and editing before it is submitted to the President. The goal of that document is to provide the President with recommendations related to proposed tuition and fee increases, and to ensure that the President is provided the full range of opinions and concerns raised by members of the advisory group. Members of TRAC may also attach a minority opinion statement to the final TRAC recommendation.**

### §2. (7) PSU shall:

Ensure that the process of establishing resident tuition and mandatory enrollment fees at PSU is described on the Internet website of PSU. This material must include, but is not limited to:

- The written document produced by PSU under subsection (2)(b) of this section; and
- All relevant documents, agendas and data that are considered by TRAC during its deliberations.

**The meeting schedule, as well as agendas, are posted on the University’s website. This website also provides information regarding the PSU budget, tuition, and the documents reviewed in TRAC meetings [https://www.pdx.edu/budget/tuition-review-advisory-committee-trac](https://www.pdx.edu/budget/tuition-review-advisory-committee-trac)

Documents provided and high-level minutes will be posted on the website after each TRAC meeting**

**Website is up and current materials are available**
## APPENDIX V - Recurring Strategic Investment Requests

<table>
<thead>
<tr>
<th>Request</th>
<th>Requested Amount</th>
<th>Funded Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Student Success Center</td>
<td>$180,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>Initial Investment in Workday ERP</td>
<td>$500,000</td>
<td>$ -</td>
</tr>
<tr>
<td>IT Partnerships for Student Success</td>
<td>$250,000</td>
<td>$146,500</td>
</tr>
<tr>
<td>Provost’s Investment Fund</td>
<td>$500,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Student Accomodations</td>
<td>$500,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Branding &amp; Marketing Support</td>
<td>$91,000</td>
<td>$ -</td>
</tr>
<tr>
<td>CRM Support</td>
<td>$105,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Financial Aid Professional Development &amp; Training</td>
<td>$25,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Additional Financial Aid Staffing</td>
<td>$240,000</td>
<td>$240,000</td>
</tr>
<tr>
<td>Faculty Start-up Fund</td>
<td>$500,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Slate CRM for Admissions</td>
<td>$300,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Campus Sustainability Office Support</td>
<td>$65,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Campus Public Safety Phase 2</td>
<td>$300,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>Visual-Based BI Tool</td>
<td>$163,460</td>
<td>$ -</td>
</tr>
<tr>
<td>IT Application Development</td>
<td>$133,500</td>
<td>$ -</td>
</tr>
<tr>
<td>CRM Support Team</td>
<td>$200,250</td>
<td>$ -</td>
</tr>
<tr>
<td>IT Integrations Team</td>
<td>$133,500</td>
<td>$133,500</td>
</tr>
<tr>
<td>Student-led Investment Proposal</td>
<td>$250,000</td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,436,710</strong></td>
<td><strong>$1,500,000</strong></td>
</tr>
</tbody>
</table>
APPENDIX VI - President’s Response to SFC Recommendation

Office of the President
Portland State University
Post Office Box 751
Portland, Oregon 97207-0751
503-725-4411 tel
503-725-4669 fax

To: Associated Students of PSU Student Fee Committee (SFC), ASPSU Senate

From: President Rahmat Shoureshi

Date: March 1, 2019

RE: Student Incidental Fee Recommendation Response

Dear Members of Student Fee Committee:

I would like to applaud your effort and diligence in conducting the student incidental fee budgeting process this year. In reviewing the materials sent to me earlier this month, I was impressed by the amount of work and thoughtfulness that you all exerted throughout this months-long endeavor. The ability of the SFC to carry out this thorough review of incidental fee budgets, while at the same time maintaining a full load of coursework and other responsibilities, further emphasizes the impressive work ethic and resiliency of the students at PSU.

I appreciated learning more about the committee’s decision making process and the underlying rationale that was used to evaluate incidental fee funded area budgets. The guiding philosophies of student retention, advocacy, sustainability, equity and strategic planning resonated with me, and I was encouraged to see these values operationalized in the various budget evaluation rubrics that were utilized by the SFC this year. In particular, I was pleased to see the SFC’s areas of focus manifest in the following investments:

- Funding of CSL to avoid cuts to important programming and resources for students;
- An increased allocation to the PSU Food Pantry to help address food insecurity for PSU students;
- Investment in the MENASA and Queer Resource Centers to further PSU’s commitment to equity and inclusion while also supporting retention and advocacy for underrepresented students;
- Expanded funding for Student Legal Services and Student Media groups who advocate for students and promote student voices;
- Full recovery of the budget shortfall so as to prevent future SFCs from dealing with the problems of the past.

The offset to investment in new resources for SFC-funded areas is the consequential increase in fees to students. At a time when the State is putting budget pressure on public institutions of higher education and when students are voicing affordability concerns, a heightened level of justification needs to be applied to levy additional fees on students. I believe the SFC has largely met this elevated threshold.

There is, however, one proposed budget item that causes me serious concern: the establishment of a $15 minimum wage reserve. My concerns are related to the Oregon Equal Pay Act (HB 2005), which does not consider funding source as a bona fide justification to differentiate pay between employees. Consequently:

1. Either student worker supervisors would be unable to utilize the reserve to fund an escalated minimum wage, as student positions across campus are defined by HR policy and subject to the rate structure defined therein; or
2. Under HB2005, most student workers across campus would need to be paid the $15 minimum wage.

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Considering the first scenario, I am disinclined to support any action that knowingly charges students to appropriate funds that cannot be accessed absent a violation of University Policy and potentially State law. In terms of the second, I have serious concerns about the potential financial impact that would be borne by students as a result of this change. An immediate increase to a $15 minimum wage for student workers is estimated to cost upwards of $1 million for those funded by tuition dollars. To put this into context, this translates to a 1.2% increase in resident undergraduate tuition.

Perhaps more concerning is the financial impact that has not been analyzed. Increasing student worker wages would likely put compressionary pressure on wages of both represented and unrepresented non-student workers at PSU. On top of this, Federal Work Study funding at PSU has been largely stagnant of late; increasing wages for student workers would result in PSU departments needing to decide between taking on larger portions of the cost to fund these students or eliminating positions at the expiration of work study budgets. Lastly, unplanned wage increases in units that provide services to other university departments could also result in abrupt increases in the rates for those services, putting additional upward pressure on tuition and fees.

I want to emphasize that PSU remains committed to helping to address affordability through student employment and other mechanisms, and we welcome the planned increases to the state minimum wage over the next three years. However, as a result of the concerns I have shared here, I cannot support and recommend to the Board of Trustees a proposal to accelerate those increases.

For these reasons, I request that the SFC reconsider the original Incidental Fee Recommendation that was presented to the ASPSU Senate on January 7, 2019. In doing so, I’d like to encourage you to work with your advisors, fee funded areas and fellow students to have as informed a conversation as possible within the limited time available to finalize a recommendation to the Board.

In closing, I want to reiterate my admiration for all of the hard work put into this process by the SFC.

I look forward to receiving your response to this request in the next ten business days.

Sincerely,

Rahmat Shoureshi
APPENDIX VII - Student Fee Committee Response

TO: President Rahmat Shoureshi and Board of Trustees Finance and Administration Committee Members

FROM: Associated Students of PSU Student Fee Committee (SFC)

DATE: 04/24/2019

RE: Student Incidental Fee Recommendation

President Rahmat Shoureshi and Board of Trustees Finance and Administration Committee Members,

This year’s SFC has taken it upon themselves to improve the quality of the student experience. As a part of this working philosophy, we identified the need to increase the minimum student wage up to $15 an hour to meet ever-increasing costs for our students. On this matter, the SFC and the University President have disagreed. Having completed the process outlined in the SFC Guidelines Article V in its entirety, the SFC is moving forward with submitting a separate Student Incidental Fee Recommendation alongside the recommendation being submitted by the University President.

SFC Budget Process Overview

This year’s SFC delimited our funding philosophy to certain key points that would guide our direction in funding decisions for FY20. These were maintaining a student centered focus that includes the opportunities funding would provide the student body, increasing quality of student life in order to increase student retention and ensuring our student population is advocated for. We also held the mindset of being strategic in our planning, through our research we concluded that there had been a trend in which earnest efforts to contain costs for students has lead to the Student Incidental Fee suddenly increasing in subsequent years. We worked under the intent to avoid patchwork solutions and to develop plans to known issues. We considered sustainability in every definition of the word that we saw fit: economic, environmental, financial management. We value the premise of equity in our decision-making as an essential step decision makers need to make in being responsive to historic imbalances in opportunity between privileged and marginalized members of our community. We sought to promote resources and initiatives that reduce and eliminate these inequities in the systems that we govern. Within the premise of equity we sought an emphasis on accessibility for our students, not limiting our mindset to just physical accessibility but also including accessibility of communities, campus involvement and opportunities for our student population.

The SFC, followed Article IV of the SFC Guidelines in conducting its budget process. We held a budget school for all Fee Funded Areas (FFAs) in which the budget process was explained thoroughly, including critical due dates and processes. For Fiscal Year 20 (FY20), we asked all FFAs to consider 3 different scenarios: Maintaining Current Service Level, Maintaining their Base Budget (FY19) and a hypothetical cut of 2.5% to their budgets. FFAs submitted their budgets and presented their program plans to the SFC during initial budget hearings in October. Following a period of deliberations, the initial funding allocations were issued in mid-November. The FFAs were then given an opportunity to appeal the initial allocations during a second round of budget submissions and hearings at the end of fall term. After another deliberation period to consider these appeals, the SFC approved the final FY20 allocations to FFAs, as well as a final incidental fee recommendation, during the last meeting of fall term.

Upon presenting the final SFC allocation and fee recommendation to the ASPSU Senate, the SFC was asked to specifically consider two changes. First, the Senate asked the SFC to consider spacing out the recovery of a budget shortfall to balance the incidental fee increases to a more palatable amount. Second, the Senate asked the SFC to implement a system that would permit FFAs to pay their student workers a $15 hourly minimum wage. The SFC considered both of these suggestions, we then rejected the spacing out of the recovery of the budget shortfall due to it being contrary to our philosophy of not utilizing patchwork solutions in our process. The SFC did add the necessary increase that would cover an increase of $15 hourly wages to student workers for every FFA.
Funding Highlights and Fee Recommendation:

In the face of overall revenue losses in incidental fee funding due to declining enrollment, the SFC is proud to have maintained Current Service Level on all of the FFAs while also recovering the overall budget shortfall. As discussed above, this decision stems from our philosophy to avoid patchwork solutions. We are particularly joyful to have expanded the Food Pantry operation hours from 10 hours to 25 hours per week. We deem this to be of high importance to the needs of our students as we are continuing to battle food insecurity throughout our student body. We have approved funds to be allocated for the hiring of a director to lead the upcoming Middle Eastern, North African and South Asian Resource center (MENASA). Once more, in line with our desire to improve the quality of the student experience, we have approved the expansion of available cultural resource centers. Similar to the overall loss in incidental fee funding, the allocation for Athletics also declined significantly due to their enrollment-based funding formula. To ease this sudden funding loss, we approved a strategic plan to reduce the Athletics budget gap and protect student worker positions and financial aid to our student athletes. Lastly, to help address student affordability at PSU we established a reserve for FFAs to draw on in order to pay their student employees a $15 minimum wage. These investments necessitate a fee increase of $30 per term for the Academic Year and $7 for the Summer Term which we are recommending for the 19-20 Academic Year.

In regards to the Student Building Fee, the SFC has opted to maintain the fee at its current level whilst having approved six campus projects totalling an investment of $302,007.00. Our focus when funding Student Building Fee projects was characterized by a vision of improving accessibility and safety for our student population on campus.

Difference from President and Negotiation Process

As mentioned above, we address the need for livable student wages by proposing an increase in the Student Incidental Fee that would allow for a reserve that FFAs could access in order to pay their employed students $15 an hour. Due to our students seeing increasing costs year over year, the SFC determined that we are in a position to be able to assist the experienced financial difficulties through providing a much needed wage increase. The body is cognizant of the limited student population this would benefit, and we perceive that this is the only method within our inhibited capacity to do so. We believe that any benefit, no matter how small, has a large impact on the decision to continue attending Portland State University.

Having discussed this matter internally, we also addressed the potential issues with wage compression and professional staff members. Although we believe it to be unreasonable that professional staff are receiving wages lower than $15 an hour, we are aware of the realities of budgeting. This, however, does not place an insurmountable obstacle in our path. We believe that increasing student wages to a livable level of $15 an hour does not hinge on the relative wages of professional staff. Our capacity to provide a better quality of life to our students should not be hindered by others’ perceived unfairness.

Following the procedures outlined in the SFC Guidelines, we had dialogue with the University President and other administrators regarding this topic. In these meetings, we were made aware of the law feasibility of our proposal due to the requirements of the Oregon Pay Equity Act (HB 2005), which would require PSU to pay all student workers performing similar work across campus to be paid the same wage. The SFC was humbled by facts presented during these meetings. We were fully aware of the fact that this proposal would have campus-wide ramifications but not to the magnitude presented. It is with that in mind, that we are continuing to support the idea of increasing FFA student worker wages to $15 an hour because we believe it to be a worthy cause to consider, with all facts known.

The SFC was informed that the University had a budgeting plan already in place to address minimum wage increases according to the increases mandated by Oregon law. This would place the desired $15 an hour minimum wage to go into effect during FY24, which we deemed to be too far away in time for our students’ needs. Considering this as the university’s timeline results in a gap between the university and the SFC in addressing student needs. Although we met with the President to discuss this difference, we were unable to reconcile our
differing opinions. The SFC considered convening a Hearings Board in an effort to explore the possibility of presenting a unified recommendation with the University President, but ultimately decided against this move due to time limitations and a sense that this process might not have provided a joint resolution. As a consequence of this, the SFC has decided to present this letter alongside the University President’s tuition recommendation to the Board of Trustees.

Regards,

2018-19 SFC

Elliott Thompson III, SFC Chair
Jose Rojas Fallas, SFC Vice-Chair
Amanda Celiceo, SFC Member
Tristan Crum, SFC Member
Violet Gibson, SFC Member
Fouad Mohaideen, SFC Member
APPENDIX VIII - URLs for Supporting Documents

Budget Office Website: www.pdx.edu/budget

Budget Forum Presentations: www.pdx.edu/budget/fy20-budget-fiscal-year-1


Tuition Review Advisory Committee (TRAC) Website (includes Agendas, Minutes and Meeting Materials): www.pdx.edu/budget/tuition-review-advisory-committee-trac