Financial Dashboard

- Complete
- Updates to be provided annually
Budget to Forecasted Actuals
### Total University Fiscal Year 2015-16 Quarter 3 Forecast

<table>
<thead>
<tr>
<th>Dollars in 000s</th>
<th>E&amp;G Designated Operations</th>
<th>Service Departments</th>
<th>Auxiliary Enterprises</th>
<th>Restricted Funds</th>
<th>Total All Funds 2015-16 Budget</th>
<th>Total All Funds FY15 Q3 Actuals</th>
<th>FY16 Q3 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Fees</td>
<td>$211,580</td>
<td>$2,624</td>
<td>$-</td>
<td>$40,402</td>
<td>$-</td>
<td>$254,606</td>
<td>$262,674</td>
</tr>
<tr>
<td>Government Resources &amp; Allocations</td>
<td>83,808</td>
<td>1,002</td>
<td>137</td>
<td>84,947</td>
<td>78,551</td>
<td>56,817</td>
<td>71,051</td>
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<tr>
<td>Gift Grants and Contracts</td>
<td>11,974</td>
<td>1,999</td>
<td>11</td>
<td>37</td>
<td>129,910</td>
<td>143,932</td>
<td>134,729</td>
</tr>
<tr>
<td>Internal Sales</td>
<td>4,852</td>
<td>73</td>
<td>2,882</td>
<td>7,105</td>
<td>14,912</td>
<td>15,091</td>
<td>9,749</td>
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<tr>
<td>Sales and Services Revenue</td>
<td>1,610</td>
<td>4,249</td>
<td>1,419</td>
<td>43,736</td>
<td>10</td>
<td>51,024</td>
<td>48,284</td>
</tr>
<tr>
<td>Investment/Debt/Debt Service</td>
<td>2,900</td>
<td>805</td>
<td>158</td>
<td>79</td>
<td>3,943</td>
<td>2,555</td>
<td>2,677</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>539</td>
<td>36</td>
<td>73</td>
<td>1,258</td>
<td>1,906</td>
<td>2,660</td>
<td>2,443</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$317,265</strong></td>
<td><strong>$9,786</strong></td>
<td><strong>$4,385</strong></td>
<td><strong>$93,698</strong></td>
<td><strong>$130,136</strong></td>
<td><strong>$555,270</strong></td>
<td><strong>$544,544</strong></td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>$160,277</td>
<td>$3,682</td>
<td>$1,484</td>
<td>$18,552</td>
<td>$28,654</td>
<td>$212,650</td>
<td>$198,679</td>
</tr>
<tr>
<td>OPE (fringes)</td>
<td>74,139</td>
<td>1,357</td>
<td>564</td>
<td>7,974</td>
<td>11,789</td>
<td>95,822</td>
<td>97,885</td>
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<tr>
<td>Service &amp; Supplies (net of transfers)</td>
<td>63,770</td>
<td>4,661</td>
<td>1,396</td>
<td>63,216</td>
<td>89,693</td>
<td>222,735</td>
<td>242,791</td>
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<td>Held for Risk Abatement</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>228</td>
<td>9,579</td>
<td>9,807</td>
<td>7,805</td>
<td>5,997</td>
<td>6,779</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$298,186</strong></td>
<td><strong>$9,700</strong></td>
<td><strong>$3,672</strong></td>
<td><strong>$99,321</strong></td>
<td><strong>$130,136</strong></td>
<td><strong>$541,014</strong></td>
<td><strong>$552,769</strong></td>
</tr>
<tr>
<td>Management Reserve Expenses</td>
<td>$8,294</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,294</td>
<td>$5,988</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td><strong>$10,785</strong></td>
<td><strong>$86</strong></td>
<td><strong>$714</strong></td>
<td><strong>-5,622</strong></td>
<td><strong>0</strong></td>
<td><strong>$5,962</strong></td>
<td><strong>-8,225</strong></td>
</tr>
</tbody>
</table>
### 2015-16 Education & General

<table>
<thead>
<tr>
<th></th>
<th>FY15 Actual</th>
<th>FY16 Budget</th>
<th>FY16 Q3 Forecast</th>
<th>FY16 Budget to Q3 Forecast</th>
<th>FY15 Q3 Actuals</th>
<th>FY16 Q3 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>$205,314</td>
<td>$212,422</td>
<td>$211,580</td>
<td>-$842</td>
<td>-0.4%</td>
<td>$199,962</td>
</tr>
<tr>
<td>Government Resources &amp; Allocations</td>
<td>67,994</td>
<td>77,578</td>
<td>83,808</td>
<td>6,230</td>
<td>7.4%</td>
<td>55,699</td>
</tr>
<tr>
<td>Gifts Grants and Contracts</td>
<td>10,626</td>
<td>11,326</td>
<td>11,974</td>
<td>649</td>
<td>5.4%</td>
<td>7,374</td>
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<tr>
<td>Internal Sales</td>
<td>5,167</td>
<td>5,252</td>
<td>4,852</td>
<td>-399</td>
<td>-8.2%</td>
<td>3,595</td>
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<tr>
<td>Sales and Services Revenue</td>
<td>1,399</td>
<td>1,266</td>
<td>1,610</td>
<td>345</td>
<td>21.4%</td>
<td>951</td>
</tr>
<tr>
<td>Investment/Debt/Debt Service</td>
<td>2,782</td>
<td>2,180</td>
<td>2,900</td>
<td>720</td>
<td>24.8%</td>
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<tr>
<td>Other Revenue</td>
<td>445</td>
<td>360</td>
<td>539</td>
<td>179</td>
<td>33.2%</td>
<td>212</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$293,727</td>
<td>$310,383</td>
<td>$317,265</td>
<td>$6,881</td>
<td>2.2%</td>
<td>$269,856</td>
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<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>$149,441</td>
<td>$161,118</td>
<td>$160,277</td>
<td>-$841</td>
<td>-0.5%</td>
<td>$109,013</td>
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<tr>
<td>OPE (fringes)</td>
<td>69,825</td>
<td>80,046</td>
<td>74,139</td>
<td>-5,906</td>
<td>-8.0%</td>
<td>51,805</td>
</tr>
<tr>
<td>Service &amp; Supplies (net of transfers)</td>
<td>58,783</td>
<td>63,610</td>
<td>63,770</td>
<td>160</td>
<td>0.3%</td>
<td>42,883</td>
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<tr>
<td>Held for Risk Abatement</td>
<td>5610</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$278,049</td>
<td>$310,383</td>
<td>$298,186</td>
<td>-$12,197</td>
<td>-4.1%</td>
<td>$203,701</td>
</tr>
<tr>
<td>Management Reserve Expenses</td>
<td>$8,848</td>
<td></td>
<td>$8,294</td>
<td></td>
<td></td>
<td>$5,988</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>$6,830</td>
<td></td>
<td>$10,785</td>
<td></td>
<td></td>
<td>$60,167</td>
</tr>
</tbody>
</table>
F&A Committee  
Annual Goals 2015-16

1. Review internally prepared financial statements on a quarterly basis, including budget to actual performance;
2. Present a proposed list of financial indicators in a dashboard format;
3. Explore best practices for financial policies related to limits of authority, unbudgeted spending, long-term contractual relationships;
4. Debate alternative revenue sources;
5. Construct a University Reserve Policy.
2016-2017 F&A Committee Work Plan

1. Contingency Planning
2. Linking Budget with Strategic Plan (ensuring adequate funding for key priorities)
3. Auxiliary Departments
4. Tuition Stabilization
5. Process and Rigor
6. Operating Efficiencies (savings and allocations)
Thank you
Reserves Management Policy
The University is susceptible to negative operational outcomes arising from:

1. the volatility of primary revenue streams;
2. operational cost drivers beyond the University’s control;
3. contractual obligations that are difficult to minimize during periods of financial distress;
4. the business cycles of disparate business enterprises;
5. and the risk of complete or partial interruption of University services.
Adequate reserves are necessary for the long-term health and sustainability of University operations and to establish mechanisms for:

1. insuring the University can perform day-to-day operations in the event of unforeseen shortfalls;
2. the proper care of physical plant;
3. the prudent coverage of outstanding debt;
4. the ability to engage in strategic investments;
5. the ability to navigate catastrophic events and interruption of service.
Strategic Plan 2016-2020

An appropriate financial reserves policy can guarantee institutional sustainability and protect resources so PSU can continue to provide access to higher education and to an attainable degree for all the residents of this region who seek them.

Strategic Goal 5. “Innovate for long-term stability”, Initiative 2.2 “Ensure sufficient reserves to manage through the cyclical budgetary nature of higher education funding and to make longer term strategic investments.”
While the **Reserves Management Policy** is a stand alone policy, it should be considered in conjunction with other University policies, strategic initiatives and institutional mission priorities.
The Primary Reserve Ratio (PRR) will be the measure to monitor the long-term financial adequacy of University reserves:

1. The PRR measures financial strength of the University by comparing expendable net assets over total expenses.

2. The PRR is indicative of financial strength and flexibility through demonstrating how long the institution can operate using expendable funds only.

3. The target minimum will be a PRR of 0.25 (3 months)

4. 5 year time frame to reach targeted minimum
<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Association of College and University Business Officers</td>
<td>A Primary Reserve Ratio equal to 0.4 or greater</td>
</tr>
<tr>
<td>Association of Governing Boards of Universities and Colleges</td>
<td>Unrestricted net assets equal to 5 months of total expenses</td>
</tr>
<tr>
<td>Urban Institute, Center on Non-Profits and Philanthropy</td>
<td>A minimum operating reserve of 3 months total expenses</td>
</tr>
<tr>
<td>National Council of Non-Profits</td>
<td>A minimum operating reserve of 3 months total expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Large Oregon Institutions</th>
<th>COMPARATOR PRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oregon PRR FY2015</td>
<td>0.723</td>
</tr>
<tr>
<td>Oregon State University PRR FY2015</td>
<td>0.388</td>
</tr>
</tbody>
</table>
Reserves Management Policy
Resolution Recommending Approval of Reserve Policy
Fiscal Year 2016-17 Operating Budget
## FY 2016-17 Budget

### Total University Fiscal Year 2016-17 Budget

<table>
<thead>
<tr>
<th>Dollars in 000's</th>
<th>E&amp;G</th>
<th>Designated Operations</th>
<th>Service Departments</th>
<th>Auxiliary Enterprises</th>
<th>Restricted Funds</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Tuition and Student Fees</td>
<td>$235,508</td>
<td>$2,798</td>
<td>$</td>
<td>$40,847</td>
<td>$</td>
<td>$279,153</td>
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<tr>
<td>Tuition Remissions</td>
<td>$(19,896)</td>
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<td>$(19,896)</td>
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<tr>
<td>Government Resources &amp; Allocations</td>
<td>88,797</td>
<td></td>
<td></td>
<td>1,002</td>
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<td>89,936</td>
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<tr>
<td>Gift Grants and Contracts</td>
<td>12,366</td>
<td>3,040</td>
<td></td>
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<td>146,136</td>
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<tr>
<td>Internal Sales</td>
<td>4,869</td>
<td>18</td>
<td>2,971</td>
<td>6,015</td>
<td></td>
<td>13,874</td>
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<tr>
<td>Sales and Services Revenue</td>
<td>1,375</td>
<td>4,252</td>
<td>1,115</td>
<td>44,786</td>
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<td>51,528</td>
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<tr>
<td>Investment/Debt/Debt Service</td>
<td>2,180</td>
<td>457</td>
<td></td>
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<td>2,867</td>
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<tr>
<td>Other Revenue</td>
<td>328</td>
<td>30</td>
<td></td>
<td>1,032</td>
<td></td>
<td>1,390</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$325,526</td>
<td>$10,595</td>
<td>$4,086</td>
<td>$93,832</td>
<td>$130,948</td>
<td>$564,988</td>
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<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>173,209</td>
<td>3,566</td>
<td>1,495</td>
<td>19,022</td>
<td>29,037</td>
<td>226,329</td>
</tr>
<tr>
<td>OPE (fringes)</td>
<td>82,796</td>
<td>1,405</td>
<td></td>
<td>8,749</td>
<td>11,967</td>
<td>105,550</td>
</tr>
<tr>
<td>Service &amp; Supplies (net of transfers)</td>
<td>70,701</td>
<td>3,754</td>
<td>810</td>
<td>57,336</td>
<td>89,943</td>
<td>222,545</td>
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<tr>
<td>Internal Administrative Overhead</td>
<td>(6,180)</td>
<td></td>
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<td></td>
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<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td>308</td>
<td>9,180</td>
<td>9,488</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td>$320,526</td>
<td>$10,172</td>
<td>$3,246</td>
<td>$99,020</td>
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<td>$563,912</td>
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<tr>
<td>Held for Reserves</td>
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<td></td>
<td></td>
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<td>$5,000</td>
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<td>$423</td>
<td>$840</td>
<td>$(5,188)</td>
<td>$0</td>
<td>$(3,925)</td>
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</table>
Resolution Approving the 2016-2017 University Operating Budget
Portland State University Board of Trustees

Research and Strategic Partnerships Update

Jonathan Fink
VP for Research and Strategic Partnerships
June 16, 2016
Summary

- PSU’s research strengths linked to our strategic partners
- Grants management processes greatly improved
- Strategic Partnerships office shaping PSU relationships
- We face internally- and externally-generated challenges
Why does a university do research?

• It’s where many faculty get their professional fulfillment
• Research can transform students’ educational experience
• National reputation depends primarily on research
• Research dollars can bolster university budget
• Top faculty expect first class technology transfer office
• Provides major economic contribution to region, nation
How does funded academic research work?

• Faculty propose to government, companies, philanthropy

• Focus ranges from fundamental (basic) to applied

• Grad students/post-docs help with proposals & research

• RSP helps prepare/submit proposals, negotiates awards, keeps PSU “legal,” manages funds, protects I.P.

• VPR convenes faculty and outside partners to identify, grow, and respond to opportunities

• “Overhead” from grants pays for research administration
Brief history of research at PSU

- Research not part of original mission
- Portland helped attract many strong faculty to PSU
- Faculty exploited partnership opportunities
- PSU faculty built ties to industry, gov’t, non-profits
- Regional Research Institute founded in early 1970s
- First PSU PhDs only in Systems Science
- OR Graduate Institute faculty strengthened PSU
- $25M Miller gift solidified sustainability credentials
- Dr. Maseeh’s investments propelled engineering, math
- Major administrative upgrades in last six years
PSU’s research strengths link to our major strategic partnerships

- Urban sustainability
  - *City of Portland*, Multnomah Co, Metro, Port of Portland, PGE

- Life and health sciences
  - *OHSU*, Multnomah Co, Kaiser, FEI, OTRADI

- Computer science and engineering

- Environmental science
  - *USGS, USFS, BPA, Nature Conservancy, Smithsonian, ODOT*

- STEM Education
  - *Portland Public Schools, OHSU, Oregon, STEM Council, OMSI, PCC*
PSU’s Strategic Partnerships

Strategic Partnerships was established to elevate PSU’s central role as a civic and economic partner in the metropolitan region.

Initial Charge:

*Identify, organize and leverage PSU assets and expertise to deliver on regional, strategic priorities in urban sustainability, economic development, education reform and community health*
Strategic Partnerships Spectrum
Entrepreneurship at PSU

- Driven by Business and Engineering faculty
- Coordinated curriculum across PSU
- Year-round entrepreneurial programming
- Joint efforts with OHSU and OTRADI
- Portland State Business Accelerator (PSBA) is hub
- PSBA has employed hundreds of PSU students
- Startup companies from all 4 universities at PSBA

PSBA won “Best University Accelerator in U.S.” in 2015
Research & Strategic Partnerships Functions

- Research development
- Proposal submissions
- Grants accounting
- Technology transfer
- Compliance
  - animal care, human subjects, export control, data security, radiation safety
- Research communications
Student Involvement in Research

- Strong graduate students critical for strong research programs
- Undergraduate capstone projects advance PSU’s partnerships
- Best students seek universities with research options
- PSU does well with training grants for undergrads and grads
Research “versus” Creative Activities

- Funded research conducted by subset of faculty
- RSP supported by sponsored research so we focus there
- Deans and colleges mostly cover non-funded creative activities
- RSP works closely with PSU Foundation in soliciting philanthropy
Oregon’s Public Research Ecosystem

• Four complementary research university missions
• Signature Research Centers for university/industry links
• Large joint federal centers cross research universities:
  – $24M EXITO Health Training Pipeline (NIH): PSU, OHSU
  – $29M Coastal Processes (NSF): OHSU, OSU, PSU
  – $30M Transportation (US DOT): PSU, OSU, UO
• University Venture Development Fund supports startups
• 2013: $8.3M funding for data science, incubation, metals
• 2017: $10M for collaborative data science initiative
12-year PSU Expenditure trends
**PSU’s funded research growth, 2005-2016**

![Graph showing the funded research growth from 2005 to 2016, with Portland State University's data marked as a dashed line and the growth line marked as a solid line. The graph indicates a steady increase with a label noting approximately $3M/year growth.]
PSU’s funded research growth, 2005-2016
10-year PSU Expenditure trends
PSU’s funded research growth, 2005-2014
Oregon's Research Universities

- **Total Federal**
- **OHSU**
- **OSU**
- **U Oregon**
- **Portland State**

Millions

- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
Oregon's Four Research Universities with University of Washington

- University of Washington
- OHSU+OSU+UO+PSU
- OHSU
- OSU
- U Oregon
- Portland State
Urban Serving Universities w/o Med Schools + GSU

- Georgia State
- U MD Baltimore Co
- Cleveland State
- U Mass Boston
- U Wisc Milwaukee
- Univ Memphis
- Portland State
- Boise State
- San Jose State
Tenured + Tenure Track Faculty, Oct 2005 - 15 May 2016

- Tenure Track
- Tenured

- Oct 2005: 406
- Oct 2006: 423
- Oct 2007: 438
- Oct 2008: 456
- Oct 2009: 461
- Oct 2010: 473
- Oct 2011: 469
- Oct 2012: 475
- Oct 2013: 483
- Oct 2014: 480
- Oct 2015: 479
- 15 May 2016: 470

Data sourced from Portland State University.
Challenges

• Not all faculty relate to research mission
• Hard for many research-active faculty to get lower teaching loads
• Top faculty require top graduate students and post-docs
• Post-docs at PSU prohibitively expensive
• Startup packages and facilities very costly in science, engineering
• Former federal funding methods (earmarks, stimulus funds) gone
• Data security requirements expanding rapidly
Opportunities

• Outstanding junior faculty hired in past four years
• OHSU-PSU relationship robust, varied, and growing
• ISS seed funds helped launch much of PSU’s strongest research
• We can better leverage our largest federal grants (NIH, DOT)
• Data Science initiative across all four research universities
• Rural-Urban partnerships with OSU have great potential
• Close ties with City of Portland strengthen sustainability
• Portland emerging as a hub for “smart cities”
Request from research-active faculty: Make research a more visible university priority

- Focus Winter Symposium on importance of research for faculty satisfaction and graduate education success
- Have ALPS retreat deal with role of research to PSU future
- More faculty research presentations to Board of Trustees
- Reinstall regular research updates in Faculty Senate
- Encourage research-active faculty to become active in AAUP