

Faculty Senate Budget Committee Annual Report May 22, 2020

Members: Tina Anctil (COE), Candace Avalos (AO-SALP), Michael Bowman (LIB), Steven Boyce (CLAS-Sci, MTH, Co-Chair), Mitchell Cruzan (CLAS-Sci, BIO, Co-Chair), David Hansen (SBA), Erik Geschke (COTA, ART&D), Sam Gioia (SSW), Brenda Glascott (OI, HON), Arthur Hendricks (EPC co-chair, ex-officio), Chia Yin Hsu (CLAS-SS, HST), Martin Lafrenze (CLAS-Sci, GGR), Janice Lee (CLAS-AL, ENG), Derek Tretheway (MCECS, ME), Melody Valdini (CUPA, PS), Stephen Walton (CLAS-AL, WLL), Mitchell West (student), Bradley Wipfli (SPH, HSMP).

Consultants: David Burgess (OIRP), Susan Jeffords (OAA), Andria Johnson (BO), Kathi Ketcheson (OIRP), David Maddox (OAA), Kevin Reynolds (FADM).

Committee Charge and Roles

The Budget Committee has a multipart charge:

- 1) Consult with the President and his or her designee(s) and make recommendations for the preparation of the annual and biennial budgets.
- 2) Consult with academic leaders of colleges/schools, Intensive English Language Program, and University Studies, and make recommendations for the preparations of their annual budgets and enrollment plans. Each Budget Committee member from one of the above listed units shall serve as liaison to his/her unit for this purpose, with other members assigned as liaisons as needed.
- 3) Recommend budgetary priorities.
- 4) Analyze budgetary implications of new academic programs or program changes through the review of a business plan that anticipates and provides for the long-term financial viability of the program, and report this to the Senate.
- 5) Analyze budgetary implications of the establishment, abolition, or major alteration of the structure or educational function of departments, schools, colleges, or other significant academic entities through the review of a business plan that anticipates and provides for the long-term financial viability of the unit, and report this to the Senate.
- 6) Consult regarding changes from budgets as prepared.
- 7) Review expenditures of public and grant funding as requested by the Faculty Senate.
- 8) Recommend to the President and to the Senate policies to be followed in implementing any declaration of financial exigency.
- 9) Report to the Senate at least once each year.

Budget Principles

Several years ago, the Committee developed guiding principles that were shared with OAA and the University Budget Team to be considered in prioritization of budgetary decisions. The document has evolved and has been updated over the years. In Fall 2017, the Committee developed statements that address equity issues in budgetary decisions. This budget principles document has continued to be shared among deans and fiscal officers, in addition to the OAA budget team. This document is available at https://docs.google.com/document/d/1Dfdi2ziCcL7G4883yYDTQ_9gEAO-6rrinJVILezKqW4/edit

FY21 OAA Budget Process

The Office of Academic Affairs (OAA) follows a budget process called Integrated Planning of Enrollment and Budget (IPEB). This budget process has the revenue generating units develop two plans, the enrollment plan and the strategic investment plan. Enrollment plans detail the student enrollment outlook. These are accompanied by enrollment narratives that explain the impact on students via persistence, recruitment, degree completion, and program management strategies. Strategic investment plans detail proposed budget changes and are based on new initiatives plans while meeting OAA directives. This year, due to lower overall enrollment in Summer and Fall 2020 than had been projected for FY2020, units in OAA were directed to prepare strategic plans for FY2021 that were flat from the FY2020 budget, with restricted spending of reserves, with limited opportunities for investments beyond meeting the service level in FY2020. Members of the Budget Committee participated in the November Faculty Budget Forums led by Susan Jeffords and Dave Maddox.

The Budget Committee liaisons met with the Deans in December and January to have a preliminary conversation about their plans before units completed enrollment plans for FY21. The Committee was able to review the submitted enrollment plans and strategic planning narratives during the Winter term. Due to the COVID-19 crisis, follow-up meetings with units were delayed but were completed by the end of the Spring term. At least a pair of FSCB members reviewed each unit's enrollment plan, budget reduction scenarios, strategic investment plan, and strategic planning narratives, and provided feedback to OAA about our observations, including common and unique strategies suggested by units (see Appendix).

University Budget

The committee received periodic updates on the university budget by Andria Johnson and Kevin Reynolds. The first presentation in October by Andria Johnson included a recap from FY19 and an update on FY20. This presentation also focused on the university budget process for new and returning committee members. The second presentation led by Kevin Reynolds in February focused on FY21, including budget context, enrollment projections, cost drivers, forecasts, and tuition.

As part of the tuition setting process, FADM established the [Tuition Review Advisory Committee \(TRAC\)](#). The main charge of this committee is to provide recommendations to the President

about tuition policy. The committee aims to involve students in the tuition setting process and a number of ASPSU representatives are involved in the committee. Budget Committee co-chairs have been invited to serve on this committee and provide the committee's perspective on the topic. The co-chairs have gathered members' input on what the university should consider when setting tuition policy and shared the faculty feedback with TRAC. In response to TRAC meetings outcomes, the Budget Committee prepared a statement regarding the proposed tuition increase for the April Faculty Senate meeting.

The third university budget update, led by Kevin Reynolds, was on May 4. This update focused on the impact of the COVID-19 crisis on PSU's budget and discussions about how the Budget Committee could be involved with budgeting decisions for FY21 taking place over the summer, as there is currently great uncertainty regarding state funding and enrollment projections.

Budget Model Working Group

Beginning in the 2018-2019 AY, Associate Provost Dave Maddox convened an ad-hoc committee and Working Group to explore models and recommend a new model for budgeting at PSU. The Budget Committee had a member on this committee and provided feedback on preliminary recommendations in November. We expect the Budget Model Working Group recommendations to be included in discussions of a process for academic program reorganization initiated by Provost Jeffords and Faculty Senate Steering in Spring 2020.

PSU Board of Trustees

The co-chairs have been invited to participate in the Board's Finance & Administration Committee meetings and one of the co-chairs has attended each meeting thus far. The committee meeting minutes including Kevin Reynold's presentations and budget updates can be found at: [Board F&A Committee](#).

Curricular Proposal Reviews

The committee has reviewed 65 proposals for new programs, program changes, or program elimination. The proposals are reviewed by two-person or three-person review panels which report their recommendations (no significant impact/modest impact/significant impact) to the committee via an online google document. This system enables other committee members to review and comment on proposals not assigned to them. Major proposals such as those for completely new programs are discussed in committee meetings. The final recommendation is posted in the curriculum proposal system. This year we switched to corresponding with Andreen Morris directly through google docs (curricular proposal reviews were previously sent via separate email once complete) which made this process more efficient.

Appendix: Summary of IPEB Document Review

The following table and statements are based on FY 2021 IPEB documents submitted by each unit at PSU. At least a pair of FSCB members reviewed each unit's enrollment plan, strategic planning narratives, budget reduction scenarios, and strategic investment plans. The findings and recommendations were discussed at FSBC meetings.

	Common strategies	Unique strategies
Enrollment Plan	<ul style="list-style-type: none"> - Mostly agree with the OIRP projections - Adjustments upward for anticipated growth in new programs - Adjustments downward due to anticipated need to reduce expenditures next year. - Great deal of uncertainty due to COVID-19 	<ul style="list-style-type: none"> - Enrollment forecast limited by current capacity/resources (COTA, Honors) - Increase over OIRP's forecast in some programs (MCECS/COE) - Investment in Recruiting Staff (HON, SPH)
Reduction Scenarios	<ul style="list-style-type: none"> - Holding faculty and administrative lines vacant - Reducing course offerings - Reserve spending - Investment of faculty resources in FY21 to prepare to offer new programs in FY22 	<ul style="list-style-type: none"> - Structural reorganization within units, such as merging operations, changing admin/staff mix (UNST, COE, IELP). - Requiring more research supports to be funded externally (MCECS) - Potential enrollment cap changes due to COVID (MCECS) - Differential tuition increases to counter budget restrictions (SSW)
Strategic Investment Plan	Strategic investment plans were not funded due to OAA budget reductions	
Strategic Planning Narratives	<ul style="list-style-type: none"> - Targeted marketing/recruitment/retention efforts are valued/needed - Increase faculty involvement in advising - Create new degree programs (both between units and within units) - Writing/tutoring centers in individual units to support student success 	<ul style="list-style-type: none"> - New/growing programs in Data/Computer Science/Analytics (SB, MCECS, CLAS) but require investment in marketing, recruitment and retention to be successful

Observations/Suggestions

Previous practices of not filling TT faculty lines and cutting GA positions are at a point where further cuts' negative impact on revenue outweigh cost savings. Continuing to hold faculty positions vacant is likely to continue to affect retention and recruitment of junior faculty. It has the potential to jeopardize accreditation and the ability to deliver quality educational experiences to students.

1. There are promising collaborations in areas of data science, data analytics, and computer science that have been projected to increase enrollment, but these will require marketing, recruitment, and retention investments to be successful.
2. Strategic narratives' descriptions of recruitment, marketing, and fundraising efforts suggest wide variation in units' activities in these areas; we suggest analysis of the return on investment (and loss from lack of investment) in comparison with centralized efforts.
3. Some units have been internally funding academic student support centers, such as writing or tutoring centers, which may be better to house centrally.
4. Some units expressed concerns about the impact of the new centralized advising system on student success and SCH; evaluation of the levels of support students and faculty are receiving in comparison with the previous advising models is recommended.
5. COVID-19 has led to increased uncertainty regarding enrollment projections. It is important that reserves are maintained so that units can be afforded the flexibility and resources to respond swiftly to fluctuations in demand and modality.
6. The steep level of cuts proposed to IELP's 2021 budget are correlated with declines in international student enrollment. There is concern that enacting the proposed cuts could accelerate these declines by requiring substantial staffing reductions that further reduce PSU's ability to attract and retain international students. Opportunities for growth in programs for international non-degree students and unclear status of international partnerships also point to a need for analyses of costs and benefits of international partnerships.