New Board Orientation – Day Two

December 12, 2013
The Mission

Mission Statement

The mission of Portland State University is to enhance the intellectual, social, cultural and economic qualities of urban life by providing access throughout the life span to a quality liberal education for undergraduates and an appropriate array of professional and graduate programs especially relevant to metropolitan areas. The university conducts research and community service that support a high quality educational environment and reflect issues important to the region. It actively promotes the development of a network of educational institutions to serve the community.
Vision Statement

Our vision is to be an internationally recognized urban university known for excellence in student learning, innovative research, and community engagement that contributes to the economic vitality, environmental sustainability, and quality of life in the Portland region and beyond.
Guiding Themes

- PROVIDE CIVIC LEADERSHIP THROUGH PARTNERSHIPS
- IMPROVE STUDENT SUCCESS
- ACHIEVE GLOBAL EXCELLENCE
- ENHANCE EDUCATIONAL OPPORTUNITY
- EXPAND RESOURCES AND IMPROVE EFFECTIVENESS
Our Strategic Plan

1. Grow the endowment.
2. Attract high-ability students.
3. Support faculty and staff excellence.
4. Build a diverse global community.

There's been a leak! I discovered 3,000 other universities have this same one!
Organized by Guiding Themes – Sample Goals

**Goal 1.1:** Assume a leadership role in partnering with business, governments and community organizations to identify, develop and implement innovative solutions to societal challenges, with a focus on those of particular concern to the urban area.

**Goal 2.1:** Develop and implement a five-year strategic enrollment management plan that supports the academic and fiscal goals of the university.

**Goal 3.1:** Expand innovative research and graduate education by leveraging connections between local application and global relevance.

**Goal 4.1:** Work with community partners to create a seamless, efficient and effective educational system from cradle to career.

**Goal 5.1:** Refine and begin to implement a new, strategic budget model for the university.
Global Diversity & Inclusion

- Office of Diversity Advocacy
- Office of Equity and Compliance

Diversity Action Plan

- U Belong Campaign
- Minority Faculty Mentoring Program
- Diversity Leadership Team
- Diversity Action Council
- President’s Equal Access Scholarship
- Title IX Compliance
- Affirmative Action Compliance
- Advises on the recruitment and retention university wide of diverse students, faculty and staff
- Implemented PSU’s Creating a Culture of Respect Online Diversity Training

Staff: 7 FTE
3 Student Workers
Minority Student Enrollment

Data from the 4th week of Fall Term

Year | Total Number of Students
-----|-------------------------
2003 | 4,327
2004 | 4,303
2005 | 4,537
2006 | 4,518
2007 | 4,701
2008 | 5,108
2009 | 5,253
2010 | 5,597
2011 | 6,651
2012 | 6,892
2013 | 7,321

Minority = American Indian, Asian Pacific Islander, Black, Hispanic, Multiple Ethnicities.
Minority Student Success

PSU: 2006 First-Time Freshman Cohort at One Year

- American Indian: 46.20% Graduated, 75.90% Stopped Out, 24.10% Continuing
- Asian/Pacific Islander: 34.80% Graduated, 65.20% Stopped Out, 27.00% Continuing
- Black/African American: 35.60% Graduated, 73.00% Stopped Out, 28.20% Continuing
- Hispanic/Latino: 64.40% Graduated, 65.04% Stopped Out, 34.96% Continuing
- White Non-Hispanic: 71.80% Graduated, 65.04% Stopped Out, 34.96% Continuing
- Students w/ low SES: 53.80% Graduated, 53.80% Stopped Out, 28.20% Continuing
- Students w/o low SES: 46.20% Graduated, 46.20% Stopped Out, 24.10% Continuing

PSU: 2006 First-Time Freshman Cohort at Six Years

- American Indian: 69.20% Graduated, 47.10% Stopped Out, 23.10% Continuing
- Asian/Pacific Islander: 43.50% Graduated, 39.10% Stopped Out, 17.40% Continuing
- Black/African American: 47.60% Graduated, 44.40% Stopped Out, 17.40% Continuing
- Hispanic/Latino: 52.20% Graduated, 40.00% Stopped Out, 7.90% Continuing
- White Non-Hispanic: 47.20% Graduated, 45.90% Stopped Out, 6.90% Continuing
- Students w/ low SES: 45.90% Graduated, 39.52% Stopped Out, 8.47% Continuing
- Students w/o low SES: 23.10% Graduated, 47.10% Stopped Out, 23.10% Continuing

Legend:
- Blue: Graduated
- Red: Stopped Out
- Green: Continuing
Minority PSU Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Minority</th>
<th>Total All Employees</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>1163</td>
<td>5896</td>
</tr>
<tr>
<td>2011</td>
<td>1505</td>
<td>6617</td>
</tr>
<tr>
<td>2012</td>
<td>1601</td>
<td>6640</td>
</tr>
</tbody>
</table>

Minority = American Indian, Asian Pacific Islander, Black, Hispanic, and Multiple Ethnicities
- College of the Arts (COTA)
- College of Liberal Arts & Sciences (CLAS)
- College of Urban & Public Affairs (CUPA)
- Maseeh College of Engineering & Computer Science (MCECS)
- School of Business Administration (SBA)
- School of Education (GSE)
- School of Social Work (SSW)
Academic Programs

Bachelors: 99
Masters: 89
Doctoral: 38

Total Degree Programs: 226
Total Certificate Programs: 48
OAA Support Units

» Provost’s Office

» Library

» Office of International Affairs (OIA)

» Office of Academic Innovation (OAI)

» Graduate Studies
Roles and Responsibilities in Academic Affairs

» Faculty

» Department/School/ Center Chairs & Directors

» Deans

» Vice Provosts

» Provost

» President
» Responsibilities of Faculty Senate

» Faculty Senate composition

» Faculty Senate committees
Program Quality and Accreditation

» Institutional Accreditation- Northwest Commission on College and Universities (NWCCU)

» Discipline specific accreditation

» Policies related to course evaluations, syllabi, online standards...etc.
The Completion Agenda

» 40-40-20

» PSU’s OEIB Achievement Compact
Portfolio for Oregon Resident High School Students

» Leadership role in *All Hands Raised*

» Visits to high schools

» Hosting campus events such as Preview Day, Viking 101 Days, Orientations, etc.

» Conducting campus tours for groups as well as individuals

» Leveraging remission dollars and scholarships to assist students in paying for their education

» Outreach efforts to high schools and communities that represent high minority or underrepresented populations
Portfolio for Oregon Resident
High School Students

» Providing workshops at community sites on scholarships and Free Application for Federal Student Aid (FAFSA) nights

» Participating at Hispanic College Fairs

» Implementing marketing and advertising campaigns that message the value of a PSU education

» Outreach to parents and high school guidance counselors

» Outreach at precollege sessions

» On-campus events that are culturally and language appropriate for families of underrepresented minority students.

» Diversity STARS program (Students Taking Action to Recruit Students).
Co-admission opportunities provided to students such that they can take courses at the community college and PSU with financial aid benefits

Reverse Transfer

Articulation agreements

Visibility on the community college campuses to work with students by PSU academic advisors, transfer specialists and College/School faculty and staff

Campus events targeted at transfer students

Leveraging remission and scholarship dollars to assist students in paying for their education

Participation in Transfer Fairs
Portfolio for Matriculated Oregon Students

» Degree maps
» Advising and Career Services Center
» International Advising
» 4-Year Graduation Guarantee
» Support Early Identification of Students at Risk
» Improve Communication with Students
» Admission policies
» Peer Mentoring
» Reduce the Number of Courses with Preponderance (20%) of D, W, F Grades
» Manage Capacity of Programs and Course Offerings for Timely Progress to Graduation
» Last Mile
<table>
<thead>
<tr>
<th>Category</th>
<th>Last Year</th>
<th>This Year</th>
<th>Difference Between Years</th>
</tr>
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<tbody>
<tr>
<td>Freshman Retention</td>
<td>72.9%</td>
<td>73.7%</td>
<td>+0.8 points</td>
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<tr>
<td>Graduation Rate</td>
<td>38.3%</td>
<td>41.3%</td>
<td>+3.0 points</td>
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<tr>
<td>New UG Enrollment</td>
<td>4,486</td>
<td>4,571</td>
<td>+85</td>
</tr>
<tr>
<td>Total Degrees Awarded</td>
<td>5,784</td>
<td>6,039</td>
<td>+255</td>
</tr>
</tbody>
</table>
To deliver an education that serves more students with better outcomes, while containing costs through curricular innovation, community engagement and effective use of technology.

Through reTHINK, Portland State University will empower learners and establish a national model for academic innovation.
Provost’s Challenge

Flexible Paths towards graduation
Growing Student Diversity
New Learning Technologies
Being Accountable to students + policy makers + public
Containing Costs

reTHINK PSU

The Provost’s Challenge
awards $3 million in grants to advance PSU
Roadmap

reTHINK Roadmap

1. STRATEGIES OF reTHINK
   - Examples: Credentials for prior learning, streamlining programs, online programs...

2. OUTCOMES/INDICATORS
   - Sets a time frame, numbers of students impacted, support for faculty, student services, quality of student experience.

3. GAP ANALYSIS
   - Identifies gaps based on the relationship between where we are now and where we need to be.

4. SCENARIOS
   - Filters options: Mission, Curricular planning, Shared governance, Diversity Action Plan, Impact on research, Capital planning, Student success, Advancement, RCAN scenario planner, 5-year financial projection, Enrollment projections, Compliance...
   - Allows to play out different situations that will lead to the desired goals and outcomes.

5. SCENARIO ANALYSIS
   - Scenarios allow us to see how disruptive work plays out in the organization.

6. IMPLEMENTATION PLAN
   - Actions PSU will take to achieve the goals of reTHINK.

Portland State University
Enrollment Management & Student Affairs
Dr. Jackie Balzer
Vice President

“We are champions of the student experience!”

Who are our students?
How do we recruit, admit, retain, and graduate them?
How do we enhance their learning and development?
PSU has 28,766 students as of Fall 2013
Undergraduate: 69.8%
Non-Admit: 13.6%
Graduate: 16.6%
Residents: 80.6%
Non-Residents: 19.4%
Full Time: 60.2%
Part Time: 39.8%
Residents: 80.6%
Non-Residents: 19.4%
PSU is home to hundreds of students who identify outside of the gender binary.
Diversity

- **Fall '09**: 75.2%
- **Fall '10**: 75.6%
- **Fall '11**: 70.8%
- **Fall '12**: 69.5%
- **Fall '13**: 67.0%

International Students

- **Fall '09**: 18.8%
- **Fall '10**: 18.2%
- **Fall '11**: 22.7%
- **Fall '12**: 23.7%
- **Fall '13**: 25.5%

Under Represented

- **Fall '09**: 6.0%
- **Fall '10**: 6.3%
- **Fall '11**: 6.5%
- **Fall '12**: 6.8%
- **Fall '13**: 7.5%

All Others

- **Fall '09**: 75.2%
- **Fall '10**: 70.8%
- **Fall '11**: 69.5%
- **Fall '12**: 67.0%
- **Fall '13**: 67.0%
Average Age

- First time freshman: 18
- Undergraduate: 26
- Non-Admits: 29
- Graduate: 33

Average Credit Load per Student

- Non-Admits: 5.88
- Graduate: 8.12
- Undergraduate: 11.44
Recruitment

- 9 Co-Admission Partners
- 74 Community College Visits
- 167 College Fairs
- 424 High School and International Visits
- 10,473 Campus Visitors

Requirements

Undergraduate
- 3.0 High School GPA
- 15 College Prep Courses with at least C-

Transfer
- 2.25 GPA
- Writing 121
- 2nd Language Requirement

International
- English Language Proficiency

Graduate
- University Requirements
- Department or Program Requirements
Tuition & Fees
COST OF ATTENDANCE (2013-2014)

Undergraduates
- IN-STATE TUITION & FEES: $7,878
- CAMPUS HOUSING: $5,542
- MEAL PLAN: $3,471
- BOOKS & SUPPLIES: $2,028
- TRANSPORTATION: $936
- PERSONAL EXPENSES: $2,130

Graduates
- IN-STATE TUITION & FEES: $13,539
- MEAL PLAN: $3,471
- BOOKS & SUPPLIES: $2,028
- TRANSPORTATION: $936
- PERSONAL EXPENSES: $2,130
- OUT-OF-STATE TUITION & FEES: $20,451
Financial Aid & Scholarships

Total accepted aid
$247,681,755

Aid disbursed in Fall '13
$78,277,025
(32% Disbursed)

Average debt of graduating students
$25,313

Scholarship dollars awarded
$2,680,980
Advising & Retaining Our Students

- Orientation
- Degree Maps
- Academic Standards
- Four Year Degree Guarantee
Student Support Services

8 Cultural and Resource Centers

- Multicultural Center
- La Casa Latina
- Native American Student & Community Center
- Queer Resource Center
- Resource Center for Students with Children
- Veteran's Resource Center
- Disability Resource Center
- Women's Resource Center

- Student Support Services
- 8 Cultural and Resource Centers
Experiential Learning

Student Leaders for Service
First Year Experience
Student Employment
Sustainability Leadership Center

Student Organizations
- Recreation
- Spiritual
- Multicultural
- Political
- Advocacy
- Arts
- Academic
# of Student-Athletes: 280

Nickname: Vikings or VIKS

Mascot: Victor E. Viking

Division: NCAA Division I

Conference: Big Sky Conference

# of Sports: 15

# of Conference Championships since 2008: 20

Athletics

Teams

Men's

Basketball
Cross Country
Football
Indoor Track & Field
Outdoor Track & Field
Tennis

Women's

Basketball
Cross Country
Golf
Indoor Track & Field
Outdoor Track & Field
Soccer
Softball
Tennis
Volleyball
5 qualified for national championships

- Men’s Cycling
- Women’s Cycling
- Women’s Water Polo
- Men’s Crew
- Women’s Crew

Placed 9th Nationally

598 active members in 29 clubs
Executive Branch
(President, VP, 8 Executive Directors)

Student Fee Committee
(Chair, Vice Chair, 6 members)

Senate
(15 Senators)

Judicial Board
(6 members)
Lunch Discussion: The Role of the Institutional Board in Oregon

Ben Cannon – Executive Director, Higher Education Coordinating Commission (HECC)

Matt Donegan – President, Oregon State Board of Higher Education (OSBHE) and Member, Oregon Education Investment Board (OEIB)
Welcome to Finance & Administration
Vice President, Monica Rimai

Our mission is to provide exceptional service and stewardship of the University’s financial, human and physical resources. Finance and Administration strives to become an engaged, expert advisor and trusted partner to the campus community.

Employees:
- Full Time: 418
- Students: 408

Total All-Funds University Budget: $549.3 M
- Finance & Administration: $93.8 M
- % of Total University Budget: 17.1%

Education & General (E&G) Total Budget: $282.5 M
- Finance & Administration: $42.9 M
- % of Total University Budget: 15.2%
Our Values

Respect, Humility, Transparency, Excellence, Fun, Accountability, Stewardship
University Budget Office
Alan Finn, Associate Vice President

What we do:

• Responsible for financial planning for the University, including revenue and expenditure forecasts

• Guide and assist the University community on effective and efficient use of resources

• Develop and maintain the tools used for Performance Based Budgeting, including the Revenue and Cost Attribution Tool (RCAT)

Total Budget $822,588
Percent of Finance & Administration Budget 2%
Office of Information Technology

Kirk Kelly, Associate Vice President and Chief Information Officer

What we do:

- Administrative Computing
- Student Systems - registration, labs, wireless
- Academic Computing - classrooms, online learning, research support

Total Budget $15,162,860
Percent of Finance & Administration budget 35%
Office of Risk Management
Brian Roy, University Risk Manager

What we do:

- Insurance and Liability Issues
- Environmental Health and Safety
- Emergency Management
- Research Laboratory Safety

Total Budget $1,251,238
Percent of Finance & Administration budget 3%
Planning, Construction & Real Estate
Dan Zalkow, Executive Director

What we do:

- Maintain, repair and renovate PSU's buildings and grounds
- Oversee campus planning, development and construction
- Implement projects and programs that decrease PSU's environmental footprint

Total Budget $11,825,573
Percent of Finance & Administration budget 28%
Office of Financial Services & Controller
Sandra Burris, Executive Director

What we do:

- Handle all monetary transactions
- Manage student financial accounts
- Create all mandatory financial reporting and auditing

Total Budget $7,813,917
Percent of Finance & Administration Budget 18%
Office of Capital Finance & Auxiliary Services
Don Forsythe, Executive Director

What we do:

• Provide affordable goods and services to campus in support of PSU’s mission

• Develop and maintain a safe, supportive, and vibrant learning environment

• Manage PSU’s debt portfolio and annual credit rating processes

Total Budget $212,907
Percent of Finance & Administration budget 1%
Office of Human Resources
Shana Sechrist, Associate Vice President,
Human Resources & University Policy and Practice

What we do:

• Payroll, Benefits, Leaves Administration
• Performance Management, Training, and Labor Relations
• Support for all Phases of Employee Lifecycle from Recruitment to Separation

Total Budget $2,910,172
Percent of Finance & Administration budget 7%
Campus Public Safety Office
Phillip Zerzan, Director

What we do:

- 24/7 patrol and dispatch services, including emergency response, student in crisis, sexual assault response, investigations, and arrests
- Clery Compliance
- Access Control

Total Budget  $2,311,249
Percent of Finance & Administration Budget  5%
University Physical Profile

- 48.5 acres
- 50 buildings
- 8 LEED certified buildings (1 platinum, 4 gold, 3 silver)
- 5.8 million square feet
- $220 million in deferred maintenance
- 1380 housing units (approx. 2,050 beds)
- 3844 vehicle parking spaces
- 2246 bicycle parking spaces
# University Workforce

<table>
<thead>
<tr>
<th>Category</th>
<th>Race/Ethnicity</th>
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<tbody>
<tr>
<td>Faculty</td>
<td>Asian 637</td>
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<tr>
<td>Staff</td>
<td>Black African American 238</td>
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<tr>
<td>Students</td>
<td>Hispanic 436</td>
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<tr>
<td>Represented Employees</td>
<td>Native American 141</td>
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<tr>
<td>Men</td>
<td>Pacific Islanders 37</td>
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<tr>
<td>Women</td>
<td>Total Minorities 1489</td>
</tr>
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</table>

22.6% of the workforce
Collective Bargaining Organizations

➔ **AFT**: Association of Federated Teachers
   - Tentative Agreement reached 11/21/2013, subject to ratification, to run through 6/2015

➔ **AAUP**: American Association of University Professors
   - Currently in negotiations

➔ **IATSE**: International Association of Theater Stage Employees:
   - Contract expires 6/2014 (automatic renewal)

➔ **SEIU**: Service Employees International Union
   - Contract resolved 10/2013 and runs through 6/2015
PSU’s Operating Budget
### PSU’s 2013-14 All Funds Budget

<table>
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<tr>
<th></th>
<th>Education and General</th>
<th>Designated Operations</th>
<th>Service Departments</th>
<th>Auxiliary Enterprises</th>
<th>Restricted Funds</th>
<th>Total</th>
<th>PSU Foundation</th>
<th>Grand Total</th>
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<td><strong>Revenue</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Student Tuition and Fees</td>
<td>$194,861</td>
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<td>$245,096</td>
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<td>Government Resources &amp; Allocations</td>
<td>58,633</td>
<td>-</td>
<td>-</td>
<td>992</td>
<td>811</td>
<td>60,437</td>
<td>60,437</td>
<td>144,386</td>
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<tr>
<td>Gift Grants and Contracts</td>
<td>8,974</td>
<td>2,239</td>
<td>-</td>
<td>8</td>
<td>112,041</td>
<td>123,262</td>
<td>21,123</td>
<td>144,386</td>
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<tr>
<td>Investment/Debt/Debt Service</td>
<td>3,000</td>
<td>363</td>
<td>-</td>
<td>244</td>
<td>58</td>
<td>3,665</td>
<td>3,546</td>
<td>7,211</td>
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<tr>
<td>Sales and Services Revenue</td>
<td>1,080</td>
<td>4,016</td>
<td>491</td>
<td>38,026</td>
<td>87</td>
<td>43,700</td>
<td>43,700</td>
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<tr>
<td>Other Revenue</td>
<td>1,021</td>
<td>15</td>
<td>-</td>
<td>24,375</td>
<td>137</td>
<td>25,548</td>
<td>1,265</td>
<td>26,813</td>
</tr>
<tr>
<td>Internal Sales</td>
<td>3,731</td>
<td>338</td>
<td>1,993</td>
<td>8,714</td>
<td>-</td>
<td>14,776</td>
<td></td>
<td>14,776</td>
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<tr>
<td><strong>Revenue Total</strong></td>
<td>$271,300</td>
<td>$9,948</td>
<td>$2,484</td>
<td>$119,617</td>
<td>$113,275</td>
<td>$516,624</td>
<td></td>
<td>$542,558</td>
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| **Expense**              |                       |                       |                     |                       |                  |             |                |                |
| Instruction & Dept Research | $145,126             | $5,460                | $                   | $                     | $61              | $150,647    |                | $150,647       |
| Research                | 5,625                 | 433                   | -                   | -                     | 55,711           | 61,769      | 61,769         |                |
| Public Services         | 2,126                 | 3,721                 | -                   | -                     | 228              | 6,075       |                | 6,075          |
| Academic Support        | 33,299                | 6                     | -                   | -                     | -                | 33,305      | 9,951          | 43,256         |
| Student Services        | 16,322                | -                     | -                   | -                     | -                | 16,322      |                | 16,322         |
| Auxiliary Services      | 2,265                 | -                     | -                   | 123,519               | -                | 125,784     |                | 125,784        |
| Physical Plant Oper & Maintenance | 33,298  | -                     | -                   | 2,805                 | 969              | 33,298      | 33,298         |                |
| Institutional Management & Support | 44,866 | -                     | -                   | 992                   | 57,478           | 58,470      | 1,986          | 60,456         |
| Financial Aid           | -                     | -                     | -                   | -                     | 58,470           | 58,470      |                |                |
| **Expense Total**        | $282,927              | $9,620                 | $2,805              | $125,480              | $113,478         | $534,310    | $15,013        | $549,323       |

**Net from Operations and Transfers**

|                         | $(11,627)            | $328                   | $(321)              | $(5,863)             | $(203)           | $(17,686)   | $10,921        | $(6,765)       |

* Dollars in thousands
Glossary of Terms
Our Unique Vernacular

- **Education and General (E&G)** - PSU’s core operations. Includes funds from tuition, and state appropriations (general fund), and fees.
- **Designated Operations** - Fees charged for external activities, non-credit programs, workshops, community service programs, conferences and related. Includes Confucius Institute, CEED, CEPE, Commencement.
- **Service Departments** - Departments that provide a service internal to the university. Includes telecommunications, copying/plotter services, Survey Research Lab.
- **Auxiliary Enterprises** - University services that should not receive state support. Includes Housing, Student Activities, Athletics, Health Services, and Parking.
- **Restricted Funds** - Gifts, grants, contracts, student financial aid.
- **Government Resources & Allocations** – appropriation from state
- **Gifts, Grants and Contracts** – Sponsored research and grant activity
- **Investment income** – interest earnings
- **Sales and Services** – Residence halls, spirit store, fines, testing fees, ticket sales
- **Other Revenue** – many small sources, including transfers between funds for debt service and operational subsidies (University Place and Broadway from one-time funds)
- **Internal Sales** – service centers, rentals, facilities internal charges
- **Instruction** - the expenses for all activities that are part of an institution’s instruction program.
- **Auxiliary Services** - expenses for activities primarily intended to furnish services to students, i.e., Athletics, Student Health Service, Bookstore, Residence Halls.
- **Research** - expenses for activities specifically organized to produce research, whether internal or externally funded.
- **Financial Aid** – Expenses for scholarships and fellowships.
- **Institutional Support** - expenses for central, executive-level activities concerned with management and long-range planning for the entire institution.
- **Academic Support** - expenses incurred to provide support services for the institution’s primary missions: instruction, research and public service.
- **Operations and Maintenance** - expenses for the administration, operation, maintenance, and preservation of the institution’s physical plant.
- **Student Services** - expenses for admission, registration, student activities, cultural events, student newspapers, student organizations, counseling and career guidance, student aid administration and student health service.
- **Public Service** - expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution.
### All Funds Budget (data)

<table>
<thead>
<tr>
<th>Department</th>
<th>FTE</th>
<th>Grand Total</th>
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<tbody>
<tr>
<td>Auxiliary Services</td>
<td>91.33</td>
<td>$37,128,404.00</td>
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<tr>
<td>Campus Public Safety Office</td>
<td>103.50</td>
<td>$2,311,249.00</td>
</tr>
<tr>
<td>Human Resources</td>
<td>90.45</td>
<td>$2,910,172.00</td>
</tr>
<tr>
<td>Office of Information Technologies</td>
<td>80.95</td>
<td>$16,924,332.00</td>
</tr>
<tr>
<td>Planning, Construction &amp; Real Estate</td>
<td>26.50</td>
<td>$23,778,857.00</td>
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<tr>
<td>Risk</td>
<td>30.76</td>
<td>$1,251,238.00</td>
</tr>
<tr>
<td>University Budget Office</td>
<td>11.00</td>
<td>$822,588.00</td>
</tr>
<tr>
<td>University Financial Services</td>
<td>6.00</td>
<td>$8,041,065.00</td>
</tr>
<tr>
<td>VP FADM Office</td>
<td>2.00</td>
<td>$632,920.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>442.48</td>
<td>$93,800,885.00</td>
</tr>
</tbody>
</table>

### Education and General Budget (data)

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Services</td>
<td>$212,907.00</td>
</tr>
<tr>
<td>Campus Public Safety Office</td>
<td>$2,311,249.00</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$2,910,172.00</td>
</tr>
<tr>
<td>Office of Information Technologies</td>
<td>$16,924,332.00</td>
</tr>
<tr>
<td>Planning, Construction &amp; Real Estate</td>
<td>$23,778,857.00</td>
</tr>
<tr>
<td>Risk</td>
<td>$1,251,238.00</td>
</tr>
<tr>
<td>University Budget Office</td>
<td>$822,588.00</td>
</tr>
<tr>
<td>University Financial Services</td>
<td>$7,813,917.00</td>
</tr>
<tr>
<td>VP FADM Office</td>
<td>$632,920.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$42,943,424.00</td>
</tr>
</tbody>
</table>

### All Funds Budget (graph)

- University Financial Services: 9%
- VP FADM Office: 1%
- University Budget Office: 1%
- Risk: 1%
- Planning, Construction & Real Estate: 25%
- Office of Information Technologies: 18%
- Human Resources: 3%
- Campus Public Safety Office: 40%

### Education and General Budget (graph)

- University Financial Services: 18%
- VP FADM Office: 1%
- Auxiliary Services: 1%
- Campus Public Safety Office: 5%
- Human Resources: 7%
- Office of Information Technologies: 35%
- Planning, Construction & Real Estate: 28%
- Risk: 3%
- University Budget Office: 2%
## PSU’s E&G Revenues and Expenditures

<table>
<thead>
<tr>
<th>Account Category</th>
<th>2009</th>
<th>$ per FTE - 2009</th>
<th>2010</th>
<th>$ per FTE - 2010</th>
<th>2011</th>
<th>$ per FTE - 2011</th>
<th>2012</th>
<th>$ per FTE - 2012</th>
<th>2013</th>
<th>$ per FTE - 2013</th>
<th>2014 Adopted Budget</th>
<th>$ per FTE - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E&amp;G Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Tuition and Fees</td>
<td>$147,447,710</td>
<td>$ 8,211</td>
<td>$172,283,691</td>
<td>$ 9,005</td>
<td>$184,923,402</td>
<td>$ 9,501</td>
<td>$193,909,538</td>
<td>$10,005</td>
<td>$197,667,430</td>
<td>$10,344</td>
<td>$194,875,991</td>
<td>$10,198</td>
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<tr>
<td>State Allocation</td>
<td>71,722,804</td>
<td>3,994</td>
<td>68,630,709</td>
<td>3,587</td>
<td>70,656,272</td>
<td>3,630</td>
<td>54,295,004</td>
<td>2,802</td>
<td>53,988,262</td>
<td>2,825</td>
<td>56,726,312</td>
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<tr>
<td>State Allocation - Debt Service</td>
<td>-</td>
<td>-</td>
<td>556,018</td>
<td>29</td>
<td>1,513,041</td>
<td>78</td>
<td>2,153,799</td>
<td>111</td>
<td>2,254,380</td>
<td>118</td>
<td>1,890,357</td>
<td>99</td>
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<tr>
<td>Other Revenue</td>
<td>10,058,895</td>
<td>560</td>
<td>11,063,721</td>
<td>578</td>
<td>13,346,272</td>
<td>686</td>
<td>13,842,852</td>
<td>714</td>
<td>13,926,341</td>
<td>729</td>
<td>17,100,689</td>
<td>895</td>
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<tr>
<td>Transfers In</td>
<td>473,749</td>
<td>26</td>
<td>1,009,619</td>
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<td>878,666</td>
<td></td>
<td>704,785</td>
<td>36</td>
<td>1,145,650</td>
<td>60</td>
<td>699,109</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total E&amp;G Revenue</strong></td>
<td>$229,703,157</td>
<td>$12,792</td>
<td>$253,543,758</td>
<td>$13,253</td>
<td>$271,317,653</td>
<td>$13,940</td>
<td>$264,905,978</td>
<td>$13,669</td>
<td>$268,982,063</td>
<td>$14,075</td>
<td>$271,300,458</td>
<td>$14,197</td>
</tr>
<tr>
<td><strong>E&amp;G Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary &amp; Wages</td>
<td>$123,139,432</td>
<td>$6,858</td>
<td>$125,548,194</td>
<td>$6,562</td>
<td>$135,083,854</td>
<td>$6,940</td>
<td>$141,799,011</td>
<td>$7,317</td>
<td>$148,154,299</td>
<td>$7,753</td>
<td>$156,745,597</td>
<td>$8,202</td>
</tr>
<tr>
<td>PEBB</td>
<td>21,167,145</td>
<td>1,179</td>
<td>22,090,036</td>
<td>1,155</td>
<td>24,549,775</td>
<td>1,261</td>
<td>25,811,737</td>
<td>1,332</td>
<td>25,777,112</td>
<td>1,349</td>
<td>28,847,348</td>
<td>1,510</td>
</tr>
<tr>
<td>PERS</td>
<td>19,092,264</td>
<td>1,063</td>
<td>15,363,028</td>
<td>803</td>
<td>16,799,862</td>
<td>863</td>
<td>23,162,586</td>
<td>1,195</td>
<td>24,804,041</td>
<td>1,298</td>
<td>24,726,132</td>
<td>1,294</td>
</tr>
<tr>
<td>GA Fee Remissions</td>
<td>5,127,068</td>
<td>286</td>
<td>6,075,076</td>
<td>318</td>
<td>6,655,088</td>
<td>342</td>
<td>6,601,368</td>
<td>341</td>
<td>6,385,808</td>
<td>334</td>
<td>6,597,294</td>
<td>345</td>
</tr>
<tr>
<td>Other OPE</td>
<td>10,100,463</td>
<td>562</td>
<td>9,884,001</td>
<td>522</td>
<td>10,653,570</td>
<td>547</td>
<td>11,381,098</td>
<td>587</td>
<td>11,635,198</td>
<td>609</td>
<td>12,774,501</td>
<td>668</td>
</tr>
<tr>
<td><strong>Total E&amp;G Expenditures and Net Transfer</strong></td>
<td>$235,207,055</td>
<td>$13,099</td>
<td>$240,013,742</td>
<td>$12,545</td>
<td>$252,634,374</td>
<td>$12,980</td>
<td>$268,730,360</td>
<td>$13,866</td>
<td>$285,333,605</td>
<td>$14,931</td>
<td>$282,926,832</td>
<td>$14,805</td>
</tr>
<tr>
<td><strong>Net from Operations</strong></td>
<td>$ (5,503,897)</td>
<td>$(307)</td>
<td>$ 13,530,016</td>
<td>$ 707</td>
<td>$ 18,683,278</td>
<td>$ 960</td>
<td>$ (3,824,382)</td>
<td>$(197)</td>
<td>$ (16,351,543)</td>
<td>$(856)</td>
<td>$(11,626,374)</td>
<td>$(608)</td>
</tr>
</tbody>
</table>
E&G Net from Operations Overlay with Student Enrollment (FTE)

8.5% resident undergrad tuition increase

Note: 2014 FTE is planned level

Federal ARRA Stimulus Funds Provided

2009 2010 2011 2012 2013 2014

Millions of Dollars

Student FTE

2009 2010 2011 2012 2013 2014

Note: 2014 FTE is planned level
Decrease in State Contribution - $15M

Increase in PEBB and PERS Costs - $13.3M

Increase in Salary and Wage costs - $33.6M

Increase in Net Tuition and Fees - $47.4M

Net Structural Problem = $14.5M
## 5-Year Forecast

### 2011-13 Biennium

<table>
<thead>
<tr>
<th>FY13 Actual</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>$49,933,896</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Tuition and Fees</td>
<td>$213,194,649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Fee Remissions</td>
<td>$(15,527,219)</td>
<td>$(16,900,000)</td>
<td>$(16,900,000)</td>
<td>7.9%</td>
</tr>
<tr>
<td>Net Tuition, Fees and Other Student Charges</td>
<td>$197,667,430</td>
<td>$194,861,336</td>
<td>$198,052,498</td>
<td>7.6%</td>
</tr>
<tr>
<td>State General Fund</td>
<td>$53,988,262</td>
<td>$55,907,870</td>
<td>$57,328,338</td>
<td>7.2%</td>
</tr>
<tr>
<td>Tuition Buydown</td>
<td>$17,326,371</td>
<td>$818,442</td>
<td>$1,636,884</td>
<td>7.6%</td>
</tr>
<tr>
<td>Other (SELF, F&amp;A Recovery, misc. income, transfers in etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues &amp; Transfers In</strong></td>
<td>$268,982,063</td>
<td>$271,300,458</td>
<td>$276,258,598</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$213,211,619</td>
<td>$229,690,872</td>
<td>$235,666,000</td>
<td>2.1%</td>
</tr>
<tr>
<td>Operating Expenses &amp; Transfers Out</td>
<td>$56,651,329</td>
<td>$53,235,960</td>
<td>$55,660,459</td>
<td>2.5%</td>
</tr>
<tr>
<td>Expenditure Reduction</td>
<td></td>
<td></td>
<td>$(15,067,860)</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total Expenditures &amp; Transfers Out</strong></td>
<td>$269,862,948</td>
<td>$282,926,832</td>
<td>$276,258,599</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Net from Operations and Transfers</strong></td>
<td>$(880,885)</td>
<td>$(11,626,374)</td>
<td>$(2,100,000)</td>
<td>$(1,100,000)</td>
</tr>
<tr>
<td>One-time bad debt adjustment (OUS policy change)</td>
<td>$(7,006,274)</td>
<td></td>
<td></td>
<td>$(600,000)</td>
</tr>
<tr>
<td>Use of Fund Balance for one-time items</td>
<td>$(8,464,383)</td>
<td></td>
<td></td>
<td>$(4,200,000)</td>
</tr>
<tr>
<td>Estimated Unexpended Current Year Budget (Carryforward)</td>
<td>$4,600,000</td>
<td>$4,000,000</td>
<td>$3,700,000</td>
<td>$3,400,000</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
<td>$(16,351,542)</td>
<td>$(11,226,374)</td>
<td>$1,900,000</td>
<td>$529,914</td>
</tr>
<tr>
<td>% of Expenditures</td>
<td>-4.0%</td>
<td>0.7%</td>
<td>0.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$33,582,354</td>
<td>$22,355,980</td>
<td>$24,255,980</td>
<td>$24,785,894</td>
</tr>
<tr>
<td><strong>Fund Balance as % Operating Revenues</strong></td>
<td>12.5%</td>
<td>8.2%</td>
<td>8.8%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>
Performance Based Budgeting (PBB)

A budget model that allows units to experience the economic impact of financial decisions, and attempts to incentivize good financial decision making.
Performance Based Budgeting at PSU (PBB “lite”) 

- Performance requirements for every unit
  - Fiscal year 2015 will reflect decrease of structural deficit

- “Trueing-up” at end of fiscal year
  a) Meet requirement
  b) Exceed requirement
  c) Fail to meet requirement
Revenue and Cost Attribution Tool (RCAT)

- Financial decision making tool
- Promotes fact-based decision making
The “RCAT”
Budget Process

• President’s Executive Committee planning and process development – summer and fall
• Enrollment planning – October
• Budget development – December to May
• Tuition set – February
• Board Approval – June
• Budgets loaded – July 1
Board Approvals

- Tuition
- Capital Review Request Approval
- Financial Performance Review
- Operating Budget
Capital Projects and Physical Operations and Maintenance
Space Planning, Renovations and Small Projects

- Approximately 75 projects occurring at any time

- Project types include:
  - Space planning for departments who want to move, renovate or reconfigure space
  - Build outs of new or vacant space
  - Renovations and alterations to accommodate programmatic or organizational changes
  - Small projects such as the installation of furniture and fixtures, the replacement of flooring and window treatments and painting
Facilities and Property Operations and Maintenance

● Staff: 42 full-time, 24 student employees and 84 contracted custodial staff

● $7.2 million budget for E&G space (2.4 million SF)

● 25,000 service requests and inquiries per year

● Most work is reactive and preventative maintenance on building systems and equipment, landscape maintenance, lockshop services and custodial services
Goals:
1. Optimize land use to accommodate growth in a quality and livable learning environment
2. Accommodate growth, emphasize distinctiveness, while integrating with city
3. Maximize connectivity
4. Capitalize & enhance Portland urban experience
5. Leverage partnerships

Elements:
• 7 million new square feet (PSU & non-PSU)
• Integration of PSU and non-PSU uses
• EcoDistrict and green streets
• Imaginative and appropriately-scaled design
• Urban, not Institutional, character
• Capacity for research growth
• Supportive environment for students
• Emphasis on preservation and reuse
Current and Recent Large Capital Projects

- $297 million Collaborative Life Sciences Building
  -$51 million of which is associated with PSU

- $44 million renovation of the Science Research and Teaching Center (formerly Science Building Two)

- $7 million renovation of Blumel Hall (formerly West Hall)

- $4 million renovation of Parking One

- $3.6 million glass tower addition to Lincoln Hall
PSU’s capital budget consists of bond sales approved by the Oregon Legislature, generally on a biennial basis, plus gifts raised for capital projects, and infrequently, state and federal grants.

Capital budget planning and advocacy is a two year process ending in June (approximately) of odd numbered years.
“Integrated planning is the linking of vision, priorities, people, and the physical institution in a flexible system of evaluation, decision-making, and action.”

-- Society for College and University Planning

A transparent and inclusive integrated planning process has been developed at PSU to prioritize capital projects. A capital advisory committee with representation from across the university meets monthly and is charged with, among other things, prioritizing PSU’s capital projects.
Capital Budget

Subcommittees of the Capital Advisory Committee (CAC)

- Deferred & Preventative Maintenance
- Student Space
- Academic and Research Space
- Standards
- Space Allocation

CAC
Capital Planning Process

PSU’s campus planning office develops a list of dozens of project ideas with input from leadership from all schools, colleges and administrative units.
Project Idea Development
Project ideas solicited from all schools, colleges and units.

Staff Assessment
Staff assess opportunities, space needs, deferred maintenance, fundraising potential, and physical implications and limitations.

Preliminary Review and Grouping by CAC
A review of all ideas and grouping of them based on a variety of factors.

Project Scope Development
Project scope options developed for project ideas in group ‘A’.

Approval by CAC as Recommendation to Excom and President
AC determines if project should be recommended, and if so, its priority among other capital projects.

Final Approval by Excom and President
Bonds will be sold in spring 2015.

Business School and Stott Center projects may start in advance of the bond sale if there is high confidence that necessary funds will be in hand at the time of the bond sale.
State backed bonds that PSU pays back

11-F bonds

- Generally used for self-support uses such as campus recreation, health services, parking, housing, and commercial space.
- Legislature generally approves projects that are fully funded with these bonds.
- Have been used in the past to acquire buildings because these bonds are easier and quicker to attain.
- Bonds are sold as early as a few months after legislative approval of a project.
State backed bonds that the state pays back

11-G, 11-Q, and Lottery bonds

- Availability of 11-Q and Lottery bonds for higher education projects is unreliable and can not be predicted. These two bond types do not require a cash match.
- 11-G bonds require a cash match which may not be borrowed funds.
- Bonds are sold approximately 21 months after legislative approval of a project.
Cash

- Most common source is gifts.
- Grants and university funds may be used.
- In addition to being spent on the project, cash is often used as the match for any 11-G bonds requested.
- To be used as a match, cash needs to be in hand at the time of the bond sale.
- Cash spent before the bond sale, but after legislative approval, counts as part of the ‘cash in hand’.
# Debt Profile

## Portland State University Debt Profile

<table>
<thead>
<tr>
<th>Responsible Party</th>
<th>Debt Type</th>
<th>At June 30 2013</th>
<th>State or OUS Obligation</th>
<th>PSU Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Obligation of State of Oregon</td>
<td>OR State Lottery Bonds</td>
<td>$19,788,571</td>
<td>$19,788,571</td>
<td>$0</td>
</tr>
<tr>
<td>2 Obligation of State of Oregon</td>
<td>OR State XI-G Bonds</td>
<td>$97,142,078</td>
<td>$97,142,078</td>
<td>$0</td>
</tr>
<tr>
<td>3 Obligation of State of Oregon</td>
<td>OR State COPs</td>
<td>$15,873,000</td>
<td>$15,873,000</td>
<td>$0</td>
</tr>
<tr>
<td>4 Obligation of PSU General Fund</td>
<td>E&amp;G COPs (Instr. &amp; Tech)</td>
<td>$1,957,214</td>
<td>$0</td>
<td>$1,957,214</td>
</tr>
<tr>
<td>5 Obligation of PSU Auxiliary Services</td>
<td>AUX COPs (MCB)</td>
<td>$23,305,000</td>
<td>$0</td>
<td>$23,305,000</td>
</tr>
<tr>
<td>6 Obligation of PSU Auxiliary Services</td>
<td>AUX ODE SELP Loans</td>
<td>$1,122,474</td>
<td>$0</td>
<td>$1,122,474</td>
</tr>
<tr>
<td>7 Obligation of PSU Auxiliary Services</td>
<td>AUX XI-F Accredited interest &amp; Internal Bank Loans</td>
<td>$148,553,294</td>
<td>$0</td>
<td>$148,553,294</td>
</tr>
<tr>
<td>8 Obligation of PSU Broadway Housing LLC &amp; PSU through Security Agreement (2008 Bonds)*</td>
<td>AUX Broadway Bldg on Credit Debt</td>
<td>$45,270,000</td>
<td>$0</td>
<td>$45,270,000</td>
</tr>
<tr>
<td>9 Obligation of PSU General Fund (Portion are state energy trust)</td>
<td>E&amp;G ODE SELP Loans</td>
<td>$44,070,778.47</td>
<td>$26,082,227</td>
<td>$17,988,551.77</td>
</tr>
<tr>
<td>10 Obligation of OUS Building Fee Fund**</td>
<td>Student Building Fee XI-F</td>
<td>$25,816,790</td>
<td>$25,816,790</td>
<td>$0</td>
</tr>
<tr>
<td>11 Obligation of State of Oregon</td>
<td>Q Bond Issue</td>
<td>$3,359,911</td>
<td>$3,359,911</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Outstanding Debt Liability</strong></td>
<td></td>
<td>$426,259,112</td>
<td>$188,062,578</td>
<td>$238,196,535</td>
</tr>
<tr>
<td><strong>Total Debt Less Broadway on Credit Debt</strong></td>
<td></td>
<td>$380,989,112</td>
<td>$192,926,535</td>
<td>$192,926,535</td>
</tr>
</tbody>
</table>

*While this debt arrangement is off balance sheet, under the bond indenture agreement with Broadway Housing LLC, this debt is on the credit of the University

**After the dissolution of OUS, Student building fee debt payments will be made by the University and not OUS on behalf of the University
Questions and Issues

• PSU has had limited success raising funds for capital projects and has relied heavily on unreliable funding sources (such as XI-Q and Lottery bonds) or on its own debt.

• PSU has more deferred maintenance than any other OUS institution, and nearly twice as much per square foot than the average among institutions.

• PSU’s greatest capital needs may be to address its DM backlog and to renovate spaces to accommodate changing pedagogy, both of which are difficult to raise money for or to acquire bonds in which the state pays back.
Other Issues for the Board to be aware of...

1. Aging IT infrastructure
2. Complexity of personnel environment (collective bargaining)
3. In general, regulatory mandates

Essential Issues for Operating Budget

• Decrease in State support
• Increase in costs (we don’t control)
• Structural deficit and plan for correction
• New environment re: market

Essential Issues for Capital

• Increased Deferred Maintenance (DM)
• Access to capital markets
• State philanthropy
PSU Board of Trustees

Research and Strategic Partnerships

Jonathan Fink
VP for Research and Strategic Partnerships
December 11, 2013
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**
  - *Intel, Mentor Graphics, Tech. Assoc. of Oregon, startups*
- **Environmental science**
  - *USGS, USFS, BPA, Nature Conservancy, Smithsonian, ODOT*
- **STEM Education**
  - *Portland Public Schools, OHSU, State of Oregon, STEM Council*
Brief history of research at PSU

• Research not part of original mission of PSU
• 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
• Miller gift solidified PSU’s sustainability credentials
• Dr. Maseeh’s investments propelled engineering, math
Research administration at PSU

- In 2010, RSP reporting shifted to President’s office
- Fink recruited in 2010 from Arizona State
- PSU P.I. Mark Sytsma hired as AVP in 2011
- Strategic Partnerships office added in 2011
- Five consulting teams brought in 2010-2012
- Pre- and post-award offices merged in 2012
- Technology transfer office created in 2008
- Research compliance office strengthened in 2012
- Interdisciplinary Centers, Institutes report to RSP
Strategic Partnerships (SP)

- Portland’s EcDev head, Erin Flynn, became AVP in 2011
- SP coordinates innovation agenda with MCECS and SBA
- SP manages Portland State Business Accelerator
- Oversees largest partnerships: OHSU, Intel, Portland
- Analyzes cross-college research opportunities like aging, early childhood, energy, transportation, STEM
- Flynn now Chairs Oregon Business Development Council
Total Expenditures

Long Term Increase ~$2M per year

Avg increase 17% over 3 years

31% increase

FY 2002 $25.2
FY 2003 $27.3
FY 2004 $28.2
FY 2005 $31.5
FY 2006 $32.9
FY 2007 $37.2
FY 2008 $40.3
FY 2009 $53.0
FY 2010 $58.2
FY 2011 $64.9
FY 2012 $67.4
FY 2013 $59.7
Why did PSU expenditures go up?

- Federal stimulus funds from 2008-2011
  - Award rates went up dramatically at all agencies
  - Special programs were created
- PSU got “earmarks” for nanotech and transportation
- CLAS made large investments in Chemistry Department
  - New research-active faculty recruited in 2005-2008
  - Got grants in 2007-2010
- $25M Miller matching grant for sustainability
- Partnerships with OHSU expanded
Why did growth slow?

- Federal stimulus funds ended in 2011
- Federal earmarks ended in 2011
- Sequestration in 2013 further slashed federal funds
- PSU hiring fewer mid-level, research-active faculty
- Earlier mid-level hires saturated with grant funds
- RSP flexible funds filled CLAS budget gap in FY11
What is current status?

- Improved research administrative support across PSU
- Many recent faculty hires are more research active
- Strategic Partnerships opening funding opportunities
- Entrepreneurial activity growing on campus and off
- Stronger OHSU partnership leading to joint funding
- Industry agreements and collaborations expanding
- URA will support Multnomah County partnership
- University Advancement helps grow foundation support
Discussion questions

1. How much research do we want, and can we afford?
2. How much of PSU’s reputation depends on research?
3. Can we be the best urban-serving research university?
4. Can PSU drive Portland’s entrepreneurial economy?
5. How can we compete for larger center-style grants?
6. Can we promote “Oregon’s 4 research universities”?
7. How do we engage undergraduates in research?
Mission

- Promote the University’s mission, build relationships, and secure private funding.

Vision

- A large number of constituents move to extraordinary levels of engagement, advocacy, and philanthropic support.
Basis for Success: Major Gifts

- $100,000+
- Record $20.2 million in major gifts raised in fiscal year 2013
Who Gives at PSU?

- Alumni & Former Students: 61%
- Friends: 23%
- Faculty, Staff & Current Students: 7%
- Foundations & Corporations: 7%
- Other Organizations: 2%
Comprehensive Campaign

Major Comprehensive Campaign
$300 million

Grow With Us
School of Business Administration Building
($20 million)

Creating Futures Scholarship
($50 million)

Viking Pavilion and Academic Center
($25 million)

$13.8 million 69.4% of goal

$22.2 million 44.4% of goal

$10.1 million 40.6% of goal
The Need for a Scholarship Campaign: Endowment Size

- OSU: $151,000,000
- U of O: $134,500,000
- PSU: $20,500,000
All Prospects by Capacity & Attachment

The screening process uncovered more than 128,000 prospects with giving capacity in the $25K+ range. Of these, the vast majority have very low (72%) or low (14%) attachment.

<table>
<thead>
<tr>
<th>Capacity</th>
<th>High Attachment</th>
<th>Medium Attachment</th>
<th>Low Attachment</th>
<th>Very Low Attachment</th>
<th>Total Prospects</th>
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</thead>
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<tr>
<td>$50M+</td>
<td>1</td>
<td>0</td>
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<tr>
<td>$25M-$25M</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>11</td>
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<tr>
<td>$10M-$25M</td>
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<td>1</td>
<td>7</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
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<td>610</td>
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<tr>
<td>$250K-$500K</td>
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<td>1,206</td>
<td>1,711</td>
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<tr>
<td>$100K-$250K</td>
<td>2,631</td>
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<td>4,783</td>
<td>20,079</td>
<td>30,405</td>
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<tr>
<td>$50K-$100K</td>
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<td>3,744</td>
<td>6,659</td>
<td>36,034</td>
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<td>3,383</td>
<td>27,749</td>
<td>33,945</td>
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<tr>
<td><strong>Total Prospects</strong></td>
<td><strong>8,931</strong></td>
<td><strong>9,797</strong></td>
<td><strong>17,446</strong></td>
<td><strong>92,118</strong></td>
<td><strong>128,292</strong></td>
</tr>
</tbody>
</table>

7% of all prospects
7.6% of all prospects
13.6% of all prospects
71.8% of all prospects
A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I. To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II. To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.

III. To have access to the organization’s most recent financial statements.

IV. To be assured their gifts will be used for the purposes for which they were given.

V. To receive appropriate acknowledgement and recognition.

VI. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY
Association of Fundraising Professionals (AFP)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Giving Institute: Leading Consultants to Non-Profits

ENDORSED BY
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America
A strong culture of philanthropy is a major component of financial stability.
PSU Foundation

Connecting Campus and Community

December 12, 2013
PSU Foundation

- Formed in 1963
- Organized under Oregon law as a public benefit (nonprofit) corporation
- Granted Section 501(c)(3) tax exempt status by Internal Revenue Service
- Governed by 32 member Board of Trustees
- Recognized by PSU as the University’s sole foundation
Foundation’s Overarching Goal

Fulfill the University’s vision to become a leading public university known for excellence in student learning, innovative research, and community engagement that contributes to the economic vitality, sustainability, and quality of life in the Portland region and beyond.

Foundation’s Mission

Enhance the development of Portland State University through our relationships, resources and guidance.
Foundation’s Critical Roles

- **Financial Stewardship**
  - Financial and business services
  - Investment management of all Foundation assets

- **Build Resources**
  - “Give and get” direct contributions for PSU fundraising initiatives
  - Volunteer support for PSU fundraising initiatives
  - Manage real estate holdings

- **Advocacy**
  - Engagement with schools and on-campus programs
  - Promotion of PSU initiatives at all levels of government
Foundation’s Business Services

- **Gift Processing**: Receive all gifts contributed to PSU
- **Tax Receipts**: Issue tax receipts acknowledging the gifts
- **Account Management**: Administer the accounts to track the gift designations
- **Asset Management**: Invest and manage all funds and related assets
- **Distributions**: Disburse funds to designated University activities
- **Record Keeping**: Maintain timely records of all accounts and each transaction
- **Reporting and Disclosure**: Issue periodic reports
Foundation’s Business Services (2012-2013)

- Processed 12,831 gifts to the University
- Administered over 2,021 separate accounts
- Managed assets in excess of $122 million
- Distributed $19.3 million to, or on behalf of, the University
- Paid $103,687 from management fees to University Advancement
Foundation’s Revenue Model

- **Gift Management Fees** – 5 percent fee on all donations and other revenue
  - Generated $647,540 in management fee revenue in FY2012-2013

- **Earnings on Expendable Funds** – Retain all income earned on expendable funds
  - Earned $115,623 from the earnings on these funds in FY2012-2013

- **Endowment Fees** – 1.5 percent charged on all endowed accounts
  - Generated $582,846 in endowment fees in FY2012-2013

- **Broadway Housing Management** – 3 percent of the rental income
  - For FY2012-2013, the Foundation earned $164,955 from these rents

- **Financial support from the University** – PSU pays the Foundation $150,000 each year plus PSU provides rent-free office space for the Foundation, valued at $61,250
Foundation’s Key Assets
(audited as of June 30, 2013)

- Short-term funds
  - $26,312,977

- Charitable trusts and annuities
  - $2,051,544

- Endowment (long-term funds)
  - $44,235,960

- Real estate
  - $36,543,411
# Strategic Plan 2013 – 2016

## Overarching Goal

Fulfill the University’s vision to become a leading public urban university known for excellence in student learning, innovative research, and community engagement that contributes to the economic vitality, sustainability, and quality of life in the Portland region and beyond.

## Mission

Enhance the development of Portland State University through our relationships, resources, and guidance.

## Core Values

**Fidelity**
- Acting as a fiduciary with accuracy in every detail, judicious legal compliance, and loyalty to PSU’s mission

**Integrity**
- Honesty in every act and candor in every communication

**Respect**
- Esteem for every individual and a conscious regard for the value of a diverse community

**Engagement**
- Prone to take action, receptive to change, engaged with PSU, and committed to achievement

## Critical Roles

**Financial Stewardship**
- Assuring timely and accurate financial services and reporting and the prudent management of all funds entrusted to the Foundation

**Build Resources**
- From the ranks of its Board of Trustees, providing exemplary leadership, volunteer support, and meaningful financial contributions to PSU fundraising and resource development

**Advocacy**
- Promoting the interests and objectives of PSU within the campus, across the community, and throughout the state with informed, reliable communication and trusted relationships

## Challenges Ahead

- The University’s new governance model may bring greater scrutiny and unforeseen challenges to the Foundation
- PSU’s campaigns promise a substantial and sustained increase in the volume of gifts and an expanded role for the Foundation

## Strategic Goals

- Ensure excellence in financial services, analytics, and reporting
- Maximize the long-term performance of the Foundation’s asset base and support endowment growth
- Be an active participant and catalyst in PSU’s fundraising and advocacy
- Ensure ongoing Board and Staff effectiveness
- Raise the profile and influence of the Foundation within the campus and community

## Key Initiatives

1. **Implement Quality Systems/Lean Principles**
2. **Align Training for Excellence**
3. **Enhance IT Services**
4. **Establish Risk Assessment and Best Management Practices**
5. **Support and Promote PSU’s Planned Giving**
6. **Explore Alternative Means to Build the Asset base**
7. **Train Trustees for Critical Skills**
8. **Build Relationships**
9. **Engage in PSU Fundraising**
10. **Improve the Organization and its Processes**
11. **Train and Execute**
12. **Recruit and Engage Strategically**
13. **Develop Communications Plan**
14. **Expand Community Outreach**
15. **Enhance On-Campus Presence**
Foundation’s Strategic Goals

- Ensure excellence in financial services, analytics, and reporting
- Maximize the long-term performance of the Foundation’s asset base and support endowment growth
- Be an active participant and catalyst in PSU’s fundraising and advocacy
- Ensure ongoing Board and Staff effectiveness
- Raise the profile and influence of the Foundation within the campus and the community
Thank you for your service!