University Wide Budget Meeting

April 15, 2009
Agenda

I. Overview of State Budget Process
   2009-11
   Wiewel

II. Progress Report on Campus Budget Planning
    2009-10
    VP Lindsay Desrochers

III. Long Term Strategies: Report on LTIFS
     Dean Marvin Kaiser
President Wim Wiewel

Since we last met in January:

- Engaged with State Legislators, Governor, OUS Board, Chancellor, and press on OUS/PSU budget picture

- State fiscal circumstances are still severe. Current shortfall in revenues: About $713m. Projected shortfall 2009/11: About $3b and growing

- State Economist will revise state revenue picture in late May - up to an additional $2b may be projected
President Wim Wiewel

• Took reductions of 5% at OUS and PSU (in addition to 1% in January) - Using principles protecting core mission

• OUS and PSU instituted voluntary 4.6% FTE reduction for senior leadership

• State Legislature requested agencies to develop 30% budget reduction scenario

But Also…
President Wim Wiewel

Recent OUS Board and President’s discussions on 2009-11 Budget Planning include strategies such as:

• Assess low enrollment courses and programs
• Develop common admissions and referral
• Evaluate conversion to semesters
• Protect core mission of teaching and research in budget reductions: consequences for public service
• Balance budget reductions with tuition increase and return to aid strategies

The Legislature is now beginning a review of Governor’s Budget and agency proposals……a process that will continue through June (at least).
PRINCIPLES

Budget planning will be:

• Conducted in a deliberative, participatory and transparent manner

• Balanced, recognizing the important role of academic and administrative support in promoting student success, faculty productivity and overall program quality

• Based on programmatic contributions to one or more of the five guiding themes and the associated initiatives, including: provide civic leadership, improve student success, achieve global excellence, enhance educational opportunity and expand resources and improve effectiveness

• Recognize the need to support the faculty and staff who are key to advancing the five guiding themes.
Budget planning will be (continued):

• Recognize the primacy of instruction and research.

• Support policies that increase revenue streams justified by the market and mitigate actions that impact student access.

• Address the immediate, short-term budget issues while ensuring that the University emerges in the strongest possible position to lead higher education in the Portland metropolitan region in the long term.

• Acknowledge that local administrators are in the best position to recommend allocations within their units but recognize the ultimate budget authority of the President.
Some Good News:

• State Stimulus Bill: $29 M to PSU for capital projects  
  (Campus Loop II, Cramer Classroom/Restroom, Neuberger Hall, Art Bldg., Lincoln Hall)

• Federal Economic Stimulus Bill with substantial funds to State to ameliorate crisis impacts

• Long Term Institutional Fiscal Strategies Committee (LTIFS) created for generating “big ideas”

• Continued private fundraising

• Opportunities in partnerships
Budget Planning - Update
2009-10

April 15, 2009

Portland State University
V.P. Lindsay Desrochers  
Campus Budget Planning 2009-10  

Since we last met in January:  

• Ongoing meetings with campus stakeholders including the Faculty Senate Budget Committee, Student Leadership, Union Leaders, Council of Academic Deans, FADM Council, and others  

• Impacts of possible reduction levels are being examined  

• Our goal is to meet the requirements of the State with a combination of new revenues and strategic reductions - quality is imperative
V.P. Lindsay Desrochers  
Campus Budget Planning 2009-10 continued:

• Campus’ Formal Budget Process is underway
  • All units prepared 7.5 and 12.5% reduction scenarios representing $14.2m or 18% of state appropriation.
  • University Budget Team now evaluating scenarios in meetings with unit managers

• 2009-10 Budget Reduction Scenarios:
  • 30% state reduction is extreme: could be up to $38m. Unlikely scenario.
  • 20% state reduction is very possible. At this level $28m must be identified to meet rolled up base budget & financial aid (out of $234m E & G Budget)
  • Philosophy will be to take balanced approach to sharing this pain and retaining quality will be foremost
V.P. Lindsay Desrochers  
Campus Budget Planning 2009-10 continued

• Tuition increases: 13% resident undergraduate with 10% increases for graduate & non residents

• Various types of differential tuition under consideration.

• Salaries will likely be affected. State very likely to call for a 4.6% across the board salary reduction (sliding scale may apply).

• Overhead charges for Auxiliaries and Self Support will increase
V.P. Lindsay Desrochers
Campus Budget Planning 2009-10 continued…

• Reductions in Staff & Faculty will still be necessary:
  
  • Unit planning has produced about 120 FTE (out of 3500)
  
  • 20% Scenario w/ tuition increases/other cuts would mean more like 40 to 50 FTE (vacancies & current)

• Other measures to preserve $’s will include campus closures during the holidays and reductions of space, equipment, travel, etc.
Dean Marvin Kaiser

- Charge of the Long Term Institutional Fiscal Strategies Committee (LTIFS)

- Committee Membership

- Initial Issues and Recommendations, Voluntary “FTE” Reduction Extension, Differential Tuition

- Process for Community Input
Questions?

Email your feedback to:

budgetcomments@pdx.edu

For these documents and updates on the budget process go to:

www.pdx.edu/budget/