

Office of Academic Affairs

Post Office Box 751
Portland, Oregon 97207-0751
1600 SW Fourth Avenue
Suite 850

503-725-3422 tel
503-725-5262 fax
www.pdx.edu/oaa

Date: February 18, 2010

To: Members of the Council of Academic Deans

From: Roy Koch, Provost and Vice President for Academic Affairs
Carol Mack, Vice Provost for Academic Administration and Planning

Cc: President Wim Wiewel, Vice President Lindsay Desrochers, Interim Vice President Dick Knight, General Counsel Henry Lazenby, Chief of Staff Lois Davis, and Budget Director Michael Fung

Re: Development and Submission of 2010-2011 Budgets

Context and Objective

At this time, we are asking you to proceed with our annual planning and budget development process. The context, objective, and instructions follow. We will be sending further information as it becomes available, especially as it relates to the conclusion of the current legislative session and related outcomes for OUS and Portland State.

A memo summarizing the current fiscal context and a timeline for our upcoming campus-wide budget process are attached (*see 2010-11 Budget Development Memo from VP Koch and Desrochers 2-9-10 and 2010-11 Budget Development Timelines 2-9-10*). Sometime in early March, the President will meet with the campus community to provide further information related to the (a) context for State planning based on the latest revenue forecast and the outcomes of the legislative session; and (b) a framework for Portland State's budget planning process.

The primary objective of our budget planning process is to allocate funding in a way that maximizes Portland State's ability to carry out its mission, with an eye toward the future. Specifically, we will seek to serve the 2010-11 enrollment demands and focus on our ability to provide civic leadership, improve student success, achieve global excellence, enhance educational opportunity, and expand resources and improve effectiveness.

2010-11 Beginning Budget

In planning for the 2010-2011 academic year, academic units should assume a starting budget that is the aggregate of:

- The 2009-10 base budget,
- The permanent allocation made from the 2009-10 enrollment funding, and
- The one time enrollment allocation made in 2009-10 to address enrollment increases (less the impact of any permanent enrollment allocation).

With this allocation, academic units are expected to at least meet the 2009-10 enrollment levels.

Enrollment Growth

In addition to continuing the 2009-10 enrollment levels, we expect to see enrollment growth of at least 3% in 2010-11. We will not permanently allocate any of this enrollment revenue in 2010-11 but will use as much as is required to meet the additional enrollment demands. Decisions regarding permanent allocation will be informed by the guidance from the Financial Futures Framework Committee being appointed by the President and co-chaired by the Provost and Vice President for Finance and Administration.

Strategic Investments

Given that our enrollments in winter and spring terms were higher than anticipated in the fall and assuming that the outcomes of the special legislative session require no further budget reductions, we calculate that there are funds above the base level available to be allocated for the 2010-2011 academic year. The University Budget Team will carefully consider the extent to which allocations should be made in light of significant uncertainty in the following biennium (2011-2013). Any allocations, whether ongoing or one-time, will be made to address institutional priorities:

1. Addressing compensation issues and other salary adjustments,
2. Supporting student success with a particular focus on improving retention and the overall student experience,
3. Enhancing the infrastructure required to expand institutional resources,
4. Supporting efforts to increase externally funded research, and
5. Rebuilding support services capacities.

Instructions for 2010-2011 Planning and Budget Development

(Note: Support units will complete Parts, 1, 4, and 6)

Part 1: Unit Plans

Updated plans are available at www.portfolio.pdx.edu (cursor on "PSU Portfolio Themes" then "Effectiveness and Resources", then "Unit Plans" to your unit).

Part 2: Student Credit Hour Projections (Use attached Templates for Parts 2 and 3 [Excel attachment])

Part 2a: Update of 2009-2010 SCH Projection

Part 2b: 2010-2011 Base Budget Projection

The following data are provided for your reference and/or convenience (see Data file for 2010-2011 SCH projection [Excel attachment]):

- Tab 1: Base Budget: The sum of the E&G Base Budget (Exhibit B), plus the permanent allocation made from the 2009-10 enrollment funding, and the one time enrollment allocation made in 2009-10 to address enrollment increases
- Tab 2: In-load credits by term by unit
 - Fall 2008 End of Term (EOT) SCH production by unit
 - Winter 2009 (EOT) SCH production by unit
 - Spring 2009 (EOT) SCH production by unit
 - 2008-2009 Grand total SCH production by unit
 - Fall 2009 (EOT) SCH production by unit
- Tab 3: Self-support credits by term by unit
 - Fall 2008 End of Term (EOT) SCH production by unit
 - Winter 2009 (EOT) SCH production by unit
 - Spring 2009 (EOT) SCH production by unit
 - 2008-2009 Grand total SCH production by unit
 - Fall 2009 (EOT) SCH production by unit
- Tab 4: Total credits by term by unit
 - Fall 2008 End of Term (EOT) SCH production by unit
 - Winter 2009 (EOT) SCH production by unit
 - Spring 2009 (EOT) SCH production by unit
 - 2008-2009 Grand total SCH production by unit
 - Fall 2009 (EOT) SCH production by unit

Directions for (2a): Using the attached file, *Templates for Parts 2a and 2b: SCH Templates for 2010-11 Budget Development*, fill out section 2a of the Excel spreadsheet to update your 2009-2010 three-term student credit hour projections. Refer to the attached *Data file for 2010-11 SCH projection Tabs 2 through 4* as needed (*Excel attachment*).

Directions for (2b): Using the attached file, *Templates for Parts 2a and 2b: SCH Templates for 2010-11 Budget Development*, fill out section 2b of the Excel spreadsheet to project the number of student credit hours that your unit can generate given your base budget. The base budget dollar amount for your unit is provided in the *Data file for 2010-11 SCH projection (Tab 1)* and includes Exhibit B figures plus the permanent allocation made from the 2009-10 enrollment funding and the one time enrollment allocation made in 2009-10 to address enrollment increases. The Budget Office will roll up salaries and benefits to the appropriate 2010-2011 levels. Add to that amount any monies you have typically received from UNST to generate additional SCH. Your unit's projections should be based on:

- The number of faculty available to teach given your budget (including tenure-related, fixed-term faculty, and any adjuncts covered within your budget using salary savings, UNST allocations, etc.). Note that typical workloads include 24-27 credits for 1.0 FTE tenure-related faculty, 36 credits for 1.0 FTE fixed-term faculty, and 45 credits for 1.0 FTE of adjunct faculty.
- The average number of students in classes offered, using a 3-year history of course enrollments for these classes.
- The total number of credits/courses offered.

Note: Credit hours from Part 3a proposals, if any, should be included in your Part 2b Self-support projections. OAA will transfer the appropriate number of credits to in-load once budget decisions have been made.

Part 3: Proposals for Revenue-neutral Positions (Use attached *Templates for Parts 2 and 3 [Excel attachment]* and *Part 3a and/or 3b [Word attachment]*)

Part 3a: Self-support SCH Converted to In-load for 2009-2010

Part 3b: Other Revenue-neutral proposals, New Programs and Program Expansions

Proposals for additional funding should specifically address expenses, any revenue generated as a result of the investment, how the investment will support Portland State's leadership position and academic priorities, and how the investment supports the strategic priorities of the unit. It is our expectation that investments should be revenue-neutral as well as lead to at least one of the following outcomes:

- Investments will support our academic priorities, enhance the visibility and stature of Portland State, and generate additional resources.
- Investments will improve support services and administrative processes so that academic units can more effectively carry out their responsibilities and generate additional resources.

- Investments will improve the financial sustainability of the institution.

Directions for Part (3a): Self-support SCH Converted to In-load. If your unit wishes to propose moving self-support programs or courses in-load, enter the program SCH and funding request. Using the attached template, *Part 3a and/or 3b: Narrative for Proposals (Word attachment)*, address the criteria listed in the bullets above. **Remember that, for the time being, these credit hours should be included as part of your 2b self-support projections. OAA will transfer the appropriate number of credits to in-load once budget decisions have been made.**

Directions for Part (3b): Other Revenue-neutral Proposals, New Programs and Program Expansions. Enter the program SCH and funding request. Using the attached template, *Part 3a and/or 3b: Narrative for Proposals (Word attachment)*, address the criteria listed in the bullets above.

Part 4: Strategic Investments

Deans should be discussing potential investment possibilities with the Provost only as they apply to the areas listed below. Further instructions will be provided should we be in a position to consider proposing investments at the institutional level.

1. Addressing compensation issues and other salary adjustments,
2. Supporting student success with a particular focus on improving retention and the overall student experience,
3. Enhancing the infrastructure required to provide institutional services, and
4. Supporting efforts to increase externally funded research.

Part 5: Adjustments Required by Collective Bargaining Agreements

No adjustments are required for 2010-2011.

Part 6: Remodeling/Renovation Priorities

Because of the potential for unallocated one-time funds available for capital projects, we ask that you review your unit's previous requests, revise if necessary, and submit additional needs in priority order to continuing developing a running list for the campus.

Part 7: Budget Reduction Strategies

Not required at this time.

Timeline

Send your completed templates and narratives to Sharon Buhlinger (buhlingers@pdx.edu) **no later than 5pm on Monday March 8, 2010.** Call Sharon at extension 8317 if you have questions.

Attachments and Links Related to these Instructions

- *2010-11 Budget Development Memo from VP Koch and Desrochers 2-9-10*
- *2010-11 Budget Development Timelines 2-9-10*
- *To update Unit Plans: www.portfolio.pdx.edu (cursor on “PSU Portfolio Temes” then “Effectiveness and Resources” then “Unit Plans”)*
- *Data file for 2010-2011 (Tabs 1-4) (Excel attachment)*
- *Templates for Parts 2 and 3 (Excel attachment)*
- *Template for Part 3a and 3b: Narrative for Proposals (Word attachment)*