

# Campus Community Meeting

## Budget Planning Update

January 21, 2009



## **2007–09 Portland State Budget History:**

- Good progress on enrollment and related funding from State of Oregon
- Record enrollments occurring/tuition revenues assisting with added costs
- Good progress on salary improvements
- Excellent State investments in capital projects, deferred maintenance to expand and upgrade academic space

## 2008–09 Portland State Budget:

Total operating E and G budget	\$ 234.0 M
•State Appropriation	\$ 78.0 M
•Tuition and Other	\$ 155.0 M
Reduced by Governor's mandate @ 1.095%	\$ <1.7> M
<u>Total Net Budget</u>	<u>\$ 232.3 M</u>

Total 2007-09 Capital Budget - all sources \$ 168.8 M

(Lincoln Hall, Science II,  
Academic and Student Recreation Center, SRC, Deferred Maintenance)

## Planning for 2009-11 Biennial Budget

- National Economic Context
- State Economic Context & OUS Budget
- Campus Budget Context & Planning

## National Economic Context:

- Serious erosion of overall U.S. economy with loss in value of housing, stocks, other wealth; freezing credit markets; and rising unemployment
- Urgent work underway in Congress/New administration on “economic stimulus package”
  - Focuses on jobs preservation/creation through State priorities for infrastructure renewal; potential aid for students and to preserve essential services. Oregon participating in Governor’s Initiative
  - Not focused on supporting operating costs of government programs
  - Some tax reduction/ credits
  - Recession expected to continue through 2009 into 2010

## State Economic Context:

- Initial Projection for 2009-11 Biennium as of January 16, 2009 is \$2.2 billion shortfall in state revenues
- Governor's Recommended Budget (GRB) for OUS- \$716 M - attempted to reduce impacts on Higher Education, however,
  - While 5% increase in \$ from previous budget, GRB does not cover full costs of essential budget level with full compensation costs (range is 2.5 to 4.5 % shortfall)
  - Further, GRB based on earlier, more optimistic, Nov. forecast
- Legislature has convened and will now begin budget work
  - Could result in 5 to 25% or higher statewide reductions/scenarios requested from all agencies

## Campus Budget Context & Planning for 2009-11:

PSU E & G Budget for 2008-09 = \$ 232.3 M

(\$ 77.3 M from the State + \$ 155 M from Tuition & Other sources)

- University Budget Team has initiated the budget planning process- to be underway between January – June 2009.
- Will be evaluating both expenditure reduction and revenue enhancement options
- Process will be highly communicative and transparent, including special meetings with:
  - Campus Community
  - Administrative Leadership
  - Student Leadership
  - Academic Leadership
  - Union Leadership
  - Faculty Senate and FSBC
- Complete campus schedule of meetings relating to budget planning process on FADM-Budget and OAA websites

## Budget Planning Schedule 2009-11 Biennium

- Dec 2008 – Feb 09
- Initial consultation of campus community & leadership (CADS, Faculty Senate, FADM Council, Unions, Students)
  - University Budget Team launches formal request to units for budget input
  - University adopts necessary short term budget management steps
- March – Apr 2009
- Continuing consultation with campus community/leadership
  - University Budget Team evaluates input for budget decisions

## Budget Planning Schedule, cont.

May – June 2009

- Presentation to Faculty Senate on UBT budget and planning recommendations
- President finalizes/ approves budget plan (pending legislative action)

July – Sept 2009

- UBT monitors final State actions on State Budget
- OUS adopts final University System Budget ( September)
- PSU President/UBT modifies campus Budget Plan per State change requirements

**Eight Guiding Principles**  
**for the**  
**Budget Allocation Process**

## **Budget allocation decisions 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.

## Budget allocation decisions will

- Recognize the need to support the faculty and staff who are key to advancing the five guiding themes.
- 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.

- Questions and Answers
- Email your feedback to:  
budgetcomments@pdx.edu

For these documents and updates on the budget process  
go to: [www.pdx.edu/budget/](http://www.pdx.edu/budget/)