

**Report to the Faculty Senate and Budget Forums
On FY 2007-2008 Budget Recommendations
April 2007**

The University Budget Team (UBT) has received and analyzed recommendations for all campus units for the 2007-08 fiscal year budget process.

Goals: The goals originally identified for this process were:

- To replenish the central university fund balance to approximately the 10% level, requiring \$2.5 to \$3 million,
- To reduce the recurring permanent budget shortfall expected to be \$2.5 to \$3 million, and
- To identify strategic investments—in the event of available revenue—that support services and administrative processes, promote our academic priorities, and improve financial sustainability.

Assumptions: The UBT developed its initial budget recommendations based on the following assumptions that represented a “best case scenario.” For our initial planning purposes we assumed that:

- OUS would be funded at the level of the Governor’s Recommended Budget (GRB),
- PSU would receive the same proportion of the OUS allocation as it has in the past, and
- Our enrollment would remain flat.

Process: The intent of the process has been to be as transparent, rational, and consistent as possible and has included the following:

- Ongoing consultation with and input from the Faculty Senate Budget Committee,
- Input from student organizations,
- Individual and group meetings with the Council of Academic Deans,
- Consultation with directors in Finance and Administration and the President’s Office
- Recommendations from each of the three Vice Presidents, and
- Deliberations by the UBT.

Strategies:

- The focus of the budget process for 2006-2007 was on reductions, many of which resulted in a loss of faculty and associated revenue.

- The focus this year has been on revenue enhancements and identifying one time savings.
- Our strategies for revenue enhancements are intended to return our enrollment figures to the 2005-2006 level using specific efforts across units.

Recommendations:

- One-time savings of \$2.3 million has been targeted from the capture of salary savings, utility savings, and the deferral of one-time equipment and plant expenditures.
- To reduce the recurring shortfall, \$1.2 million will be captured through the replacement of E&G funds with external resources, funding mentors through student fees, returning position refill residuals to central, and course efficiencies.
- Tuition revenue increases will result from enrollment restoration to the 2005-2006 level as well as from an increase in graduate tuition above the expected 3.4% level. Some investments will need to be made to realize this revenue. The net increase should be around \$2 million.
- In the event that we are able to make investments, funds will focus on initiatives that result in revenue enhancement and on our diminishing infrastructure support. We need to shore up key support functions in HR, legal, advising, and communications.
- Investments in 2008-2009 will focus on programs and our strategic priorities. This could happen earlier if factors allow.

Next Steps: Open Budget Forums: April 9 and April 11, 1:00-2:00, SMC 238

Summary of Proposed Actions to Restore Fund Balance	
FADM VP - Delayed equipment purchases	540,000
Facilities - Utility Savings	1,000,000
Other FADM units - one time salary savings	656,500
Academic Units - one time salary savings	96,970
University Relations - misc. savings	50,000
Total	<u>\$ 2,343,470</u>

Summary of Proposed Actions to Reduce Recurring Shortfall	
OGI / CS faculty funding from ETIC	500,000
Academic Refill / Residual Savings	62,356
Undergraduate Studies - mentors	200,000
Undergraduate Studies Cluster savings	270,000
University Development contract renewal savings	77,000
President's Office reduced salary / OPE	50,000
Business Affairs - web efficiency savings	46,050
Total	<u>1,205,406</u>

Summary of Proposed Strategic Actions / Investments that Enhance Revenue		
	Enhancement \$	Investment \$
Increase Graduate Tuition ¹	650,000	-
FPA - MFA low residency program tuition	60,000	-
New Freshmen Initiative tuition	1,000,000	177,000
Enrollment Recovery tuition	230,000	-
Univ. Studies - Student Support & Retention Associate	250,000	64,000
FPA Environmental Urban Design Certificate	40,000	11,100
CLAS advising staff	115,200	70,000
Total	<u>\$ 2,345,200</u>	<u>\$ 322,100</u>

¹ separately, SBA differential tuition rate increase will yield \$165,000

Other Proposed Strategic Investments	
High Priority Items (Not in Priority Order):	
Facility - Contract Compliance staff	75,000
HR - Benefits Coordinator	50,235
OIT staffing needs	75,000
OMBUDS Office 0.75 FTE	50,000
University Relations - Int'l Alumni Relation & Dev. 1FTE	85,000
UR - U Advertising	250,000
OSA enrollment needs	213,472
OAA Engagement Initiative	150,000
Library - Development Officer	102,000
Restructure OAA support	85,000
University Archivist	88,600
CAE Director of Teaching and Learning 0.5 FTE	51,227
OSA student success package 2 FTE advisors	117,672
Total	<u>1,393,206</u>
Secondary Priority Items (Not in Priority Order):	
HR - Assistant	14,383
OIT - Computer Security personnel	75,000
Affirmative Action Office and OMBUDS Office Grad Assistant	36,000
Affirmative Action OS1 position	32,400
GSSW - Development Officer	47,500
1% Inflation Adjustments - Supplies & Services	337,000
1% Inflation Adjustments - Library Book Purchases	33,000
Total	<u>575,283</u>