

# Eight Guiding Principles for the Budget Planning Process (2009-2011)

January 20, 2009

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## Overview

### Budget allocation decisions will be:

1. Conducted in a deliberative, participatory, and transparent manner.
2. Balanced, recognizing the important role of academic and administrative support in promoting student success, faculty productivity, and overall program quality.
3. 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:

4. Recognize the need to support faculty and staff, who are key to advancing the five guiding themes.
5. Recognize the primacy of instruction and research.
6. Support policies that increase revenue streams justified by the market and mitigate actions that impact student access.
7. 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.
8. Acknowledge that local administrators are in the best position to recommend allocations within their units but recognize the ultimate budget authority of the President.

## Guiding Principles

**1. Budget allocation decisions will be conducted in a deliberate, participatory, and transparent manner.** Work with the appropriate faculty governance and administrative bodies, soliciting input from all stakeholders and providing information on a regular basis.

#### EXAMPLES OF POTENTIAL ACTIONS

- Hold open budget forums
- Meet regularly with the Faculty Senate Budget Committee
- Consult regularly with the Council of Academic Deans and the FADM Council
- Make regular reports to the Faculty Senate
- Communicate regularly to the campus using Portland State Currently

**2. Budget allocation increases will be balanced, recognizing the important role of academic and administrative support in promoting student success, faculty productivity, and overall program quality.** Recognize that faculty and students are most successful when they are provided effective administrative as well as academic support.

#### EXAMPLES OF POTENTIAL ACTIONS

- Maintain adequate service unit staff to conduct business processes for student registration and financial aid

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### **3. Budget allocation decisions will be based on programmatic contributions to one or more of the five guiding themes and associated initiatives.**

**PROVIDE CIVIC LEADERSHIP**—Lead as a civic partner, deepen our engagement as a critical community asset, demonstrate leadership in regional innovation, serve as an anchor institution in the Metro area.

#### **EXAMPLES OF POTENTIAL ACTIONS**

- Maintain and continue efforts to:
  - > Co-design economic development strategies with city and the University
  - > Contribute to economic development of the Portland metropolitan region and the state of Oregon

**IMPROVE STUDENT SUCCESS**—Ensure a student experience that results in higher satisfaction, retention and graduation rates.

#### **EXAMPLES OF POTENTIAL ACTIONS**

- Implement recommendations from the First Steps for Student Success Committee

**ACHIEVE GLOBAL EXCELLENCE**—Distinguish the institution nationally and internationally through the accomplishments of its faculty, reputation of its programs, and preparation of its students for the new “Flat” world.

#### **EXAMPLES OF POTENTIAL ACTIONS**

- Improve academic program quality by continuing our commitment to:
  - > Increase tenure-line faculty
  - > Conduct regular, meaningful assessment of program outcomes
  - > Provide distinctive community based learning opportunities

**ENHANCE EDUCATIONAL OPPORTUNITY**—Ease the transition and create more effective pathways for students to move from K-12 to higher education.

#### **EXAMPLES OF POTENTIAL ACTIONS**

- Improve pathways to higher education:
  - > Maintain efforts with K-12 and community colleges, particularly for under-represented groups
  - > Increase online learning opportunities

**EXPAND RESOURCES AND IMPROVE EFFECTIVENESS**—Expand resources in each of the funding streams (national, state, private, business partnerships, research, tuition), manage resources effectively, and match investments to strategic priorities.

#### **EXAMPLES OF POTENTIAL ACTIONS**

- Continue to build capacity to attract external funding through focused investment in program development
- Limit or eliminate low enrollment courses (e.g. set minimum enrollment standards for undergraduate and graduate courses and plan curricular offerings based on enrollment in previous years)
- Continue to monitor academic program productivity and cost and consider reduction in funding for those programs where the productivity is low compared to the resources allocated and cost
- Carefully assess space allocation and utilization to minimize lease costs
- Evaluate organizational and operational issues for effectiveness and efficiency over the long term
- Identify and implement organizational and operational changes that improve efficiency and effectiveness

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**4. Budget allocation decisions will recognize the need to support faculty and staff, who are key to advancing the five guiding themes.** The strength of the University is dependent on accomplished faculty and staff, and there is administrative commitment to ensuring necessary staffing and competitive compensation.

#### EXAMPLES OF POTENTIAL ACTIONS

- In the array of possible actions to reduce budgets in the short term, support for faculty & staff will continue to be a high priority

**5. Recognize the primacy of instruction and research.**

#### EXAMPLES OF POTENTIAL ACTIONS

- Preserve instruction to help ensure students' progress toward degree completion.

**6. Budget allocation decisions will support policies that increase revenue streams and mitigate actions that impact student access.** Revenue enhancement is an alternative to budget reduction and can allow the institution to continue to provide access to the range of academic programs that are required to support the educational needs of the metropolitan region.

#### EXAMPLES OF POTENTIAL ACTIONS

- Increase and enhance private and other external support for the University
- Enhance support services to promote improved retention
- Consider differential tuition for selected undergraduate and graduate programs based on market demand\*
- Invest in programs where additional enrollments produce tuition revenue in excess of the investment required for program expansion
- Increase the numbers of non-resident students who pay full (or nearly full) non-resident tuition rates
- Increase resident undergraduate tuition\*
- Provide incentives for those faculty with externally funded research to cover a portion of their salaries (currently assigned to the E&G budget) from grant funding

\*Reserve some funds for mitigating increased student expense.

**7. Budget allocation decisions will 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.** Meet the needs of budget reductions for 2009-11 while ensuring the institution's long-term standing. View the current situation as part of a cycle, not a permanent condition; the approach to budget management and planning will reflect this dynamic. Decisions will be made to manage our way through this situation using all of the tools we have available.

#### EXAMPLES OF POTENTIAL ACTIONS

- Delay the refilling of selected positions – both administrative and academic
- Use the fund balance – both centrally and in the academic units – as one tool to address short falls on a temporary basis to maintain our ability to serve students through instructional and other support services
- Explore unit-specific, multi-year approaches to achieving biennial reductions in expenses
- Delay or suspend the implementation of any new academic program where the tuition generated by additional students does not cover the investment required to offer the program
- Consider institution-wide approaches to managing through the budget shortfall by:
  - > Establish a temporary salary (or FTE) reduction

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- > Reduce or suspend non-essential travel and purchases
- > Establish a temporary teaching load increase of one class (or two) over the two-year period for tenure-line faculty, especially those who are not research active

**8. Budget allocation decisions will acknowledge that local administrators are in the best position to recommend allocations within their units but recognize the ultimate budget authority of the President.** Local administrators should be responsible for managing their budgets in the best interest of both the unit and the institution and consistent with agreed upon budget principles as well as controls and guidelines to be developed by the University. At the same time, the president retains ultimate authority and may have to decide on centralized measures for the good of the institution.

## EXAMPLES OF POTENTIAL ACTIONS

- Continue to work with administrative groups such as the Council of Academic Deans and administrative directors in developing strategies for cost reduction