

Finance & Administration

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Extended Studies 297

TO: President Daniel O. Bernstine *Approved DAB 5/18/07*

FROM: Roy Koch, Provost and Vice President for Academic Affairs *Roy Koch*
Lindsay Desrochers, Vice President for Finance and Administration *Lindsay Desrochers*

DATE: May 16, 2007

SUBJECT: FY2007-2008 Budget Process and Recommendations

The University Budget Team (Provost Roy Koch, Vice President Lindsay Desrochers, Vice Provost Carol Mack and Budget Director, Michael Fung) began the FY2007-2008 budget process in December 2006, shortly after the Governor released his 2007-09 biennial budget proposal.

Throughout the budget process, the University Budget Team (UBT) worked in consultation with the Council of the Academic Deans, the Finance and Administration directors, and the Faculty Senate Budget Committee and student government representatives. In March, the UBT received and analyzed recommendations from all campus units. Campus-wide forums, hosted by you and the Vice Presidents, were held in April to gather input on a preliminary report.

The web address below provides the link to the report presented at the open forums, as well as to the Faculty Senate Budget Committee, detailing the goals, assumptions, process, strategies and recommendations of the UBT. In it, we emphasize that this year's strategy has focused on revenue enhancements to reduce our recurring budget shortfall, one-time savings to restore our fund balance to the 10% level, and investments that focus on shoring up our diminishing infrastructure systems. Investments related to academic programs will be addressed as we move forward with our strategic priorities, and as funds become available.

<http://www.fadm.pdx.edu/documents/07-08%20Budget%20Recommendation%20Report%20to%20Faculty%20Senate%20v3%20%5B1%5D.pdf>

On May 4, 2007, the UBT received comments with generally favorable responses from the Faculty Senate Budget Committee. The Faculty Senate Budget Chair especially noted

appreciation for the transparency of the process that has now been established as part of PSU's ongoing annual budget cycle.

The following comments highlight specific issues raised by the Faculty Senate Budget Committee for the UBT's consideration (for the full report see the link below):

<http://www.fadm.pdx.edu/documents/Budget%20Committee%20Comments.pdf>

Services and Supplies Budget:

“University services and supplies budgets are woefully underfunded. The Budget Committee raised this issue last year and we feel that we need to address it once again. Many departments have not had increases in their S&S budget since the early 1990's. This means that other funds intended for direct student credit hour production, faculty support/development, etc. are paying for supplies, copiers and phones. Not having sufficient infrastructure and support funds adversely impacts the quality of what departments do as well as the quantity of student credit hour departments can produce. S&S budgets are a hidden factor that limits departments and is unlikely to be addressed unless the central administration makes it a priority.”

OIT Prior Year Budget Cut Impact:

“During the 2006-07 fiscal year, the Office of Information Technologies (OIT) took significant budget reductions. Looking back, this has caused significant problems. Instructional technologies are not working as they have in the past, which is causing problems for students and faculty. PSU must look at restoring the quality we have previously experienced in OIT.”

As result of the Faculty Senate Budget Committee's report, the UBT re-prioritized items on the Strategic Investment list. Should funds become available going into the next budget year, the university will:

- (1) Allocate a 1% to 2 % increase in Services and Supplies (including library book purchases) for a maximum total of \$740,000.
- (2) Allocate a minimum of \$200,000 for OIT salary adjustments and additional personnel. In addition, we are requesting an increase of technology fee for student services improvements.

Other priorities which we hope to fund should funds be available are attached on the updated Strategic Investment lists but include:

- (3) Center for Academic Excellence, Director for Teaching and Learning \$52,000

- (4) Human Resources staff needs \$65,000
- (5) OAA restructure support \$85,000
- (6) OMBUDS Office staff support \$50,000
- (7) OSA priority package 1 for student success through advising \$118,000

We welcome any questions, suggestions, and/or comments you may have—as well as your approval—in order to move forward with our FY 07-09 budget process. Thank you, in advance.

Recommended Budget Proposals to the President 5-16-2007

Summary of Proposed Actions to Reduce Recurring Shortfall

OGI / CS faculty funding from ETIC	500,000
Academic Refill / Residual Savings	62,356
UST mentors	200,000
Undergraduate Studies Cluster savings	270,000
University Development contract renewal savings	77,000
Business Affairs - web efficiency savings	46,050
Total	<u><u>1,155,406</u></u>

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><u>\$ 2,343,470</u></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	-
SBA Differential Tuition	276,000	165,000
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><u>\$ 2,621,200</u></u>	<u><u>\$ 487,100</u></u>

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

Other Proposed Strategic Investments

High Priority Items:	
2% Inflation Adjustments - Supplies & Services & Library	740,000
OIT staffing needs	200,000
CAE Director of Teaching and Learning 0.5 FTE	51,227
Human Resources staffing needs	64,618
Restructure OAA support	85,000
OMBUDS Office 0.75 FTE	50,000
OSA student success package 2 FTE advisors	117,672
Total	<u><u>\$ 1,308,517</u></u>
Medium Priority Items:	
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
University Archivist	88,600
Total	<u><u>\$ 889,072</u></u>
Low Priority Items:	
HR - Assistant	14,383
Affirmative Action Office and OMBUDS Office Grad Assistant	36,000
Affirmative Action OS1 position	32,400
GSSW - Development Officer	47,500
Total	<u><u>\$ 130,283</u></u>