

3-15-2021

## Faculty Senate Monthly Packet March 2021 (Special Meeting)

Portland State University Faculty Senate

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# Faculty Senate, Special Meeting, 15 March 2021



In accordance with the Bylaws, the agenda and supporting documents are sent to senators and ex-officio members in advance of meetings so that members of Senate can consider action items, study documents, and confer with colleagues. In the case of lengthy documents, only a summary will be included with the agenda. Full curricular proposals are available through the Online Curriculum Management System:

[pdx.smartcatalogiq.com/Curriculum-Management-System/Dashboard/ Curriculum-Dashboard](https://pdx.smartcatalogiq.com/Curriculum-Management-System/Dashboard/Curriculum-Dashboard)

If there are questions or concerns about agenda items, please consult the appropriate parties and make every attempt to resolve them before the meeting, so as not to delay Senate business.

Items on the *Consent Agenda* are **approved** (motions or resolutions) or **received** (reports) without further discussion, unless a senator gives notice to the Secretary in writing prior to the meeting, or from the floor prior to the end of **roll call**. Any senator may pull any item from the *Consent Agenda* for separate consideration, provided timely notice is given.

The Constitution specifies that senators may designate an **alternate**. An alternate is a faculty member (but not another senator) from the same Senate division as the senator who is empowered to act on the senator's behalf in discussions and votes. An alternate may represent only one senator at any given meeting. The senator must submit the name and contact information of the alternate to the Secretary **prior to** the meeting. A senator who misses more than three meetings consecutively, without providing an alternate, will be dropped from the Senate roster.

PORTLAND STATE  
UNIVERSITY  
FACULTY SENATE



**To:** Faculty Senators and Ex-Officio Members of Faculty Senate  
**From:** Richard Beyler, Secretary to the Faculty

A Special Meeting of Faculty Senate will be held on **15 March 2021 at 3:00 p.m.**

*This Special Meeting has been called by the President in accordance with the Faculty Constitution, Art. V, Sec. 3(3), and the PSU-AAUP Collective Bargaining Agreement, Art. 22. The meeting will be held as an online conference. A livestream will be linked to the Faculty Senate website. Senators represented by **Alternates** should notify the Secretary by **noon on Monday, March 15th**. Other members of the PSU community who wish to speak should ask a senator to notify the Presiding Officer and Secretary by **noon on Monday, March 15th**.*

**AGENDA**

- A. Roll Call and *Consent Agenda*
  - 1. Roll call *will be determined by online meeting participants roster*
  - 2. Procedural: Presiding Officer may move any agenda item – *Consent Agenda*
- B. Announcements
- C. Discussion– *none*
- D. Unfinished Business – *none*
- E. New Business – *none*
- F. Question Period
- G. Reports
  - \* 1. President’s Article 22 report
  - 2. Report from IELP Faculty members
  - \* 3. Report from Ad-Hoc Committee on Academic Program Reduction and Curricular Adjustments
- H. Adjournment

**\*See the following attachments.**

G.1.a-c. Background materials for President’s report

G.3. AHC-APRCA report

# PORTLAND STATE UNIVERSITY FACULTY SENATORS, 2020-21

## Steering Committee

Michele Gamburd, Presiding Officer

Vicki Reitenauer, Presiding Officer Elect • Isabel Jaén Portillo, Past Presiding Officer

Elected members: Jill Emery (2019-20) • Jon Holt (2019-20) • José Padín (2020-22) • Steven Thorne (2020-22)

Ex-officio (non-voting): Richard Beyler, Secretary to the Faculty • Rowanna Carpenter, Senior IFS Rep.

Yves Labissiere, Faculty Trustee • Mary Oschwald, Chair, Committee on Committees

### College of the Arts (COTA) [4]

Berrettini, Mark	FILM	2023
Borden, Amy E.	FILM	2022 *+
Heilmair, Barbara	MUS	2023
Magaldi, Karin	TA	2021

### The School of Business (SB) [4]

Hansen, David	SB	2021
Loney, Jennifer	SB	2022 +
Raffo, David	SB	2023
Sanchez, Becky	SB	2022

### College of Education (COE) [4]

Farahmandpur, Ramin	ELP	2022 +
Guzman, Andres	COE	2021 *
Kelley, Sybil	ELP	2023
Sugimoto, Amanda	C&I	2021

### Maseeh College of Engineering & Computer Science (MCECS) [5]

Anderson, Tim	ETM	2021
Chrzanowska-Jeske, Malgorzata	ECE	2021 +
Duncan, Donald	ECE	2022
Dusicka, Peter	CEE	2023
Feng, Wu-chang	CMP	2022

### College of Liberal Arts & Sciences—Arts & Letters (CLAS-AL) [6]

Clark, Michael	ENG	2023
Cortez, Enrique	WLL	2023
Greco, Gina	WLL	2021 +
Holt, Jon	WLL	2021
Limbu, Bishupal	ENG	2022
Thorne, Steven	WLL	2022 +

### College of Liberal Arts & Sciences—Sciences (CLAS-Sci) [7]

Cruzan, Mitch	BIO	2023
Eppley, Sarah	BIO	2022
Fountain, Robert	MTH	2021
Goforth, Andrea	CHE	2023
Jedynak, Bruno	MTH	2022 +
Lafferriere, Beatriz	MTH	2022 +
Thanheiser, Eva	MTH	2021

### College of Liberal Arts & Sciences—Social Sciences (CLAS-SS) [6]

Ajibade, Jola	GGR	2023 +
Fritz, Charlotte	PSY	2021
Gamburd, Michele	ANT	2022
Meyer, Claudia	SPHR	2021
Padín, José	SOC	2023
Reitenauer, Vicki	WGSS	2022 +

### Library (LIB) [1]

Mikulski, Richard	LIB	2023 +
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### School of Public Health (SPH) [2]

Izumi, Betty	CH	2021 *
Labissiere, Yves	CH	2022 +

### School of Social Work (SSW) [4]

Chorpenning, Matt	SSW	2023
May, Edward	SSW	2021
Oschwald, Mary	RRI	2022 +
Smith, Gary	SSW	2023

### College of Urban and Public Affairs (CUPA) [5]

Clucas, Richard	PS	2023
Erev, Stephanie	PS	2023
Ito, Hiro	ECN	2021 *
Kinsella, David	PS	2022 +
Tinkler, Sarah	ECN	2021 *

### Other Instructional Faculty (OI) [3]

Carpenter, Rowanna	UNST	2023
Lupro, Michael	UNST	2021 +
Newlands, Sarah	UNST	2021

### All Other Faculty (AO) [9]

Broussard, Scott	ACS	2021
Flores, Greg	ACS	2022
Gómez, Cynthia	DMSS	2023
Harris, Randi	OAI	2022 +
Hunt, Marcy	SHAC	2023
Ingersoll, Becki	ACS	2021
Kennedy, Karen	ACS	2022
Law, Anna	ACS	2023
Matlick, Nick	REG	2021

### Notes:

\* Interim appointment • + Committee on Committees • Total positions: 60 • Status: 26 January 2021

## EX-OFFICIO MEMBERS OF PSU FACULTY SENATE, 2020-21

### Administrators

Adler, Sy	Interim Dean, College of Urban and Public Affairs
Allen, Clifford	Dean, The School of Business
Bangsberg, David	Dean, OHSU-PSU Joint School of Public Health
Bowman, Michael	Acting Dean, Library
Bynum, Leroy, Jr.	Dean, College of the Arts
Chabon, Shelly	Vice Provost for Academic Personnel and Leadership Development
Coll, Jose	Dean, School of Social Work
Corsi, Richard	Dean, Maseeh College of Engineering and Computer Science
Jeffords, Susan	Provost & Vice President for Academic Affairs
Knepfle, Chuck	Vice President for Enrollment Management
Lambert, Ame	Vice President for Global Diversity and Inclusion
Lynn, Marvin	Dean, College of Education
Mulkerin, Amy	Vice Provost for Academic Budget and Planning
Percy, Stephen	President
Podrabsky, Jason	Interim Vice President for Research and Graduate Studies
Reynolds, Kevin	Vice President for Finance and Administration
Rosenstiel, Todd	Dean, College of Liberal Arts and Sciences
Toppe, Michele	Vice Provost for Student Affairs & Dean of Student Life
Wooster, Rossitza	Dean, Graduate School

### Faculty Committee Chairs

Boyce, Steven	Budget Committee (co-chair)
Burgess, David	Intercollegiate Athletics Board
Coleman, Cornelia	Honors Council
Comer, Kate	University Writing Council
Cruzan, Mitchell +	Budget Committee (co-chair)
Epstein, Joshua	General Student Affairs Committee
Estes, Jones	Academic Quality Committee
Ginley, Susan	Undergraduate Curriculum Committee
Goodman, Julia	Faculty Development Committee (co-chair)
Hendricks, Arthur	Educational Policy Committee (co-chair)
Loikith, Paul	Graduate Council
Millay, Lea	Library Committee
Nadeau, Jay	University Research Committee
Parnell, Will	Faculty Development Committee (co-chair)
Sager, Alexander	Educational Policy Committee (co-chair) [also IFS]
Shatzer, Liz	Scholastic Standards Committee
Spencer, Randy	University Studies Council
Watanabe, Suwako	Academic Requirements Committee
TBD (January 2021):	ACIC

**Senate Officers and Other Faculty Officers**

Beyler, Richard	Secretary to the Faculty
Carpenter, Rowanna +	Advisory Council (2020-22); IFS (Jan. 2020-Dec. 2022)
Emery, Jill	Steering Committee (2019-21)
Gamburd, Michele +	Presiding Officer; Advisory Council (2019-21)
Jaén Portillo, Isabel	Past Presiding Officer
Labissiere, Yves +	Advisory Council (2019-21); IFS (Jun. 2019-Dec. 2021); BoT
Oschwald, Mary +	Chair, Committee on Committees
Padín, José +	Advisory Council (2020-22); Steering Committee (2020-22)
Reitenauer, Vicki +	Presiding Officer Elect
Sager, Alexander	IFS (Jan. 2021-Dec. 2023) [also EPC co-chair]
Sipelii, Motutama	President, ASPSU
Thorne, Steven +	Steering Committee (2020-22)
Voegele, Janelle	Advisory Council (2020-22)
Webb, Rachel	Advisory Council (2019-21)
Zonoozy, Khalil	Adjunct faculty representative

**Notes**

+ Also an elected senator  
 Status as of 8 March 2021



Office of the President

Post Office Box 751  
Portland, Oregon 97207-0751

503-725-4419 tel  
503-725-4499 fax  
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February 4, 2021

To: Michele Gamburd  
Presiding Officer, PSU Faculty Senate

From: Stephen Percy  
President

Re: Invocation of Article 22 for Program Reduction in IELP

In late December, I received a recommendation from Susan Jeffords, Provost and Vice President for Academic Affairs, that I invoke Article 22, Section 3 (a) of the Collective Bargaining Agreement (CBA) with regard to program reduction in the Intensive English Language Program (IELP). The recommendation is based upon determination that the persistent multi-year decline in enrollment has created severe financial impact. The Provost's recommendation calling for consideration of program reduction is included with this communication.

After careful review of this recommendation and its supporting documentation, I am formally notifying you, pursuant to Article 22, Section 3(a) of the CBA, that the financial condition of the Intensive English Language Program is such that reduction of the IELP program may be unavoidable. Given the difficult financial challenges we are facing as a University, I concur with Provost Jeffords' recommendation that we must consider appropriate action to address the ongoing enrollment declines within IELP. Please know that I understand and appreciate that invoking Article 22 is a serious matter and my decision is undertaken as the result of careful deliberation.

Both the Provost and I appreciate that Article 22 of the CBA affords the explicit opportunity to consult in a transparent fashion with both AAUP and the Faculty Senate in a process to consider a significant program reduction in IELP.

Both the Provost and I look forward to engaging in a collaborative and transparent decision-making process about the future of IELP. We understand that an early step in the process is making a presentation to the Faculty Senate. The Provost and I are ready to work with the Faculty Senate with regard to process elements of the Article 22 process as well as the timing and scheduling of notifications, meetings and dialogues.

We recognize that active participation with the Faculty Senate, the AAUP and the IELP program faculty is a critical component of exploring program reduction through the provisions of Article 22. A checklist of elements of the Article 22 program reduction process is included with this notification.

Please contact either the Provost or myself with any questions you may have.

January 18, 2021

President Percy,

I write today to recommend invocation of Article 22, Section 2(b) of the Collective Bargaining Agreement for retrenchment of the Intensive English Language Program (IELP) at PSU. I do so being fully aware that invoking Article 22 is a serious matter that should not be undertaken casually or without deliberation and forethought.

Section 2(b) states:

“A condition requiring reduction or elimination of a department may be declared if the President finds that institutional operations within a reduced budget, or failure to reallocate funds, would result in a serious distortion of the academic or other essential programs and services of the University if retrenchment procedures were not implemented.”

As was portrayed in the recent Finance & Administration Committee meeting of the PSU Board of Trustees, the current financial situation of the university, resulting from multi-year declines in enrollment, now compounded by the financial losses incurred as a result of the COVID-19 pandemic, has created circumstances that require significant and continued reduction in university budgets. While the university has undertaken budget reductions in recent years, those reductions have been managed largely through non-replacement of retirements and departures, paring back program spending, and elimination of some positions. Such minimal and nonstrategic budget reductions are not sufficient to address the sustained declines that the university is experiencing and will continue to experience for the foreseeable future. Consequently, we need to consider more impactful reductions that meet the magnitude of the financial challenges the university is facing. The Faculty Senate recognized these conditions in its appointment in October of 2020 of an ad hoc committee on Academic Program Reduction and Curricular Adjustments.

This financial context brings me to recommend today a retrenchment of the IELP at PSU.

As you know, for a number of years, the Intensive English Language Program (IELP) at PSU has seen significant declines in enrollment due to declining enrollments of international students; the COVID-19 pandemic has certainly exacerbated this issue to the point that the program needs significant restructuring in order to create a sustainable budget. In response to declines in 2018, former Interim Provost Margaret Everett made reductions in staffing in NTTF faculty in IELP. I am attaching an MOA relating to these actions that was signed at that time between the University and AAUP.

When I arrived at PSU, I asked Ron Witczak, Executive Director for the Office of International Affairs, to serve as the administrative home for the IELP program and to seek formal approval from the Faculty Senate to merge their operations with the Office of International Affairs. The Faculty Senate approved that merger in March, 2020. Prior to and since that merger, the faculty and staff in IELP have been undertaking a process to review their budget to determine if there are opportunities to make adjustments that would bring the unit's expenses more in line with its revenues. I believe that the faculty and staff have undertaken those discussions in earnest; however, given the severe budget constraints of the university, the decreasing number of international students



seeking Intensive English Language instruction at PSU, the impacts of the COVID-19 pandemic, and changes in federal regulations, the time has come for me to formally request that you invoke article 22 of the AAUP contract in order to implement reductions in IELP.

Here are factors that have informed my recommendation:

IELP enrollments have dropped significantly over the past five years:

2016/17 - 19% decline from previous years' enrollment

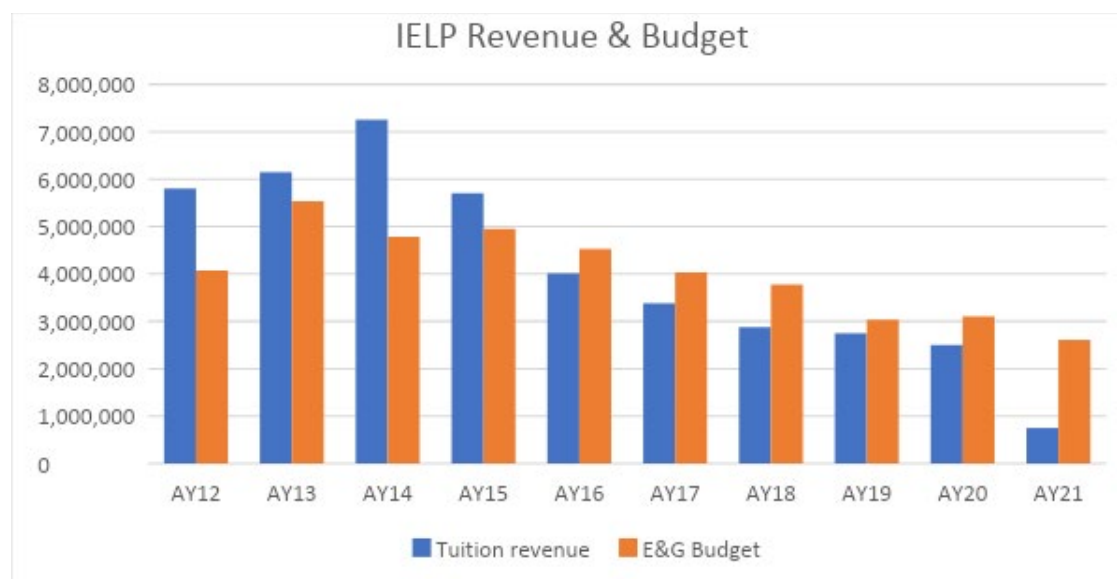
2017/18 - 20% decline from previous year

2018/19 - 1.7% decline from previous year

2019/20 - 7% decline from previous year

2020 Fall term - 78.8% decline from previous year; 52 students are now enrolled in IELP (which currently has 21 NTTF faculty)

Declines in tuition revenue have seen parallel decreases in the unit's overall budget; however, despite these decreases, the IELP budget has exceeded its revenues for the past five years.



As a result, the IELP's RCAT ratio has been higher than any other academic unit on campus. For fiscal year 20, the RCAT ratio shows that, for total expenditures per \$1 in revenue, the IELP spends \$1.48. This ratio for the IELP has been above 1.0 for a number of years prior.

Given these points above and the broader university budget context, I believe that the IELP needs to undertake a restructuring process to make the program financially sustainable.

**I do not recommend elimination of the IELP program.** International education remains a key component of PSU's academic enterprise. Supporting international students to pursue and complete degree programs at PSU benefits not only those students but the students with whom they interact. The PSU learning environment is enhanced by opportunities to further global learning. For students who are not yet prepared to enter directly into PSU classes, IELP provides an exceptional benefit and

opportunity to transition successfully into degree programs. The IELP faculty bring expertise that benefits PSU in multiple ways.

Consequently, I support the continued successful transition of IELP into OIA and its activities so that the unit can restructure the budget model of the IELP in such a way that will insure fiscal stability into the future, while also ensuring that the unit is able to generate sufficient revenue to cover its expenses.

Ron Witczak has been working with OIA; Julie Haun, IELP Director; and the IELP faculty to transition the work of the IELP into the OIA unit. This work has been going on since the summer of 2020. The IELP faculty has also been working diligently on a complete curricular redesign that will enhance the offerings of the IELP program moving forward.

As you are aware, the Office of Academic Affairs continues to work on a new budget model for the division. This new budget model will allow for viewing the IELP as a hybrid academic program that combines E&G and self-support revenues. We believe that the IELP can follow the successful model of the Education Abroad program, which transitioned into an entirely self-support program. Ron Witczak and the IELP have begun working with my finance team through Ron's participation on the Budget Model Working Group so as to explore how to manage the funding model of the IELP program to include an appropriate portion of the program to be self-support.

I have confidence that the proposed retrenchment of the IELP will allow Ron, the IELP leadership, and the entire OIA team to reorganize the operations of the IELP in ways that will benefit both IELP and the university long into the future.

If you concur with this recommendation, we will begin the requisite processes as outlined by the Faculty Senate and the Collective Bargaining Agreement.

Sincerely,

Susan

Susan Jeffords  
Provost and Vice President for Academic Affairs  
Portland State University  
Portland, OR 97201

## SIMPLIFIED CHECKLIST OF ARTICLE 22 PROGRAM REDUCTION PROCESS

- FORMAL NOTICE TO AAUP. Formal notice from the President to AAUP that the University's financial condition is such that a departmental reduction or elimination may be unavoidable. The notice must include an offer to schedule a meeting between AAUP and appropriate University officials to present and discuss the financial condition of the University leading to the need for program reduction or elimination.
- FACULTY SENATE PRESENTATION. University administration presents to Faculty Senate a full description and analysis of the University's financial condition that has led to the need for program reduction or elimination. This can take place at a regular or special meeting of the Faculty Senate.
- FIRST THIRTY DAY COMMENT PERIOD. President sets a deadline for submission of comments and recommendations. The deadline must be no sooner than thirty after the meeting with AAUP and the Faculty Senate presentation.
- REQUIRED ACTIONS DURING FIRST COMMENT PERIOD. During the comment period, the President must give "thoughtful consideration" to the comments and recommendation received; the President or his designee must meet with the AAUP to hear and discuss their comments and recommendations upon request; and the President and the AAUP must both "facilitate" Faculty Senate consideration.
- DECLARATION OF PROGRAM REDUCTION. *After the first comment period ends*, the President formally declares the existence of a condition requiring departmental reduction or elimination.
- PROVISIONAL PLAN. Concurrent with the declaration or shortly thereafter, the University announces a provisional plan for department reduction or elimination. This plan must include tentative reductions to specific departments. The plan must also include a deadline for comments on the provisional plan of no less than thirty days (second comment period).
- SECOND THIRTY COMMENT PERIOD. President will receive and consider comments and recommendations from the Faculty Senate, AAUP and the faculty of any department that is proposed for reduction or elimination. If the provisional plan would lay off more faculty than the departmental faculty recommend, then the President or his designee must meet with the departmental faculty for further discussion.
- ANNOUNCE FINAL PLAN. At the conclusion of the second comment period, the President will announce a final plan and notify affected departments of the amounts and nature of reductions to be applied.

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February 4, 2021

To: Jennifer Kerns  
 AAUP President

Phil Lesch  
 AAUP Executive Director

Cc: Michele Gamburd  
 Presiding Office, PSU Faculty Senate

From: Stephen Percy  
 President

Re: Invocation of Article 22 for Program Reduction in IELP

Dear AAUP Colleagues:

In late December, I received a recommendation from Susan Jeffords, Provost and Vice President for Academic Affairs, that I invoke Article 22, Section 3 (a) of the Collective Bargaining Agreement (CBA) with regard to program reduction in the Intensive English Language Program (IELP). The recommendation is based upon determination that the persistent multi-year decline in enrollment has created severe financial impact. The Provost's recommendation calling for consideration of program reduction is included as an attachment.

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Both the Provost and I appreciate that Article 22 of the CBA affords the explicit opportunity to consult in a transparent fashion with both AAUP and the Faculty Senate in a process to consider a significant program reduction in IELP.

I invite you to meet with Provost Jeffords, Interim Vice Provost Maddox, and/or Executive Director Ron Witzakto discuss the financial condition of the University and the specific circumstances leading to the need to reduce the IELP program. I encourage you to work with Provost Jeffords' assistant, Colette Yaspo, to schedule this meeting as soon as possible.

Both the Provost and I look forward to engaging in a collaborative and transparent decision-making process about the future of IELP. Such a process must include active participation with the Faculty Senate, the AAUP and the IELP program faculty. A checklist of elements of the Article 22 program reduction process is included with this notification.

Article 22 / IELP Timeline

March 15, 2021  
Special Senate meeting

March 15, 2021 - April 16, 2021  
30-day feedback period

April 17, 2021 - May 2, 2021  
Two-week period for feedback review

May 3, 2021  
Provisional plan released

May 4, 2021 - June 4, 2021  
30-day period for feedback

June 5, 2021 - June 13, 2021  
Final period to review feedback

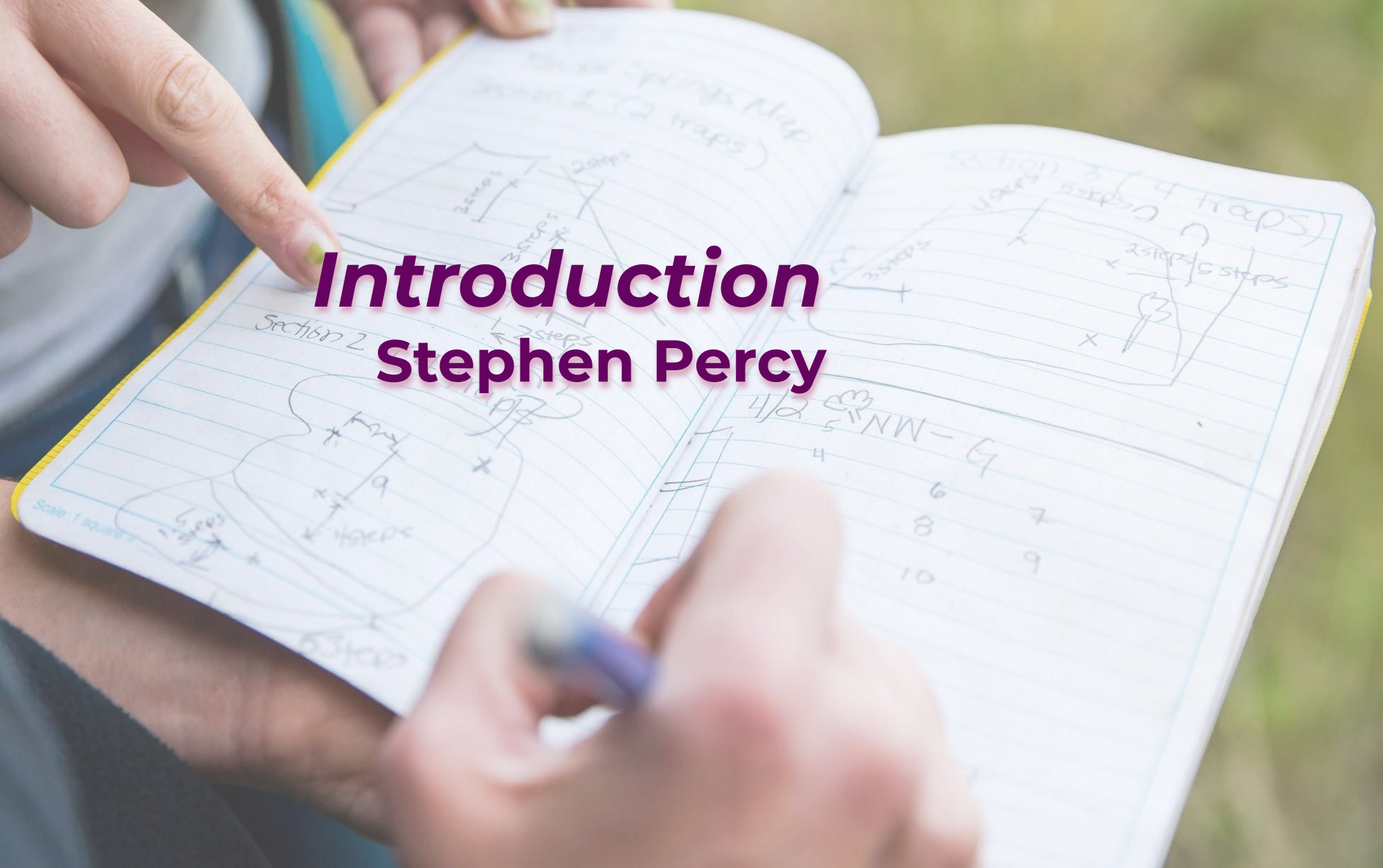
June 14, 2021  
Decision released

# Budget Town Hall

February 22, 2021



# Introduction Stephen Percy





# Budget Town Hall

February 22, 2021

## **Agenda**

1. Introduction
2. Budget Update
  - a. Current Year Update
  - b. Enrollment Forecast
  - c. State and Federal Funding
  - d. Four-year General Fund Revenue and Expense Forecast
3. Strategy
4. Summary of Tactics
5. OAA Next Steps
6. Budget Timeline & Upcoming Events
7. Q&A
8. Wrap Up

## **Presenter**

President Percy

Andria Johnson and Kevin Reynolds

Chuck Knepfle

Kevin Neely

Kevin Reynolds

President Percy

President Percy

Susan Jeffords

Andria Johnson

Jason Podrabsky


President Percy



# *A Q&A Session will follow the presentation*

*If you are attending the zoom meeting, you can use the Q&A function to ask questions at any time.*

*For those watching the live stream, you may submit questions to: [townhall@pdx.edu](mailto:townhall@pdx.edu)*

A scenic view of a city skyline across a river, with a cyclist on a bridge in the foreground. The city skyline features several modern high-rise buildings, some with glass facades, and a construction crane. The river is calm, reflecting the sky. In the foreground, a person wearing a helmet and a plaid shirt is riding a bicycle on a bridge with a metal railing. The overall atmosphere is peaceful and urban.

***Current Year Budget Update***  
**Andria Johnson and Kevin Reynolds**

## 3. Current Year Budget Update

- So far, the largest financial impact of Covid-19 pandemic has been on lost revenue to our auxiliary enterprises (Housing, Parking and Transportation, the University Place Hotel, Athletics, Commercial real estate)
- Auxiliaries are using reserves and cutting costs to the fullest extent possible
- Current guidance - The Higher Education Emergency Relief Fund II (**HEERF II**) can be used to offset lost revenue
- Anticipate differing rates of recovery as we reopen campus in the Fall

	FY21		FY20	FY19	FY18
	Adopted	Q1			
(\$ in 000s)	Budget	Forecast	Actual	Actual	Actual
Auxiliary Revenue	\$76,660	\$68,681	\$89,925	\$101,872	\$99,061
Auxiliary Expenses*	\$83,286	\$70,649	\$83,759	\$95,306	\$90,829
<b>Auxiliary Net</b>	<b>-\$6,626</b>	<b>-\$1,968</b>	<b>\$6,166</b>	<b>\$6,566</b>	<b>\$8,232</b>

*\*Does not include approximately \$11 million in depreciation each year  
FY21 Auxiliary expenses are offset by a use of \$7.6 million of Treasury reserves*

## 3. Current Year Budget Update

- Student Housing: A reduction from 1900 students to approximately 600 in Spring 2020. Currently, approximately 800 students in Housing
  - Fall Term Year \$ 4.5 million revenue loss
  - Winter Term \$ 3.0 million revenue loss
  - Spring Term \$ 2.7 million revenue loss estimate
- Transportation and Parking Services (400 vehicles per day- 3900 total parking stalls, Fall Survey showed Driving rate 9% for students and 6% for employees)
  - Oct-Dec \$1.7 million revenue loss
  - Jan-June \$4.1 million revenue loss estimate
- University Place Hotel - estimated revenue loss of \$4.5 million (from a 5-year average revenue of \$5.3 million)
- Commercial Real Estate (16 leases modified and 4 abandoned)
  - March 2020-December 2021 \$1.4 million revenue impact



# Budget Town Hall

February 22, 2021  
Current Year Budget Update

## 3. Current Year Budget Update

- Education and General Fund budget declined in FY 20-21 due to continued year over year enrollment declines
- Limited duration cost containment (Workshare, Leave without Pay, Hiring Freeze, Reduced Travel, Utilities) and historic underspend of budget indicates the use of \$11 million of E&G reserves will not be required this year

	FY21		FY20	FY19	FY18
\$ in 000s	Adopted Budget	Q1 Forecast	Actual	Actual	Actual
Net Tuition & Fees	\$203,121	\$202,361	\$212,638	\$219,575	\$217,946
Government Resources & Allocations	\$109,659	\$110,644	\$107,018	\$98,786	\$95,387
Gifts, Grants and Contracts	\$12,622	\$11,391	\$11,870	\$13,539	\$12,123
All Other	\$10,636	\$7,780	\$14,831	\$17,495	\$9,617
<b>Total Revenue</b>	<b>\$336,038</b>	<b>\$332,176</b>	<b>\$352,833</b>	<b>\$349,394</b>	<b>\$335,073</b>
Salaries & Wages	\$186,767	\$176,334	\$175,569	\$174,511	\$170,229
OPE (fringes)	\$96,468	\$88,553	\$90,072	\$84,297	\$83,305
Services & Supplies (net of transfers)	\$63,803	\$58,268	\$61,104	\$62,191	\$61,786
<b>Total Expenses</b>	<b>\$347,038</b>	<b>\$323,155</b>	<b>\$326,745</b>	<b>\$320,999</b>	<b>\$315,320</b>
Management Reserves	\$ -	\$6,232	\$8,651	\$10,634	\$10,925
<b>Net</b>	<b>-\$11,000</b>	<b>\$2,789</b>	<b>\$10,958</b>	<b>\$17,761</b>	<b>\$8,828</b>

# *Enrollment Forecast*

## *Chuck Knepfle*



## *Updated Enrollment Information*

**Thanks to the Faculty Senate and the rest of the university community for your support of Open for Fall, Open for All!**

- Winter 2021 (as of 2/15/21)
  - Overall SCH down -8.3% (Undergrad -9.6%)
- Fall 2021 (FY22)
  - Applications for first-time (freshmen) students are down significantly with decreases ranging from -10% to -30%. In-state numbers are down more significantly than out-of-state.
  - It is still very early in the transfer recruitment cycle but initial indicators show a decline more significant than what we are seeing for first-time students.
  - We are modeling a projected decrease of -6.8% in new first-time and transfer students, and a -4.8% overall enrollment decline.
  - Graduate recruitment has remained relatively stable and applications for fall 2021 are slightly ahead of last year.



## Updated Enrollment Information

- Enrollment forecast for 2022
  - November: At the beginning of the application cycle, we modeled an overall -2.7% based on fall 2020 4th week numbers and targeted new student enrollment from the Strategic Enrollment Plan
  - January: Updating the enrollment projections in the budget model results in a new forecast of a -4.8% overall enrollment decrease.
  - February: Current application data suggests enrollment *could* decline by 7%, although enrollment initiatives like Open for Fall, Open for All and additional targeted marketing have helped a bit with freshmen application numbers. Marketing towards transfer students is planned for next month.

<u>Projections</u>	<u>November</u>	<u>January</u>	<u>February</u>
Overall FTE	17,746	17,355	16,831
New Transfers	2,644	2,511	1,905
New Freshmen	1,187	1,127	966



## Five-year Enrollment Forecast (January update)

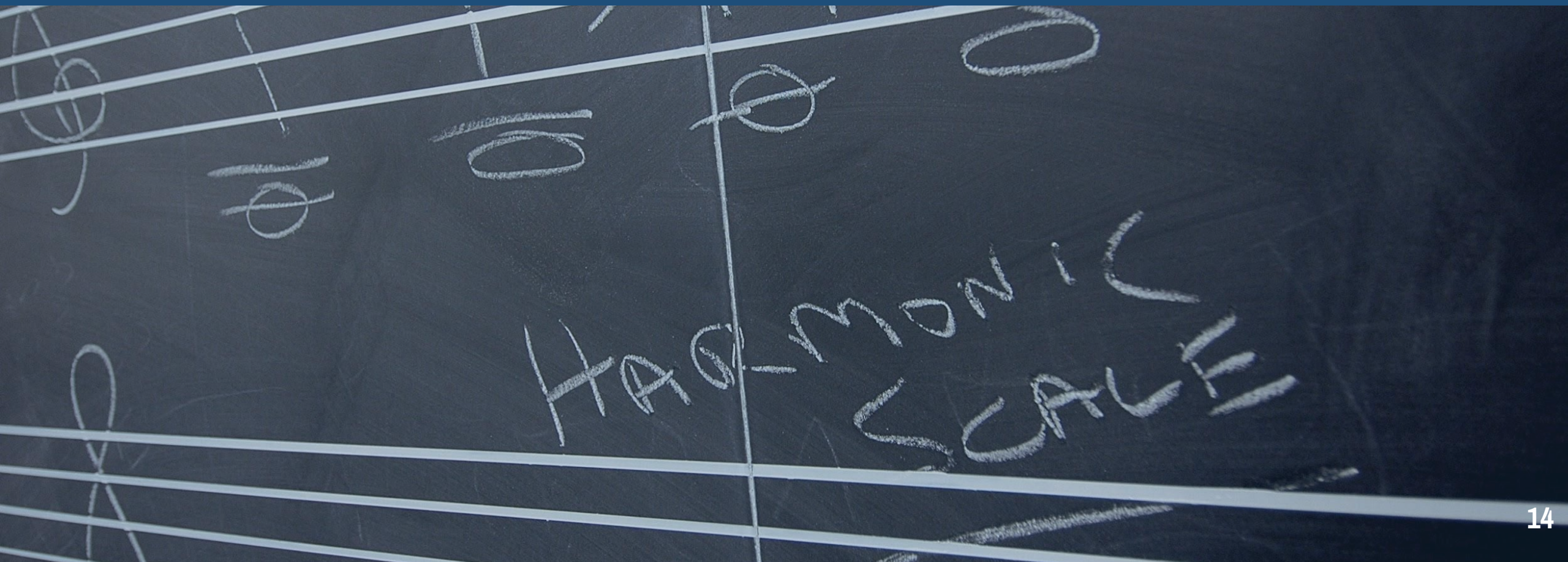


## Five-year Enrollment Forecast (current application data)



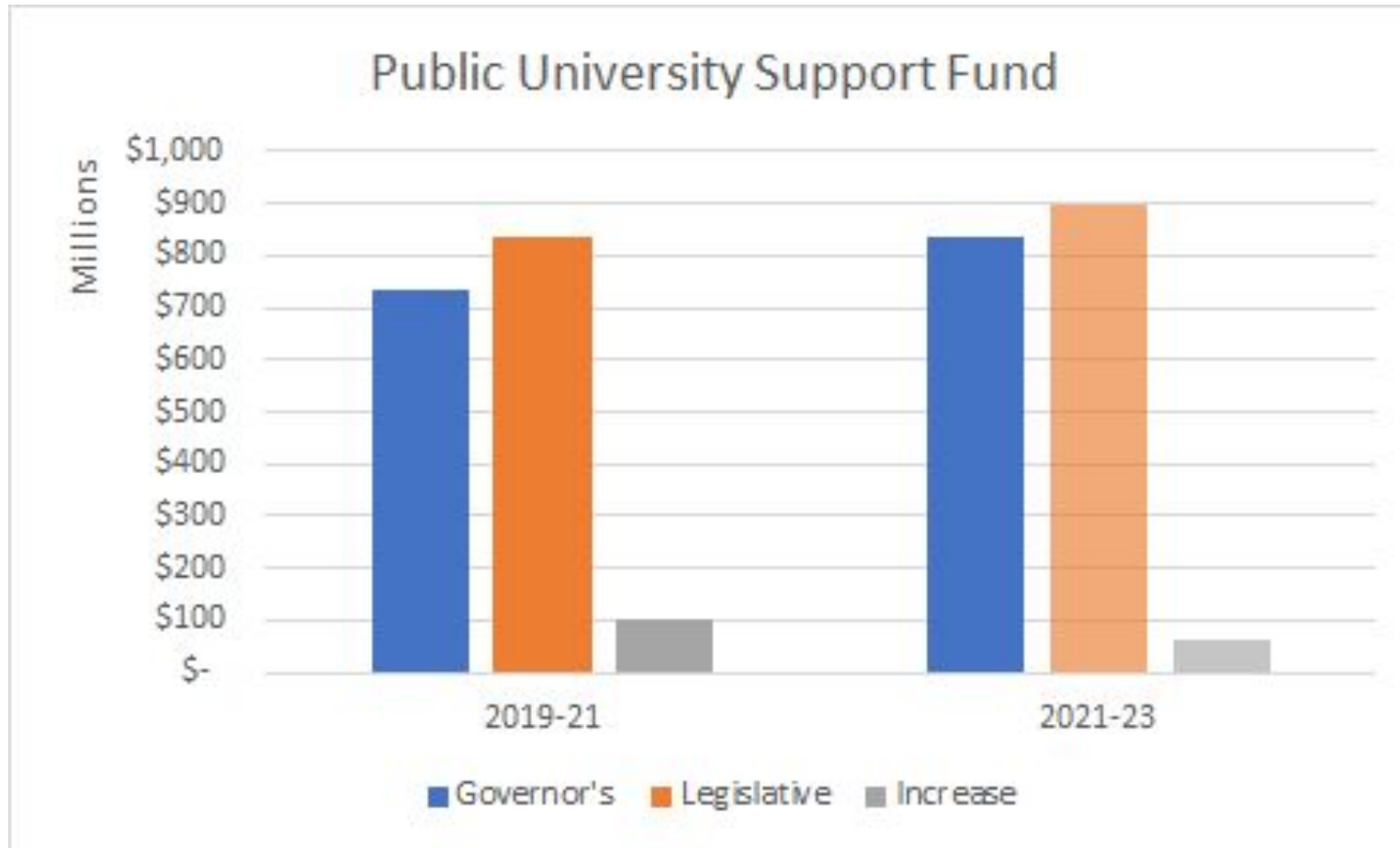
# *State and Federal Funding*

Kevin Neely



# Budget Town Hall

February 22, 2021  
State and Federal Funding



## Governor's Recommended Budget (2021-23)

- No increase:  
\$836.9 million

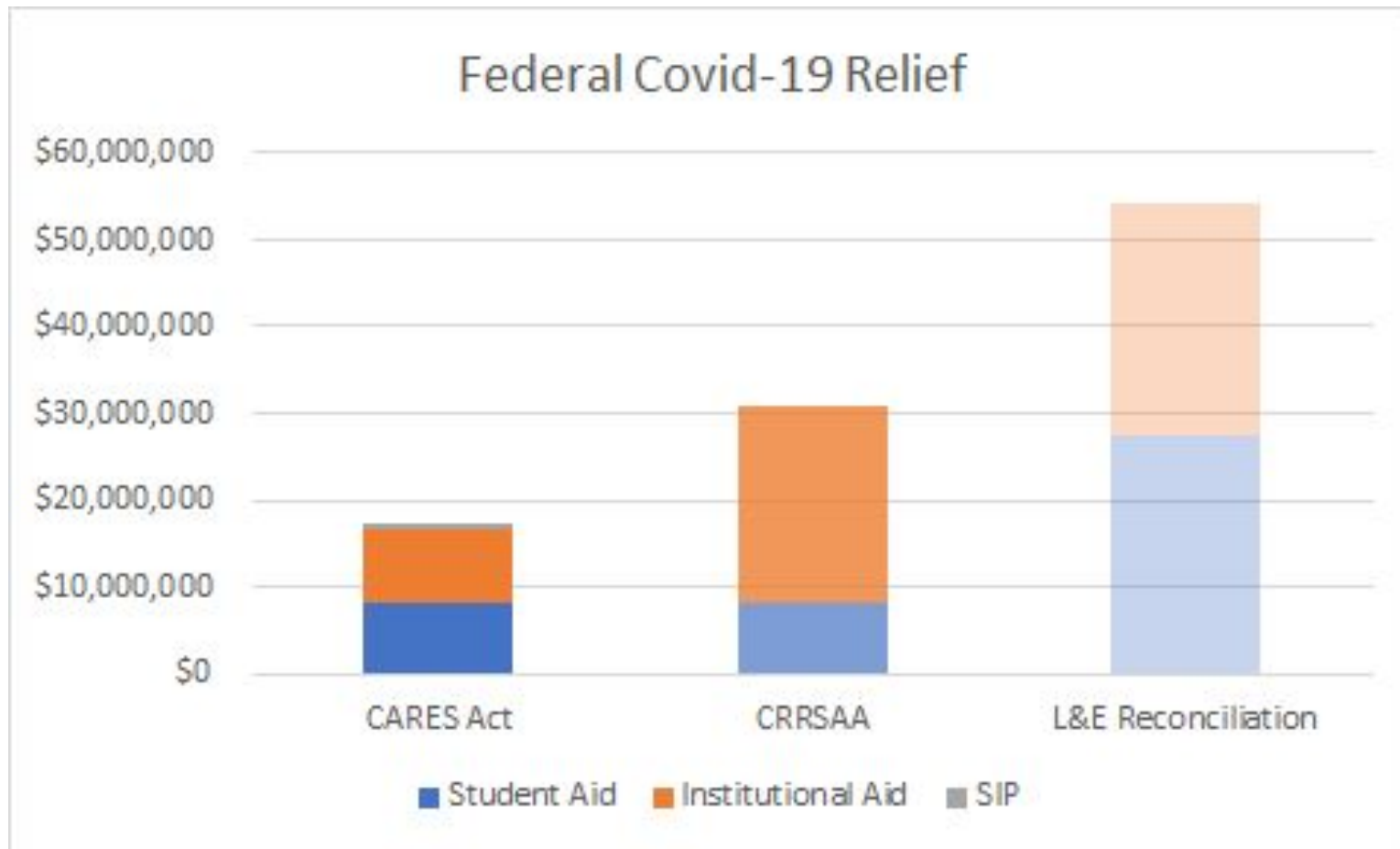
## Legislative Budget (2021-23)

- Universities' request:  
**\$900 million**

PSU Virtual Lobby Day  
Thursday, March 4

# Budget Town Hall

February 22, 2021  
State and Federal Funding



## Higher Education Emergency Relief Fund (HEERF)

### Funds already approved

- \$17,465,588 (May 2020)
- \$30,740,104 (Dec 2020)

### Pending in Congress

- \$54,194,338

At least 50% of CARES Act funds are dedicated to direct student aid.

## *Federal Covid-19 Relief Funds*

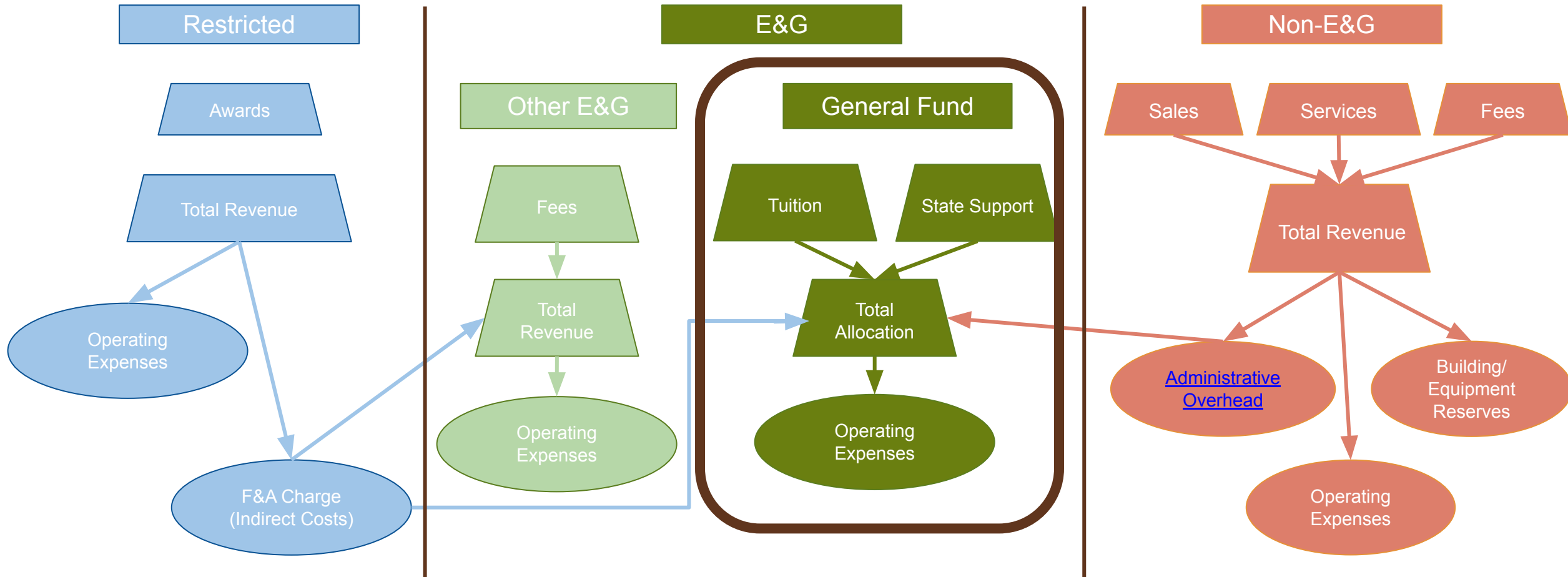
- Current guidance
  - One time, non-recurring funds
  - Funds must be used to offset revenue losses or COVID-19 related expenses
  - At least 50% must be used for direct student aid
- Additional guidance likely to be released
- Process
  - Executive Council with input from Faculty Senate Budget Committee and ASPSU
  - Share plan with Board of Trustees



***Four year  
General Fund  
Revenue and  
Expense  
Forecast***

**Kevin Reynolds**

# Operating Budget Flow



For more information on the budget planning cycle, current allocations and definitions please see the FY 2020-21 Budget Overview Book found here: <https://drive.google.com/file/d/1BTe3AyPnXbxkMKPta4eot9dUUNs0li6c/view>



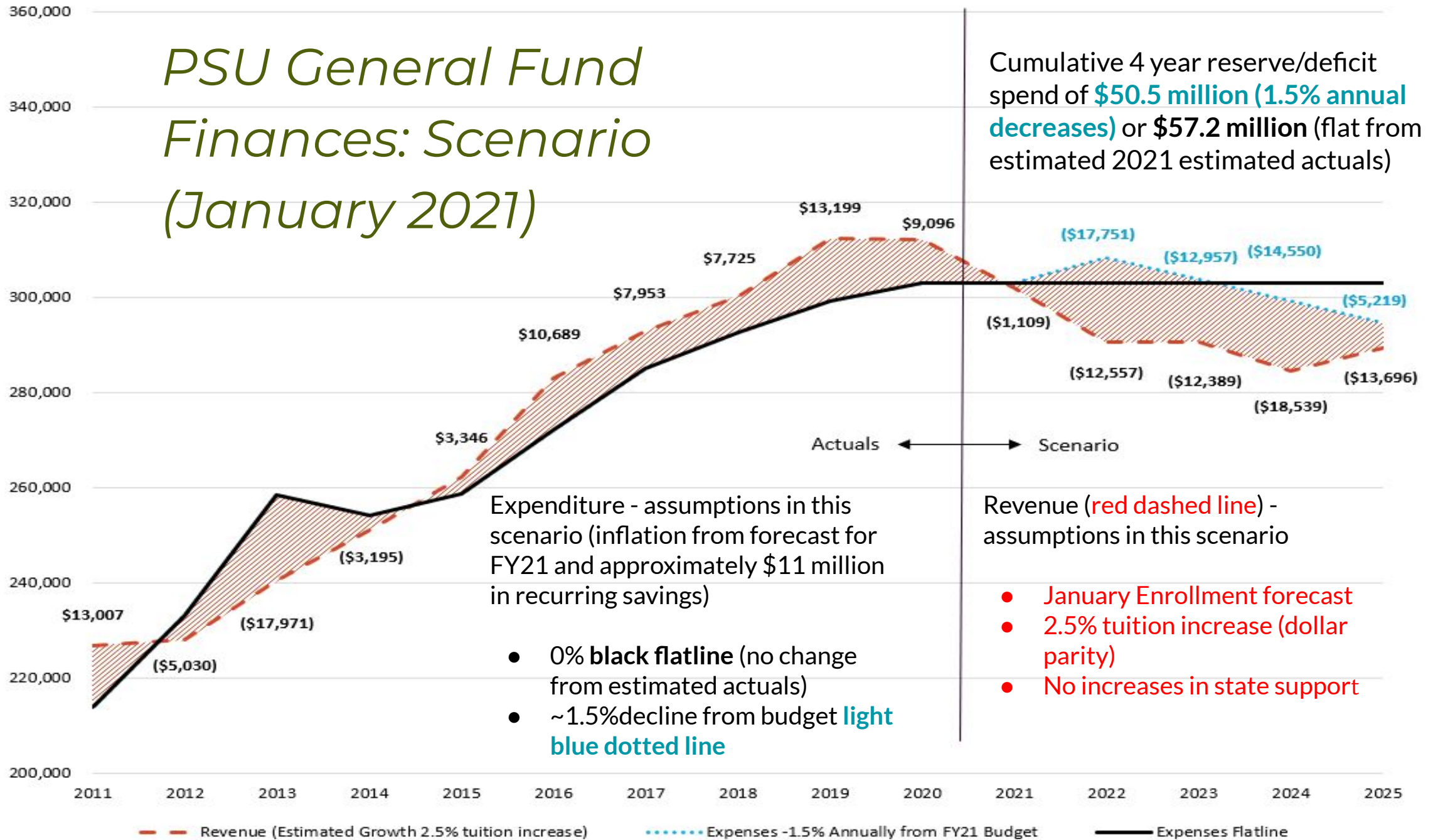
## *Operating Budget Components*

- As shown in the previous slide, the All Funds Operating budget consists of many types of revenue and expenses
- For Restricted, Non Education & General (Non-E&G), and Other E&G Funds, the rates charged and the revenue collected are controlled by the department charging the fee or generating the revenue
- Departments are responsible for monitoring the revenue and adjusting expenses based on available resources for Restricted, Non E&G and Other E&G Funds
- General Fund revenue is collected centrally and then allocated to each division (Academic Affairs, Finance & Administration, Information Technology, etc.) on an annual basis
- General Fund revenue is monitored centrally while General Fund expenses are monitored centrally, by divisions and by departments
- The Revenue and Expenditure Forecast and information presented on the next several slides focus solely on the General Fund - which is a subset of E&G Funds

## *Revenue and Expenditure Forecasts*

- Based on current information - evolve as we learn more
- State Support Allocation
  - Final Biennial allocation to the Public University Support fund unknown
  - Change in funding formula - increase in base support \$4.2 to 8.1 million
  - Impact of other funding formula changes and 3 year rolling average of activities components of the funding formula for all 7 Oregon Public Universities
- Net Tuition Revenue
  - Tuition rates not yet set
  - Covid-19 pandemic has added significant volatility to new and continuing student trends
  - Volatility introduces large changes in net revenue forecasts (\$6 Million difference between a 4.8% and 7% decline)
- Enrollment is almost certain to decline and all indications are that the general fund revenue will decline for the second year in a row
- Current Service Level (CSL) is estimated at 3%

# PSU General Fund Finances: Scenario (January 2021)



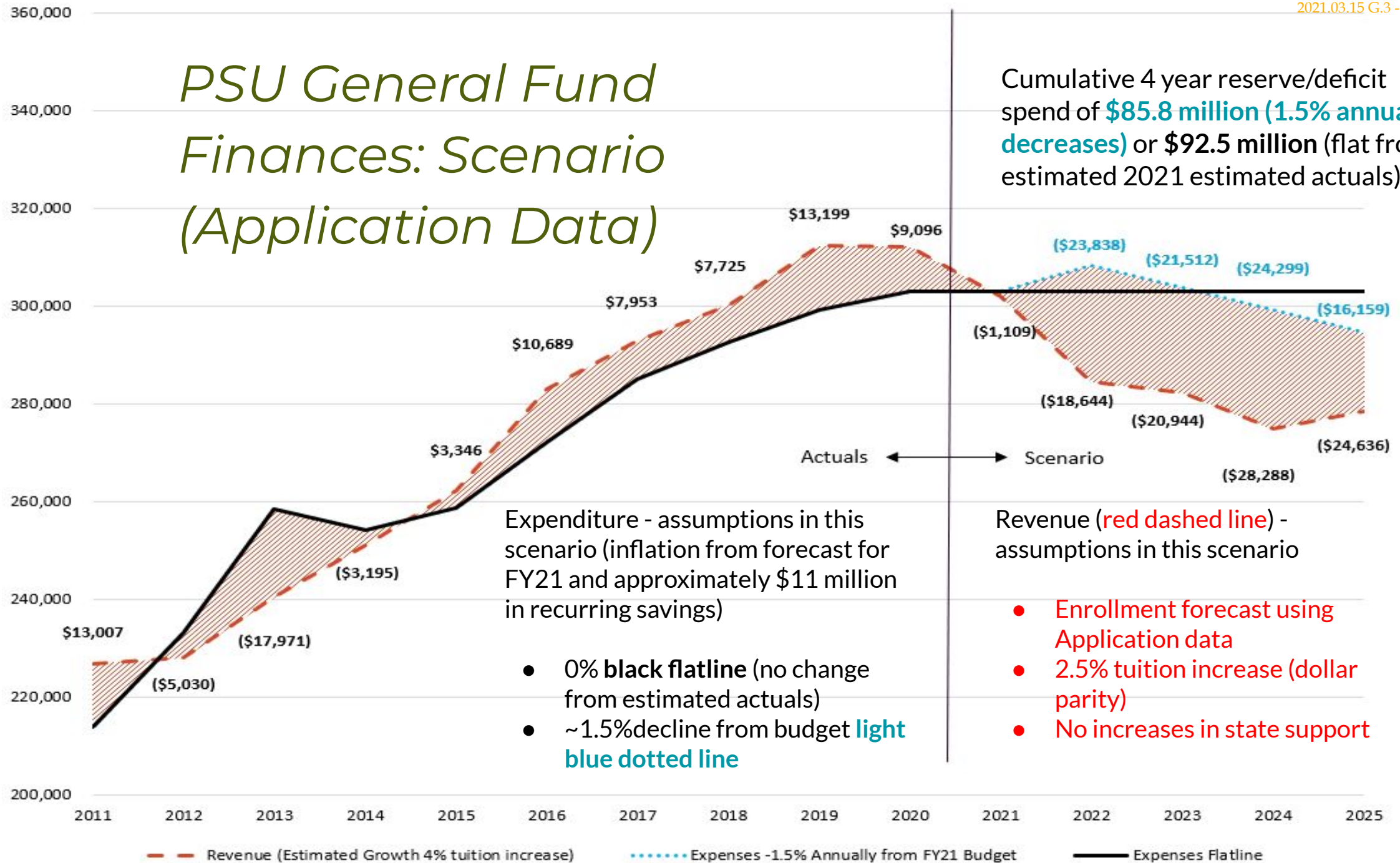
## *FY 2021-22 Deficit Spending Matrix and preliminary guidance from Board of Trustees*

Approximate Budget Change	Approximate Undergraduate Resident Tuition Increase			
	0%	2.5%	3.9%	4.9%
-3% (~\$19M reduction from CSL)	\$14 to \$16 million	\$12 to \$14 million	\$10 to \$12 million	\$9 to \$11 million
-1.5% (~\$13M reduction from CSL)	\$19 to \$21 million	\$16 to \$18 million	\$15 to \$17 million	\$14 to \$16 million
Flat (~\$9M reduction from CSL)	\$24 to \$26 million	\$21 to \$23 million	\$20 to \$22 million	\$19 to \$21 million
1.5% (~\$5M reduction from CSL)	\$28 to \$30 million	\$26 to \$28 million	\$24 to \$26 million	\$23 to \$25 million
3% (CSL)	\$33 to \$35 million	\$30 to \$32 million	\$29 to \$31 million	\$28 to \$30 million

**Even with significant reductions, a combination of tuition increases and deficit spending (use of reserves) will be required for the FY 2021-22 General Fund budget.**

# PSU General Fund Finances: Scenario (Application Data)

Cumulative 4 year reserve/deficit spend of **\$85.8 million (1.5% annual decreases)** or **\$92.5 million** (flat from estimated 2021 estimated actuals)





# *Strategy*

## Stephen Percy

## *Budget Goal*

**Implement a multi-year plan to achieve financial stability aligned with our core mission and values and responsive to the continuing evolution in higher education**

## *Core University Values*

- An abiding commitment to student learning
- Persistent effort to create social and economic mobility for every student
- Engaging actively with our community, carrying fourth our motto to *Let Knowledge Serve the City*
- Creating and disseminating knowledge, and empowering artistic expression, are key to making our community, our state, our world a better place
- An unmatched spirit of innovation



## *Presidential Strategic Priorities*

- Acting on Equity and Racial Justice
- Maintaining a laser focus on student success and Students First
- Mobilizing engagement to strengthen our city

For additional details please visit:

[www.pdx.edu/president/strategic-priorities](http://www.pdx.edu/president/strategic-priorities)

# Tactics

Stephen Percy





## *Multi-Year Approach*

- Use of reserves to allow for development and gradual implementation
- Active and persistent attention to enrollment
- Vigorous advocacy for state investment and other external support
- Pursuing opportunities for revenue growth
- Align resources, reduce expenditures, implement efficiencies
- Invest in promising opportunities

## *Year One*

- A. Estimated use of \$18 million in reserves
- B. Use of one-time federal relief funds
- C. Possible limited tuition increase
- D. State budget advocacy
- E. Division level reductions - approx. 1.5% cut from 2021 budget level

## *Future Years*

1. Continued use of reserves to bridge the gaps
  - The university has approximately \$100 million in Education & General (E&G) Fund Reserves
  - E&G reserves will be used as bridge funds in addition to changes over the next several years
  - Phased reduction avoids a larger immediate impact, allows for strategic reductions, and creates flexibility to adjust changes in enrollment and revenue

For more information on University Reserves, please see pages 21-24 of the Annual Financial Dashboard found here:

<https://drive.google.com/file/d/1jEEbWHbHHKhgFrNYhVriFpFtCacMoKPS/view>

## *Future Years*

2. Implement Strategic Enrollment Plans for undergraduate and graduate admission
  - Innovative programs such as Open for Fall, Open for All
  - Commitment to diverse student body
  
3. Advocacy for state and other resources

## *Future Years*

4. Pursue opportunities for revenue growth
  - Innovative ideas are welcome as is revenue sharing
  - Various campus units (e.g., OAI, CEPE, Graduate School) are engaged along with deans and academic units
    - Investing resources in areas with enrollment demand
    - Exploring expanded on-line offerings to reach new markets
    - Growing professional, executive non-credit offerings
    - Development of summer term as expanded learning opportunity

## *Future Years*

5. Align resources, reduce expenditures, implement efficiencies
  - Engage in efforts to reduce overall expenditures
    - Potential reduction of 6-10% of current E&G budget by 2025
  - Assess administrative and academic programs for fidelity to values and priorities
  - Evaluate institutional structure to optimize outcomes
  - Create limited resources to enable investment in promising opportunities



## *Processes*

- OAA budget model Lead: Provost Susan Jeffords
- Academic program review
  - Lead: Academic Leadership Team
  - Input: Faculty Senate
- Support services review Lead: Kevin Reynolds, VP for Finance & Administration
- Comprehensive review of athletics
  - Lead: Outside consultant
  - Input: Athletics
- Reduce lease costs and physical footprint Lead: Kevin Reynolds

## *Guiding Principles*

- Protect PSU's core values and priorities
- Treat our employees with care and respect by minimizing reductions to the extent possible, while providing supportive benefits and professional development
- Preserve and promote the ability to respond to student demand for academic programs aligned with career and life interests
- Embrace transparency and respect and adhere to all established policies, procedures and practices for shared governance
- Use data to inform decision-making
- Consider big ideas that can lead to substantial innovation and respond effectively to the changing environment of higher education

*THE TIME IS NOW*



# ***Budget Timeline and Upcoming Events***

**Susan Jeffords and Andria Johnson**

## *Office of Academic Affairs*

1. OAA Town Hall #1  
March 9, 2021  
TIME - TBD
2. OAA Town Hall #2  
March 11, 2021  
TIME - TBD

## *FY 2021-22 Outlook: Key Dates*

<b>January - March</b>	General Fund Scenario Planning
<b>February 2021</b>	Co-Chairs Budget for State Appropriations
<b>February 2021</b>	Budget Context and Initial Guidance
<b>February - March</b>	FY22 Enrollment and Revenue Forecast Updated
<b>April 2021</b>	Tuition Proposal to Board of Trustees
<b>April - June 2021</b>	Budget Building
<b>June 2021</b>	Preliminary Operating Budget for Board Approval
<b>June/July 2021</b>	Final Budget for State Appropriations

**Q&A**

**Jason Podrabsky**





# Budget Town Hall

February 22, 2021

*If you are attending the zoom meeting,  
you can use the Q&A function to ask  
questions at any time.*

*For those watching the live stream, you  
may submit questions to:  
[townhall@pdx.edu](mailto:townhall@pdx.edu)*



# *Wrap Up* Stephen Percy



## APRCA Committee Report to Faculty Senate – March 15 Special Senate Meeting for IELP Article 22 Process

March 7, 2021

### *APRCA Committee Charge*

The Faculty Senate approved the Ad Hoc Academic Program Reductions and Curricular Adjustments Committee in October 2020 to ensure meaningful faculty participation in all matters related to potential curricular adjustments and program reductions arising from budget reductions. The Committee is tasked with recommending principles and priorities based on PSU's values and missions, with planning and implementing transparent communications, and with soliciting faculty input and feedback.

### *Timeline – Article 22 Process for the IELP*

The [PSU-AAUP Collective Bargaining Agreement](#) sets forth a process (see **Article 22: Retrenchment**, sections 3 (a) – (f)) of information-sharing and consultation for circumstances in which the University engages in budget-related layoffs. Included in the process is a presentation of budget-related materials at a meeting of the Faculty Senate.

On February 4<sup>th</sup>, President Percy sent a memo to the Faculty Senate Presiding Officer invoking Article 22 for program reduction in the Intensive English Language Program (IELP). A special Faculty Senate meeting (as described in Article 22.3.c) is scheduled for 3:00 – 5:00 PM Monday, March 15<sup>th</sup>. During this meeting, the President will “present a full description and analysis of the financial condition of the University” (PSU-AAUP CBA, Article 22.3.c).

Following the **President's presentation on March 15th**, a **30-day comment period** ensues. The President will solicit comments directly for his private consideration. In addition, Faculty Senate wishes to collect information from the community in order to craft its own feedback to the President. Links to **two sets of comment forms**, one for the President and one for the Faculty Senate, will be available on the APRCA committee website.

Once the President has received and considered feedback from the PSU community, he may declare that a financial exigency exists or that the reduction or elimination of the IELP is necessary. If he moves forward in this way, he will put forth a **provisional plan** as outlined in Article 22.4. The President's provisional plan will be linked on the APRCA website. The PSU community will be invited for **another 30-day period to comment** on the plan, and the APRCA website will again host links to two sets of comment forms (one for the President and one for the Faculty Senate).

At the conclusion of the second 30-day comment period, the President will announce a **final plan** and will notify the affected department about how the reductions will take place.

Both the President and the Faculty Senate are committed to having the entire process unfold before 9-month faculty go off contract on June 16<sup>th</sup>.

### *APRCA Committee Website and Feedback Forms*

The APRCA committee is charged to solicit input and feedback from faculty and facilitate communication with and incorporate input from students, staff, and other stakeholders. To accomplish this task, the committee **website provides information about budget reductions and hosts feedback forms for the IELP Article 22 process**. The forms will “go live” after the conclusion of the March 15<sup>th</sup> Special Faculty Senate Meeting for IELP.

The APRCA Committee's **webpage** is located at <https://www.pdx.edu/faculty-senate/academic-program-reduction-and-curricular-adjustments-ad-hoc-committee>. We encourage all stakeholders to provide comments.