

Inter-Institutional Faculty Senate

Report by IFS President Gilkey to the State Board of Higher Education
Friday June 5 2009

For the record, my name is Peter Gilkey. I am a Professor of Mathematics at the University of Oregon and have the high honor and privilege of being the 2009 President of the InterInstitutional Faculty Senate.

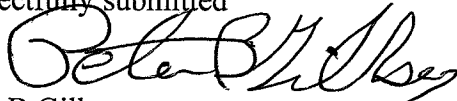
As at the last two state board meetings, I am providing individual campus reports of the information that is being transmitted between the faculty and the administration. It mostly deals with budgetary matters but not exclusively. I think the information flow both ways is going extremely well and getting better all the time. And the communication with the Chancellor's office also is going well – I append at the end of my report an email exchange that Susan Weeks and I had concerning the board docket item on minimum undergraduate class size as an illustration of this. Her response was helpful, succinct, and expeditious.

As I discussed in February, I am concerned at the perception that we are over administered. All the evidence suggests that this is not the case and I can only view proposed cuts to the Chancellor's office, necessary though they may be, with concern. Our budgetary situation at the moment is grim but not dire. Of course, everyone is basically in a holding pattern until we learn what the budget for higher education will be and until we hear how the state board is going to act concerning tuition and other matters.

As previously, I once again ask the board to give the individual campuses the maximum flexibility. Please let our Presidents and Provosts in consultation with the various stakeholder groups manage the budget cuts to come. Please do not micromanage us. Please give us tuition flexibility. There is no point in admitting students if we cannot pay the faculty and support staff to teach those classes. It is a mirage to think that we can constantly "reinvent higher education" and constantly become more efficient and constantly do more with less. We must inevitably at some point do less with less. We have no more fat left – we are anorexic. I remind you once again of my story of the farmer who trained his mule to work with less and less food and just when he had the animal trained to work with no food at all, the mule died.

These are grim times. "Gentlemen we must all hang together or we shall most assuredly all hang separately" (B. Franklin). There cannot be us versus them. There can only be we. We must and we shall continue to communicate and to provide Oregonians with the quality higher education that is central to the success of our State.

Respectfully submitted



Peter B Gilkey
President (2009) InterInstitutional Faculty Senate

Contents:

1. EOU:
 - a. Report by Dixie Lund
 - b. Draft budget reduction Plan
2. OIT:
 - a. FOAC Open Meeting 04.28.09
 - b. Budget update 26 May 2009.
3. OHSU
 - a. 18 May report from the School of Medicine 18 May 2009
4. OSU:
 - a. An analysis on compensated absences and OSU demographic/salary data that relates to the short-term retirement issues.
 - b. Article in Student Newspaper outlining steps being taken on campus
5. PSU:
 - a. Budget information.
 - b. Editorial letter by Wim Wiewel (President of PSU) in the Oregonian
6. SOU:
 - a. Strategic Planning Campus Forum 12 May 2009
 - b. Email from the President to the campus community 28 May 2009
7. UO
 - a. Article in Student Newspaper – interview with President Frohnmayer
 - b. Campus Email from Provost Bean 18 May 09 concerning OA contracts
 - c. Information from Provost Bean 20 May 2009 concerning voluntary FTE reductions
 - d. Email 29 May 2009 from Provost Bean concerning the budget.
8. WOU
 - a. Email from WOU Senator 2 June 2009.
9. IFS
 - a. Email between Peter Gilkey and Susan Weeks concerning low enrollment undergraduate courses.



EASTERN OREGON
UNIVERSITY

Dear Colleagues,

I had hoped to provide you with a written update each month, but a variety of "distractions" compromised that desire. Thus, I hope that the combination of periodic question and answer sessions, as well as communications that are shared with you via the University Council and/or Faculty Senate, have kept you informed as we navigate together this unusual time in our history. Clearly, budget issues and related tuition concerns have dominated my time, as they have for many of you. Speaking of which...we will have the last "post-Board Forum" the week of June 8. Details about the exact time will be forthcoming. I hope to obtain clearer information over the next couple of weeks, but please know that there are still many unknowns as the Legislature, the Chancellor's office, and numerous OUS personnel work to determine the best possible budget picture for the Oregon University System. We may not have full clarity until this summer and even then, there is a possibility of additional cuts in FY 09-10 as new revenue forecasts will be forthcoming as fall approaches and unfolds. We are ending the year strong, and that positions us for more flexibility than we had a year or two ago.

I encourage you to attend our annual Faculty Recognition Banquet on Friday, May 29 -- a time to recognize and honor our retiring teaching and administrative faculty, as well as learn who has been selected as the Distinguished Faculty from those two groups. If you have not yet sent your RSVP to Kristen, today, Friday, May 22 is the last day to do so. The cost is very reasonable, \$15/person, for a full-course dinner, entertainment, and social and celebration time with our colleagues.

Many visits to Salem to meet with legislators and attend Board meetings have occupied much of my time in April and May. In fact, as I write this our incoming president, Bob Davies, is in Salem doing just that. Dr. Davies has spent time in eastern Oregon each month, since his selection in February, becoming acquainted with a variety of community and campus groups. He is eager to "take over the reins" (somewhat literally, as he fully intends to ride a horse in parades where EOU has an entry)! The Davies family will be moving into the University-provided home in the Highland Hills area during our finals week, and will be joining us for EOU's Commencement on Saturday, June 13.

In addition to Salem visits, I've been on the road the last two months to help the Admissions Office with recruiting at high schools in Umatilla, Grant, Harney, and Baker counties, and will be in Wallowa County next Tuesday, May 26. Each county visit includes a reception for alumni from the area and gives EOU further connections to our supporters...many of whom carry great influence with potential students.

Speaking events at the NE Oregon Women Education Association annual meeting, SBDC-sponsored Entrepreneur Day, Union County Board of Realtors, OPB's "Think Out Loud" program when they broadcast from La Grande, and at Discover Your Future and Mountaineer Day, (previously known as SOAR Day), have enabled me to talk about all the attributes associated with being a student, as well as being an employee of

EOU. In spite of many challenges over the last 22 months since I've served as interim President, I am always proud to speak about Eastern Oregon University.

I am equally proud to attend graduating student art exhibits, musical recitals, and performances of the Grande Ronde Symphony, the most recent one of which showcased some of our outstanding students. Two students and I even "cut" a YouTube video, extolling the affordability of EOU. And then there was the very exciting Women-in-Timber sponsored Ag Parade in downtown La Grande on May 15. Thank you, Ken Bruce and Ed Lund, for driving EOU Alumni President Mike Daugherty and I in Ken's restored EOU Physical Plant 1970's van, and additional thanks go to members of the Summit Dancers, EOU football team members, and of course Monty, (aka LJ?), for adding so much to the EOU presence in that parade.

I am optimistic about EOU's future, and I admit a bit nostalgic as I count the days to my return to retirement. Please always remember that we serve a very special group of students -- those young and old, urban and rural, rich and poor, confident and shy, domestic and international, red, yellow, black, and white who have chosen to come to OUR university and make it THEIR'S. May they always be as proud of us as I am of them.

Sincerely,
Dixie Lund (EOU President)

DRAFT Budget Reduction Plan 2009-10 EOU 3 Executive Summary

Oregon's Legislative Fiscal Office (LFO) has directed all state agencies to submit impacts of up to 30% reductions in state appropriations for 2009-11. Impacts for the Oregon University System (OUS) are available at

http://www.leg.state.or.us/budget/agency_30_reductions/DHED.pdf.

OUS has asked all campuses to prepare their own budget scenarios to meet reduction targets up to 30%. Eastern Oregon University (EOU) has responded through careful planning and deliberations that sustain fiscal stability achieved during the 2007-09 biennium (over 10% fund balance) through the 2009-11 biennium. EOU will weather the economic downturns currently affecting the OUS, the state, and the nation through continued strong leadership, conservative fiscal management, and student-centered recruitment and retention efforts. By carefully managing tuition increases, enrollment, revenues, services, personnel functions, and programs, EOU will be well positioned to invest in the future and to secure its long-term position within the region and OUS. EOU's response to this budget challenge was to create a set of planning scenarios of 18%, 20%, and 23% reduction of State support. In each tier of progressive cuts, the overarching principles were 1) to retain for all students the features of a high-quality educational experience, 2) to continue to provide students with an affordable education where there is ample access to programs, 3) to retain all academic and student service programs, 4) to serve the community and be responsive to the region, and 5) to retain all employees.



OREGON
HEALTH & SCIENCE
UNIVERSITY

School of Medicine News/Deans Update Issue 18 May 2007

Earlier this month, the Dean's office staff participated in a day-long retreat. One purpose of our offsite gathering was to dig into a core question: are we optimally organized to meet the strategic goals of the School of Medicine and the broader OHSU Vision 2020?

To some extent, our initial discussion tended to circle back to the current budget situation facing OHSU and the School of Medicine, linking this to the urgency to reorganize. While this is undoubtedly a factor, a broader strategic context on this topic proved more constructive.

One goal of our strategic plans is to integrate our mission areas, moving from traditional "silos" to a model in which we can take full advantage of the opportunities and strengths inherent in the overlap between education, research and clinical care. I believe that by focusing aggressively on this strategic goal, we are likely to simultaneously alleviate our fiscal constraints.

The reorganization of the OHSU Cancer Institute is emblematic of an integrated model that breaks down unneeded boundaries between our missions. Under Dr. Brian Druker's leadership and vision, the OHSU Cancer Institute will take the lead on consolidating and expanding cancer research, coordinating cancer care, and directing new efforts throughout the state on screening and prevention. I anticipate that this model, with the appropriate centralized administration, will also help make us more cost-efficient.

While our financial picture is not the main motivating factor to integrate, partner and prioritize, realism in this regard reinforces the necessity and inevitability of such fundamental change. Most of us understand the implications of the temporary "gap" between cash outlay and revenue generation from the university's three new buildings and how this has affected the School of Medicine, however, other factors are also in play.

In the coming years, we will experience a financial impact from changes to the Oregon Tort Claims Act (OCTA). Since 1967, the OCTA has limited the dollar amount that an individual can win in a lawsuit against any Oregon public entity, including OHSU. The constitutionality of the cap is under review by the Oregon Supreme Court and the legislature is debating changes to the OCTA.

We don't know the outcome of these deliberations yet but we do know that the cap, under any scenario, will be increased. The historical cap of \$200,000 per individual no longer meets a reasonable standard by anyone's definition, including our own.

While we anticipate and appreciate a modest increase in state funding this year, the state's allocation to OHSU and the School of Medicine has been steadily declining for a decade. In response, the School of Medicine has accumulated deferred maintenance needs that can no longer be ignored.

Evaluating the status quo in this strategic and fiscal context was a goal of the Dean's office retreat. We made progress on envisioning our future organization, and acknowledged that change was inevitable. An outcome of our discussion was articulating

anew our core function: service – to learners, to faculty and to alumni. Going forward, we agreed to develop a plan to ensure that our form optimally meets this function.

Over the course of the next 12 months, I encourage every unit within the School of Medicine to also take the time to consider the core question: are you optimally organized to meet the strategic goals of the School of Medicine and the broader OHSU Vision 2020?



FROM THE OIT WEB PAGE 11 May 2009

Share your ideas about budget matters. Members of the OIT community are encouraged to share their ideas about budget matters with the Program Reduction and Elimination Committee. To submit your thoughts, send an e-mail to budgetideas@oit.edu.

FOAC Open Meeting 04.28.09. President Maples and Professor Richard Bailey co-hosted an open forum for ideas around growing OIT's revenue sources. Bailey chairs the Fiscal Operations Advisory Committee, a body that makes fiscal recommendations to the president. Both Maples and Bailey encourage individuals to send them ideas on how to cut expenses or to bring in new revenue. E-mail them at richard.bailey@oit.edu or chris.maples@oit.edu.

Ideas shared were: * Take out every other lightbulb throughout campus. * Shut off the heating system on weekends and one day a week. * Have employees pay a portion of their health insurance costs. * Utilize full-time equivalency reductions or furloughs. * Utilize salary reduction procedures to protect those involved with tenure relinquishment or retirement planning. * Allow faculty to take voluntary leave without pay. * Provide weighted salary reductions, so those paid more bear more of the burden'. * Cash out sick leave and vacation. * Move summer school to distance education only. * Close some buildings over the summer. * Provide more continuing education credit opportunities. * Provide night continuing education credits. * Provide online continuing education credits. * Utilize the Dow Center during the summer for continuing education. * Provide short courses for Oregonians needing skills to get back to work. * Give faculty evaluation credit for distance education or continuing education development. * Revitalize the Associate of Arts/Oregon Transfer program. * Offer a full summer quarter. * Analyze semester vs. term costs. * Offer to take students for two years before they transfer to another OUS institution. * FOAC should look at cutting costs in service areas. * Offer furlough during Convocation. * Shut down the week between Christmas and New Years. * Close on Fridays, lengthen Monday and Wednesday classes so Fridays aren't necessary. * Rent labs to KCC * Send a tear-jerking video to Oprah * Product placement in faculty lectures * Elderhostel * Summer camps * Conferences * Utilize the 10 solar panels not in use on campus * Work four 10-hour days

Subject: Next Budget Email Update
From: Christopher Maples <chris.maples@oit.edu>
Date: Tue, 26 May 2009 14:53:23 -0700

Dear OIT Family,

This is the next in a series of updates regarding the Oregon budget and OIT's place within that budget. The revenue forecast released earlier this month projected a greater deficit than anticipated in March, both for the current fiscal year and for the next biennium, but that forecast was not as bad as some had feared. On Monday of last week, the co-chairs of the Ways and Means Committee issued a recommended budget for the next biennium based on the most-recent forecast. We are grateful for what the co-chairs have been able to do for the OUS within this budget, and hope for a better economy next year and for some additional resources to support students and the universities.

The co-chairs' budget broadly calls for a 15% reduction in state general funds to the Oregon University System (OUS) institutions, and a 25% reduction in state general funds to the Chancellor's Office. These reductions are based on a number of conditions and assumptions, including: (1) this reduction is contingent upon the passage of an \$800 million increase in taxes; (2) there will be a number of one-time reductions of FTE across state agencies; (3) an additional \$100-million reduction in spending, which has yet to be distributed among budget categories and state agencies, will not be applied to the University System (if this is not the case, our functional decrease will be approximately 20% instead of 15%); and (4) there will be no further reductions of revenues in future forecasts over the next two years.

Legislative leaders intend to end the session on June 30. They most likely will address the higher-education budget close to the end of the session. Once the legislature completes its work, the Oregon University System (OUS) will need time to interpret and distribute the budget to the individual universities. The OUS Board of Higher Education will determine tuition increases at its July 9-10 meeting. We intend to announce the new rates in July after this meeting. OUS will finalize the budgets for individual campuses after its July meeting. This means that we will not know our budget with any certainty until mid-July at the earliest.

Additional state revenue forecasts will be released in September and December, and each could require changes in the OUS and OIT budgets. There is a reasonable likelihood that we could face a budget reduction in excess of 15% before the 2009-10 biennium ends. At this time, we believe there will be a short legislative session in February 2010 to reassess and readjust, if necessary, the state budgets.

Because of the uncertainties in the proposed budget for the OUS, OIT's Program Reduction and Elimination Committee (PREC) will NOT be issuing a public report in early June (i.e., there will be a public PREC report, but not in early June). PREC will provide a very preliminary set of advisory comments directly to me based on the current conditions, and will be on standby for a public report once various budget and revenue projections stabilize. I will NOT act on any advice from PREC before there is an open, public report available for the OIT community. I did ask for their preliminary guidance, however, to make sure that we all are on the same general path with the guiding principles and philosophical direction with which PREC has been working.

OIT's Fiscal Operations Advisory Council (FOAC) continues to meet regularly. We are scheduled to present aspects of the OIT budget to FOAC on Tuesday and Wednesday, May 26 and 27. Although we will provide some details of OIT's budget, there is nothing in that presentation that should be considered as fact until some time after the OUS budget is finalized. I encourage you to attend the administrative budget presentations to FOAC. The schedule is as follows:

Tuesday, May 26, 4:00PM, Sunset

Chris Maples: President's office

Mary Ann Zemke: University Advancement (Development)

Erin Foley: Student Affairs

Wednesday, May 27, 4:00PM Sunset

Brad Burda: Provost

Bob Nettles: Finance and Administration

These are challenging times for all of us. But as I have noted to many of you, we will succeed by working together and thinking creatively about revenue and more efficient ways to operate. We already are seeing numerous successes across OIT. We have record enrollment, CHP is nearing completion, there are numerous capital upgrades across several of our campuses, and our new residence hall is on schedule for opening in September. I am deeply grateful to all of you for your willingness to curb spending, suggest revenue enhancements, and generally pitch in to see us through these challenges.
chris

Christopher G. Maples, President
Oregon Institute of Technology

From: "Valeree Lane" <Valeree.Lane@oit.edu >
Date: May 29, 2009 10:53:46 AM PDT
To: "Chris Maples" <Chris.Maples@oit.edu >
Subject: The Maples Report: Volume 1, Issue 7

Volume 1, Issue 7 May 2009

Well, so much for the hope that I would have enough information to give everyone a clear picture of our budget situation in time for a May issue of the Maples Report. Here it is the end of May (May 29, to be exact, as I write this part of the Report) and the picture, if anything, is at least as murky as ever. Nonetheless, in the section below, I have outlined what we know at this time about our budget situation.

The budget information in late May: I have to start this section with a couple of observations to paint the background of the economic times in which we live. First, I truly believe that we are in uncharted waters, at least uncharted since the end of WWII. Oregon has the second-highest unemployment in the country (behind only Michigan) and a state budget that depends on income tax during times of high unemployment is going to show dramatic decreases over previous times. That's exactly what has happened in Oregon. As a consequence, state support for all services, including higher education, has shown concomitant decreases.

What we know for sure is that the co-chairs of the Oregon Ways and Means Committee (Sen. Margaret Carter and Rep. Peter Buckley) have proposed a higher education budget of \$797.5 million, which reflects a reduction of 14% (\$127.4 million) from the essential budget level of \$924.8 million. The co-chairs' budget broadly calls for a 15% reduction in state general funds to the Oregon University System (OUS) institutions, and a 25% reduction in state general funds to the Chancellor's Office. These reductions are based on several conditions and assumptions, including: (1) passage of an \$800 million increase in taxes; (2) a number of one-time reductions of FTE across state agencies; (3) that an additional \$100-million reduction in spending, which has yet to be distributed among budget categories and state agencies, will not be applied to the University System (if this is not the case, our functional decrease will be approximately 20% instead of 15%); and (4) no further reductions of revenues in future forecasts over the next two years.

We are continuing to work on various combinations of salary-pool reduction, furloughs, staff position consolidations, tuition and fee increases, and other variables over which we have some control in both the short term and long term. No matter how you look at OIT's budget, however, about 80% of our expenditures have been on salaries and compensation (i.e., payroll; please see graph below). So to put it candidly, if we are going to handle a cut of 15% to 20%, we will have to reduce that salary pool by a substantial amount.

Simply put, cutting expenditures and increasing revenues are the keys to increased fiscal stability in both the short term and long term. One can think of revenues as coming in three forms: tuition, state support, and other support (e.g., grants, contracts, donations, etc.). This is another way of saying that tuition alone does not cover the cost of a college education at OIT. The same can be said of state support. It takes both of those pieces, along with private financial support (for which we are extremely grateful), to cover the cost of education. Because state support is being cut, in order to get through the near-term fiscal challenges that OIT is facing, we will raise tuition in addition to the planned furloughs and/or pay reductions and other belt-tightening measures being taken across the entirety of OIT. Again, it is unclear at this time how much tuition will go up, but it seems likely that it will be in the range of 7% to 9%.

These measures certainly are not our preference, but there are just so many cuts that can be made and just so many course sections that can be combined without having a very negative affect on our graduation rates, the overall quality of the educational experience at OIT, and the time it takes our students to finish their degrees. This economy will turn around, and I have no doubts that the US and graduates such as those we produce at OIT will contribute directly and markedly that turnaround. In the meantime, please know that we are doing everything we can at OIT to not only maintain OIT's high reputation, but we also are planning for continued growth in areas that will allow our students and graduates that chance to lead the coming economic rebound.

[Additional material deleted that relates to local matters.]



OSU

The following materials were presented to the Chancellor on Tuesday May 5 2009 when he met with the OSU Senate Executive Committee and OSU IFS representatives. It presents an analysis on compensated absences liability (the annual leave data Joanne sent Peter) and OSU demographic/salary data that relates to the short-term retirement issues.

Metrics on Compensated Absences and Age-Related Numbers
OSU

Compensated absences:

Total OSU E&G (Incl Cascades)	8,051,818.52
Total AES	1,933,482.03
Total Extension Svc	1,909,344.05
Total FRL	362,800.45
Total Des Ops	341,160.22
Total Svc Depts	490,540.80
Total Auxilliary	1,871,483.36
Total Restricted Funds	<u>4,374,384.12</u>
Total OSU	<u><u>19,335,013.55</u></u>

Age-Related Numbers and Salary:

OSU Data

Teaching/Research Faculty	Head Count	Total Salary	Salary with OPE
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Age 66-79	68	2,347,914	3,776,056
Age 65	16	1,141,232	1,611,715
Age 64	32	1,942,618	2,805,420
Age 63	32	1,770,326	2,593,501
Age 62	35	1,991,255	2,904,243
Age 61	51	3,059,289	4,425,926
Age 60	30	2,096,306	2,968,457
Age 59	41	2,878,247	4,073,243
Age 58	50	3,192,543	4,576,828
Age 57	75	4,108,658	6,028,649
Age 56	65	3,741,667	5,447,250
Age 55	66	4,151,499	5,964,344

The Daily Barometer, 5.12.2009, by Makenna Bishop

<http://media.barometer.orst.edu/media/storage/paper854/news/2009/05/12/News/Budget.Forecast.Scheduled.To.Be.Released.Next.Week-3740362.shtml?refeature=htmlmailedition>

Many students are aware of the university's current budget woes, but many students haven't considered how these deficits will affect their college careers. Sabah Randhawa, provost and executive vice president of the university, said that it is necessary to cut as many as 300 full-time positions in order to appropriately balance the budget. OSU is currently facing between a 10 and 30 percent reduction to the educational and general budget for the next two years, while the OSU Cascades Campus will face a budget reduction of more than 30 percent. OSU will face an increase of tuition costs for undergraduate, in-state residents from 9.6 percent to

20.6 percent higher. The jump will make the university the second highest tuition cost of the Pac-10 schools, second only to the University of Oregon.

According to the university's website, more undergraduate classes are taught by top professors with national reputations for their research and teaching than at most major universities. There are roughly 3,500 employees at Oregon State currently. The discussion of where the cut positions will come from is still underway. Reductions are expected to be made throughout many departments, and though not all departments will be affected directly, the changes will be distinctive. While nothing has been finalized, the President's Advisory Council on Budget and Strategic Priorities, which is chaired by Randhawa, plans to develop solutions to realign programs with the projected budget. The results from the latest revenue forecasts will be updated this Friday, May 15. It will be then that further decisions will be made.

According to Randhawa's update on the Provost's office website, when considering reductions, students will be put first, and will focus on providing access to core classes and maintaining top faculty. With this, however, it is likely that class sizes will increase and fewer sections may be offered. If this is the case, he said the university would take action to ensure that students' paths to graduation are minimally affected. In addition to the tuition increases, between 10 and 30 percent of the university's financial aid will be withheld. The budget problems that OSU currently faces were discussed in the most recent joint session of ASOSU and Faculty Senates. The board of the Faculty Senate proposed three standards that it plans to keep in mind while grappling with the current deficit.

Those principles include maximizing students' learning and success, maximizing the retention of talented faculty in order to help advance student success and using the strategic plan as a guide for current and future decisions and opportunities. D.J. Zissen, a junior in human development and family science, currently has a job on campus through work-study. He said he feels that his position is safe and doesn't think other students should be overly worried about their own work-study jobs. Zissen said he knows that the administration at OSU is doing everything it can to ensure that those jobs are available to students. "I think that [job cuts] are a necessary evil," Zissen said. He added that he didn't think the administration likes cutting full-time employees, but sometimes situations like this happen.

Zissen said he realizes that in addition to the potential job cuts, there will be an increase in tuition that he said will be hard on all students. "Even though it is a necessity, I wish there was another way to get the money without increasing tuition or laying off more professional staff," Zissen said. Ravi Madhira, a senior in biochemistry and biophysics, wondered why the university simply couldn't offer a pay decrease as opposed to firing so many employees. Randhawa said that the OSU administration has adopted a voluntary 4.6 percent salary reduction for this term.

He said that while this step, along with others, is helpful, they do not fully address the complete change that will be realized in the coming months. The Provost's office welcomes feedback to its strategic plan and encourages all students and faculty to visit its website for more information or to leave suggestions of more cost-saving methods. Stay tuned to The Daily Barometer in the coming weeks for an update on the economic situation at OSU as the budget forecast is announced.



**SUMMARY OF PROPOSED PRELIMINARY RECOMMENDATIONS
PORTLAND STATE BUDGET 2009-10**

The proposed preliminary recommendations for the 2009-10 Portland State Budget are built on some important assumptions which are identified below and which are very much subject to change. The State Legislature and Governor are just now engaged in the State budget decision making process. Several key decisions including the level of student tuition and level of salaries are yet to be finally determined. Further, as the State and University move into the next budget year, economic circumstances may require modifications of the beginning year budget during the year. Based on the plan presented below, the total number of vacancies eliminated and layoffs is 68. (Should reduction be higher, the figure could be 108).

BUDGET SHORTFALL & RECOMMENDED ACTIONS:

Expected 22% State appropriation reduction (combined with other adjustments/factors) results in shortfall	\$28,400,000
Expected Tuition Revenue Loss (due to capacity loss)	800,000
Expected Tuition Revenue Increase (based on 13% Res UG/ 10% all other groups and 0% enrollment growth)*	13,500,000
Salary/FTE Reduction/Furlough Days of 4.6%	3,900,000
Overhead Charge Increase 4% (self support/auxiliaries)	1,200,000
Summer Session Contribution Increase	500,000
Reductions in leases/moves/utilities/campus closures and miscellaneous	2,000,000
Services & Supplies Reduction 3%	500,000
Academic (Instructional) Reductions (see attached detail)	1,860,000
Administrative & Academic Support Units Reductions (see attached detail)	4,000,000
Other Administrative Reductions / Revenue Offset	1,740,000

*Enrollment assumption of 0% based on higher tuition growth; if enrollment is higher, additional revenue will cover shortfall, instructional costs, support for instructional costs and required reserve

TOTAL PRELIMINARY PROPOSED E & G BUDGET*	\$240,000,000
Minus Unanticipated Shortfall on Above Items (\$2, 000,000 to 4,000,000)	
REVISED TOTAL EDUCATION & GENERAL	\$ 238,000,000
to	236,000,000

*Prior to other revenue adjustments / projections.

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

January 20, 2009

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

Eight Guiding Principles (CONT.)

January 20, 2009

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

Eight Guiding Principles (CONT.)

January 20, 2009

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

Eight Guiding Principles (CONT.)

January 20, 2009

- > 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

1. [Guest Opinion] Colleges are key to Oregon's future , The Oregonian, by Wim Wiewel [http://www.oregonlive.com/opinion/index.ssf/2009/05/colleges are key to oregons fu.html](http://www.oregonlive.com/opinion/index.ssf/2009/05/colleges+are+key+to+oregons+fu.html)

In The Oregonian's recent article exploring the state's budget crisis ("Oregon budget: What can we afford?," May 24), an important component that is vital to Oregon's success was left out: higher education. There are many state services and programs that deserve attention, and without a doubt Oregon is facing tough times and tough decisions. But it's important to let the public know the impact that universities have on the state's economy and future. To craft a sustainable economy in Oregon, educating and training our future work force are essential. But we continue to add to the hardships of gaining an affordable, quality education -- therefore hindering the recovery and growth of Oregon's economy.

Additionally, for the first time in more than 60 years, Oregon's older generation is more educated than our younger generation. This raises concerns for the future development of Oregon. But in these hard economic times, we are experiencing an 18 percent increase in applications at Portland State University. People are turning to higher education to advance in their careers, stay competitive in their fields or change their career path. Now is the time to invest in Oregon's universities.

Twenty years ago, it cost our university \$4,500 to educate a student. The cost today is about \$10,000 per student -- a rate of increase just about equal to inflation. Twenty years ago, the state provided \$3,100, leaving roughly \$1,500 that Oregon students and their families paid in tuition and fees. Today, the state provides just \$650 more, at \$3,750. This leaves roughly \$6,000 that now needs to be covered and is a 250 percent increase for our students. Not surprisingly, Oregon ranks 44th among states in appropriation per full-time student. Institutions are essentially losing money on every new student who enrolls. However, we have a commitment to the future of Oregon and do not want to close our doors. This is why public knowledge, as well as support, is crucial in these times.

Portland State University and all of Oregon's higher education institutions provide education, training, research and employment and add to the state's economic growth. We are expected to contribute to global competitiveness, increase civic awareness, solve urban problems and lead sustainable practices. Higher education needs resources to do this. As we look toward what we can afford, and what makes sense for the future of Oregon, it's important to know the vital role universities play in the economic growth of the state. What better way to educate and prepare Oregonians for our future than a sustainable investment in higher education.

Wim Wiewel is president of Portland State University.



Campus Colleagues:

This is a reminder that you are cordially invited to attend the first of two Strategic Planning Campus Forums: Tuesday, May 12 2:30 pm—3:30 pm Meese Room/Hannon Library. Attached is a document that includes the Mission and Commitments (approved in February 2008), a draft vision and strategic direction, and draft goals and objectives. Please bring a copy of this document tomorrow for discussion. You may also view this section of the plan online: at http://www.sou.edu/president/visionandgoals_5_09.html. I look forward to tomorrow's discussion. Mary Cullinan

The following is taken from http://www.sou.edu/president/visionandgoals_5_09.html

Mission and Commitments*

Southern Oregon University is an inclusive campus community dedicated to student success, intellectual growth, and responsible global citizenship.

Commitments Southern Oregon University is committed to a challenging and practical liberal arts education centered on student learning, accessibility, and civic engagement; academic programs, partnerships, public service, outreach, sustainable practices, and economic development activities that address regional needs such as health and human services, business, and education; and outstanding programs that draw on and enrich our unique arts community and bioregion.

*SOU's Mission Statement was approved by the Oregon State Board of Higher Education in February 2008.

Vision and Strategic Direction: Southern Oregon University's strategic plan will help the university achieve a compelling vision. By 2014, SOU will be acknowledged nationally as an outstanding public university offering a challenging and practical liberal arts education that is deeply connected to the bioregion and local communities. The university will be recognized as a regional leader in the areas of sustainability and the arts, a diverse and creative intellectual community that addresses regional needs and serves as a catalyst to economic and cultural development. By 2014, Southern Oregon University will be known for the following distinctive characteristics:* Graduates who become productive leaders in their fields; graduates whose liberal arts education and intellectual creativity are strengthened through connections to the wider external world and the unique environment of southern Oregon -- Engaged students, faculty, and staff committed to sustainable practices and responsive to regional and global needs -- An inclusive learning environment, enhanced by student-faculty collaboration, that promotes success for

diverse learners both face-to-face and through technology -- Significant contributions to the arts and the southern Oregon bioregion *These characteristics reflect research undertaken by Simpson Scarborough during the branding process as well as SOU's mission statement and input from faculty, students, staff, and community members throughout planning processes.

Goals 2009-2014 The following four goals serve as the basis for overall university planning and for individual unit plans.

Goal 1: Academic Distinctiveness and Quality -- Southern Oregon University will heighten and sustain a powerful university culture that supports and inspires intellectual creativity, connected learning, and a passion for making a difference.

Goal 2: Commitment to the Arts and the Bioregion -- Southern Oregon University will be a regional leader in curricula, research, and outreach that inspire creativity and model the interplay of environmental, economic, and cultural facets of our bioregion.

Goal 3: Community Catalyst Southern Oregon University will be a regional leader as an economic and cultural catalyst for external communities.

Goal 4: Financial Sustainability -- Southern Oregon University will increase the University's fiscal stability through enrollment management, budget development and alignment, strategic partnerships, and fundraising.

Objectives

Goal 1: Academic Distinctiveness and Quality --Southern Oregon University will heighten and sustain a powerful university culture that supports and inspires intellectual creativity, connected learning, and a passion for making a difference.

Objectives: Offer in each SOU program opportunities that foster applied or creative approaches to the discipline. Enhance ongoing professional development for faculty and staff to underscore campus values: academic quality, connected learning, intellectual creativity, and responsiveness to global and community needs. Ensure that all new faculty hires receive mentoring support that reflects the culture of intellectual creativity, connected learning, and a passion for making a difference. Increase opportunities to honor and celebrate excellence in teaching, scholarship, and service. Ensure that program review and assessment practices provide ways to measure academic distinctiveness and quality in every academic program.

Goal 2: Commitment to the Arts and the Bioregion -- Southern Oregon University will be a regional leader in curricula, research, and outreach that inspire creativity and model the interplay of environmental, economic, and cultural facets of our bioregion.

Objectives Include in the curriculum of every academic program a focus on one or more aspects of sustainability. Fully reflect a commitment to the arts and bioregion in the University Studies curriculum. Significantly increase enrollment in programs connected to the environment and bioregion. Significantly increase enrollment in programs connected to the arts. Ensure that a majority of SOU students, staff, and faculty participate regularly in opportunities related to the arts and to the environment.

Goal 3: Community Catalyst -- Southern Oregon University will be a regional leader as an economic and cultural catalyst for external communities.

Objectives By 2011, SOU will create and begin implementing a comprehensive sustainability plan for the university that sets benchmarks and serves as a model for institutions throughout the state. By 2014, all SOU students will systematically participate in experiences that connect learning with the external community. By 2014, all SOU academic departments will provide meaningful, challenging applied learning experiences for their majors. By 2014, SOU will develop a strong portfolio of arts and environmentally-related programs that can be marketed regionally, nationally, and internationally.

Goal 4: Financial Sustainability Southern Oregon University will increase the university's fiscal stability through enrollment management, budget development and alignment, strategic partnerships, and fundraising.

Objectives SOU will ensure that campus infrastructure continues to be developed in a manner consistent with the SOU Campus Plan. By 2010, SOU will develop a realistic marketing plan that is aligned with enrollment management planning and supports university-wide branding and strategic planning. By 2010, the university's budgeting processes will be refined to ensure transparency, sound decision-making, alignment of budgeting with institutional strategic planning, and maintenance of a fund balance and reserves that meet OUS and state standards. By 2010, SOU will ensure that appropriate data are collected and analyzed to better inform strategic planning and decision-making. By Fall 2014, SOU will have headcount enrollment of 5,612 students and 16% minority enrollment.

By 2014, SOU will have achieved a 75% student retention rate from freshman to sophomore year. By 2014, SOU will achieve an international student body that is 5% of overall enrollment headcount. By 2014, SOU will offer seven academic programs online. By 2014, SOU University Foundation endowment will double in value and contributions combined. By 2014, the number of endowed scholarships will increase by at least 50 and annual scholarships will serve an additional 100 students. By 2014, external funding through grants and contracts will have increased to at least \$10 million. By 2014, two colleges/schools will be named from private or corporate contributions. By 2014 \$3 million in new planned and/or deferred gifts will be documented.

The following is from an email received 28 May 2009

From: President' Office
To: ALL_Campus
Date: 5/28/2009 8:16 AM
Subject: Budget Update

Dear Campus Colleagues:

Many budget issues are still in flux, but I want to provide the campus with information on where things stand right now.

On May 15, 2009, the state economist released a revenue forecast that projected a significant deficit for both 2007-2009 and the 2009-2011 biennium. Then, last week, the co-chairs of the Ways and Means Committee released a state budget based on that forecast. The co-chairs' budget broadly calls for a 15% reduction in state general funds. However, this reduction is contingent on an \$800 million increase in tax revenues.

Additional tax revenues would probably come from an increase in the corporate minimum franchise fee and an increase in the top bracket in the state income tax. The legislature could approve a tax package by a three-fifths majority vote, which requires the Governor's signature. However, such tax increases could face a vote in Oregon through the voter initiative process.

We will not know the SOU budget until mid-July at the earliest. Legislative leaders plan to end the session on June 30. We expect them to address the higher education budget close to the end of the session. Once the legislature completes its work, OUS will distribute budgets to the individual universities using the Resource Allocation Model (RAM), which is based on estimated fundable student enrollment. At their July meeting, the OUS Board of Higher Education will approve tuition rates for next year. OUS will not be able to finalize the budget allocations for individual campuses until after that July meeting.

Although we don't know our budget numbers at this point, we do know that SOU faces significant challenges. The Budget Committee will continue working with the deans, the vice presidents, and the Financial Strategies Task Force through the end of the term. The Financial Strategies Task Force has been meeting regularly to examine options and think creatively about approaches to help us weather the storm. The Task Force will make a presentation to me on June 1. Using your SOU login, you may access their meeting notes at <http://www.sou.edu/budget/fin-strat.html>.

I have been working hard to help our state legislators understand the critical importance of SOU to the region and the state. I am in regular communication with our local legislators, especially Senator Bates and Representative Buckley. They are keenly aware of our situation and are very supportive of SOU. As I learn more throughout the budget processes, I will continue to keep the campus informed.

SOU continues to thrive despite our budget challenges. This academic year has been tremendously successful. My personal thanks to everyone for all you do to support SOU.

Mary Cullinan



2. Sustaining hope, fighting for funds, Oregon Daily Emerald, 5.12.2009, by Allie Grasgreen

<http://media.www.dailyemerald.com/media/storage/paper859/news/2009/05/12/News/Sustaining.Hope.Fighting.For.Funds-3740335.shtml?refeature=htmlmailedition>

University President Dave Frohnmayer is preparing to retire June 30 after 15 years in office. He will be succeeded by Richard Lariviere, who takes office July 1. Frohnmayer sat down with the Emerald to discuss his presidency's successes, struggles and criticism, and respond to questions about campus controversies, from rising tuition to the Diversity Plan to the role of intercollegiate athletics. In the first of a three-part series, Frohnmayer discusses the financial difficulties the University faces, developments in the president's office during his tenure and his most challenging tasks, and the prospect of separating from the Oregon University System.

Allie Grasgreen: In your eyes, as you depart, what are the two biggest challenges facing the University?

Dave Frohnmayer: Well, it's always financial. I mean, one of them is always financial. And that's to get sufficient flexibility from the state and other people who actually hamper us, even though they think they're trying to help us so that we can find our own way, freed of state restrictions. Example: The state takes all the interest payments on the tuition that you pay and they never come to us, they go to general state purposes. That's an outrage. We've been trying to change that for a decade. For example, even if we were able because of it to give greater financial aid by increasing tuition and then adjusting according to family income, it's pretty hard to get tuition freedom in order to set it to our own market. And just those two things alone would give us much more capacity. We're held back by state rules on our overall compensation package and how it's funded. If we were given freedom, we could both save money, protect our employees and operate more efficiently. So just, three quick things that come to mind. The other is more subtle, it's more magical, it's more elusive. And that is for the campus to have the sense of self-confidence that is justified by how good it is. And our students are stronger than they've ever been, our faculty are more energetic, productive than they've ever been, but sometimes we seem inhibited by a sense of not trying to be as strong, as grand, as confident, and behave as well as we could ... the self-concept needs, I think, continuing reinforcement.

AG: What do you mean 'behave as well'?

DF: You know, we're sometimes caught up by excessive infighting, when we needn't be, when that really is distracting to everybody. Much more of a sense of building things together.

AG: So, you mean different constituencies on campus?

DF: Yeah, yeah.

AG: OK. So have there been any significant developments in your office since you announced your retirement last year? What have you guys been working on?

DF: We made a long master list of things that ideally would be done by the conclusion of my tenure so that they wouldn't carry over and be distractions in the next. And some of them, actually some of them have gone quite smoothly: the succession in athletic director, the succession in coaches in major sports. Those are things that can eat a new president alive, if they've not been done or not been done properly. So getting the arena started on a path that's gonna end up with construction on that building rather than cost us maybe tens of millions of dollars more if we had to wait. You know, we've got to replace Mac Court. It's an accident waiting to happen.

AG: So what about on the academic side?

DF: (Pause.) The Big Ideas Plan that the campus is engaged with is, I think, one of the great successes of this academic year even though it hasn't come to a conclusion yet. We've had greater, broader participation and engagement with deciding what the next intellectual themes are that will really drive collaborations on this campus. I've seen more productive energy about that this year than I've ever seen in any planning exercise in my entire career in higher education. Credit for that needs to go to the provost, Jim Bean. But it's something that we decided upon last year and knew that we needed to implement, and we've done it in a more shorter time frame than would have ordinarily have been the case at other institutions, and I think the time frame has actually accelerated and broadened the interest in it because it's really not shown any sign of flagging. If anything, people are even more interested in it. So it's been a good participatory process and one that I really think is going to serve the campus in the future.

AG: So when you announced your retirement, you told me that you were planning to continue teaching your freshman seminar and to write a book about theories of leadership.

DF: Yup.

AG: Is that still the plan?

DF: It's still the plan. I mean, I have - I'm a tenured law professor. So my academic home is the law school, but I'll be working with the honors college and I'll be working with, certainly developing that seminar, maybe even to a broader audience - hopefully to a broader audience. The thing that hurts every year is to see the waiting list, which is at least as long as the class list. And while that's gratifying, it also means that students who were motivated enough to want that experience didn't get it.

AG: So what do you think is the biggest challenge you have faced during your presidency?

DF: (Pause.) Trying to sustain hope while scrapping to find money to do the things that we needed to do. I guess what I'm proudest of is that we've never given up hope. And we've done the things we needed to do to break out of the victim mold, if you will say. You know, rather concretely, we started planning our current capital campaign in the depths of the dot com post-9/11 recession. Most institutions ... of our size or

capacity were saying, 'Let's just weather this out.' We were trying to figure out a coiled spring approach, so that when things did get better, we'd already be poised to capture it. And we did. I mean, we raised more money than anybody thought was possible in our campaign. By a lot. \$853 million and counting. And this year we'll raise \$100 million, even though the campaign is over. So, you know, I think maintaining a sense of optimism and momentum. Depression and cynicism never build anything. All they are is energy suckers. And so that's why I work really hard to make sure people don't fall into those all too easy patterns.

AG: OK. That kind of leads into my next couple of questions. You have called for independence from Oregon University System a couple of times in setting fee policies and tuition. In October of 2007, you said that we needed more state funding to continue fulfilling our academic mission. Back then, the state provided 13 percent of the University's funds, and next year it's looking like it's going to drop to below 10 percent.

DF: We don't know, but it's probable. I mean, it's likely.

AG: Mm-hmm. So my question is, is it a feasible move to separate from OUS or to move in that direction, and if so, what would the UO lose and what would it gain?

DF: Well, what it gains is greater power to navigate what is a very uncertain financial future for the state in the immediate future, anyway. We'd want the ability, probably, to grow a bit in size because that will help as long as we can maintain the quality of undergraduate education. Growth will actually help us survive because of the revenue that represents. We have to keep Oregon as a hot brand, and it is a hot brand right now, but that means you can't relax quality standards. If we have greater flexibility, then we can move more nimbly, rather than waiting for six other institutions and the state legislature every two years to decide what they want to do. And that doesn't mean we don't care what happens to other institutions, it means that each ship ought to be able to float and sail on its own bottom and not be towed by others. What you may lose is that old adage, out of sight is out of mind. So if people think you're free, you know, freer, I hope they don't think you're also less worthy of state support at some appropriate percentage of effort. Or that you don't give - I mean, we're willing to be held to performance standards. We almost always meet them, anyway. When we meet our performance standards, we would expect to have an appropriate state appropriation that's equal to the value added that we represent to the students and the people of the state.

AG: So would that mean we wouldn't be completely separate from the state?

DF: Well, being completely separate doesn't mean that we forgo state appropriations. I mean, I think that'd be toxic. Even (Oregon Health and Science University), which is an independent public corporation, still has a requirement that they be funded, and there's an inflationary adjustment to their funding.

AG: So it would be more like following OHSU's model than a private institution's?

DF: Yeah, but so many people don't like that model. I think we ought to explore something that fits the University of Oregon, not that just copies OHSU. But the notion of greater independence, I mean, that's certainly one model where it's happened.

AG: OK. And with state funding going down, it's also likely that tuition is going to go up, of course. But that would also happen if we tried to move away from OUS, correct, because we would want to raise scholarships?

DF: It's going to happen anyway. But bear in mind, we raised \$100 million for student scholarships in our campaign. So we have resources of a kind I wouldn't have dreamed of; I didn't think we could raise \$100 million. And you know, we're not done there either, because there's more potential scholarship gifts in the pipeline. But the other thing is that if you are sufficiently nimble, you can raise your tuition and give financial aid out of the increment that you raise. Remember the surcharge that you are so politely paying this term, but which students urged us to adopt? The first 30 cents on every dollar goes to financial assistance, of any of the surcharge money. So any tuition increase would always be accompanied by a financial aid component so as to keep it family-income neutral. That's our objective.

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Subject: [HR] Budget Update

From: Human Resources <hrdist@uoregon.edu>

Date: Mon, 18 May 2009 09:07:39 -0700 (PDT)

The following message is forwarded on behalf of Senior Vice President and Provost Jim Bean:

Colleagues:

The critical May 15 Revenue Forecast has been released. It shows that state revenues are down approximately \$3.6B from the original forecast. The shocking thing is that this is considered good news. Some had predicted drops of up to \$5B which led to plans for 30% budget cuts for all agencies. As the economy has begun to firm up, the losses have slowed. We are now expecting cuts in the range of 15% to 20% of our state appropriation. While this is challenging, it is a far cry better than the 30% scenario.

We are still facing some uncertainties. Yield for out-state students for next fall appears slightly soft. This is not surprising given the depth of the economic challenges facing California and Washington. Thanks to good planning by those managing enrollment, we kept a waiting list for the first time this year. We have admitted students on that list and hence believe that we will be close to our target of 3900 new students this fall.

While the smaller budget cuts will substantially moderate tuition increases for next year, non trivial increases will still be necessary to continue current operations and programs. We will need between 5 and 10% increases. The legislature is discussing tuition caps. So long as they are reasonable, we should be ok. If they get too stringent, they will have turned a reasonable scenario into a crisis. We are working to communicate this.

As we come to the end of this fiscal year, there are many renewal contracts to be signed. Yet we will not know the budget situation until after July 1. After consultation with FAC and a strong recommendation from the Budget Planning Committee, we have concluded that the least disruptive approach to this dilemma is to simply delay all renewal contracts until the budgets are resolved during the summer (exceptions are granted for visa issues, grant funded appointments and new hires).

Those of us whose employment extends past July 1 will be working without a new notice of appointment. This does not imply that you will not get paid, or that you will not get a notice of appointment when the picture clears. The General Counsel assures me that the University will pay those whose employment continues this summer even if

new notices of appointment have not been issued. In order to make sure that everyone that is working is paid, please process your planned renewal contract documents as usual. Unclassified Personnel Services will ensure that all renewals received are set up for payroll and will issue contracts when the budget is resolved.

I understand that this is unsettling but we must retain the flexibility to augment contract language if mandated by the Governor or State Board of Higher Education. As mentioned above, we have reason to be optimistic. Still no layoffs planned.

Please let me know if you have any questions.

Regards, Jim

Subject: [HR] FTE Reduction/Gift Program Update

To: Add to address book...

From: Human Resources <hrdist@uoregon.edu> Add to address book...

Date: Wed, 20 May 2009 10:31:45 -0700 (PDT)

The following message is from Senior Vice President and Provost Jim Bean -

Colleagues:

The voluntary salary reduction program is still moving forward, and I thought this a good time for an update. As of May 14, 435 faculty and staff had contributed nearly \$462,000 to help with the budget rescission this year. FTE reductions attracted 271 individuals contributing \$327,000 and outright gifts attracted another 164 for \$135,000. Of the 2,581 eligible staff, 17% participated. Among officers of instruction and research the participation rate was 9%, while among officers of administration it was slightly above 27%.

I sincerely thank all of you who chose to be part of the solution. The \$462,000 contributed helped defray the \$8.6M rescission (take-back) of state funds this year. For those of you in schools and colleges, your gifts reduced the take-back from your unit's budget.

Regards, Jim

The following was transmitted to the UO Campus Community by Senior Vice President and Provost Jim Bean 29 May 2009

The financial picture for next year is beginning to firm up. The worst case scenarios are not materializing at this point. Rumors about the OUS budget are still in the 15% cut range. This will be difficult, but is survivable given the strong student demand we have seen the past couple of years. Deposits have been predictably soft due to the financial crisis, but having accepted the waiting list of students, deposits are now close to on target for next fall.

We still have some uncertainties to see play out. If new foreclosures and layoffs hit this summer it could cause loss of students, even for those who have deposited and applied for housing. We are tracking that closely. Once the State Board of Higher Education gets its budget, it will be under great pressure to help the regionals survive. This could mean a less than proportional allocation to us. We are making the case to the Board that with this influx of students, further reduction could harm quality.

Newspapers are reporting that our tuition increase for residents will be 7%. Truth is, we cannot know that until we see our budget. It is safe to say that it will be in the range of 7-9.9% for residents, depending on the variables above.

The rollercoaster is slowing for the station. While there are still a few bumps ahead, I would rather be on our track than many others. Thanks for working through all this with us.

Regards, Jim

Western Oregon University

WOU continues to monitor the financial situation in order to ready for additional changes to services that will be necessary on campus. Currently, WOU is waiting for the four summer enrollment dates during which most freshman register for courses. Although, expecting an increase in enrollment, WOU is not sure how large the enrollment increase may be. After initial freshman enrollment numbers are collected, then more specific reduction plans and/or changes regarding services can be implemented. With five new faculty hires in the fall, adjustments/reductions may be necessary regarding part-time instructors depending on enrollment numbers. Additionally, WOU faculty are being asked to lend a hand regarding foundation/endowment support for student scholarships by contacting previous high-quality students, that faculty are still in contact with, who have graduated and moved on to successful careers. Lastly, individual divisions and departments have been given their reduction notices for their supplies and services budget. Divisions are currently evaluating these reductions and trying to figure out how to provide the same level of service in the past, with fewer dollars.

Inter-Institutional Faculty Senate

The following email by Peter Gilkey has been edited slightly for clarity to remove extraneous material. The full version is available upon request.

From: Peter Gilkey
To: Weeks, Susan
Sent: Sun May 31 09:58:20 2009
Subject: Enrollment minimum of 10 undergraduates in a class
Susan.

There is a board docket item coming up concerning classes with low undergraduate enrollments. I have a technical question you can probably answer for me without entailing additional fuss.

I teach Math 415/Math 515 here at the University of Oregon. This appears with two separate CRN numbers (33440 and 33449) and I have to fill out two separate grade sheets at the end. But in reality it is one course from my point of view. Both meet MWF 1300-1350 in 209 Deady and F1500-1550 in 209 Deady (this is their problem session). The Math 415 enrolls undergraduates and the Math 515 enrolls graduate students. ... I have 7 graduate students and 3 undergraduate students enrolled in the class. ... Is this one of the 52 low enrollment classes listed for the UO in the OUS docket? ...

See you Friday! All the best.

Peter B Gilkey

To: <gilkey@uoregon.edu>
From: "Weeks, Susan" <Susan_Weeks@ous.edu>
Date: Sun, 31 May 2009 12:33:05 -0700

Peter,

We excluded all 400/500 courses from the data and I assume we would exclude them in the future as well. We are still ironing out the challenges arising from cross listed classes but I cannot envision a reason to have 400/500 classes fall under this policy. I think we can add a clarifying set of notes, such as this one, later.

Susan