

**TO:** PSU Faculty and Staff and ASPSU  
**FROM:** Andria Johnson, Vice President for Finance and Administration  
Sheila Martin, Vice President for Public Affairs  
**DATE:** October 11, 2023  
**SUBJECT:** PSU Financial Sustainability Funding Briefing and Request for Ideas

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## Background

The Oregon Legislature set aside \$25 million in the 2023 session with the intention of releasing this funding in 2023-2024 to the four Technical and Regional Universities (TRUs)<sup>1</sup> and PSU “to expend on promising innovative proof-of-concept efforts to realign institutional offerings and resources with current and emerging enrollment and economic realities in order to create long-term institutional financial viability.”<sup>2</sup>

PSU expects to receive approximately 40 percent of this one-time funding. The initial allocation (referred to as the first tranche) was \$2 million and became available in September. We anticipate the second tranche of funding includes \$8 million for PSU. The total allocation to PSU would be \$10 of the \$25 million.

The purposes of this memo are to:

1. Explain the direction we have received from the Higher Education Coordinating Commission (HECC) and the Oregon Legislature regarding how these funds can be spent;
2. Describe the process we are using for identifying and prioritizing the ideas for funding;
3. Solicit your ideas for this funding; and
4. Explain the process that will take place to finalize the allocation of these funds.

**Please keep in mind that while this funding has been set aside, it has not yet been authorized by the legislature. We are working through a collaborative process with the five universities, the HECC, and legislative leadership.** This process is being facilitated by Oregon Solutions. We are sharing everything we know up to this point. **Some specifics may shift as the process moves forward, and we cannot promise that every project we forward to the HECC will be accepted.**

## Direction from the HECC and the Legislature: Proof of Concept Criteria

As noted above, the funding is for one-time investments designed to generate cost savings or revenue increases that will improve institutional budgets over the long-term and will not be used to cover shortfalls in operations or provisional funding for programs or activities with ongoing costs.

The working group set up by the HECC recently refined these criteria as a set of “minimum thresholds” and a set of criteria to “strive toward.” The “minimum thresholds” are:

*“Projects should demonstrate how they would contribute to long-term fixes for TRU+ financial sustainability:*

1. *Projects need to have a A) realistic pathway for generating more revenue than expenses cost (not necessarily within the 2-year biennium, but clearly on a path to meeting this criterion); or B) Projects may alternatively propose optimization of current services to reduce future expenditures.*

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<sup>1</sup> Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, Western Oregon University

<sup>2</sup> House Bill 5025 (2023) [Budget Report](#), page 14. The budget note is different from what was agreed to during advocacy; however, this is being repaired via an MOU between PSU and the TRUs that aligns with the funding allocation described in this memo.

2. *That revenue pathway needs to be generated using one-time funds, not needing ongoing state investment."*

The "Strive towards" criteria are as follows:

1. *The project leverages this unique opportunity for drawing attention by boldly demonstrating a vision for how the institution(s) serve the state;*
2. *The project centers on student wants and needs;*
3. *Where projects are designed to increase enrollment, they need to be based on A) conservative assumptions about enrollment, and B) not increasing the enrollment of one institution at the expense of another of the 5 TRU+ universities; and*
4. *Project proposals should demonstrate they have been shared with students, faculty, and staff at each respective campus with an opportunity for meaningful engagement with those groups.*

The Legislature and the HECC are expecting us to propose at least some projects in partnership with the TRUs. Therefore, we are holding back ten percent of our expected allocation (\$1 million) to allocate to these collaborative projects as they emerge.

While \$10 million may not be sufficient to implement transformative changes, it should be sufficient to *study* and *plan* for such changes. We are also interested in smaller proposals that can improve productivity and/or increase enrollment and retention that translate into longer term budget sustainability.

### **Process and Key Dates**

The Higher Education Coordinating Commission (HECC) and the five universities have hired Oregon Solutions to convene and facilitate a workgroup to produce a final report that describes how the initial funding was used, an evaluation of the proof-of-concept ideas, and a recommendation for how the second tranche of funding should be allocated. A writer will take all of the ideas generated by each of the institutions and develop a single, combined report. Key dates include:

- August 15, 2023 - Sustainability Funding Kickoff Meeting
- August - December - *Work Group Meetings*;
- ~November 15, 2023 – Input to combined report due to writer
- December 15, 2023 - Combined Report due to the HECC
- February 2024 - HECC Presents Final Report to the Oregon Legislature

The Legislature will make a decision about releasing the funds after this presentation.

### **Internal Organization and Process**

#### *First tranche of funding*

PSU needed to quickly gather ideas for the first tranche of funding. HECC expected us to decide how to allocate this funding prior to the start of the academic year. We used the following process to make those decisions:

- A google form was developed to solicit ideas for funding.
- The proposer was required to gain the sponsorship of their dean or other member of the Executive Council prior to submitting.
- The ideas had to be justified by showing evidence that they meet the minimum threshold requirements stated above.

- Tranche 1 funding projects could request only up to \$200,000. Some of these smaller projects were used to prepare for a larger ask. That larger ask could be from the second tranche of funding, or to prepare a request for a foundation, a federal funder, or private sector partner (or a combination of these).
- We received 32 requests. The Executive Council ranked these requests, debated them, and chose the projects listed in Appendix A.
- We held back a small portion of the funding to pay for a joint writer and consultant in collaboration with the TRUs.

### *Second Tranche of Funding*

- As explained below, PSU will seek approximately \$8 million of the remaining \$18.8 million available to the five universities in this second tranche. We will need to decide on these proposals by early November. However, final decisions on these proposals will be determined by the HECC in collaboration with the five universities.
- We encourage schools and colleges to facilitate communication with the faculty and staff to gather these ideas.
- Some of the second tranche of funding will likely be used for collaborative projects with the five universities. We welcome ideas that involve cross-institutional collaboration.
- We are also very interested in projects that offer creative approaches to leveraging summer term.

### *Proposing Projects*

**If you would like to lead a project idea that meets the [criteria above](#), please fill out the [google form](#) with information about this project and the resources you need for it. **Please do this by October 23<sup>th</sup>**. Then we will take the following steps:**

- We will screen the projects to ensure that they meet the “minimum threshold” criteria.
- Those that meet the criteria will be added to the set of projects for consideration.
- Come to the budget forum on November 7, 3 to 5 PM in the Smith Memorial Student Union Ballroom. We will use a participatory budgeting platform to gather input from the campus community on all of the proposed projects that meet the minimum criteria. We will also offer this opportunity to those who cannot attend the forum but want to provide input.
- The Executive Council will review the input from the forum, consider the evaluation criteria, and share with the campus community which projects are forwarded to the HECC for consideration.

**Please do not request the full \$8 million.** However, if your project idea has transformative potential, you should not hesitate to ask for what is needed to put it in motion.

Thank you for your partnership in this process. We look forward to hearing about your ideas. If you have any questions, please reach out to Sheila Martin at 503-725-2042.

## Appendix: Projects funded in Tranche 1

Description	Project Sponsor	Funds Awarded	Comments
<b>Direct Admissions:</b> Pilot a process for streamlining the college application process for Oregon students	Chuck Knepfle	\$50,000	Pilot
<b>Explore Generative AI</b> for the Graduate School and Enrollment management	Rositza B. Wooster	\$60,000	
<b>PSU-PCC Co-enrollment platform:</b> develop data sharing agreement that allows us to treat students as truly shared	Erica Wagner	\$200,000	
<b>Clean Industry hub:</b> matching funds for city investment in clean tech careers and innovation	Sheila Martin	\$150,000	Match with City of Portland
<b>It's All Here campaign</b> to market and leverage status as a majority BIPOC UG student institution; help students find resources	Ame Lambert	\$125,000	
<b>Engage an enrollment analyst</b> to maximize course enrollment and resource utilization	Shelly Chabon	\$110,000	One year commitment
<b>Advance the development and transformation of the Center for Internship, Mentoring, and Research (CIMR)</b> into a central hub for the consolidation and coordination of undergraduate research experiences.	Rick Tankersley/ Todd Rosenstiel	\$100,000	
<b>InnovAte Research@PSU:</b> transform PSU's research landscape by leveraging generative AI to streamline administrative tasks and foster interdisciplinary collaborations.	Rick Tankersley	\$20,000	Less than requested. Enough to get started exploring
<b>Virtual First Stop (VFS)</b> is a cross-divisional collaboration to prioritize and implement a shared set of tools and processes that simplifies the student's experience when seeking help.	Ryan Bass	\$200,000	
<b>Strategic planning:</b> help Portland State's faculty, staff, and students reaffirm PSU's Mission, Vision, and Values, set high-level goals, as well as shorter term goals to guide resource allocation	Sheila Martin	\$500,000	
<b>Examine how to reduce utility costs,</b> move towards carbon neutrality and improve overall reliability of our utility system.	Andria Johnson	\$200,000	Can space analysis be complementary to this?
<b>Explore two new potential BA/BS degrees:</b> Sustainable Fashion and Game Design and Interactive Media	Leroy Bynum	\$200,000	More than requested; we thought it wasn't enough
<b>Total</b>		<b>\$1,915,000</b>	
Held back for collaborative projects with the TRUs		\$85,000	
Total appropriated		\$2,000,000	