Strategic Planning and Budgeting

Strategic planning has long been a tool of many institutions of higher education designed to provide guidance and an impetus for growth and continual improvement. In this report, Hanover outlines the strategic planning processes used by five universities in an attempt to provide insight into the methods by which institutions create and monitor their strategic plans. A specific focus is placed on the planning process, the university officials involved in strategic planning, the steps taken to monitor progress towards meeting strategic goals, and the models used by institutions to integrate the strategic planning and budgeting functions.
Introduction

In the five case studies presented in this report, the profiled universities approach the process of creating and tracking strategic plans in slightly different ways. Clearly, strategic planning for institutions as large and diverse as the universities reviewed here is neither a quick nor a simple process, and there is no single way in which such a process must be accomplished. The first three institutions profiled – the University of Central Florida, Purdue University, and the University of Cincinnati – utilize a more traditional strategic planning approach, while the University of Pittsburgh and the University of Wisconsin-Eau Claire have adopted the integrated planning and budgeting model. Nevertheless, a close look at the strategic planning processes at these five universities reveals certain areas of commonality.

Transparency of the strategic planning and budgeting process appears to be of utmost concern for these institutions. Each of the universities under review aims to involve a wide range of university faculty and staff members in the strategic planning process, while still centralizing the process to some extent. The University of Central Florida, for example, has established a Strategic Planning Council Executive Committee, which directs and oversees the University’s strategic planning process. The Executive Committee itself represents a diverse group of faculty and staff, including the Vice Provost and Dean of Undergraduate Studies and a representative of the Staff Council. The University of Central Florida has succeeded in involving large numbers of other University staff in the planning process through focus groups, which are assigned specific planning topics, and “strategic planning reviews,” which are conducted at the college/school and department (or unit) level. In this way, the overall strategic planning process is conducted with input from individual units across the institution while, at the same time, ultimately being the product of a relatively small, centralized group.

The other institutions under review follow similar paths. Both Purdue University and the University of Cincinnati feature “Steering Committees” that carry significant roles in crafting these institutions’ strategic plans. At the same time, both universities solicit input from a variety of sources, such as working groups formed to address various topics, as well as general faculty, staff, and student comments. Both the University of Pittsburgh and the University of Wisconsin-Eau Claire utilize decentralized models under which planning and budgeting activities occur at the individual department or administrative unit level before being prioritized and compiled into the comprehensive plan and budget. By beginning discussions at this level, input from a variety of university community members – faculty, staff and students – is considered.

Furthermore, the majority of the profiled universities place significant emphasis on monitoring institutional progress towards fulfilling the strategic plan’s goals and
objectives. The University of Central Florida produces Strategic Planning Annual Reports, which detail actions taken in pursuit of the goals and objectives outlined in the University’s strategic plan. The University of Central Florida appoints individuals to be “Strategic Initiative Coordinators.” These individuals are tasked with motivating and reporting progress towards specific strategic goals. One or more Strategic Initiative Coordinators are assigned to each of the University’s twelve Strategic Initiatives. Other institutions have gone even further in the area of monitoring strategic planning outcomes. The University of Cincinnati tracks quantifiable metrics relating to the University’s strategic goals, such as student retention rates, with goals specified for each academic year.

At the University of Pittsburgh, four formal evaluation processes have been established. Individual departments, responsibility centers, and senior vice chancellor areas conduct self-assessments of program performance on an annual basis, collecting data on progress toward strategic goals. Further, progress evaluations are conducted for new programs, which measure performance against quantitative and qualitative indicators. Long-term evaluations are also conducted to track the progress of a campus, school, area or department toward meeting long-range strategic goals. Finally, the integrated planning and budgeting system itself is periodically evaluated through surveys administered to faculty, staff, administrators and students.

It is important to note that different institutions have various groups, offices and departments that play unique roles in the strategic planning and budgeting processes. As such, what works for one institution may be all but impossible for another. Institutions, then, must effectively delegate responsibility to units that have the most experience with a certain process while keeping the planning process sufficiently centralized so that the end result both conforms to the visions of university leaders and remains applicable to the institution as a whole.
Case Studies

University of Central Florida

The University of Central Florida opened its doors to students in October 1968 and has since grown into a major research university, with a fall 2008 enrollment of 50,275 students. At an institution of such size, strategic planning forms an important component of university growth and continuous self-improvement. Indeed, the University of Central Florida “has an active and continuous planning process that includes a focused strategic plan.” This planning process builds on a review of previous strategic plans and “identifies new opportunities consistent with previous accomplishments and a refined vision.” As such, the planning process for the University of Central Florida’s 2002-2007 Strategic Plan (the most recent plan available on the UCF web site) utilized a new model developed upon review of the 1996-2001 plan, which assumes that the institution-wide strategic plan will drive the individual college and unit plans.

The University of Central Florida Strategic Plan is the product of the office of University Analysis and Planning Support (UAPS). The mission of UAPS

...is to enhance the management capability within the University and increase UCF’s ability to deliver an educational experience that increases student learning outcomes by providing timely data analysis, planning, and research support across a broad spectrum of management responsibilities, ranging from strategic planning to detailed program management.

The office of University Analysis and Planning Support is a relatively small one, with five staff members. In addition to its involvement with strategic planning, the UAPS is engaged in other projects and tasks, as well. These include:

- Management Analysis and Planning: UAPS will assist academic and administrative units in developing system and analytical models which will help provide meaningful decision support information for ongoing operations.

- Enrollment Planning: UAPS will develop and maintain undergraduate and graduate enrollment planning models to provide near and long-term student

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3 Ibid.
4 Ibid.
enrollment estimates. This enrollment planning will focus on developing headcount enrollments to facilitate course planning as well as enrollment estimates to support budget planning.

- Exploratory Data Analysis: UAPS will identify, integrate, and isolate data that is essential for university management, such as salary equity, student retention and completion, benchmarking, cost analysis, etc.

- Administration and Professional Development: UAPS will effectively administer its budget, personnel, and operations, as well as provide administrative support to other departments and university units through analysis and service to UCF committees and advisory bodies.\(^7\)

As such, the office of University Analysis and Planning Support represents a dedicated office that is involved in university planning while also offering other services to individual departments and the University at large.

The development of the strategic plan at the University of Central Florida is the responsibility of a faculty senate committee, the Strategic Planning Council, which provides recommendations to the University president on strategic planning issues, such as “academic planning, institutional effectiveness, accountability, budget planning, and student services.”\(^8\) The Strategic Planning Council Executive Committee directs the strategic planning process.

A close look at the composition of the Strategic Planning Council reveals University-wide participation and “buy-in.” The Strategic Planning Council was, in 2006-2007, made up of faculty members from various colleges within the University of Central Florida, including the College of Arts and Sciences, the College of Education, and the College of Business Administration.\(^9\) Representatives are also included from various other departments and administrative bodies. For example, in 2006-2007, the Strategic Planning Council's members included the Vice President for Marketing, Communications, and Admissions, the Vice Provost for Information Technologies and Resources, the directors of both the Office of Diversity Initiatives and the Office of International Studies, the Alumni Relations Director, a Student Government student representative, and the Director of Institutional Research, among others.\(^10\) Likewise, the 2006-2007 Strategic Planning Council Executive Committee was made up of the Chair of the Strategic Planning Council, a representative from the Staff Council, the Vice Provost and Dean of Undergraduate Studies, the Director of

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\(^10\) Ibid.
Assessment and Planning, the Associate Dean of Graduate Studies, the Director of the Office of Diversity Initiatives, and the Director of University Economic Development.\textsuperscript{11} While the Strategic Planning Council provides for a centralized body to guide planning efforts, the level of diversity among Council members ensures that the interests of various colleges, departments, and divisions are well represented as the University’s strategic plan is crafted.

Strategic Planning at the University of Central Florida is approached from a variety of vantage points. Strategic planning is approached from a “top-down” and a “bottom-up” standpoint. The “top-down” approach involves ten focus groups centered on:

- Quality of undergraduate education
- Quality of graduate education
- Research
- International
- Partnerships and external influences
- Diversity
- Operational excellence
- Interdisciplinary
- Technology
- Creative activities

Each strategic planning focus group is composed of approximately ten members. The workload of a strategic planning focus group

…involve[s] a combination of group meetings and individual research and writing. The first meeting of each full group will be a two-hour facilitated “Focus Group Brainstorming” session. The objective of this session is to identify a broad range of issues in the subject area and then carefully categorize and aggregate the issues to lead to a consensus on key issues that require further work. The SPFG then decides on the appropriate structure for a more in depth description/analysis of the key issues. A fundamental question that must be addressed is how the identified issues affect the related UCF goal and the UCF vision. What is the strategic aspect to the issue? The approach could involve forming subgroups to address specific issues or to deal with the issues as a group of the whole. The SPFG may choose to consult other experts as well.\textsuperscript{12}


Ultimately, these focus groups should deliver

...a priority listing of groups of program-crossing issues in the given focus area, and a more detailed treatment of the key issues that have a strategic implication. It is expected that the focus groups will provide this deliverable in a six to eight-week time frame. The final products will include a list of 3-5 key strategic issues in the area that are critical for UCF becoming the leading metropolitan university. For each issue, the SPFG shall prepare a maximum one-page description of each key strategic issue, its relationship to strategic goals and why it is a strategic issue, courses of action that could address the issue, and recommendation regarding the issue. The focus groups will record and retain detailed recommendations that may be used by the SPC in developing objectives. The focus groups may also suggest modifications and clarifications of the UCF goals.13

In designing its latest strategic plan, the University of Central Florida also utilized a “bottom-up” approach in the form of strategic planning reviews. These strategic planning reviews were conducted for both academic and administrative units.14 The purpose of this process was

...to identify specific strategic initiatives that will remove barriers and maximize resources in order to reach new markets, introduce new services, implement new practices, or improve existing programs and services that will significantly advance UCF’s progress toward becoming the leading metropolitan research university.15

Strategic planning reviews are conducted at the department/unit level and are then “synthesized by deans and vice presidents to form college and area strategic planning reviews.”16 These academic department reviews “are intended to be self-studies that rely on information that is readily available in the department or program.”17 The reviews are typically structured around the department’s various program offerings and address specific program activities. In some cases, departments may choose to develop separate reports for notably different disciplines that reside in one department.18

18 Ibid.
The report will have three sections:

- **Unit Description:** This section presents the mission, values, and goals for the department and each program, lists the programs in the department, and mentions key support relationships with other departments and/or administrative units that help the department/program meet key goals.

- **Strategic Review:** This section presents “Major contributions by the department and programs to the UCF mission, goals, and strategic directions over the past three years.” It also summarizes the strengths and weaknesses of the department, as well as external opportunities and threats that challenge the department and programs that create strategic issues. This section also deals with barriers to resolving strategic issues at any level within (or outside) UCF, and summarizes the department’s expected future contributions to the University’s overall mission, goals, and strategic directions.

- **Strategic Initiative Recommendations:** This section includes recommendations for new or improved programs, activities, or resources that will help UCF to become the leading metropolitan research university.

The University of Central Florida’s college (or school) level academic strategic planning reviews resemble the reports prepared by individual departments or units, integrating the information on the college or school and addressing “only the most strategic programs and related issues.” These reviews share the same basic structure outlined above. Though information is not available on whether every department and college is involved in the process of creating strategic planning reviews, this effort to involve specific colleges and departments is notable. By allowing these groups to form their own strategic planning reviews, the University of Central Florida is able to decentralize the planning process, while at the same time keeping the overall responsibility for the University-wide strategic plan squarely in the hands of a central office.

It should also be noted that some departments at the University of Central Florida (for example, both the English Department and the Economics Department) have produced their own strategic plans. It is unclear whether these strategic plans are intended to supplant the strategic planning reviews discussed above; on the UCF web site, some departments are represented by what appears to be a strategic plan of their own, while others feature a strategic planning review. The University also asks

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21 Ibid.
administrative units to prepare strategic planning reviews. These administrative reviews occur at both the unit and division levels and are similar in structure and content to the academic department and college reviews discussed above. As such, the University of Central Florida is able to receive input in some form (either from a strategic planning review or a department-level strategic review in its own right) from most, if not all, divisions and offices within the University community.

The University of Central Florida has taken steps to ensure that strategic planning goals are indeed realized. The University’s 2002-2007 Strategic Plan, *Pathways to Prominence*, contains twelve “Strategic Initiatives:”

- Promoting Excellence in Undergraduate Education
- Increasing Prominence in Graduate Studies
- Foster Excellence in Research and Creative Activities
- Promote Visual and Performance Arts
- Contribute to Regional Economic Development
- Expand Access to Educational Excellence
- Enhance Collaboration
- Expand Partnerships With Schools
- Increase Operational Excellence
- Enhance UCF Community
- Increase Visibility
- Enhance University Resources

Each strategic initiative is accompanied by “objectives,” which outline the specific efforts needed to achieve that initiative. For example, the first strategic initiative, “Promote Excellence in Undergraduate Education” is accompanied by objectives such as “Improve university-level coordination and integration of the undergraduate curriculum,” and “Enhance the recruitment of a high-quality, diverse student population.” Each objective in the strategic plan is accompanied by specific “actions” to ensure that the objective is met. These actions are set forth in the University’s Strategic Action Plan. For example, the strategic objectives mentioned above, which are part of the first strategic initiative, are each connected with a number of specific actions. “Enhance the recruitment of a high-quality, diverse student population,” for example, is linked with actions such as:

- “Identify characteristics related to student success for individual programs and levels, such as National Merit, National Achievement, Florida’s Talented 20 Program, and talent based programs, and target recruitment of both first time

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in college students and transfer students.”

- “Determine projected program enrollment levels to establish appropriate targeted recruitment goals.”

- “Determine appropriate levels for ethnic and racial minority enrollment based upon several factors, including the metropolitan region college-bound population, the metropolitan region ethnic and racial general population, etc.”

The status of these actions is monitored and progress towards completion is reported, though it should be noted that, for several of the listed action items, no information is posted on the specific steps taken to ensure their success.

The University of Central Florida also reports on its pursuit of strategic plan goals through “Strategic Planning Annual Reports.” These yearly reports chronicle actions taken toward fulfillment of the initiatives and objectives outlined in the University of Central Florida’s Strategic Plan.

Responsibility for effective implementation of the University’s strategic plan falls to a variety of individuals. As the University relates,

…responsibility for strategic actions supporting a given strategic initiative crosses many departmental lines. To facilitate implementation, Strategic Initiative Coordinators [are] identified to motivate and coordinate reporting of specific accomplishments by working with individuals assigned responsibility for particular strategic actions supporting a given strategic initiative.

These Strategic Initiative Coordinators “serve as reporters of the implementation progress of the UCF Strategic Plan.” Strategic Initiative Coordinators are assigned for each strategic initiative, and are assisted by Strategic Planning Liaisons, who

…are appointed by the Deans of the Colleges and heads of the departmental units upon request by the Chair of the Strategic Planning Council, Professor Lyman Brodie. The Liaisons assist the Strategic Initiative Coordinators by providing information to support the annual reporting on the implementation progress of the UCF Strategic Plan, Pathways to

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Strategic Initiative Coordinators and other assigned individuals use a password-protected reporting site to regularly enter accomplishments towards strategic initiatives for the current academic year. Through the institution’s self-designed strategic planning web site, individuals have access to reports from previous academic years, since the inception of the online reporting database. The web site allows Strategic Initiative Coordinators to enter data on the results and/or accomplishments of a strategic action over the course of the year, the estimated amount of both UCF and external funds spent to obtain those results, percent completion, progress during the year, expected completion, and plans and budget estimates for the next year. This strategy allows progress toward strategic initiatives to be monitored by those “in the know,” and also allows rough estimates of the strategic plan’s effects on the budget to be made.

Purdue University

Purdue University’s main campus is located in West Lafayette, Indiana, with four regional campuses in Indianapolis, Fort Wayne, Westville, and Hammond. In total, approximately 70,000 students were enrolled at one of Purdue University’s campuses in the fall 2007 semester. Purdue University’s most recent Strategic Plan, “New Synergies,” puts forth the University’s mission and vision before articulating the goals of the Strategic Plan. The University’s current Strategic Plan is composed of three broad goals:

- Launching tomorrow’s leaders
- Discovery with delivery
- Meeting Global Challenges

For each of these main goals, a number of “characteristics” are put forth which describe and expand upon the goal they accompany. For instance, goal one, “Launching tomorrow’s leaders” has “characteristics” such as:

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“A superior student body, well-prepared and motivated to undertake educational challenges, along with accomplished faculty and staff with global perspectives dedicated toward excellence in student learning and success.”

“Programs of superior quality, relevance, and value in every academic discipline, strengthened by multidisciplinary synergies that prepare learners to be innovative, successful, and leaders in a diverse global society.”

The University’s Strategic Plan also lists specific strategies that will be used to meet strategic goals and specific metrics that will be used to track progress. Strategies that are common to all goals are listed, followed by strategies that are provided for each separate goal. For example, strategies deemed “specific” for goal number one include:

“Reinvigorate the recruitment and retention of a diverse pool of students with enhanced academic preparation, and attend to their achieving success through effective pedagogy, incentives and support, and outstanding opportunities for career development.”

“Substantially increase student financial aid in order to provide need-based and merit-based scholarships to increase competitiveness in student recruitment and retention, and to reduce student debt upon graduation.”

Purdue’s Strategic Plan also contains “metrics” which “are summarized following the descriptions of all of the strategies, and indicate their relationships to the strategies.” These metrics allow the University to track its progress towards achieving key goals.

Purdue University’s strategic planning process differs from that of the University of Central Florida in key ways. Work on Purdue University’s 2008-2014 Strategic Plan, “New Synergies,” was begun in September 2007, when Purdue’s President, France A. Cordova, appointed eight working groups that “formed the vanguard in the creation of the University’s next strategic plan.” These eight working groups each had different focuses, including:

- Student experience
- Large-scale research and infrastructure
- Economic development
- Quality of life in the workplace

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37 Ibid.
Globalization
Campus design
Synergies between science/engineering and liberal arts/social sciences
Attracting new students to STEM careers

These working groups were composed of various university faculty and administrative staff. The working group on “Student experience” was composed of the director of multicultural programs in the College of Pharmacy, Nursing and Health Sciences, a professor of history, the associate dean and director of academic programs, and the executive director of University Residences. The focus group on “Economic development” included individuals such as an associate professor of management, the director of supplier diversity development, and the co-director of the Center for Regional Development, College of Agriculture. Each of these working groups was

…considered a ‘tiger team’ that will solicit input from the University community. This will be done through consultations with appropriate offices/process owners and individuals with expertise, and by inviting input widely through web-based communication, open forums, and so on.

Each working group was tasked with developing a white paper

…proposing prioritized strategic initiatives that specifically address as many of the following values or best practices as appropriate: Talent Enhancement, Diversity, International Awareness, Resource Partnerships/Diversification, Facilities Enhancement and Repair, Energy/Environmental Awareness, Management/Stewardship, Communication/Positioning, and Evaluation/Metrics. The proposed initiatives should focus on objectives, effectiveness, feasibility, and impact with a view to raising Purdue’s excellence, reputation, and ranking to be among the best universities in the world.

The reports developed by each working group also include general information on the budgetary effects of the various proposals put forth. Though specific quantitative data is not presented, these white papers often set forth proposals to fund their various initiatives, such as identifying sources of potential future funding. The development of the strategic plan is initiated by the campus Steering Committee,

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42 Ibid.
44 Ibid.
composed of University faculty and staff members, including the assistant provost for financial affairs. The Steering Committee begins development of the strategic plan by first reviewing the University’s mission and values statements, before going on to review the white papers produced by each of the university working groups. The Steering Committee also “…synthesizes the strategic initiatives proposed by the Working Groups by selecting those that would bear the most positive impact toward advancing the University toward its vision.” The Steering Committee further considers input solicited through web-based communication, as well as open forums held across the University.

The Steering Committee is designed to work with the Director of Strategic Planning and Assessment, whose duties included “facilitat[ing] the strategic planning process and provid[ing] the necessary staff support toward the development of the plan.” The Director of Strategic Planning and Assessment is also tasked with meeting with the various working groups as necessary. Finally, the Office of Institutional Research, which is tasked with providing “…management information and analytical support to Purdue University’s decision makers in order to support strategic planning and policy-making,” is given the assignment of providing “data/information resource support” to the Steering Committee and the University’s various working groups. Upon completion of these activities, the Steering Committee is charged with drafting a strategic plan, which is then shared with the President, university administrative staff, and other groups. After feedback, the final draft of the current strategic plan is presented to the Board of Trustees for final approval.

Purdue University also ensures that progress towards meeting its strategic goals is monitored and recorded. The University releases “Dashboard Progress Reports” intermittently, which track a number of metrics that Purdue University has deemed important and vowed to improve, such as U.S. News Best College Public rank, average undergraduate indebtedness upon graduation, and IPEDS adjusted total annual operating expenses per FTE student. Statistics are also provided for peer

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48. Ibid.
50. Ibid.
institution means for each metric, as well as Big Ten means (as Purdue is a member of the Big Ten Conference).\textsuperscript{55}

A “Midyear Report” also details progress made towards various aspects of the University’s strategic plan.\textsuperscript{56} In addition, the Office of Institutional Research periodically publishes reports that provide statistical data and analysis on a number of topics that are connected to the University’s strategic goals. For example, the Office of Institutional Research has released reports on “Student Experience” and “Quality of Life in the Workplace,” both topics of Purdue University working groups that formed the first step in designing the University’s latest strategic plan.\textsuperscript{57} The University also tracks the implications of the strategic plan on the University budget. For instance, a May 2007 Governance Report tracks allocations by strategic plan initiatives for the fiscal year 2008 conceptual budget proposal.\textsuperscript{58} Allocations by strategic plan initiative are also tracked by goals (i.e., how much is to be spent on each strategic plan goal).\textsuperscript{59} This allows the University to track budget expenditures on strategic plan initiatives, while the working groups often allow University leaders to put forth suggestions on how to fund strategic plan initiatives without delving into a significant quantitative analysis of the University budget.

\textbf{University of Cincinnati}

The University of Cincinnati was founded in 1819.\textsuperscript{60} In the fall 2008 semester, the University enrolled slightly over 37,000 students.\textsuperscript{61} The University of Cincinnati’s strategic plan, UC 21, according to the University, “is the University of Cincinnati's strategic plan for charting its academic course for the 21st century. Its preparation involved months of discussion and consultation at a scope never seen before on campus.”\textsuperscript{62} The planning process was begun in December 2003, and three groups were identified that would be instrumental in moving the strategic planning process forward.\textsuperscript{63} These groups included the:

\begin{itemize}
  \item \textsuperscript{55}Ibid.
  \item \textsuperscript{56}\textit{State of the University}. Purdue University. Retrieved 4/24/09 from \url{http://www.purdue.edu/strategic_plan/documents/SOTU_Forum.pdf}
  \item \textsuperscript{57}Office of Institutional Research Report Series. Purdue University. Retrieved 4/24/09 from \url{http://www.purdue.edu/OIR/Research_Series.htm}
  \item \textsuperscript{60}About UC. University of Cincinnati. Retrieved 4/24/09 from \url{http://www.uc.edu/about/}.
  \item \textsuperscript{61}About UC. University of Cincinnati. Retrieved 4/24/09 from \url{http://www.uc.edu/about/ucfactsheet.html#enrollment}.
  \item \textsuperscript{62}UC 21 Academic Plan. University of Cincinnati. Retrieved 4/24/09 from \url{http://www.uc.edu/UC21/}.
\end{itemize}
Steering Committee: The members of the President’s cabinet served as the Steering Committee.\(^{64}\) This included the University of Cincinnati’s two provosts, vice presidents, as well as the Chair of the Faculty Senate and the Chair of the Deans Council.\(^{65}\) The Steering Committee monitored progress and “shaped key issues” as the planning process unfolded.

Operations Team: The Operations Team coordinated logistics and kept the planning process moving.\(^{66}\) Members of this group included the vice president for Administrative & Business Services, the executive director of the Office of the President, the special assistant for communications, dean of the College of Education, Criminal Justice, and Human Services, and an outside consultant, the vice president and managing director of the Revere Group, Milwaukee.\(^{67}\)

Work Team: The work team was composed of three staff members, with additional graduate students and/or professionals being drafted if an event required extra staff power.\(^{68}\) “The Evaluation Services Center of the College of Education, Criminal Justice, and Human Services was employed to staff the process.”\(^{69}\) The staff collected data, took notes, analyzed data from meetings, developed forms, and completed other tasks necessary to keep the planning process moving.\(^{70}\)

The University used a variety of methods to solicit input from a diverse group of individuals involved with the University. These methods included “town hall meetings” and “input sessions.”\(^{71}\) Town hall meetings involved approximately 100 (or more) individuals who “represent[ed] a cross-section of key university stakeholders.”\(^{72}\) There were eight town hall meetings in total, with each scheduled to last four hours.\(^{73}\) Each town hall meeting “Combined both presentations and structured dialogue among participants,”\(^{74}\) as challenges and opportunities facing the University in the 21st Century were discussed. By the fifth meeting participants of the town hall meetings “Were assigned to Action Teams to flesh out one or more of 21 strategies.” Each action team created a report on their topic. Moreover, each college

\(\text{\(^{64}\) Ibid.}\)
\(\text{\(^{65}\) Ibid.}\)
\(\text{\(^{67}\) Ibid.}\)
\(\text{\(^{70}\) Ibid.}\)
\(\text{\(^{72}\) Ibid.}\)
\(\text{\(^{73}\) Ibid.}\)
and/or administrative unit not organized around a college within the University was charged with conducting at least two input sessions where feedback was provided to the working group that participated in the town hall meetings.\textsuperscript{75} The University also developed a web site to update progress on the strategic plan and to receive feedback from the involved parties electronically.\textsuperscript{76} Together, input from these input sessions and town hall meetings was synthesized to create a list of 21 strategies that are featured in the University’s strategic plan.

The result of this planning is a strategic plan with six goals, each with several “strategies,” for a total of 21 strategies in all. The goals of the University of Cincinnati plan are:

- **Place Students at Center:** “Become a university of choice, a destination campus, by keeping students at our core.”

- **Grow our Research Excellence:** “Build on UC’s greatness as a major research university to benefit society, have meaningful economic impact and enhance the quality of life for all.”

- **Achieve Academic Excellence:** “Encourage an environment of high-quality learning and world-renowned scholarship.”

- **Forge Key Relationships and Partnerships:** “Establish and nurture relationships and partnerships, with our colleagues within the university and with local and global communities. UC 21 underscores a true commitment to community engagement.”

- **Establish a Sense of “Place”:** “Develop an environment where members of the campus community and the community at large want to spend time – learning, living, playing and staying; provide long-term support to build a better Uptown.”

- **Create Opportunity:** “Develop potential, not just in our students, but in our local and global communities.”\textsuperscript{77}

Each goal contains a number of strategies. For example, the first goal features strategies such as “Students First: adopt a philosophy and key mechanisms that put the priority on students’ needs; develop a real and virtual, university-wide concept of

\textsuperscript{75} Planning Process Background. University of Cincinnati. Retrieved 4/24/09 from \url{http://www.uc.edu/uc21/overview.html}.


one-stop service,” and “Selectivity with Clear Access Pathways: enhance UC’s national rankings and ability to attract the highest quality students, while maintaining clear pathways for students who seek opportunity.”

Progress toward this strategic plan is carefully monitored by the University. Each year “Forecasts” are published which chronicle significant actions taken towards meeting University goals and strategies during the previous year. The University also publishes “Report Cards” which monitor progress towards goals and strategies by tracking performance metrics that coincide with University strategies. For example, the University of Cincinnati’s 2008 Report Card tracks a number of metrics that relate to the University’s first goal in the strategic plan (“Place Students at the Center”), such as student FTE to faculty FTE ratios, first year student retention rates, six year graduation rates, and the number of transfer students from non-University of Cincinnati schools and universities. Statistics for such performance metrics are provided by year for each of the past several years (if available) and 2010-2011 targets are also listed for all metrics. These “Report Cards” also briefly chronicle significant achievements by the University that coincide with strategic initiatives, such as the University opening an around-the-clock computer and study space in January 2008 in response to student requests. The University also tracks the impact of the strategic plan on the University budget. For example, the University’s fiscal year 2006 budget tracks all UC 21 related funding at the University’s Uptown Campus for fiscal years 2004, 2005, and 2006.

University of Pittsburgh

The University of Pittsburgh’s Planning and Budgeting System (PBS), first designed in 1992 and updated in 2003, represents an integrated system that “combines within a single, coherent process all long-range planning and budgeting; creation of operational plans and budgets based on performance, personnel, capital, and financial budgets; budget notifications and augmentations; facilities management and development; and evaluation of all University programs and responsibility centers.” All planning that occurs within the PBS framework should be strategic planning –

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79 Ibid.
that is, planning that helps the University progress toward its desired position and goals. However, the PBS framework seeks to balance achievement of both short-term and long-range goals, and thus distinguishes between operational planning and budgeting and long-range planning and budgeting:

- **Operational Planning and Budgeting**: Short-term planning with a horizon of one-year. Detailed plans and budgets for the upcoming year are developed within the context of the long-range strategic plan’s established mission and goals.

- **Long-Range Planning and Budgeting**: Long-range strategic planning with a horizon of two or more years. This process identifies opportunities and internal and external influences that will affect the institution over the long term, then “assesses the impact that such factors may have on performance, personnel, capital, and financial budgets, and articulates alternative strategies for achieving long-range missions and goals.”

The University of Pittsburgh strives to make the strategic planning and budgeting process an inclusive one. The widest participation levels are achieved at the smallest organizational unit, typically the academic department or an equivalent administrative unit, where the planning process incorporates input from University faculty, staff, administrators, and students. At the responsibility center level, only select representatives of the faculty, staff and student bodies participate alongside relevant University administrators in “coordinating and prioritizing the plans and budgets of the constituent departments.” At the next highest level (second only to the final, university-wide planning activities), the senior vice chancellors coordinate and prioritize the plans established by each of the responsibility centers. Responsibility centers include colleges, schools, regional campuses, and administrative offices or divisions, such as the Office of the Secretary or the division of Student Affairs.

At the outset of the process, the Chancellor, in consultation with the University Planning and Budgeting Committee (UPBC), develops guidelines for the upcoming planning and budgeting activities. The 22-member UPBC is composed of:

- The Provost, the Senior Vice Chancellor for Health Sciences, the Executive Vice Chancellor, and the Vice Chancellor for Budget and Controller;
- The President of the University Senate;
- The President of the Staff Association Council (SAC);
- The chair of the University Senate Plant Utilization and Planning Committee (or another elected member of the committee, designated by the chair);

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86 Ibid.
87 Ibid.
The chair of the University Senate Budget Policies Committee (or another elected member of the committee, designated by the chair);

The chair of the University Senate Educational Policies Committee (or another elected member of the committee, designated by the chair);

Four faculty members from the Pittsburgh Campus, who will not also be serving as Senate officer or elected member of a standing Senate committee, jointly appointed by the President of the Senate and the Chancellor, with regard for diversity of faculty perspective;

Two regional campus Senate Presidents or faculty designees jointly appointed by the regional campus Senate Presidents and the Chancellor;

Four representatives of the Council of Deans, jointly appointed by the Council of Deans and the Provost;

One staff member selected by the Staff Association Council (SAC);

Two undergraduate student selected from all undergraduates on the Pittsburgh and regional campuses, agreed upon by the student government boards; and

One student selected by the Graduate and Professional Student Association.  

The Chancellor then distributes the UPBC’s guidelines to all unit heads and to the individual Planning and Budgeting Committees (PBCs), which are designated for each responsibility center and for each senior vice chancellor’s area. The majority of PBC members are elected faculty and staff, while others may participate due to special knowledge or experience.

At each of the four levels of the process — department, responsibility center, senior vice chancellor area, and University-wide — the unit head proposes and develops the unit’s proposed plans and budgets with the active participation of the unit PBC. PBCs (and the UPBC) are advisory to the appropriate administrator, who has the final responsibility and authority to prepare the proposed plan and budget.

When a unit such as an academic department has completed the process, the unit head distributes the proposed plan and budget to each member of the PBC representing the unit’s home responsibility center.

In general, proposed plans and budgets flow from department PBCs and chairs to the responsibility center PBC and head, where they are integrated into a single responsibility center proposal. Responsibility center proposed plans and budgets are forwarded to the appropriate Senior Vice Chancellor and PBC, or (for nonacademic areas) to the appropriate Vice Chancellor or the Chancellor. The Senior Vice Chancellors, with the active participation of their PBCs, prioritize and integrate the proposed plans and budgets for their areas, articulating reasons for any significant modifications of proposals. 

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88 Ibid.
89 Ibid.
received from the level below, and present their proposals to the Chancellor … The UPBC develops budget parameters and makes recommendations concerning compensation and concerning proposals for significant changes at levels requiring approval of the Chancellor … The Chancellor prioritizes and integrates the proposals of the Senior Vice Chancellors (and of the Vice Chancellors who report directly to the Chancellor) and of the UPBC into University performance, personnel, capital, and financial plans and budgets to form a comprehensive proposed University plan and budget again articulating reasons for any significant modifications of proposals received from the level below. The Chancellor then presents the final comprehensive plan and operating and capital budgets to the Board of Trustees for appropriate action.90

Long-range planning and budgeting assumptions do not perfectly coincide with those made in the short-term operational planning process, as long-range planning is designed to provide each unit with “the widest possible choices in creating its future opportunities and emphases.”91 The long-range planning and budgeting process should promote creativity and innovation at all planning levels, as individual departments, responsibility centers and senior vice chancellor areas work to articulate and realize goals that align with the University’s overall vision and strategic goals. At each level, long-range plans include two basic components – clear and concise mission statements that outline the overall direction of the unit, and goals statements, which “provide the context for setting operational objectives.”92 Goals statements address the unit’s expectations in terms of performance, personnel, capital and finances. Short-term operational planning and budgeting occurs within the context of the established long-range plans, and specifically addresses these four areas, as follows:

- **Performance:** “The performance plan and budget is a systematic description of the objectives for that unit. The specified objectives of the plan and budget should be clearly defined, attainable, and measurable, and their relation to the unit’s mission statement and goals statement should be clear.”93

- **Personnel:** “The personnel plan and budget includes tables of organization for both full-time and part-time faculty and staff. The tables include, for both active faculty and staff and those on sabbatical or leave, descriptions of current, approved, and requested positions. Also provided are aggregate data on workloads and salaries.”94

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90 Ibid.
91 Ibid.
92 Ibid.
93 Ibid.
94 Ibid.
Capital: “The capital plan and budget represents expenditures for new construction, major repairs or renovations, and expensive equipment. To be included in capital plans and budgets, an expenditure (or a group of related expenditures) should exceed $50,000. Capital plans and budgets should anticipate major building repairs or improvements and equipment replacements for continuing programs, and should include deadlines, estimated costs, specific purchases, and sources of funding.’’

Financial: “The financial plan and budget details the unit’s estimated revenues and expenditures, from all sources and for all purposes, relating sources of funds, where appropriate, to program outcomes.’’

Ongoing evaluation is a key component of integrated strategic planning and budgeting at the University of Pittsburgh, and four formal evaluation processes have been established:

Annual Assessment of Program Performance: “As part of the annual operational planning and budgeting process, each department, responsibility center, and senior vice chancellor area will provide data and discussion indicating the extent to which objectives specified in the previous year's budget have been realized and progress toward long-range goals has been achieved. These self assessments by departments, responsibility centers, and senior vice chancellor areas will be reviewed in the next higher level of the planning and budgeting process.’’

Progress Evaluations of New Programs: “Newly instituted programs, or programs which have undergone major expansion or other substantial changes, will receive special review and evaluation…Criteria and the timeframes for such reviews should be described in the initial planning proposal. While administrative and academic programs are somewhat different, the overall evaluation process should generally be the same. For example, in establishing new academic or administrative programs, specific indicators of progress, such as number and quality of faculty and/or staff involved, student recruitment, as well as costs (including capital costs) of initiating and continuing the program, should be specified in the proposal document and used for the evaluation. Criteria should be both quantitative and qualitative.’’

Long-Term Program Evaluations: “The attainment of long-range goals, especially those relating to the quality of academic and research programs, can

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95 Ibid.
96 Ibid.
97 Ibid.
98 Ibid.
be assessed only by reviewing the achievement of a given campus, area, school, or department over a period of years. Long-term evaluations are intended to provide a means for such an assessment. It may be appropriate to coordinate these long-term evaluations with other internal and external evaluations, such as those conducted by boards of visitors and accrediting agencies."

- Evaluation of the Planning and Budgeting System: “In addition, PBS shall be periodically evaluated (approximately every five years) by surveying faculty, staff, students, and administrators to determine, for example, whether and how the PBS document should be amended, and whether and how the PBS process can be improved.”

**University of Wisconsin-Eau Claire**

The University of Wisconsin-Eau Claire will transition to the integrated strategic planning and budgeting model beginning with the 2009-10 academic year. In preparation for the transition, the University designated a Budget Process Task Force to make recommendations for the process structure. The Task Force reviewed the models in place at various institutions, including Clemson, Drake, Santa Cruz, UW-River Falls, UW-Stout, and the Virginia Compact before it submitted final recommendations.

The UW-Eau Claire’s new planning model will involve the creation of detailed divisional plans that coincide with the University-wide strategic plan and will provide a framework for budget decisions. The UW-Eau Claire favors a decentralized model, in which all academic departments and other individual units will undertake strategic planning and budgeting activities. The Task Force notes that “budget decisions should be made by University leadership, informed by collaborative and transparent campus input.” Furthermore, “the budget process must be regularly assessed and refined to assure that it is efficiently and effectively meeting [the University’s] goal of integrated budgeting and planning.”

The figure below provides a visual representation of the new integrated planning and budgeting process at UW-Eau Claire.

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99 Ibid.
100 Ibid.
102 Ibid., p. 6.
103 Ibid., p. 6.
Early in the summer term, the chancellor will meet with the Leadership Group, comprised of a variety of faculty and administrative staff members, in order to evaluate the University’s progress toward previously established strategic goals and to identify high-priority areas for the subsequent two budget years.
These priorities are based in the strategic plan and are shared with campus immediately. When classes resume in the fall, faculty, staff and students have an opportunity to discuss the priorities and provide feedback at campus forums. The chancellor also discusses the priorities with the University Senate, refines them (as appropriate), and confirms them with the campus.\textsuperscript{104}

In the beginning of the fall semester, individual departments and units determine how they will allocate resources for the upcoming fiscal year within the context of the established strategic priorities. Next, “a call for budget proposals is distributed to all chairs and directors and posted online for all faculty and staff.”\textsuperscript{105} The University will use a web-based proposal form in order to streamline the proposal process.

Departments and units, in discussion with their dean or vice chancellor, may decide to reallocate resources within the department or unit to meet a priority goal. In that case, no proposal is required. If they identify an opportunity to partner with another department or unit on a priority activity, if the university is facing significant budget reductions, or if the unit or department requires additional resources to meet a university priority, they will develop a budget proposal.\textsuperscript{106}

All budget proposals must include certain components, including a summarization of how the proposal aligns with the University’s strategic objectives, the expected impact on the student body, faculty and staff, the operational efficiencies that will likely be achieved, negative consequences that might occur should the proposal not be fulfilled, and a description of how the proposal supports collaboration across the University community. Each proposal is required to “include a department/unit, college or division contribution, either through reallocation of resources, alternative revenue streams or external funding.”\textsuperscript{107}

The integrated planning and budgeting process continues as follows:

By October 15, all department chairs submit ranked proposals to their respective dean. Meetings with the chairs and deans are held to discuss the proposals. In other divisions, ongoing conversations among staff, directors and the vice chancellor are held as needed.

By November 15, all proposals are ranked by the deans (in the case of Academic Affairs) or unit directors (in the case of the other division) and forwarded to the provost, vice chancellors or chancellor. During this time, chairs, deans and directors may determine that some proposals can be handled within the division with existing or reallocated resources and they are not forwarded.

\textsuperscript{104} Ibid., p. 10.
\textsuperscript{105} Ibid., p. 10.
\textsuperscript{106} Ibid., p. 10.
\textsuperscript{107} Ibid., p. 10.
Before December 1, the provost convenes the Deans Council, which includes all the deans, the associate vice chancellors and the budget officer … This group meets to review the Academic Affairs proposals and provide recommendations to the provost. This is also a forum to negotiate reallocation across colleges. In the case of Student Affairs; Administration, Finance and Facilities; and the Chancellor’s Office, the vice chancellors and chancellor meet with their respective directors to discuss the proposals, negotiate and rank them. As with academic departments, vice chancellors may determine that some of their unit proposals can be funded internally and they are not forwarded.

By December 1 all divisions forward their ranked proposals to the chancellor. The chancellor and vice chancellors update the University Senate on the proposals that have been put forward. The Senate may respond with its recommendations. The Chancellor’s Budget Council then meets (composed of the vice chancellors and the chancellor) to review the ranked proposals. The chancellor makes the final budget determinations.

In early February, the chancellor reports the budget decision to the campus for the upcoming fiscal year. The vice chancellors provide the deans and directors with feedback on the allocations for dissemination to individual departments and units.108

The table below provides further information on the involvement of various parties and their responsibilities throughout the integrated planning and budgeting process.

<table>
<thead>
<tr>
<th>Timing</th>
<th>Activity</th>
<th>Campus Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>Chancellor’s Leadership Retreat: Assess progress and identify priorities for next two years</td>
<td>Chancellor and Leadership Group</td>
</tr>
<tr>
<td>September</td>
<td>Discuss and confirm priorities</td>
<td>University Senate</td>
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<td></td>
<td></td>
<td>Faculty, staff and students</td>
</tr>
<tr>
<td>June-October</td>
<td>Develop budget proposals</td>
<td>Faculty, staff</td>
</tr>
<tr>
<td></td>
<td>Collaborate with other departments/units</td>
<td>Departments/units</td>
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<td></td>
<td></td>
<td>Deans and vice chancellors</td>
</tr>
<tr>
<td>October</td>
<td>Rank and submit budget proposals</td>
<td>Department chairs and unit directors</td>
</tr>
</tbody>
</table>

108 Ibid., p. 11.
109 Ibid., p. 17.
<table>
<thead>
<tr>
<th>Timing</th>
<th>Activity</th>
<th>Campus Involvement</th>
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</thead>
</table>
| November| Refine budget proposals; negotiate priorities| Deans working with department chairs
|         |                                              | Vice chancellors working with unit directors             |
| December| Refine budget proposals; negotiate priorities| Provost working with deans and directors
|         |                                              | Vice chancellors working with directors
|         |                                              | Chancellor working with provost and vice chancellors     |
| February| Inform Senate and campus regarding final budget | Chancellor                                              |
|         |                                              | Senate, chancellor and vice chancellors                  |
Note

This brief was written to fulfill the specific request of an individual member of The Hanover Research Council. As such, it may not satisfy the needs of all members. We encourage any and all members who have additional questions about this topic – or any other – to contact us.

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