



Introduction to Strategic Budgeting

WACUBO BMI

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What is Strategic Budgeting?



In the absence of a plan-

the budget is the plan



If a plan exists and it is not closely linked to the budget-

the budget is *still* the plan



Therefore, if a plan is to be implemented,

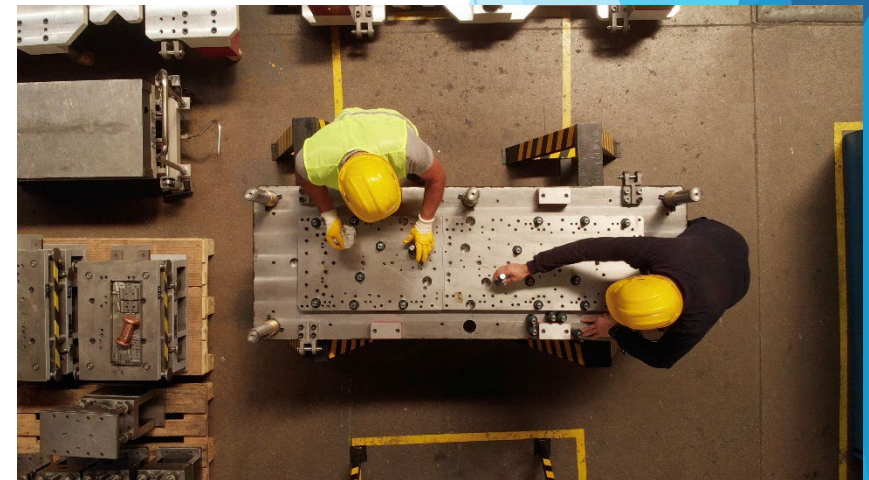
there must be a strong linkage between the plan and the budget



Linking Planning & Budgeting

Strategic decisions focus on creation and maintenance of institutional assets

Operational decisions focus on using our assets to accomplish specified purposes



Why Strategic Budgeting?

To align our budget
with our strategic
priorities

To improve student
learning and
success

To strategically
invest in our
institutional assets

To ensure we are using
resources efficiently and
effectively

To implement evidence-
based budgeting linked to
assessment, as required
by WASC

Strategic Budgeting

**A strategic budget is *not just* a budget;
it is the strategic plan in action.**

Strategic Budgeting

No plan  **Budget = Plan**

Budget not linked  **Budget = Plan**

PLAN



BUDGET

Strategic budget IS the strategic plan in action

Building Our Future

Strategic Plan 2025

**Student
Success**

**Academic
Excellence &
Innovation**

**Leadership
Cultivation**

**Transformative
Impact**



A budget is more than just a
series of numbers on a page; it
is an embodiment of our values.

Barack Obama

Strategic Budgeting

- Funding our priorities
- Invest in our institutional assets
- Planning, Assessment, Review
- Continuous process



Operating Budget Requirements

Balanced?

Produce a surplus?

- *Margin?*

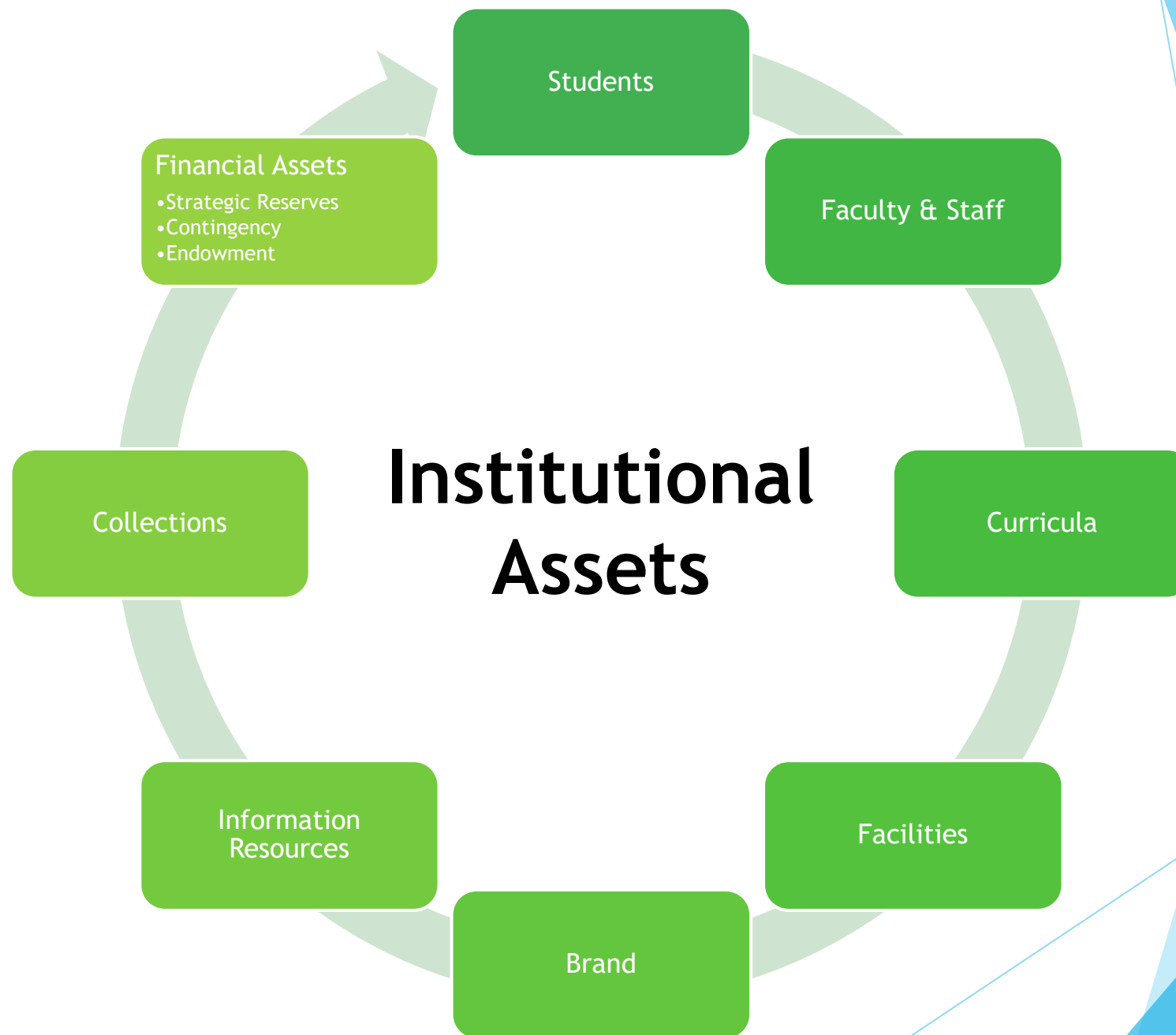
Allow for flexibility

- *Revenue contingency*
- *Variable expense*
- *Discretionary expense*
- *One time income*
- *Recurring income*

Invest in our Institutional Assets

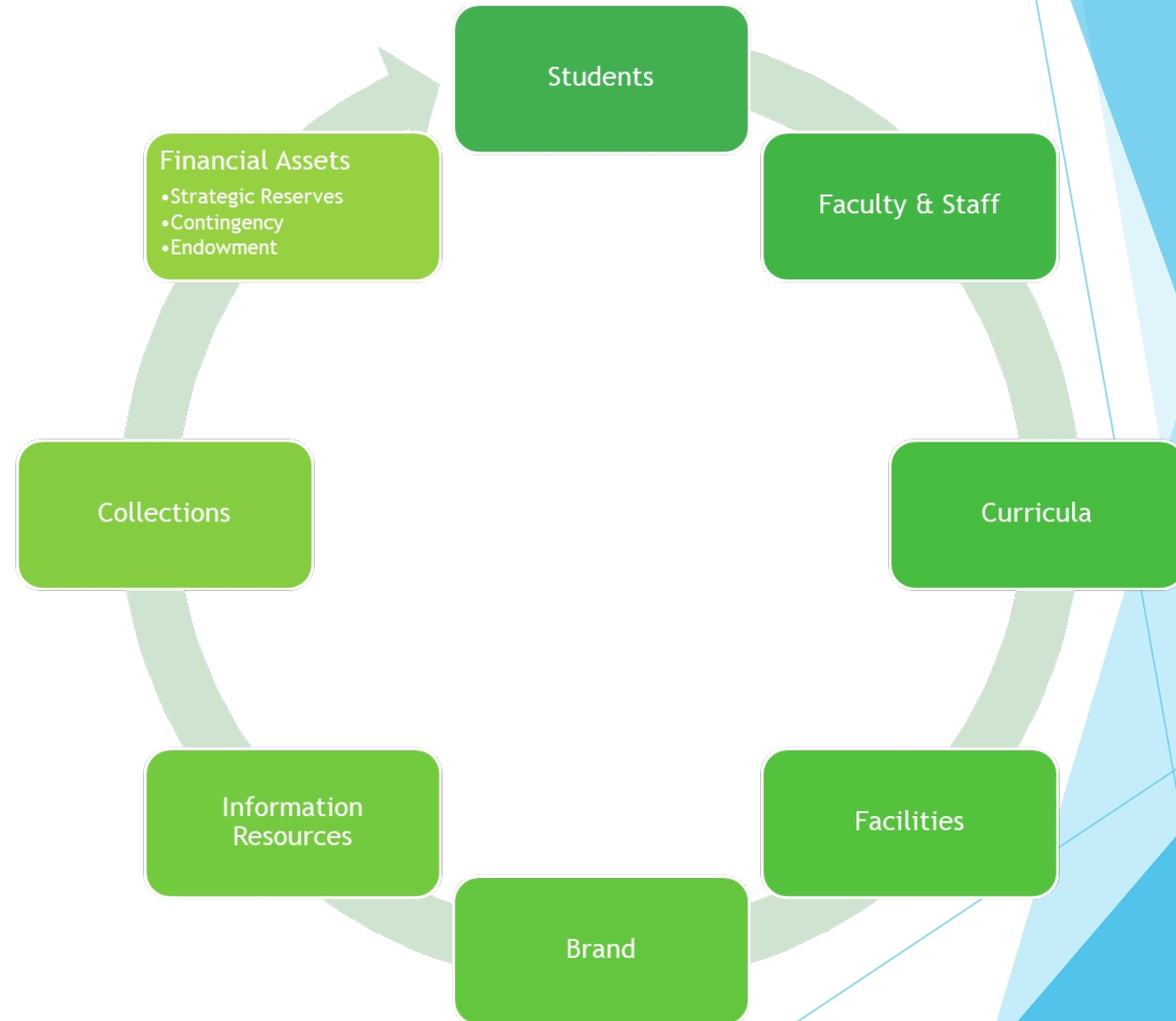
What are 'Institutional Assets'?

How do we keep them from becoming obsolete?



Group Discussion

How do we ensure
our assets don't
become obsolete?



Exercise - Institutional Assets

1. Thinking about institutional assets in the context of planning and budgeting, what questions arise and what considerations do we need to make?
2. Which institutional assets are important components of your operation? Do you feel these assets have sufficient and ongoing support? Are there assets in your area that could be reduced?
3. If you feel you have institutional assets that are not being adequately supported, what are they and what approaches or changes would you suggest to address this?

Reminder: There are no right or wrong answers. These questions are meant as brainstorming exercises to promote dialogue.

Deliverables



1. An outline of what a process would look like (steps, timeline, etc.) that links budget, assessment and allocation;
2. A list of what is needed from a software product(s) to implement the process, including the viability of Compliance Assist or the need to explore other options
3. A timeline for implementing the process, and
4. A communication plan



INTEGRATING ASSESSMENT, PLANNING & BUDGETING

ON TOP

Strategic Plan = Blue Print

UNDERNEATH

WASC Criteria for Review

FOUNDATIONAL

BOT/State Performance Indicators



Guiding Principles and Assumptions

Below the surface challenges

Transformation vs Addition

Data informs Decisions -
Transparency vs Advocacy

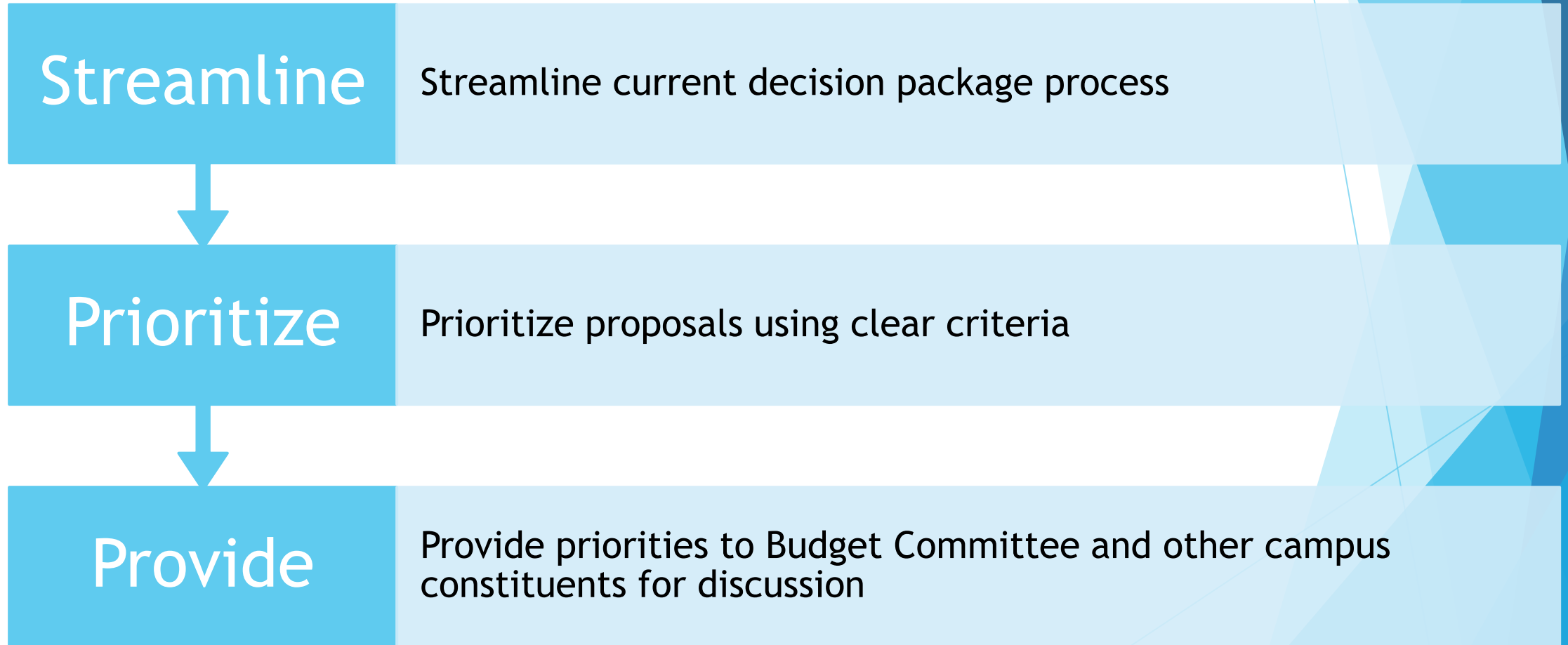
Assessment & Planning are engrained
in campus culture - part of everyday
work

Communicate Simply

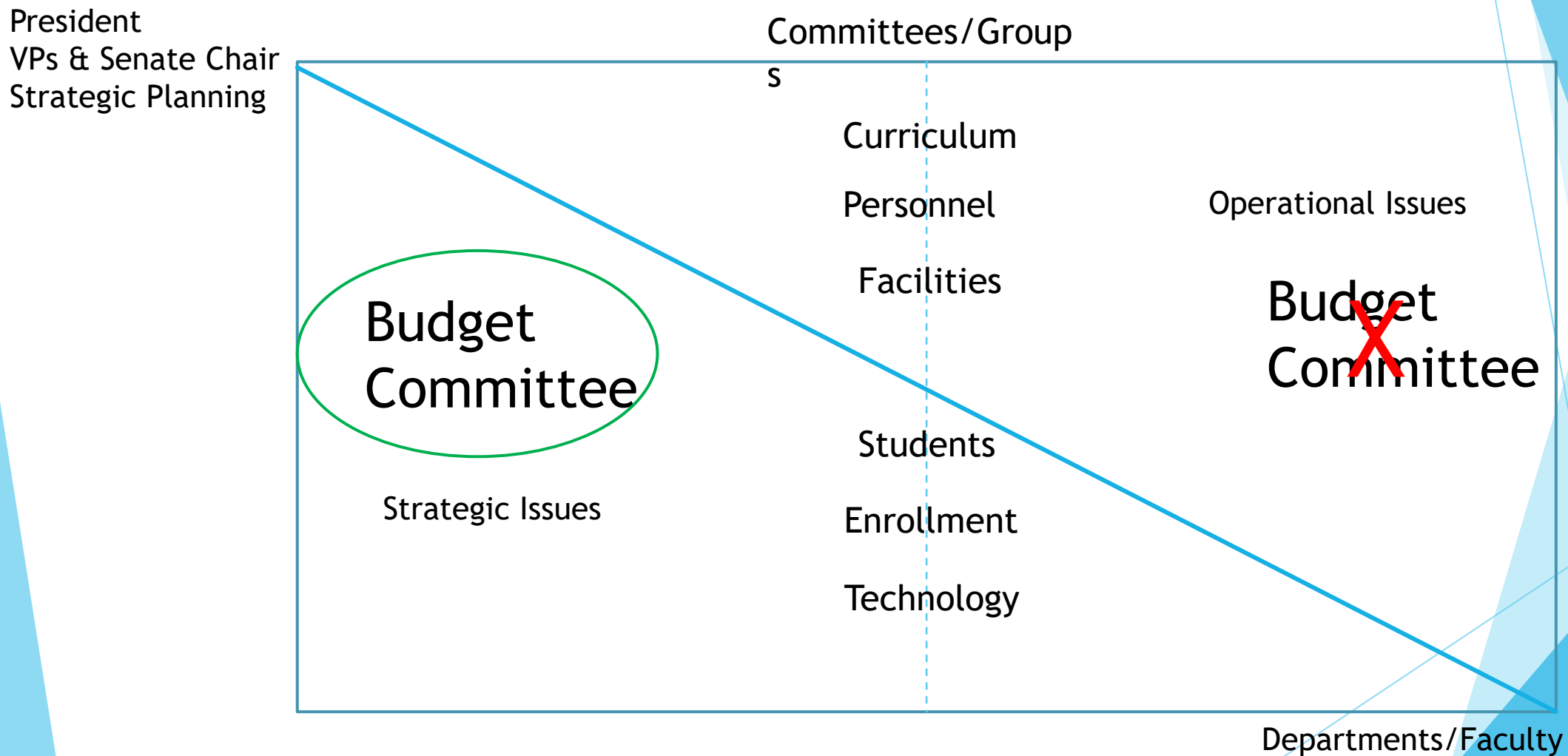
Priorities are focused by the Strategic Plan

Progress must be measured

Key Process Improvements



The Focus of Attention



New Process



Priority
Areas

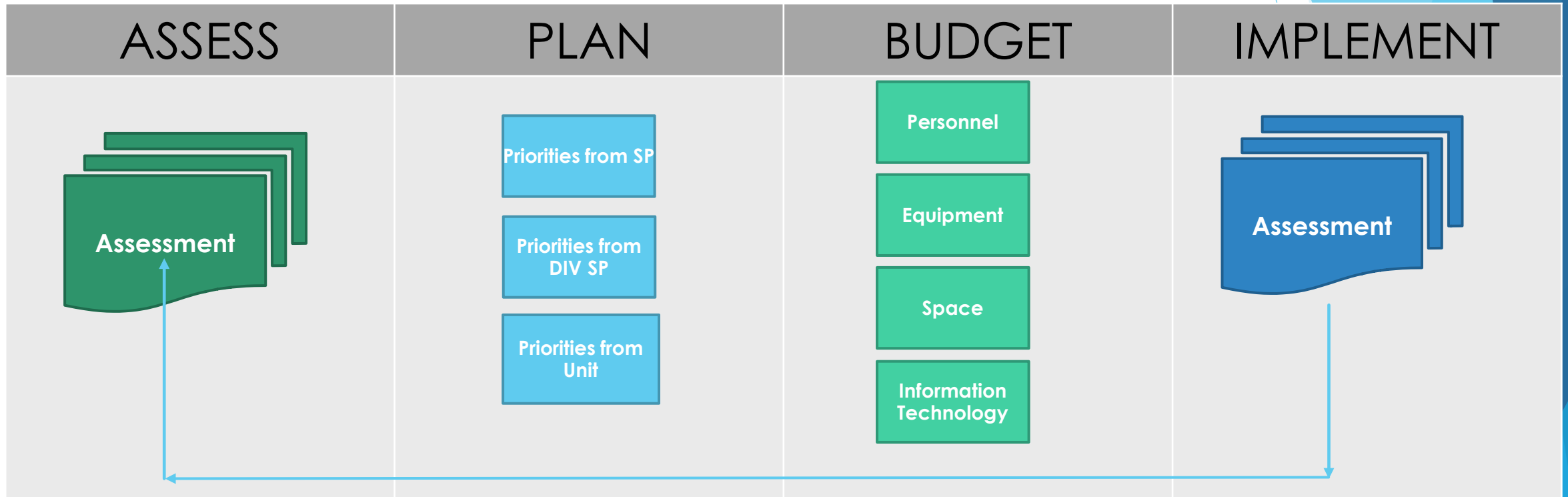
Annual Call
for Proposals

Prioritize &
Discuss

Evaluation Criteria



Assessment, Planning & Implementation



Integrated Assessment, Planning & Budgeting Model Concept Map

Start here...

If you have a developed set of outcomes and objectives

Assessment

Current state and/or measuring changes

Prioritize

Based on what we learned, where do we focus our efforts/ what do we stop?

Or start here...

If you need to develop a set of outcomes or objectives

Plan the Work

Outcomes and Objectives

Work the Plan

Begin efforts/stop efforts

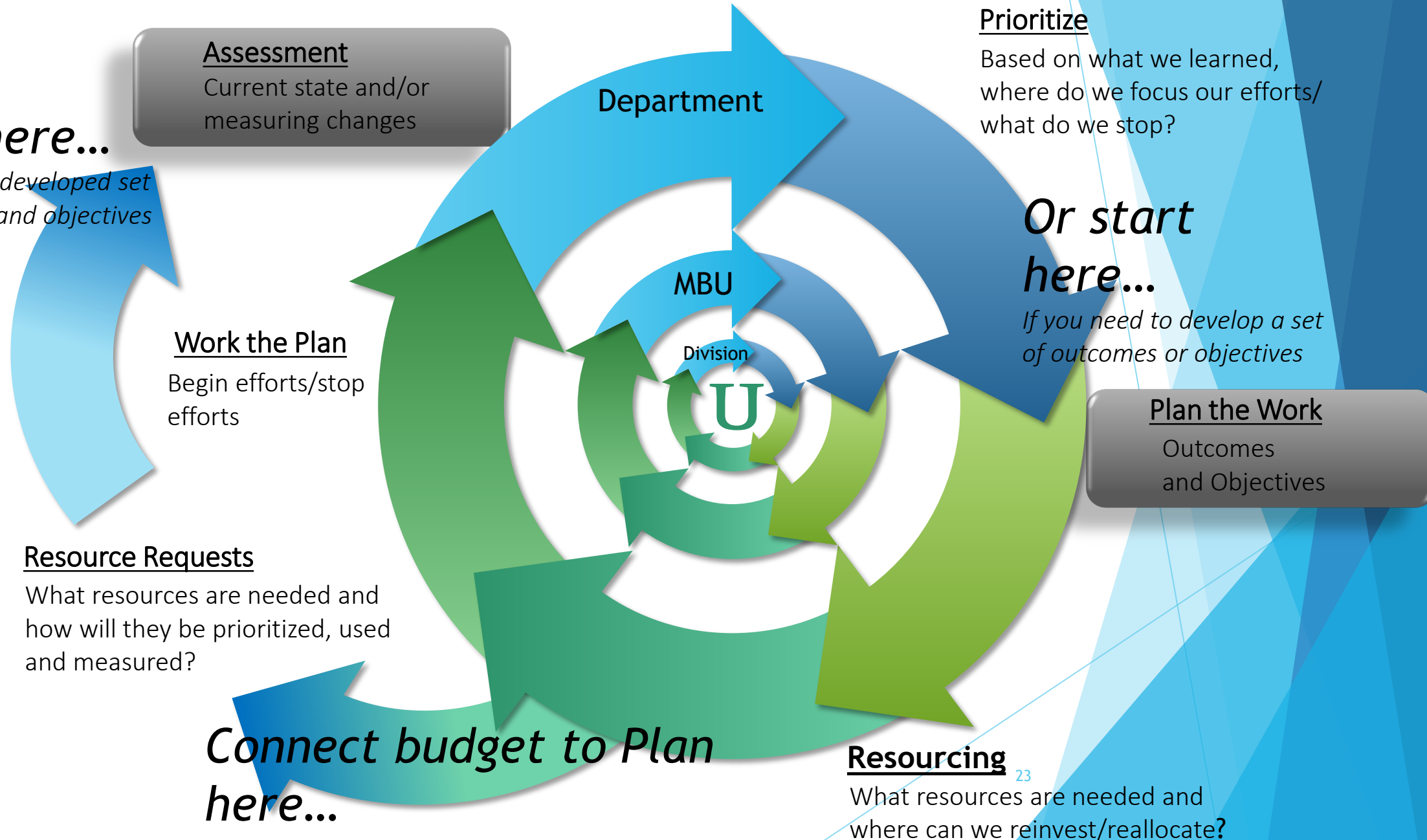
Resource Requests

What resources are needed and how will they be prioritized, used and measured?

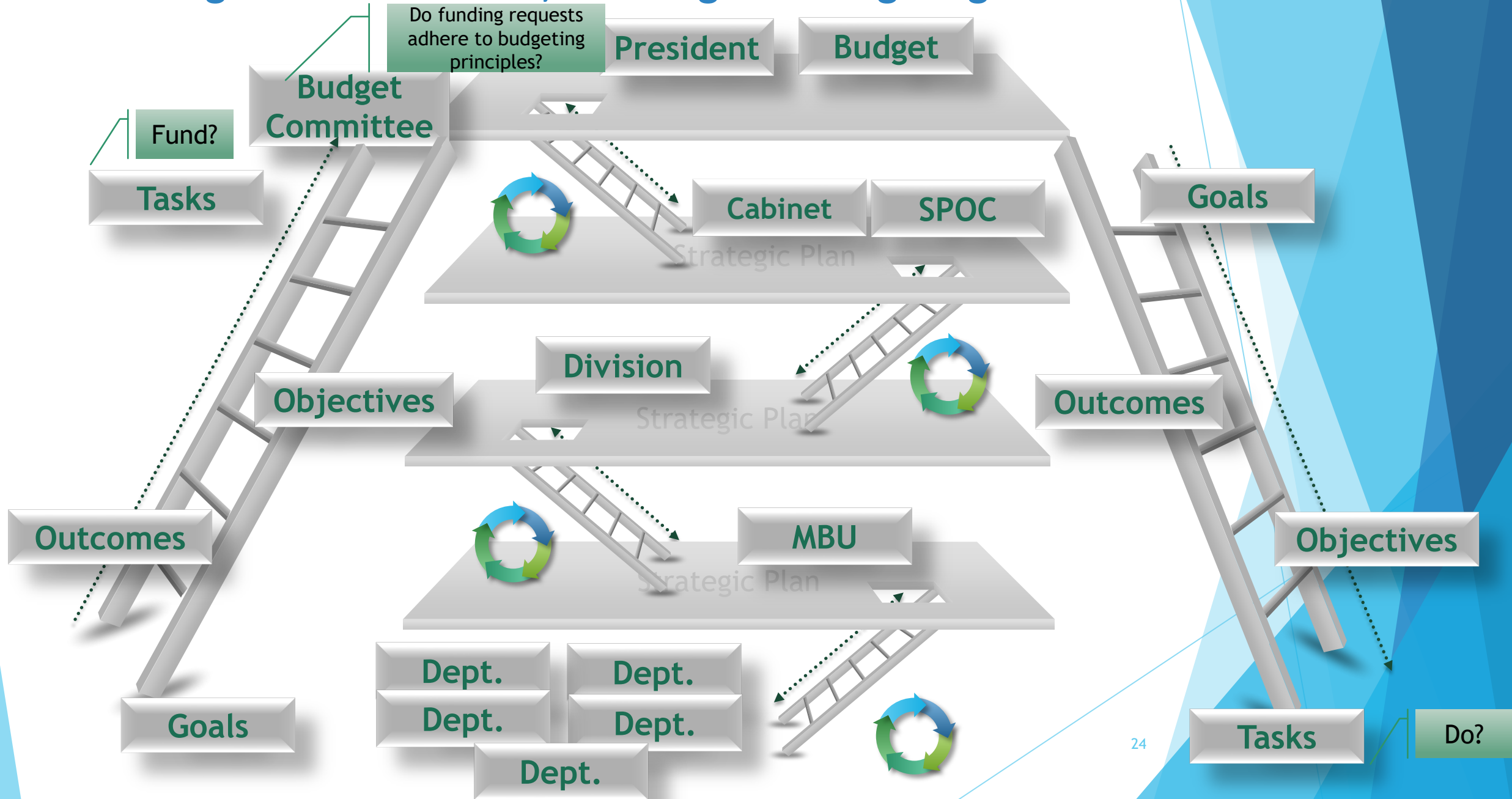
Connect budget to Plan here...

Resourcing

What resources are needed and where can we reinvest/reallocate?



Integrated Assessment, Planning and Budgeting Process Model



Communications

Campus-Wide Meetings

Solicit All Savings Ideas (big or small)

Explain Difference Between Capital vs. Operating Budgets

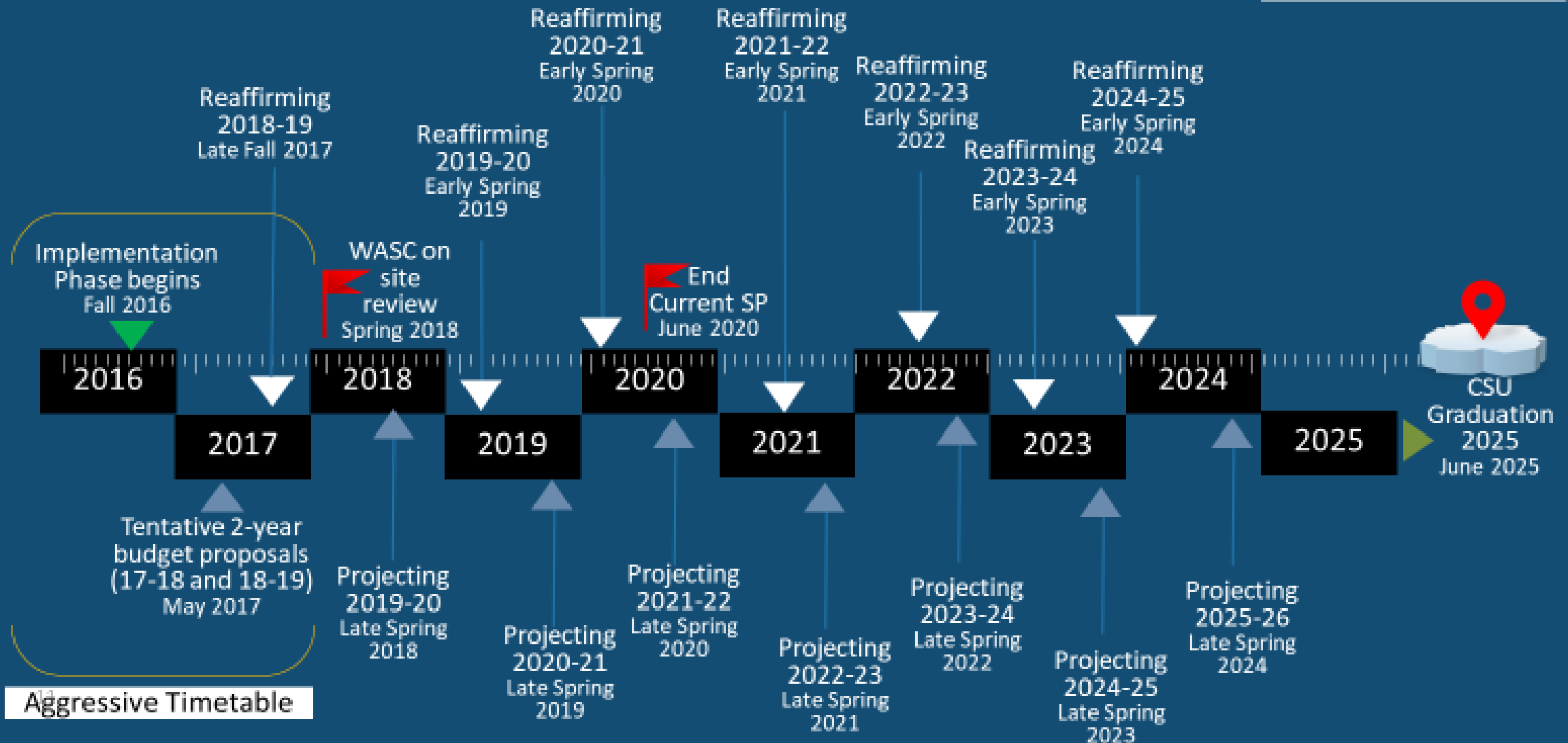
Expand/Create Committees

- *Board*
- *Faculty*
- *Staff*
- *Students*
- *Deans*

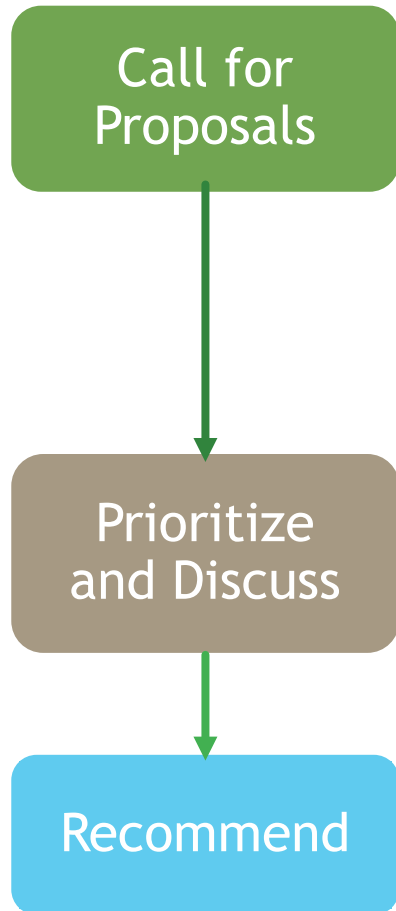
Engage Outside Consultants

STRATEGIC BUDGETING TIMETABLE

Early spring versus late fall re-affirmation of upcoming budget year?



Key Dates



Feb 4	Proposals due to Divisional Vice Presidents
Feb 14	Proposals due from VPs to Budget & Financial Planning
Feb 18	Proposals posted to web forum for university review & comments
April 6	Initial prioritization & planning shared with UPRC & university community
May 2	Draft budget recommendation & outline of FY23-25 request posted for university comment
May 23	VPs finalize FY23 budget recommendation for Board of Trustees (meeting June 10)

Next Steps

- **Putting the Strategic Plan in Action**
 - Institutional Goal Setting
 - Division Goal Setting
 - Unit Goal Setting
 - Multi-Year Budget Planning



Planning within the Strategic Budgeting Framework

- ▶ Define key players
- ▶ Engage key players in a series of discussions
- ▶ Highlight the institutional assets and priorities that can be exemplified in this test bed
- ▶ Assign mini projects to key players to define how these priorities manifest themselves in their area and how they will approach them creatively within the framework
- ▶ Bring back the discussion to Division/Institution focus to show how each key areas fits into the larger strategy and to gain a better understanding of barriers and opportunities
- ▶ Engage in dialogue with key players across the organization regarding contrasts and changes in direction that may be necessary

Small Group Discussion

Implementing Strategic Budgeting

- ▶ What has your unit's budgeting priorities been historically?
- ▶ What are the contrasting areas between your unit & the university priorities as defined in the strategic plan?
- ▶ How would you identify the key institutional assets to focus on in your unit?

A large iceberg floats in a calm, dark blue sea under a clear sky. The visible tip of the iceberg is a small, flat, white rectangular block. The vast majority of the iceberg is submerged beneath the water's surface, appearing as a massive, textured, and jagged white mass. This visual metaphor represents the concept of goals being the visible tip of a much larger, invisible foundation.

**” SETTING GOALS IS THE FIRST STEP IN
TURNING THE INVISIBLE INTO THE
VISIBLE.**

Tony Robbins, US author