



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,

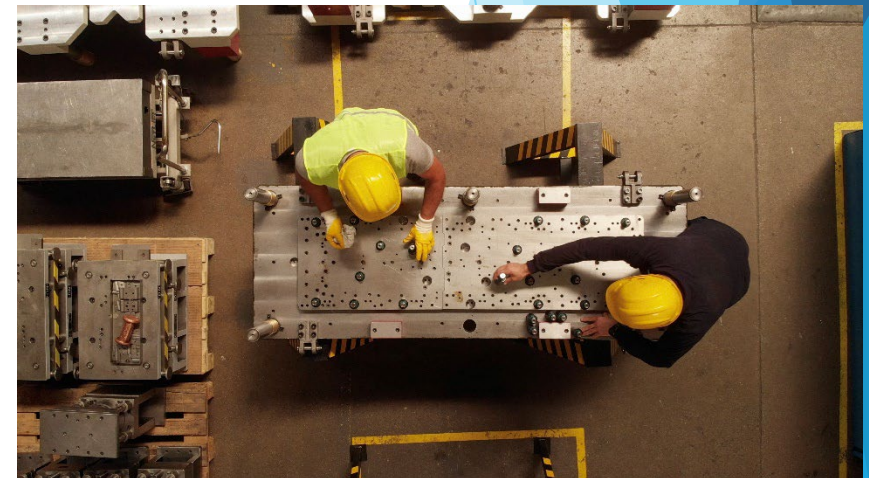
there must be a strong linkage between the plan and the budget



Linking Planning and 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

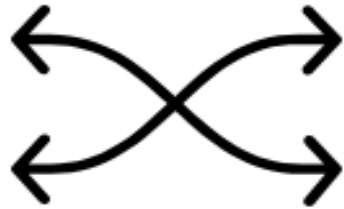
**A strategic budget is *not just* a budget;
it is the strategic plan in action.**

Strategic Budgeting

No plan  **Budget = Plan**

Budget not linked  **Budget = Plan**

PLAN



BUDGET

Strategic budget IS the strategic plan in action





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

Barack Obama

Operating Budget Requirements

Balanced?

Produce a surplus?

- *Margin?*

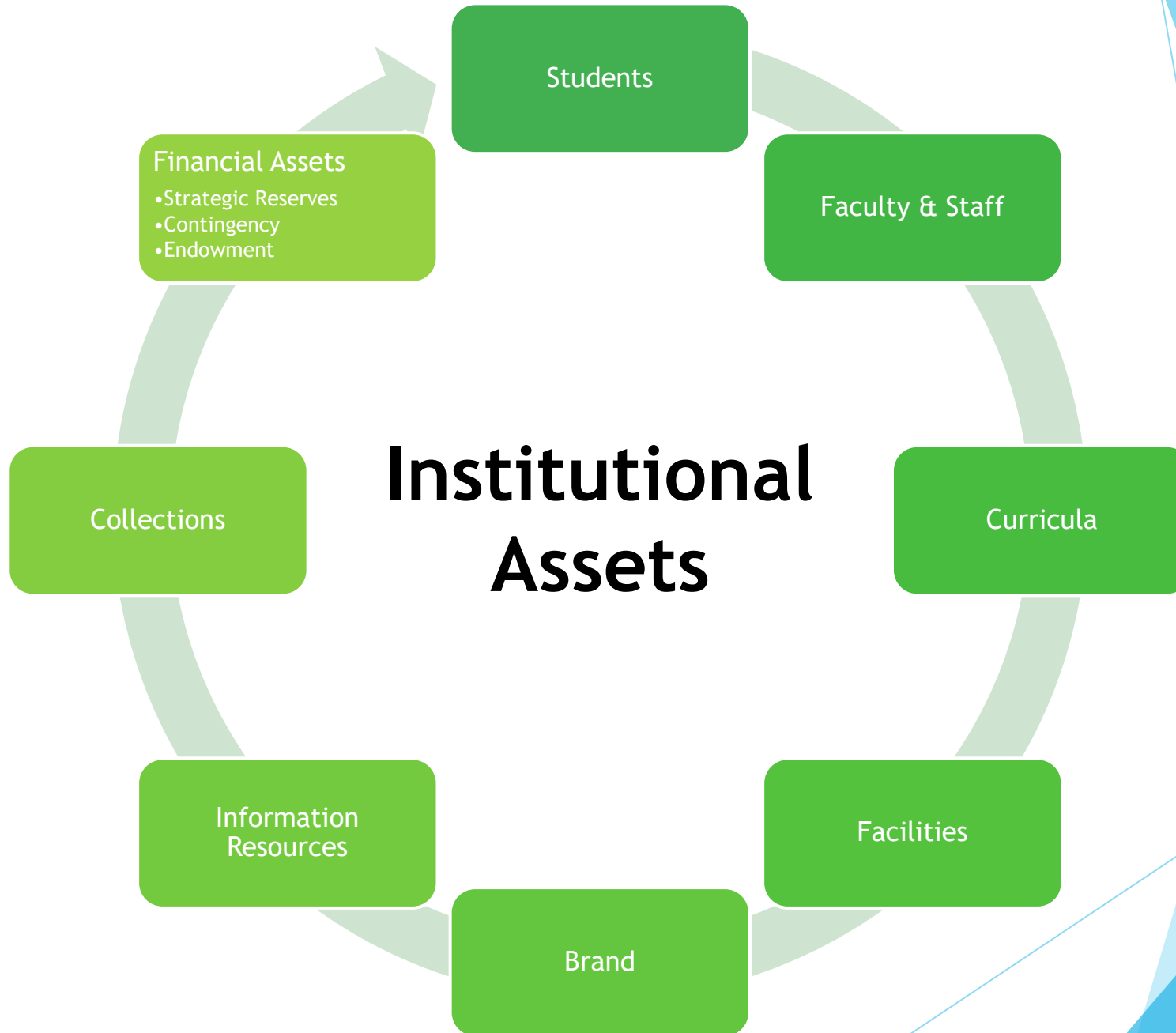
Allow for flexibility

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

Invest in our Institutional Assets

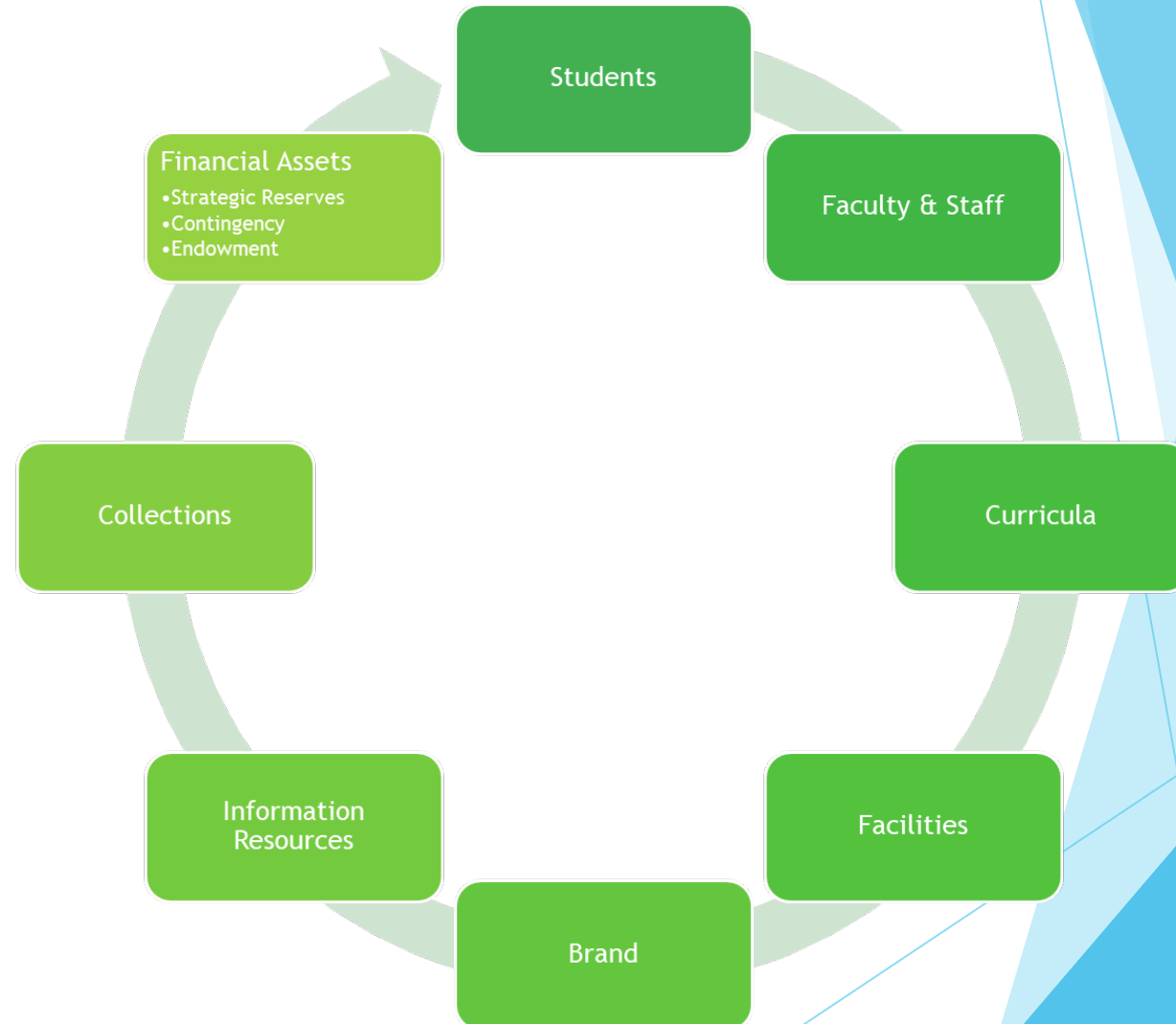
What are 'Institutional Assets'?

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.

Strategic Budgeting

- Fund our priorities
- Invest in our institutional assets
- Plan, Assess, Review
- Continuous process





INTEGRATING ASSESSMENT, PLANNING & BUDGETING



ON TOP

Strategic Plan = Blue Print

UNDERNEATH

Accreditation Criteria for Review

FOUNDATIONAL

BOT/State Performance Indicators

Guiding Principles and Assumptions

Below the surface challenges

Transformation vs Addition

Communicate Simply

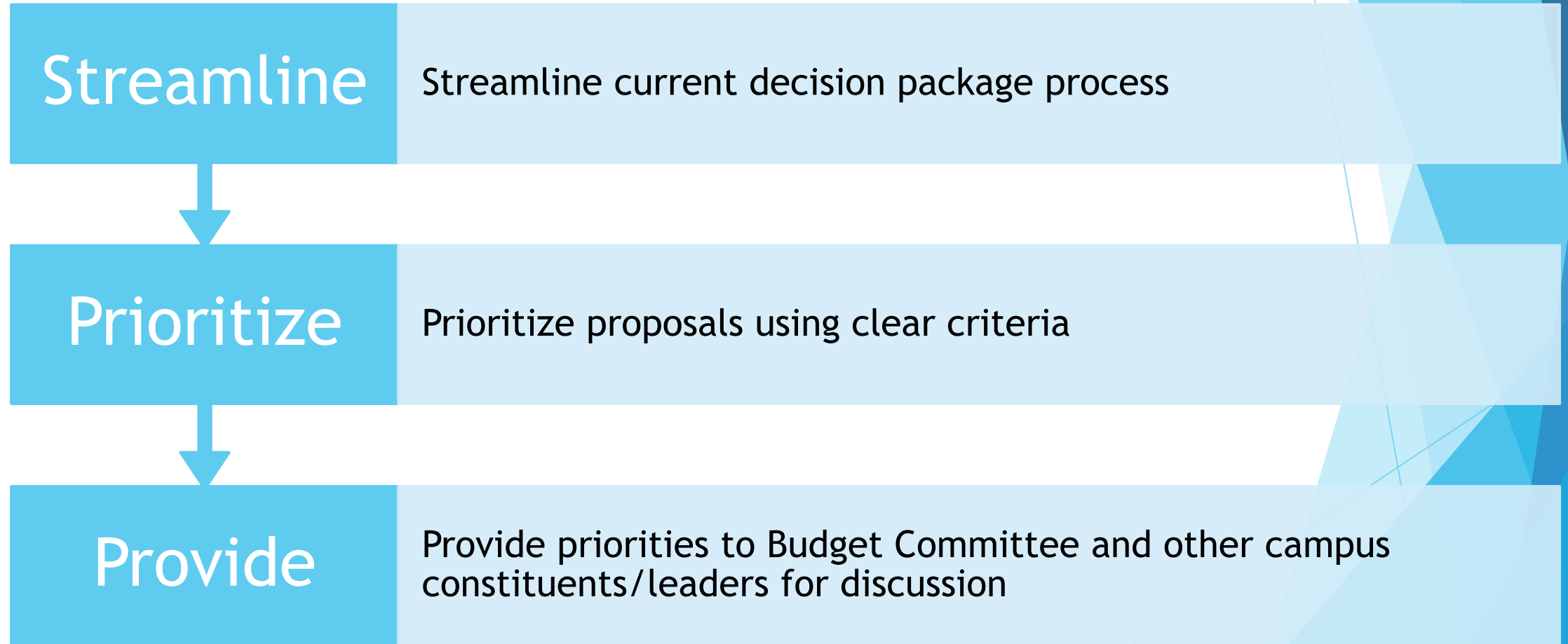
Data informs Decisions -
Transparency vs Advocacy

Priorities are focused by the Strategic Plan

Assessment & Planning are part of
everyday work

Progress must be measured

Key Process Improvements



New Process

Priority
Areas

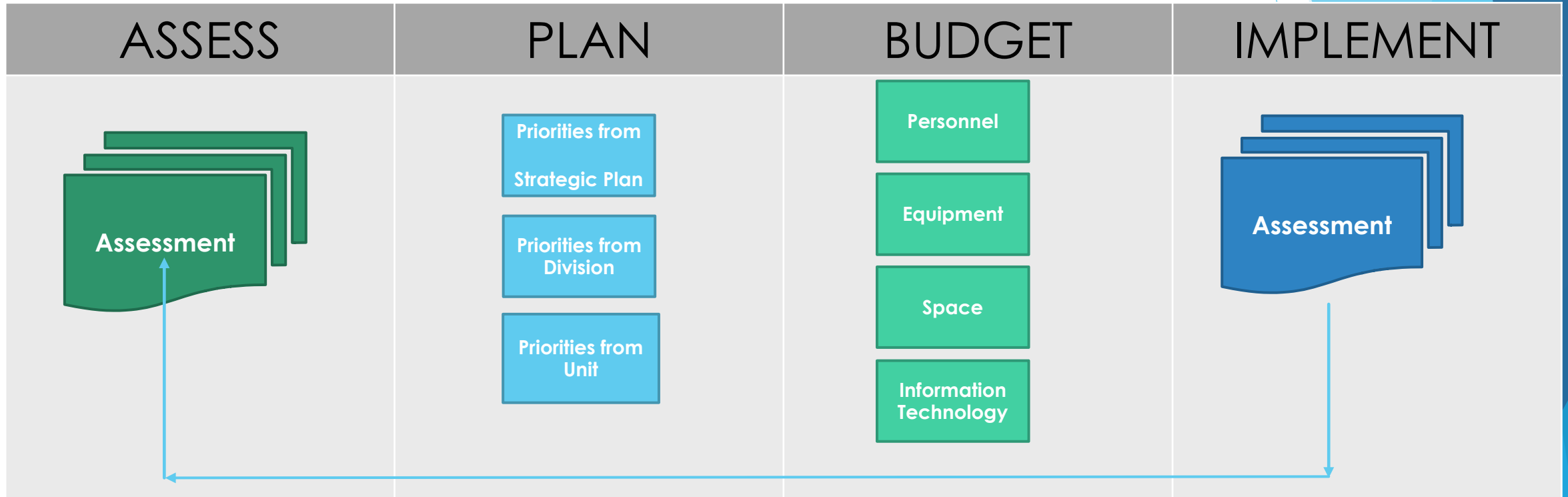
Annual Call
for Proposals

Prioritize
and Discuss

Evaluation Criteria



Assessment, Planning and Implementation



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

Deliverables

Linkage

Links annual goal setting, assessment and review with the annual budget process.

Goodness of fit

Fits within the framework of the strategic plan and strategic budget, for both long-term and short-term purposes, and works within the context of shared governance.

Integration

Includes an integrated resource request and allocation process.

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;
3. A timeline for implementing the process, and
4. A communication plan.

Integrated Assessment, Planning and 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

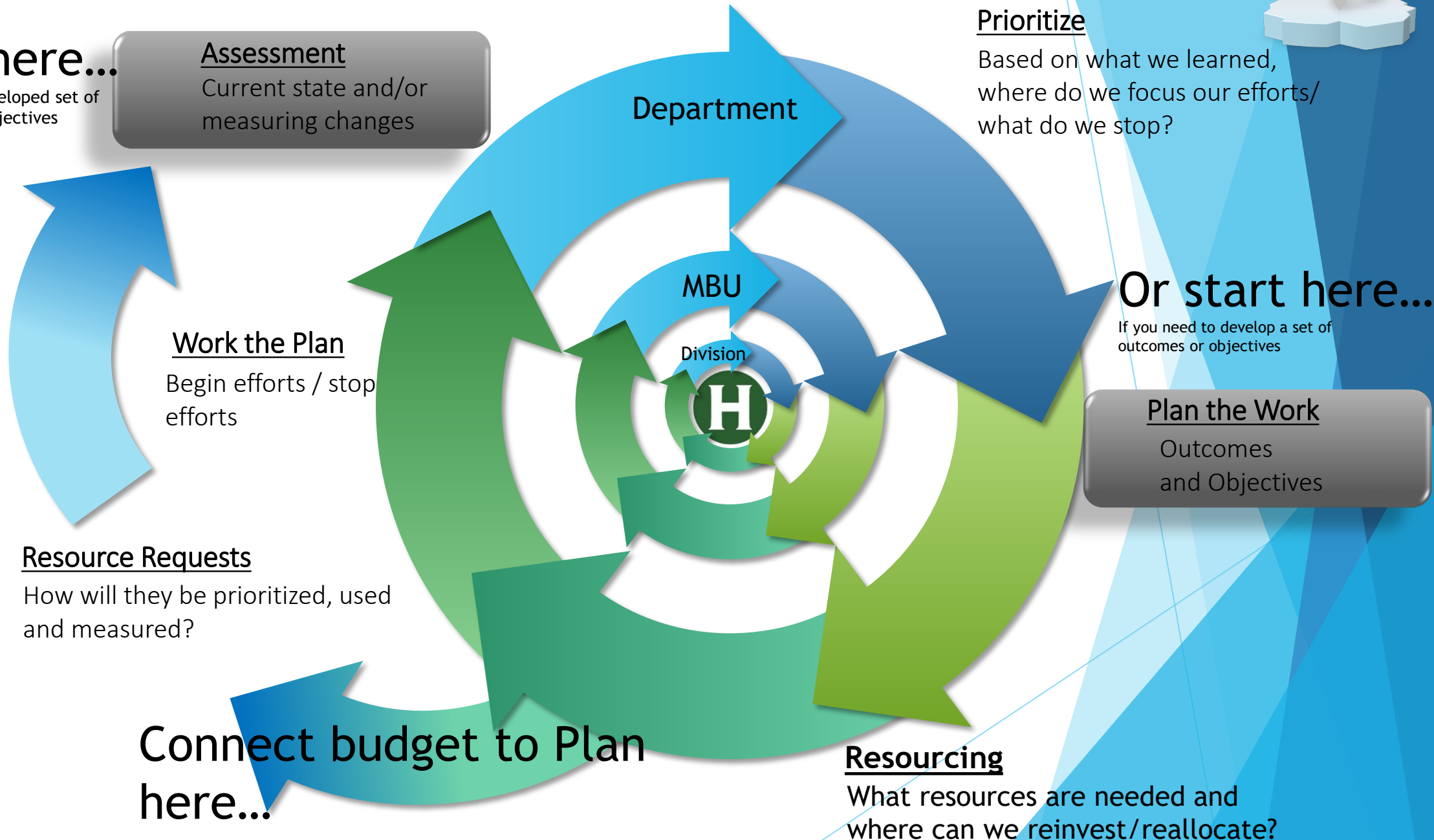
Resource Requests

How will they be prioritized, used and measured?

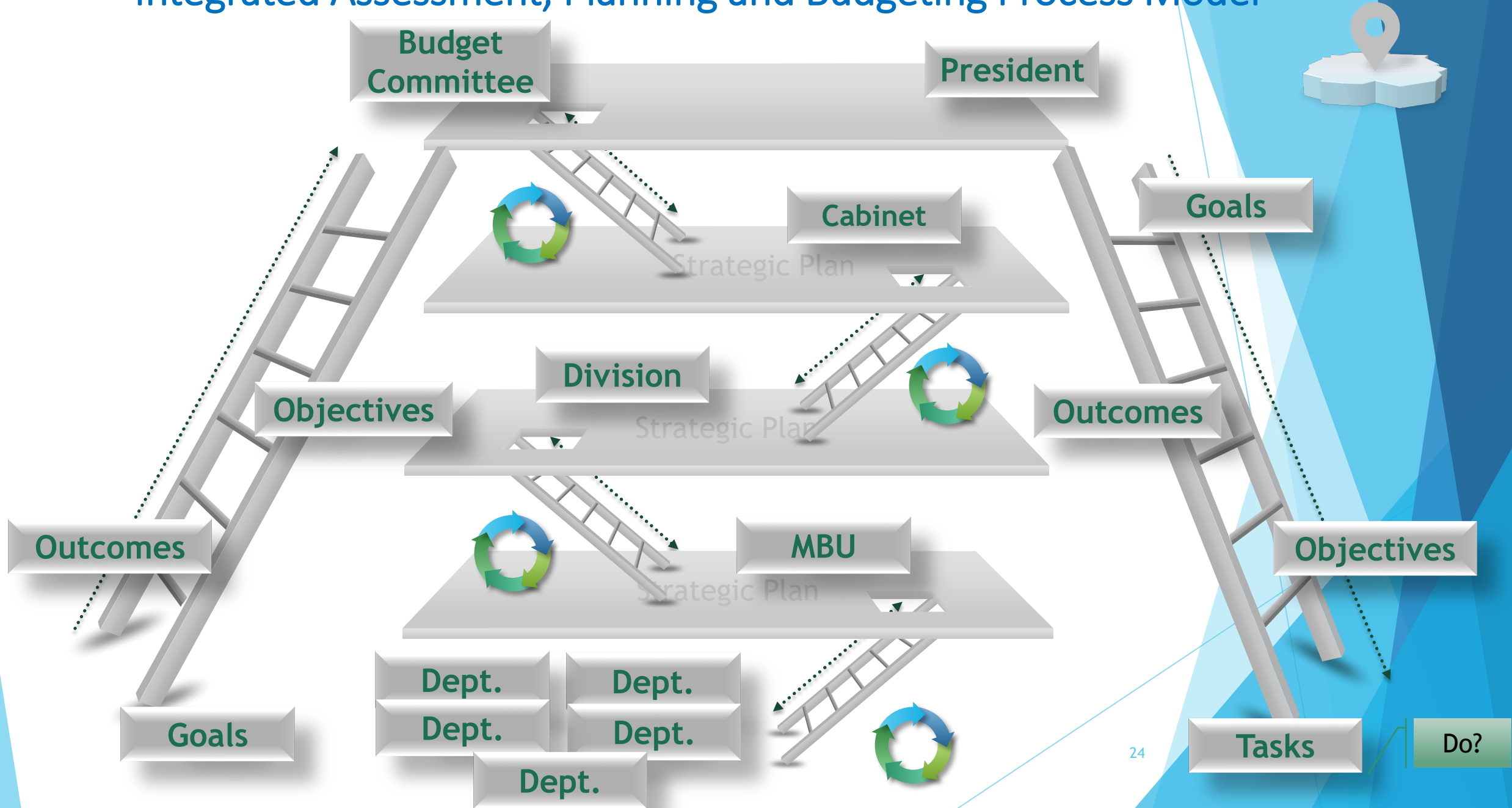
Connect budget to Plan here...

Resourcing

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



Integrated Assessment, Planning and Budgeting Process Model



Small Group Discussion

Implementing Strategic Budgeting

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

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

Key Dates

Call for
Proposals



Prioritize
and Discuss

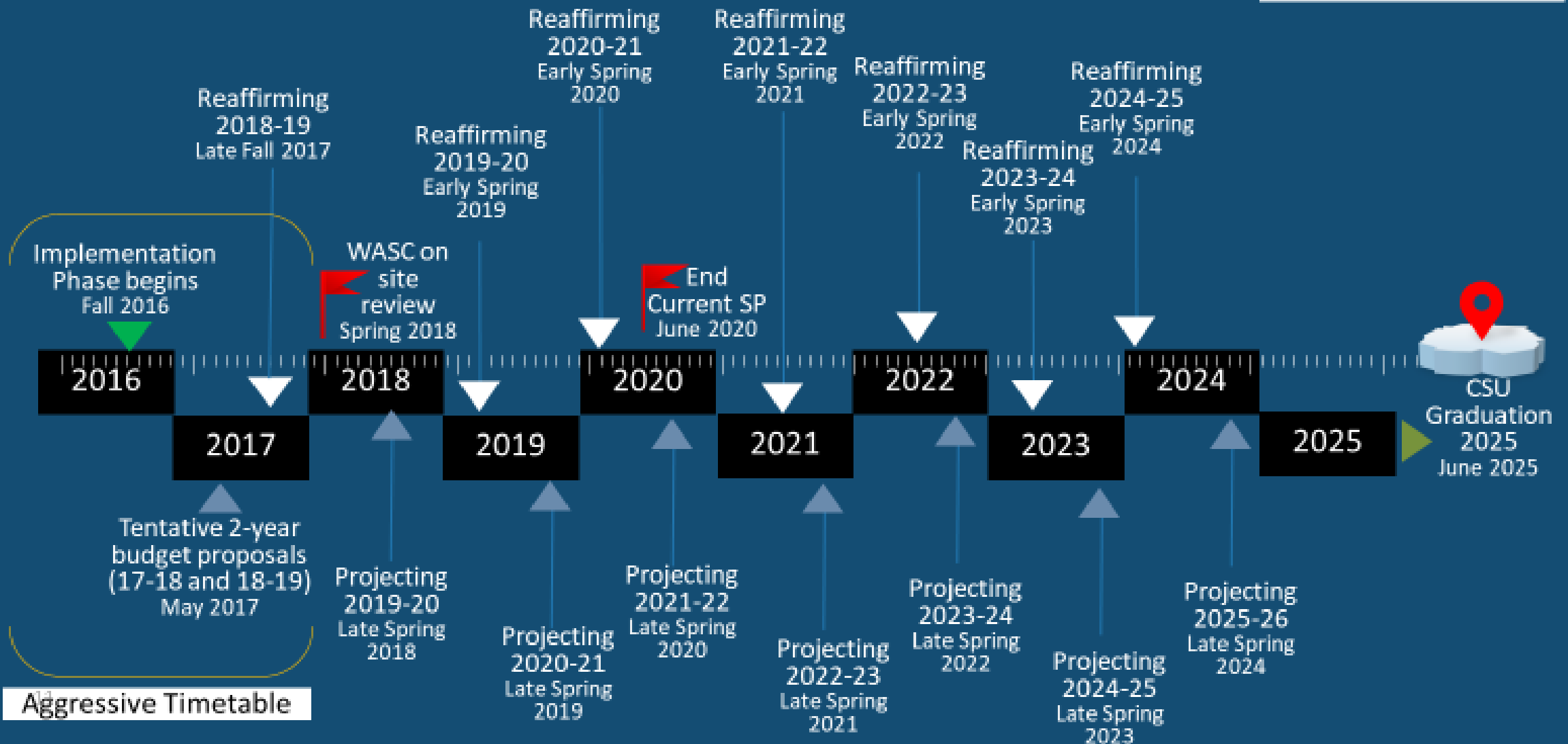


Recommend

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

STRATEGIC BUDGETING TIMETABLE

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



Next Steps

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



A large iceberg floats in the ocean. The visible tip is a small, flat, rectangular block of white ice. The submerged part is a massive, jagged, and textured mass of white ice, extending deep into the dark blue water. The horizon line is visible in the distance under a clear sky.

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

Tony Robbins, US author