

Ohio University Multi-Year Planning

AY 2010-2011, FY 2012

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OVERVIEW

Ohio University’s ability to continue its academic achievements in student success and the development of knowledge necessitates further alignment of the strategic academic goals of the institution with its infrastructure and its finances. The efforts of many individuals over the course of the past six years have enabled the University to become more strategic in its planning and to understand better its financial and infrastructure needs. Nevertheless, as has been the case with many institutions of higher education, our “knowns” are becoming increasingly subject to a greater host of “unknowns” brought about in large part by the effects of the economic crisis of 2008.

The most prudent way to cope with the uncertainties that we face is to develop a culture of and facility in multi-year planning. Effective multi-year planning depends on the availability of good information. The Multi-Year Planning Process outlined in this document involves the collection and analysis of information about:

- current University activities and how those activities are funded and staffed;
- projected assumptions concerning key expenditures and revenues for the next 3-5 years; and
- environmental challenges that the University will face in the next decade.

Several simultaneous tasks must be completed in a relatively short period of time in order to have the best information possible at our disposal for analysis. Those tasks are outlined in the table below and expanded upon in later sections of this document.

As we undertake the research and analysis needed to complete the Multi-Year Planning Process, it is prudent to control more closely our major category of expenditures—salaries and benefits. To that end, the guidelines for the current hiring freeze will be revised.

MULTI-YEAR PLANNING APPROACH

		Agents	Charge	Timeframe
STRATEGIC ANALYSIS	<i>University Environmental Scan</i>	9 member team appointed by President	<input checked="" type="checkbox"/> Research issues of critical importance <input checked="" type="checkbox"/> Interview key constituencies <input checked="" type="checkbox"/> Consult with internal/external experts <input checked="" type="checkbox"/> Produce set of recommendations to be shared with the University community	May – October 1 2010
	<i>Planning Unit Environmental Scans</i>	Teams appointed by Planning Unit Heads	<input checked="" type="checkbox"/> Research issues of critical importance <input checked="" type="checkbox"/> Interview key constituencies <input checked="" type="checkbox"/> Consult with internal/external experts <input checked="" type="checkbox"/> Produce set of recommendations to be shared with the University community	May – October 1 2010
BUDGETARY ANALYSIS	<i>3-5 Year Projections: Expenditures & Generators</i>	Budget Planning Council, Office of Budget Planning & Analysis, Office of EVPP	<input checked="" type="checkbox"/> Develop projections <input checked="" type="checkbox"/> Share with planning units	May – September 2010
	<i>Meetings with Planning Unit Heads</i>	EVPP, interim SVPFA, Planning Unit Heads	<input checked="" type="checkbox"/> Present overview of entire budget <input checked="" type="checkbox"/> Provide organizational chart <input checked="" type="checkbox"/> Provide unit activities/staffing map	June – September 2010

HIRING FREEZE GUIDELINE CHANGES

Rationale

All public universities in the state face another year of budget uncertainties created by an \$8 billion state budget deficit, continuing increases in health care costs, and enrollment uncertainties. We anticipate a \$17 M reduction in our base budget in the next fiscal year but an even greater amount might be required. The wisest course of action is to act conservatively and carefully in ways that can prepare us to meet a range of contingencies. Salaries, benefits, and other personnel costs make up a significant part of the University's budget commitments. To that end the present hiring freeze will be tightened beginning on May 17.

Tightening the hiring freeze has two goals:

- I. It will allow Executive Vice President and Provost Benoit and interim Senior Vice President for Finance and Administration Angelini to understand the staffing levels of each unit and the activities that those employees support. Planning unit heads will be asked to complete an activities/staffing map for their unit that will be shared during meetings with the EVPP and interim SVPFA held from June through September.

One of the lessons learned in the FY 2011 budget reallocation process was that a greater university-wide understanding needs to be developed concerning the scope of unit budgets, their present commitments, and future needs. Such an understanding is difficult to develop if one of the main areas of expenditures—personnel—is in flux.

2. It will provide an opportunity for units to strategically prioritize their staffing for the upcoming year and to estimate potential salary savings that could be used to meet budget reduction contingency plans.

After the meetings with planning unit heads conclude in September we will make a decision as to whether to retain or amend the May 17 hiring freeze guidelines.

Description of New Guidelines

Hiring Freeze Exceptions will only be made in instances that fall clearly into the following categories. Actions to be taken in each instance are noted.

- Positions that have cleared the current Essential Position Review process on or before May 17 [No additional action needed]
- Positions that are posted on or before May 17 [No additional action needed]
- Searches that are underway on or before May 17 [No additional action needed]
- Searches that fail during the hiring freeze also may be reopened with the consent of planning unit heads [Planning unit heads should communicate decisions to reopen to their supervisors and to Gwen Brooks in University Human Resources]
- Student employment [Planning unit heads should submit their total budget for FY 2011 student employment to their supervisors before September 1]
- Positions funded fully through external grants, contracts, or foundation accounts where there is no expectation that the funding will be shifted at some point in the future to a general fund or general fee account [Submit Hiring Freeze Exemption Form]
- Critical instructional positions (only Group II, Group III, or Group IV faculty contracts can be issued to fill instructional needs during the freeze) [Submit Hiring Freeze Exemption Form]
- Health and safety positions that cannot be adequately filled on a temporary basis [Submit Hiring Freeze Exemption Form]
- Compliance positions (i.e. positions that play a critical role in ensuring that the University complies with federal, state, and local laws and regulation) that cannot be adequately filled on a temporary basis [Submit Hiring Freeze Exemption Form]

STRATEGIC ANALYSIS

Ohio University has engaged in strategic planning over the course of the last six years. Through that process the core strategic direction of the institution has emerged. A draft Vision Statement presented to the Board of Trustees in April encapsulates our primary ambitions: “Ohio University will be the nation’s best transformative learning community where students realize their promise, faculty advance knowledge, and alumni become global leaders.” Recently, the University community helped to establish a set of six operational strategic priorities:

- (1) Enhance the quality of the undergraduate curriculum and the graduate curriculum through continuing assessment and the Q2S transition.
- (2) Bolster graduate education and associated efforts of faculty in research and creative activity.
- (3) Establish effective strategic short-term and long-term enrollment planning to ensure recruitment goals (quality and mix of students) and revenue projections are met.
- (4) Institute effective compensation policies and practices to ensure that talented faculty, administrative staff, and classified staff are rewarded and retained.
- (5) Launch a \$350 million dollar capital campaign focused on supporting core academic initiatives.
- (6) Improve the institution's financial strength so that fiscal and capital resources are stable and permit ongoing strategic investment.

As a result of our strategic planning efforts, we know that our ultimate goals are rooted in student success and the development of knowledge. Goals are destinations. To reach them requires the ability to traverse a landscape of challenges. Demographically, economically, technologically, socially, and politically that landscape is changing rapidly. Developing environmental scans for the institution as a whole and for individual planning units will help us navigate it successfully.

Universities as well as non-profit and government agencies have found environmental scans to be useful tools for guiding multi-year planning. A thoughtful, well-researched environmental scan can identify issues of concern and provide a head start in meeting the challenges of the future. We intend to use the recommendations derived from the environmental scans to build a framework that will allow us to extend our core budgetary and strategic planning out three to five years.

At the University level, a presidentially appointed team of 9 faculty and staff will conduct a scan for the institution. To allow for the type of concentrated effort that will produce a scan capable of playing a role in our multi-year planning, the team must be small and therefore cannot be fully representative. Nevertheless, constituent input is important. The team will conduct a series of interviews with constituent groups over the course of the next 6 months. It will also seek out "local" university as well as external experts in particular areas for advice and analysis. The team will share its environmental scan and its initial recommendations with the University community by October 1 whereupon additional feedback will be sought.

Each planning unit also will be asked to undertake its own environmental scan using small teams. Those teams are to be selected by the planning unit head and as with the university-level team there is not an expectation that they will be fully representative of a particular unit. However, as with the university-wide group, each team will be required to conduct interviews with key stakeholders in order to gather their input. By October 1, planning units should be prepared to share their scans and their initial recommendations.

BUDGET ANALYSIS

The key to moving from an annual budgeting process to one that spans multiple years is the ability to forecast major fiscal drivers. Not all budgetary factors can be predicted but information about trends and opportunities can be gathered and used to extend the range of planning. To that end, the Budget Planning Council, the Office of Budget Planning and Analysis, and the Office of the Executive Vice President and Provost will work together to establish expenditure and revenue assumptions for the next 3-5 years.

In addition, meetings between planning unit heads and EVPP Benoit and interim SVPFA Angelini on current budgets, unit activities, and staffing will help to establish a more detailed understanding of revenues and expenditures within units.

Planning unit heads will be asked to supply an overview of their unit budgets along with an organizational chart and to develop an activity/staffing map based on a template that will be supplied. The information gathered in these meetings, the 3-5 year projections, and the strategic recommendations from the environmental scans will influence the construction of a budget for FY 2012, 2013, and 2014.

TIMELINE				
JUNE – SEPTEMBER 17 Meetings with Planning Unit Heads	➔	Multi-Year Budget & Strategic Planning Framework	➔	NOVEMBER *Planning Unit Budget Reduction Targets Issued *Fee Committee Review Completed
MAY 17 New Hiring Freeze Guidelines	➔			JANUARY *Planning Unit Budget Reduction Plans Due
MAY – SEPTEMBER 1 Expenditure/Revenue Projections	➔			JANUARY – FEBRUARY *Draft Budget Recommendations Published *Meetings with Planning Unit Heads *Open Forums
MAY – OCTOBER 1 Planning Unit Environmental Scans	➔			MARCH *Final Budget Recommendations
MAY – OCTOBER 1 University Environmental Scans	➔			
OCTOBER University-Wide Discussion of Scans	➔			

Appendix: Description of Planning Unit Environmental Scan

What is a planning unit environmental scan? An environmental scan is a way of systematically analyzing significant internal and external trends to shape plans for the future. An environmental scan will be completed for the University but each planning unit will also need to participate in completing its own environmental scan to assess the specific impact of significant factors and to determine how the results of the scan will inform planning for the unit.

Research Issues of Importance for Environmental Scans

What changes in **population, higher education, social, technological, economic, environmental, and political factors** will affect your unit directly and indirectly? Are there other factors that will have an impact on your unit that should be considered?

- How will the characteristics and expectations of students, potential students, and their parents change for your unit?
- How will the characteristics and expectations of employers and potential employers of students change for you unit?
- How will future expectations of political leaders impact your unit directly or indirectly?
- What major social, technological, or cultural trends on the horizon could have an impact on your unit?
- What do experts in your area or related areas forecast that will have implications for your unit?
- How do the findings of your environmental scan inform your planning?

Examples of Environmental Scans:

University of Illinois: <http://www.uillinois.edu/strategicplan/EnvironmentalScan.cfm>

University of New Mexico: <http://www.unm.edu/~unmstrat/envscan.html>

Texas A&M Planning Unit Instructions: <http://www.tamut.edu/sacs/UnitPlnngInstrctns05Web.pdf>

Association of College & Research Libraries: http://www.arl.org/bm~doc/small_scan.pdf

Collecting Data for an Environmental Scan

- Scan literature on significant trends.
- Use internal and external experts to assess relevant trends.
- Resources that may be helpful:
 - Environmental Scanning
 - <http://staff.cce.cornell.edu/administration/program/documents/scanintr.htm>
 - <http://horizon.unc.edu/courses/papers/enviroscan/>
 - Workforce
 - Rand Corporation. Research by the Rand Corporation “seeks to determine the major factors and trends shaping the future of work in the current century, and how those factors are likely to evolve over the next 10 to 15 years.” It also seeks to determine the implications of these

- trends upon the workforce, the workplace, and the worker: http://www.rand.org/research_areas/workforce
- Ohio Labor Market Information. Economic information about Ohio, economic development regions, workforce analyses: <http://lmi.state.oh.us/>
 - Higher Education
 - National Center for Education Statistics: <http://nces.ed.gov/>
 - College Board: <http://professionals.collegeboard.com/data-reports-research/trends/higher-ed-landscape>
 - Diverse: Issues in Higher Education: <http://diverseeducation.com/>
 - John Immerwahr and Jean Johnson, “Squeeze Play: How Parents and the Public Look at Higher Education Today”: http://www.highereducation.org/reports/squeeze_play/index.shtml
 - Technology
 - EDUCAUSE. Looks at “current developments and trends in information technology, how they may affect the college/university as an institution, and what these mean for higher education and society”: <http://www.educause.edu/>
 - Political
 - Higher Learning Commission. The Higher Learning Commission accredits degree-granting post-secondary educational institutions in the North Central region: <http://www.ncahlc.org/>
 - U.S. Department of Education. New programs and policies can be found at: <http://www.ed.gov/>
 - Ohio General Assembly: <http://www.legislature.state.oh.us/laws.cfm>