FINAL REPORT

of the

JOINT TASK FORCE ON STRATEGIC OVERSIGHT

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JOINT TASK FORCE ON STRATEGIC OVERSIGHT

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When Chancellor Subbaswamy launched the campus strategic planning process in 2012, he observed that “strategic planning is an adaptive process, matching our capacities to what we see as our essential purpose.” Once started, that process of adaptation would be ongoing. But first it had to start.

In 2012 the campus had no collective, actionable sense of priorities to achieve its “essential purpose,” nor any systematic method for matching its resources and capacities with those priorities. The Joint Task Force on Strategic Oversight (JTFSO) was formed to help guide a multi-year, collaborative process to fill those gaps.

- The first year focused on understanding the campus’s general situation and the changes needed to support success, resulting in the Phase I report.
- The second year began implementation of a number of recommendations coming out of the Phase I report, and more fully developed campus-level strategies for the undergraduate experience, outreach and engagement, research and graduate education, and diversity in all aspects of campus life. The second year also saw the start of a discussion to explore a better resource allocation system, and creation of the Joint Task Force on Resource Allocation (JTFRA) to lead that discussion.
- Year three launched unit planning, through which each academic and administrative area developed local plans aligned with campus priorities. More detailed information and previous JTFSO reports on those phases can be found at www.umass.edu/chancellor/strategic-planning.

In this fourth year the campus brought all the pieces together by pilot testing a new planning and budgeting system that connects annual budgets to planning priorities. While some steps remain in the FY17 process, this first cycle is nearing completion. This final JTFSO report describes the progress of the pilot test, suggests some improvements, and recommends steps to adopt integrated planning and budgeting on a permanent basis.

I. The Budget and Planning Process

This year’s pilot test used existing incremental budgets as the starting point. Planning for the FY17 budget began with deans and vice chancellors developing overall priorities and collaborating with department heads to select major priorities from the unit planning conducted over the previous year. Activity and performance data related to the undergraduate experience, graduate education, and research and scholarship were provided by the Office of Institutional Research and the Office of Academic Planning and Assessment to help inform planning.

For this first effort at integrating planning and budgeting, forming FY17 budget plans involved two stages. First, academic and administrative units identified their highest priorities and associated action plans for the coming year. Second, after review by Deans and Vice Chancellors, these unit priorities and action plans were refined as needed, and a resource plan was proposed for each. Resource plans encompassed the following approaches:

- **Refocusing** existing resources (shifting time, attention or focus, but not moving dollars).
- **Reallocating** unit resources (moving money from one activity to another).
- **Revenue growth** (identifying a specific source of new money).
- **Partnership** (collaborating with others to accomplish a needed improvement).
- **Strategic investment** (request for new funding from the College, executive area, and/or central administration).
Each vice chancellor (and within Academic Affairs, each dean) was then asked to confirm departmental plans and provide a “roll-up” synthesizing the executive area’s or College’s planning and budget proposal for FY17. The roll-up had two parts: 1) a narrative summary for the College or executive area and 2) FY17 priorities and actions for each subunit. The roll-up narratives included an overview of general priorities and issues for the college or executive area; highlights of areas of improvement using existing resources; a general description of the approach used to achieve the 1.5% budget reduction requested by the Chancellor; and a prioritized list of strategic investment requests and rationales. These budget plans will in turn be reviewed by the Provost and Chancellor, who will make final budget decisions, including the disposition of requests for central strategic investment.

The planning and budget system reflects a “hybrid” approach as recommended by JTFRA and JTFSO: a revenue and expenditure model demonstrates how changes in enrollment and research affect school/college finances; in that context, units marry priorities for improvement with resource strategies; and budget decisions balance the model’s perspective with quality and performance, capacity, and cross-unit impacts and the common good. In this year’s pilot test the full model output was not available to inform the process. Figure 1 shows how the major components of the annual planning and budget cycle would operate with the model in place. [Note that Figure 1 illustrates the process for schools and colleges. A similar logic — absent the budget model — would apply to development of budgets for administrative and support areas, and the final synthesis of the campus budget.]

As described more fully in the JTFRA report, some work remains to improve the capacity of the budget model to inform allocation decisions. JTFSO recommends that this work be completed over the summer to permit the full cycle to operate for the FY18 budget development process.
II. Observations and Recommendations for Improvement

In its charge, JTFSO was asked to “monitor the ... development of administrative and academic unit plans, and lead the discussion of and response to them.” The integration of planning and budgeting is an essential step in that larger process, and JTFSO therefore offers the following preliminary observations on the process to date. These observations are based on a review of the submission process by JTFSO members, feedback received across campus, discussions among JTFSO members and campus leaders, and updates from the Joint Task Force on Resource Allocation (JTFRA) and the Joint Subcommittee on Administrative Costs and Services (JSACS). Because the FY17 planning and budget process has not yet been completed, JTFSO is not able to reflect upon or evaluate the complete process, but we are able to comment on the substantial work already undertaken. We have structured our observations in terms of the objectives laid out for the planning and budgeting system in May, 2015, following the recommendations presented by JTFSO and JTFRA, and of the guidelines issued for the planning and budget process (December 3, 2015, www.umass.edu/oir-dept-review/FY17-Guidelines). Part of the overall planning and budgeting approach involved exploration of a formal budget model to reflect changes in enrollment and other kinds of activity across colleges. We defer to the report of the Joint Task Force on Resource Allocation (JTFRA) for detailed findings and recommendations.

Objectives for the Budgeting System (June 12, 2015)

1. Create a framework for better alignment of priorities and resources over time.
   - No shocks to the system
   - Expand revenue vs. shuffle dollars
   - Stability/Predictability

The steps taken to date have clearly brought planning priorities and budgeting closer together by asking units to directly connect their high priorities to action plans and associated resource implications. While budgets have not been finalized, we have observed many examples of resource usage and allocations compatible with campus and unit plans. In terms of “shocks to the system,” as of this date the introduction of a new planning and budgeting process does not seem to be resulting in unreasonable shifts in resources. We note that all units have been challenged to respond to the necessity of a 1.5% budget reduction for FY17 as a result of the campus’s overall financial picture. We see nothing, however, to suggest that the new planning and budget process as introduced this year has added to the financial impact, and the process has lent some structure and transparency to a difficult process. There should be a high level of predictability, since next year’s budget is based on the results of this year’s process. The concerns over “shuffling dollars” and predictability were primarily related to the incentive structures of a budget model, which is still in development (see JTFRA report).

2. Make fund flows and uses transparent
   - Align revenue shifts with shifts in students
   - Avoid adding new obligations without adding resources
   - Provide reasonable resources (i.e., neither short-changing nor providing windfalls)

The extensive department- and college-level data used to inform both planning and the analysis of submissions provided considerable insight into enrollment shifts. We anticipate that, when completed, the FY17 process will provide substantial new transparency regarding the flow of funds among units. The data and the greater transparency of resource allocation permits fuller advance consideration of whether shifts in enrollment can be accommodated through reallocation or require additional resources.
3. **Incentivize constructive innovation, including collaboration across units**
   - Avoid incentivizing destructive behavior/gaming

Many thoughtful and productive proposals for collaboration were included in unit plans, and the structure of the budget development process highlighted collaboration (for example, “partnerships and collaboration” were highlighted as a resource strategy). Collaboration was a common theme in the School/College narratives with respect to both the work of formal collaborative activities (e.g., centers and institutes) and College-wide initiatives in areas such as advising and research support. In addition, the guidelines for strategic investment stressed that successful proposals would “reflect shared commitment (e.g., matching funds, partnerships, etc.).” In this first round the stress of time and working with new expectations limited opportunities for collaboration. Additionally, there was not sufficient time to fully address interdisciplinary connections and cross-cutting priorities such as diversity, internationalization, and engagement. We believe opportunities for collaboration can and should figure more prominently in the process in future rounds.

4. **Push investment funds to schools and colleges**
   - Maintain adequate central resources to address issues and seed innovation

While constructive reallocation seems to have occurred across campus, the realities of the overall financial situation sharply limited the funding available for investment at the college, executive area, and campus levels. Despite the tight fiscal situation, strategic investment requests were solicited in the FY17 budget process and will be evaluated at the Provost’s and Chancellor’s levels. It is anticipated that investments will be made to support high priorities.

**Objectives for the FY17 Budget Development Process (December 3, 2015)**

**A. Purpose**

1. **Bring somewhat greater consistency and structure to discussions of revenues and expenditures.**

This is the first attempt at a campus-wide solicitation of unit plans linking strategic priorities to budgeting, and therefore represents both a major cultural change and a significant achievement in its own right. While this approach introduced greater structure to budgeting, JTFSO noted several areas in which clarity, timing, and communication could be improved, described in the following sections.

2. **Serve as an opportunity to practice aligning resources with ideas and priorities coming out of strategic planning.**

There was much evidence of units engaging with both their own and the campus-wide strategic plans in their budget planning for FY17. This process represented the first concrete effort in which units across campus were specifically asked to note the resource implications of their planning priorities, and the results were impressive. While further refinement is desirable, we are encouraged by how far the campus moved in the first iteration. Looking to the next round, we make the following observation:
   - There was some conflation of ends and means. The objective in budget planning is to articulate desired outcomes or improvements, and then focus on the resources needed to accomplish the change. In some cases the resource (often a new faculty or staff member) was described as the improvement, rather than as a means to some articulated end. Clarifying this distinction may be helpful in the future.
3. **Focus on selected priorities**

Many budget plans were sharply focused and effectively translated broad priorities into realistic annual action plans. In some cases, however, we observed issues related to scale or proportionality:

- Overall, there was great variation in the length and content of the plans across units. One cause of this was variation in the granularity of plans, with some focusing on selected strategic actions and others taking a more microscopic approach. It would be useful to provide additional guidance on length and format, and to develop guidelines to assist units in distinguishing between priorities that rise to the top and desirable but less critical objectives.

- Some plans described far more priorities and action steps than would be feasible within a fiscal year or consistent with current resources. The objective in the annual budget process is to focus on a limited set of selected priorities, and achieving greater clarity on that point will be important.

- In other cases, departments emerged from the process with few or no articulated actions for FY17. We believe this may have been due in part to some confusion and variation in how departmental information was solicited and compiled at the school/college level. We believe consistency can be improved through improvements to the process for the next cycle.

4. **Budget development is a “roll-up” process:** it starts with College/Executive area guidance for development of ideas at the department level. Department budget plans roll up to the College/Executive Area and ultimately to the campus as a whole. At each stage there will be considerable discussion back and forth before arriving at the proposals that will go forward.

The newness of the FY17 budgeting process, the very aggressive timeline, and the introduction of a budget reduction mid-course seriously limited the opportunity to engage in the desired review and discussion at each level. As noted above, there was insufficient time for collaboration and planning across units, and compression of the process resulted in unnecessary confusion and frustration. JTFSO recommends that future processes begin earlier in the academic year with clear, reasonable timelines that allow for satisfactory planning, discussion and feedback at the department, college, and campus levels.

As part of the pilot process, schools and colleges were given wide latitude in how they interacted with their departments in soliciting unit-level budget plans, and in how they compiled and submitted that information. The resulting information varied considerably, and it is not clear from the documents that the first round allowed departments to be represented in a consistent way. We recommend that for the next round a more consistent approach be developed to solicit and compile departmental information.

5. **These annual budget plans can include ideas to be completed in FY17 or components of longer-term efforts that will start or continue during FY17.**

We observed numerous examples of both single- and multi-year initiatives, and believe rooting the budget process in strategic planning helped to promote a long-term perspective. It will be important to ensure that annual budget plans reflect long-term plans.

6. **The culmination of discussions at each level will produce budget plans that can be made available to the campus community and appropriate bodies (e.g., college-level consultative groups). Feedback will be considered by the relevant administrative officers.**

Each School or College developed its own mechanisms for consultation within their units. These varied in terms of the extent of faculty involvement. This objective cannot be fully evaluated at this time, but
based on activity to date we believe that much work remains to fully engage faculty in the planning and budget process. We concur with the recommendation in the JTFRA report that the process next year be adjusted based on feedback received once the current cycle is completed to assure that there are sufficient opportunities for college- and campus-level feedback.

B. Context

1. Academic and administrative departments plan in the context of their Colleges and Executive Areas.

The FY17 process began with an opportunity for overarching plans or priorities to be articulated by the Deans/Vice Chancellors. There was considerable variation across areas in the nature and form this took; when the process is concluded it will be useful to consider feedback from participants and more clearly define how College and executive area priorities should fit into the process.

2. The analysis of performance that informed campus and unit planning should help point to priorities.

Various kinds of performance data were supplied to academic departments beginning in 2014 to inform their planning. Use of this data in the FY17 priorities and resource plans varied considerably. Some units referred extensively to the data provided — or other data developed locally — relating to the undergraduate experience, graduate education, and research and scholarly activity, while others made little or no explicit reference to performance or activity data in their plans. Similarly, some units had action plans that explicitly addressed performance trends and needs revealed by the data; many others did not.

- We recommend that the campus clarify expectations and supply further guidance on how performance data should be incorporated into planning. This should include consideration of the ways in which the use of data should respect the unique characteristics of different units.
- We also recommend that a review be conducted of the kinds of data needed to support the process and the ways in which it is disseminated.
- We note that centrally provided data was only available for academic units, which share many common purposes and activities. While some administrative and support (A&S) units develop their own performance data, and incorporated it into their planning, we believe these efforts can and should be much more comprehensive. The Joint Subcommittee on Administrative Costs and Services (JSACS) is planning to conduct an inventory of A&S performance metrics, and we recommend that their inventory serve as the basis for discussion of expanded capacity in this area.

3. The central questions: Of the priorities identified through planning, which should be the focus of attention during the coming budget year? What are reasonable expectations for progress?

We discussed earlier the variation we observed in drawing priorities for action out of larger plans. In terms of expectations, relatively few budget proposals addressed how to assess progress in reaching goals. We believe future rounds should focus earlier and more clearly on assessment criteria and methods and on achievement of stated goals.

C. The Process

1. The process will be kept as simple as possible:
   a. It will be web-based, with information passing along electronically.
   b. It will be focused and concise.
   c. Wherever possible, needed background information will be provided to units.
The process of developing a resource plan in alignment with strategic priorities was new to all involved. Consequently, it presented many new complexities and complications that provide opportunities for improvement. We make the following observations and recommendations:

- For the FY17 process, documents were solicited through a web-based system, based on the workflow system developed for course and program approval. The system operated adequately, but there was some confusion among users who had no previous experience with it. Some users also had difficulty distinguishing between course proposals and planning documents. We recommend that as the system is further refined, special attention be given to ease-of-use and clarity.

- In this first round, units were asked to submit two proposals. The first was an articulation of top-level priorities and a select number of action plans corresponding to each. The second allowed units to refine these action plans and describe the resource implications associated with each. Partly as a result of the aggressive schedule and the newness of the process, there was considerable confusion about what was being asked at what point, and participants sometimes felt they were being asked to duplicate effort. General frustration was exacerbated because completing part two required cutting and pasting from part one. For the future, the process should involve a single submission with clear instructions and a timeline that allows for sufficient discussion and review.

- The process as designed presented a common format and questions for both academic and administrative units. In practice, however, the academic side lost some of this focus as steps were collapsed and methods of gathering information were modified. We believe that a common framework is important in promoting a meaningful campus-wide discussion, and recommend that future rounds create and maintain a reasonable consistency across units.

### III. Ongoing Planning

Both JTFSO and JTFRA were established as joint task forces with limited lives. Both are now sunsetting, and if progress on the new planning and budget system is to continue, attention must be given to continuity of work. We strongly believe that the campus should continue to build on the system that came out of the work of both task forces.

When JTFSO was formed, it was not yet clear how the campus would approach the integration of planning and budgeting. Six months later, consideration of a new budget model had progressed to the point that it was clear a separate group was needed to give adequate attention to this issue, and JTFRA was formed. As we approach the conclusion of a first pilot test of a new approach, both JTFSO and JTFRA believe that the campus has progressed to the point that collaboration and oversight of planning and budgeting can be combined in a single group going forward. We therefore recommend:

- That the Rules Committee and the Chancellor develop a standing committee to provide ongoing leadership and oversight for the campus strategic planning process and its associated resource allocation system;
- That any such committee be organized along the “joint” principle of faculty-student-administrative collaboration that guided creation of JTFSO and JTFRA;
- That this successor have as its primary orientation the alignment of resources with priorities and reflect the effective integration of planning and budgeting;
- That the successor additionally be charged with recommending appropriate budget review mechanisms and/or committees following evaluation of the FY17 budget development process;
• That a working group be designated by the Chancellor to ready the initial budget model recommended by JTFR-A for use in the FY18 budget development process, and that the results of that work be fully evaluated by the successor committee and shared with the campus community for full discussion and feedback; and
• That the work of the Joint Subcommittee on Administrative Costs and Services (JSACS) be incorporated into the successor process, and that JSACS continue temporarily as a special committee until the successor group is created.

Planning at the campus level continues in several other areas:

• The Diversity Strategic Planning Steering Committee issued a first report last March, and since then a number of recommendations have been implemented while others remain to be put into motion. This year the Chancellor asked the Steering Committee to continue its work by reviewing goals and priorities and by developing a comprehensive campus climate survey. That work continues as of this writing and will result in recommendations to the Chancellor. We recommend that diversity planning be fully incorporated into the work of the proposed standing campus-wide planning committee. More information on the diversity strategic planning process can be found at https://www.umass.edu/diversity.
• Over the past two years the campus has participated in the American Council on Education Internationalization Lab, and the UMass Amherst team produced a draft internationalization report that identified a number of recommendations to broaden campus international activity in the immediate, short and mid-term. That report has been discussed by JTFSO, a number of Faculty Senate councils, the SGA and GSS, and at two recent open forums, but has not yet formally been incorporated into the strategic planning process. JTFSO recommends that the proposed standing committee on planning and budget, through a subcommittee or other means, organize campus consideration of specific recommendations for internationalization, based on the revised draft internationalization report, parallel to what was done for undergraduate education, diversity, and other broad topics.
• The JTFSO Subcommittee on Outreach and Engagement issued a report in April, 2014 that recommended, among other things, “development of a framework for promoting and evaluating investment in high-impact outreach and engagement activities,” and “establishment of effective and sustainable means for collecting, evaluating and disseminating information on the outreach and engagement activities of faculty, students, and other members of the campus community.” While faculty, staff, and students initiate and collaborate in an extensive array of outreach and engagement activities, it remains difficult to document and communicate the impact of these activities and to use this information for strategically planning future endeavors. The campus does host a “UMass Worldwide” website cataloging many outreach and engagement activities, but without a clear assignment of responsibility it is incomplete and outdated. We recommend that outreach and engagement planning also be incorporated into the work of the proposed standing campus-wide planning committee, and propose that the Office of the Vice Chancellor for Research and Engagement work with other groups including the Diversity Strategic Planning Steering Committee and the Faculty Senate Council on Public Engagement and Outreach to review the JTFSO Subcommittee on Outreach and Engagement report and articulate a strategy for outreach and engagement as it relates to the campus strategic plans, including how best to document and communicate impact of outreach and engagement efforts across campus.