



DATE: May 10, 2004
FROM: Rodney A. Erickson
TO: Budget Executives Heading Strategic Planning Units at University Park
RE: Strategic Planning Guidelines for 2005/2006 through 2007/2008

The strategic planning process continues to evolve at Penn State as we strive to enhance excellence in a time of increased challenges and diminished resources. Changing demographics, rising costs, growing competition, and declining state support have come to characterize the environment in which we now operate. As we approach the end of the present three-year planning cycle, it is important to reaffirm our commitment both to strategic planning and assessment.

We also reaffirm our commitment to the five goals outlined in the University's strategic plan, "Progress Amidst Challenge: The Penn State Strategic Plan" and the strategies expressed in that document. When discussing how your unit level goals support the University goals, budget units should pay special attention to Goal 2: Enriching the educational experience of all Penn State students by becoming a more student-centered university. This is the focus of the University's self-study for Middle States re-accreditation that is currently underway.

The guidelines for the next cycle of planning should not be viewed as a rigid set of requirements. How the goals are addressed and their progress measured will continue to vary because of differences in mission, priorities, and organizational culture among budget units. Consistent with the nature of Penn State's top-down/bottom-up strategic planning approach, each planning unit will define its own planning approach and strategy for implementation.

I am requesting that you develop a three-year strategic plan for your unit for the academic years 2005-06, 2006-07, and 2007-08. Please include the following:

1. A discussion of future directions, strategies and measures of performance. As you consider future directions, please address implications and impact on current capacity in areas such as enrollment planning, staffing requirements, budgetary resources/flexibility, and space/facilities, as appropriate to your Academic or support unit. Discuss the unit's current internal and external challenges that have been identified through benchmarking, constituent feedback, market analysis, and other assessment data, and how they will be addressed. Be especially cognizant of major University initiatives and priorities that have implications for unit level planning. These include the Cost Savings Task Force Report presented to the Board of Trustees on May 16, 2003, the Faculty/Staff Survey results that will be distributed to budget executives, and where appropriate, the eight areas of special investment recently identified by the President in his address to Faculty Senate in March 2004. Also be aware of Faculty Senate legislation that may have resource and planning implications, e.g., the revisions to the International/ Intercultural Requirements and the Report on Curricular Integration Across Locations.

2. **Strategic performance indicators appropriate to unit level goals.** The University will continue to monitor strategic performance indicators at the university level. Units are encouraged to continue to collect data and utilize indicators appropriate to unit level goals.

3. **A three-year internal recycling plan that describes how the unit will recycle at least 1.0 % of its operating budget each year and redirect funds to highest priority needs.** The current and projected use of these internally recycled funds should be specified in the strategic plan. Although units will develop strategic plans on the basis of a moratorium on the central recycling of funds during this three-year period, please recognize that unforeseen circumstances related to the University budget situation could require at least some central recycling across all budgetary units of the University if conditions require such action.

Each unit is asked to submit to psupia@psu.edu electronically in PDF format, a three-year strategic plan to the Office of Planning and Institutional Assessment by February 1, 2005.

Please refer questions to the Office at 863-8721 or email Louise Sandmeyer at les1@psu.edu. The Office of Planning and Institutional Assessment is available to consult with units and facilitate this process.

cc: Graham Spanier
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Louise Sandmeyer