

INTEGRATED PLANNING 2004-2010

From the days of Making change to the times of Making choices

Introduction and Context

Since its inception, the University of Guelph has been actively engaged in strategic planning. In 1995, with the publication of the strategic plan *Making Change* in 1995, the University began a process to revitalize its mission and purpose. The initial intent was to focus resources and provide opportunities to strengthen our mission strategic investment in areas of growth and areas of strength. Shortly after the publication of *Making Change* there was a significant downturn in provincial support for universities in Ontario accompanied by significant increases in tuition fees. Any goodwill and resources stored for revitalization and reinvestment was allocated to dealing with the budget shortfall. Despite this major setback, or perhaps because of it, the spirit of innovation at Guelph was not daunted and the University progressively rose in national and international reputation.

With the announcement of the likely end of the five-year high school system in Ontario that was made in the late nineties, the University of Guelph began to plan for the double cohort. Using *Making Change* as the framework for renewed planning, the University focused on four critical areas: enrolment growth with quality; recruiting and retaining the best faculty and staff; intensifying and supporting research development and innovation; and development of enabling facilities. Working with government and the other universities in Ontario, the University of Guelph made several strategic decisions which positioned the University to meet goals in each of the four prime areas of activity. Accompanying the success in these areas, the government made several changes that altered the context of funding. These included: a shift towards incremental investment tied to enrolment growth; a five-year stabilization of tuition fees for students (without adequate compensation for the revenue loss to universities i.e., the tuition increase allowed was significantly less per year than the inflationary costs of salaries, benefits and utilities); the introduction of deregulated¹ tuition fees and an increased flexibility for universities to differentiate tuition fees; a mandatory tuition reinvestment set-aside from tuition increases to assist students in financial need; major funds for capital facility development (SuperBuild Funds) which were tied solely to enrolment growth; and, the introduction of multi-year funding from government with the promise of significant investment as students associated with the double cohort were due to pass through the system. In addition, the federal government made a number of investments in research facilities and personnel through competitive grants programs. The province committed to match a number of these initiatives.

During this period, the University of Guelph was particularly successful at strategic enrolment management

¹ In the middle nineties, the government moved away from regulating tuition fees on particular programs and created opportunities for universities to differentiate tuition fees by identifying particular programs as “deregulated”. Many universities have chosen to increase fees in the deregulated programs based on the cost of the program and the potential for higher income for graduates from these programs. Differentiated fees have provoked a considerable amount of concern about accessibility. To date, the University of Guelph has not chosen to differentiate fees in deregulated programs.

including capitalizing on additional dollars for student support (accessibility funds), undertook two major academic/research and administrative initiatives (the enhanced partnership with OMAF and the development of Guelph-Humber), was very successful with SuperBuild, CFI and CRC applications, completed the largest capital campaign in the University's history, was very successful with an aggressive approach to faculty and staff recruitment, and embarked on a significant development program to renew facilities across campus. At the same time, the University, following wide-spread consultation on campus, took a unique stance on differentiation of student fees in Ontario.

Two major risks were identified: an increasing sense of urgency to address deferred maintenance in buildings and infrastructure and the increasing reliance on the promise of base funding to enhance quality from the provincial government particularly in the light of the decision not to differentiate tuition fees.

In 2003, there was a change in government in Ontario. Despite much pre-election publicity about the new provincial government wishing to be known as "*the education government*" and the prospect of additional funding, the fiscal climate for universities appears to have changed. The government kept a promise to the electorate to freeze tuition fees but was not able to compensate universities fully for the lost income: the government made a one-time commitment to replace the lost income which did not fully compensate universities for the lost revenue, and reneged on the promises of the previous government to fund enrolment growth for the double cohort. Once again, the University, poised on the brink of significant growth with the opportunity for strategic investment, was forced to retrench. A 3.5% budget cut was implemented for 2004/5 and the fiscal outlook for the next several years remains austere with growing pressures from the risks of any further delay in dealing with deferred maintenance, the costs of funding the debt already incurred, the need to complete the already approved building projects, the need to meet incremental costs each year (without annual inflationary compensation from the government), the impact of frozen tuition fees and the fiscal challenge of ensuring capital protection for endowed funds in an uncertain market, all make the fiscal outlook for the next several years look bleak unless the provincial government decides to identify postsecondary education as a priority.

Moreover, the provincial government has recently moved to halt payments of the provincial match for strategic federal research programs. The impact of this decision could be very serious for faculty and for institutions in Ontario as we move further down the competitive ladder compared with other provinces. It will also directly weaken the financial position of the institution.

To balance this list of threats, the University of Guelph has a number of key advantages. It has firmly established itself as one of the top comprehensive universities in Canada, has a national reputation for innovation and for producing high quality graduates, has a very strong research portfolio and support and is recognized for being more nimble (less conservative) and more innovative and applied than other institutions. Much of this development can be traced to *Making Change* and the strategic planning of the nineties. It is now apparent that the University, like many of its sister institutions, must focus its resources to protect the quality of its programs and its facilities. It is no longer possible to make budget cuts across the board without seriously weakening the whole of the institution: it is time for *Making Choices* to preserve academic quality and integrity and to choose how to position the University for the future.

The Liberal Government announced a new Advisory Panel, chaired by former premier Bob Rae, to review postsecondary education. This panel has a wide mandate and its chair is committed to make a difference in funding and support for the sector and recognizes that significant reinvestment is needed. This investment, if it comes, will be too late to have an impact on the University in the next couple of budget cycles, however, the institution must be ready to respond again to the prospect of improving funding from the province.

Growth at Guelph

Planned Enrolment Growth on the Guelph Campus

The student population at the University has been growing since the mid-nineties. It is shown in Table 1. Please note that the data are provided as headcount. Much of the actual planning is based on full-time equivalent (FTE) count.

Table 1: Total projected student enrolment (headcount) at Guelph 1995-2009 (brackets equal negative numbers)

Actual		Cumulative change		Projected		Cumulative change	
Year	Total Enrolment	From 1995	Year by Year	Year	Total Enrolment	From 1995	Year by Year
1995	13,878			2004	18,500	33.0%	2.3%
1996	13,805	(0.5%)	(0.5%)	2005	18,800	35.2%	1.6%
1997	13,671	(1.5%)	(1.0%)	2006	19,000	36.7%	1.2%
1998	13,692	(1.3%)	0.2%	2007	19,000	36.6%	(0.1%)
1999	14,387	3.7%	5.1%	2008	18,800	35.4%	(0.8%)
2000	15,188	9.4%	5.6%	2009	18,600	34.2%	(0.9%)
2001	15,767	13.6%	3.8%	2010	18,500	32.9%	(1.0%)
2002	16,635	19.9%	5.5%				
2003	17,593	30.0%	8.5%				

Notes

- (1) Figures for 1995 to 2003 are actual, and projections for 2004 are provided.
- (2) Includes all full-time and part-time heads.
- (3) Includes diploma enrolments and does not include enrolments at Guelph-Humber or the regional campuses

An increased undergraduate enrolment accounts for most of this growth but there has been growth in graduate enrolment too.

Table 2: FTE Enrolment by Program on Guelph Campus

UNDERGRADUATE	1995	2000	2005	2010	GRADUATE	1995	2000	2005	2010
Full-Time					Full-time	1,501	1,584	2,000	2,200
B.Sc. (Agr.)	774	381	400	400	Part-time	48	27	50	50
B.Sc. (Eng.)	496	558	800	900	Total Graduate	1,549	1,611	2,050	2,250
B.L.A.	98	126	100	200					
B.A.Sc.	672	577	600	500	Diploma	360	362	100	100
B.Comm.	1,153	1,535	2,700	3,300					
D.V.M.	420	415	400	400	Total University	13,123	14,743	17,850	17,550
B.A.	2,936	4,213	4,700	3,900					
B.Sc.	3,163	3,842	4,200	3,600					
General Studies	38	11	-	-					
Non-Degree	109	31	-	-					
B.Sc. (Env.)	507	423	300	400					
B.Comp.	-	50	300	400					
B.Sc. (Tech.)	-	22	100	100					
B.A.S.	-	-	400	500					
Total Full-Time	10,366	12,184	15,000	14,600					
Part-Time	848	586	700	600					
Total	11,214	12,770	15,700	15,200					

Notes:

- (1) Figures for 1995 and 2000 are actual data: Figures for 2005 & 2010 are projections based on previous discussions at VPAC.
- (2) Part-Time Undergraduate FTEs are obtained by multiplying the number of part-time students by 0.4 (average of 2 courses per student).
- (3) Part-Time Graduate FTEs are determined by multiplying the number of part-time graduate students by 0.3.
- (4) Table consists of all students (eligible & ineligible for MTCU funding) on the Guelph main campus only.
- (5) Excludes deregulated Executive MBA program
- (6) General studies and non-degree are no longer in place from 2003
- (7) BComp, and BSc(Tech) programs were started after 1995 and BAS started after 2000

The balance between programs has shifted over this period. In addition to the increase in absolute numbers of undergraduate students, there has been a shift in the distribution by program and contained within this is a large increase in the proportion of students in social science. The changes and the predicted impact by 2010 are shown below by program (Table 2) and by college (Table 3).

To accommodate the increase in numbers of students **and** to address serious issues of deferred maintenance and the needs to address code issues for safety in science laboratories, the University has undertaken major building initiatives including:

- Rozanski Hall
- The Science Complex
- The extension of the Hospitality and Tourism Management kitchen and dining facility
- The new Arts and Social Science faculty office block extension to Mackinnon

Table 3: *Undergraduate FTE Enrolment by College*

College	1995	2000	2005	2010
ARTS	1,731	2,188	2,700	2,400
CBS	1,482	1,694	2,000	1,900
CPES	2,297	2,452	3,000	3,100
CSAHS	3,439	4,323	5,700	5,500
INTD	104	78	100	100
OAC	1,503	1,381	1,500	1,500
OVC	658	654	700	700
Total University	11,214	12,770	15,700	15,200

Notes

- (1) Figures for 1995 & 2000 are actual, 2005 & 2010 forward are predictions.
- (2) Enrolments are measured as FTEs taught by a college, regardless of program or major.
- (3) Includes diploma enrolments and does not include enrolments at Guelph-Humber or the regional campuses

Table 4: *Enrolments at regional campuses*

College	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
College d'Alfred	106	122	150	300
Kemptville	255	238	350	800
Ridgetown	336	319	500	900
Total	697	679	1,000	2,000

Note: the changes in enrolments at the colleges are partly due to the change in the distribution of the diploma programs and also related to the projected enrolments associated with the new undergraduate joint program to be offered at the colleges.

Planned changes in staff and faculty counts

The changes in faculty and staff complement are shown in Table 5 since 2000. These data do not include sessional lecturers but do include contractually limited faculty. The OMAF faculty are split predominantly between OAC and OVC and VCEP faculty are solely within the OVC. The positions that will be lost from the colleges through VERR will occur during the current academic year. Replacements will only be made after approval by the provost on a case-by-case basis. The VERR departures for faculty only are set against the colleges although some may represent MTCU and some OMAF or VCEP commitments.

Table 5: *Faculty and Staff complements by college*

Faculty						
College - MTCU	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>VERR</u>
ARTS	83.8	85.9	106.4	119.3	134.3	(4)
CBS	82.4	82.6	90.8	91.4	98.4	(4)
CPES	108.2	111.2	117.2	123.8	129.8	(7)
CSAHS	154.0	162.8	166.8	175.8	185.8	(8)
OAC	105.3	106.1	115.5	117.8	119.8	(6)
OVC	78.0	83.2	72.6	77.3	80.3	(4)
College - MTCU -Total	611.7	631.7	669.3	705.5	748.5	
CARG	53.1	52.0	48.0	49.3	49.3	
OMAF	87.7	88.1	89.4	85.4	85.4	
VCEP	12.4	12.4	12.0	12.0	12.0	
Other	7.9	4.3	9.2	11.1	11.1	
University Total	772.8	788.5	827.9	863.3	906.3	
Staff						
College - MTCU	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	
ARTS	26.0	26.3	27.3	26.8	28.8	
CBS	52.4	54.6	56.7	55.2	62.2	
CPES	56.2	59.4	61.7	60.2	65.2	
CSAHS	48.7	49.7	50.5	51.6	53.6	
OAC	62.4	61.6	69.0	60.9	60.9	
OVC (incl. VTH)	127.2	142.5	142.5	141.5	141.5	
College-MTCU - Total	372.9	394.2	407.7	396.4	412.4	
OMAF	455.7	458.8	423.0	362.9	362.9	
VCEP	31.0	28.7	26.7	25.7	25.7	
Other	920.6	923.2	954.1	963.0	963.0	
University Total	1,780.1	1,804.8	1,811.5	1,748.0	1,764.0	

A framework for planning at Guelph

PLANNING PRINCIPLES:

The fundamental framework for planning at Guelph remains consistent with the themes and values that were espoused in *Making Change* in 1995 and have been reiterated on a number of occasions. The University is committed to a number of principles rooted in the five strategic directions of the University and the mission statement. These include a commitment to:

- Sustaining academic distinctiveness, excellence and this institution's character as a high-quality, mid-size, residential university.
- Maintaining a balance between academic programs as a comprehensive university with a strong commitment to undergraduate and graduate programs
- Maintaining a three-year degree option in certain undergraduate programs.
- Continuing emphasis on small-group experiences in the learning process.
- Intensifying high-quality research including the OMAF contract, and to the continued integration of research into undergraduate education.
- Adopting new learning technologies, including the use and promotion of distance education in the delivery of courses and programs.
- Promoting and supporting the social and intellectual development of the whole student, both inside and outside the classroom – a phrase that is captured in the Act that governs the University.
- Providing a caring and involved community.
- Fostering diversity and equity and a strong sense of social conscience within and outside the community.
- Ensuring independence and autonomy within the spirit of academic and intellectual freedom.
- Insisting on accountability as a publicly funded institution of high quality.

The University will continue to be located on one main and a number of smaller campuses with approximately 18,000 FTE²s at the main campus; approximately 2,500-3,000 FTEs at Guelph-Humber and a further 2,000 FTEs at the regional campuses. At Guelph, it is anticipated that undergraduate enrolment will be divided roughly between one quarter in the BA, one quarter in the BSc, one quarter in BComm and one quarter in the remaining programs (which currently include: specialized BSc programs in Agriculture, Engineering, Environmental Science, Technical Science, BASc, DVM, BComp, BLA and the BAS). Currently, graduate students represent about 10-12% of the total student population. This balance between undergraduate and graduate students should be re-examined. In addition, there is a small number of diploma students on the main campus as the majority of diplomas are now offered at the regional campuses. In keeping with recent trends, it is expected that there will be more than 20,000 registrations in distance education courses and a significant number of these will be students registered in degree programs that are both on-campus or in distant locations.

PLANNING PARAMETERS:

There are several parameters that will influence planning for the next several years. These include:

- Develop a balanced budget each year including dealing with inflationary cost increases which predominantly include salary and benefits and utilities
- Develop a long-term plan to fund deferred maintenance and renovation
- Maintain and enhance high quality teaching and support first rate research activities
- Adopt a strategy to deal with debt reduction
- Manage the human and financial implications of the demands of operating and servicing additional

² Please note that the planning data are provided in terms of FTE which means that the headcount data will be greater (see tables 1 & 2)

- physical facilities on campus effectively
- Accommodate plans to meet equity goals for the institution
- Recognize and to the extent possible insulate the institution against funding constraints from government

PLANNING REALITIES:

There are a number of realities that have to be faced in continued planning. Among these are the following:

- Although the University has been very successful in planning and controlling enrolment growth over the past several years (see Figure 1), the competition for undergraduate and graduate students is increasing the Ontario and Canada. To attract the best students, Guelph will have to reframe its recruitment policies and approaches

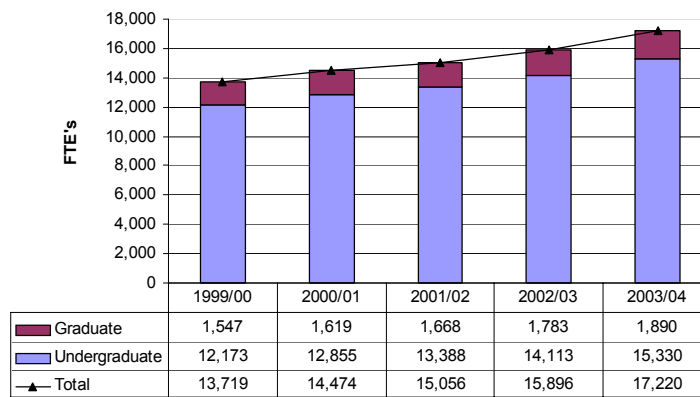


Figure 1

- In association with the enrolment growth, the University has been successful in attracting additional revenue. For example, in the past fiscal year revenue from enrolment increased by 13% (\$14.6 million) and from tuition increased by 9.6% (\$7.6 million). These increases accounted for more than 75% of the increase in total institutional revenue from fiscal 2003 to fiscal 2004 (see Figure 2). However, additional enrolment brings additional costs in educating and supporting students and on the operational components of the University.

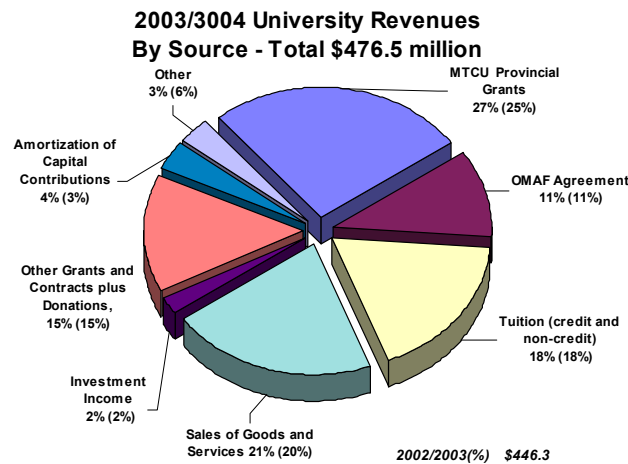


Figure 2

- University expenses increased by 10.2% (\$45.3 million) from fiscal 2003 of which salaries and benefits represented 59% of the increase (see Figure 3).

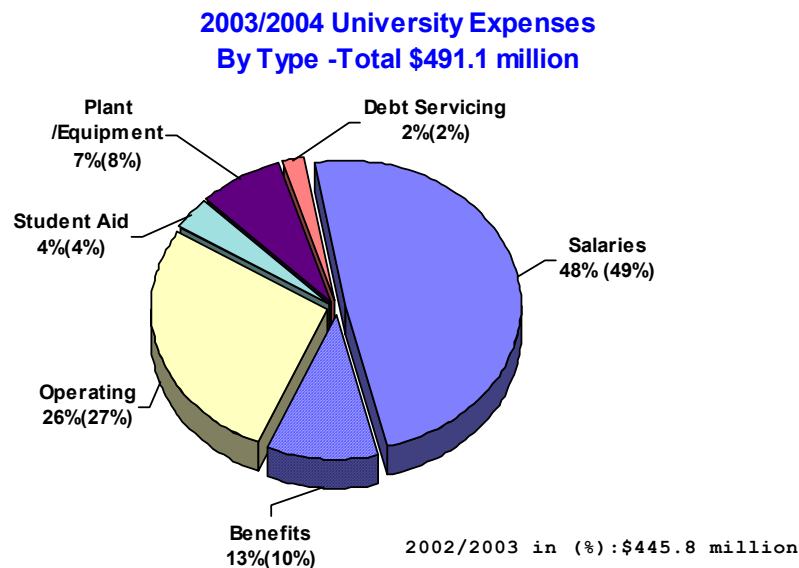


Figure 3

- Despite a significant increase in revenues from a variety of sources in fiscal 2004, university expenses exceeded revenues by \$14.6 million. This is prior to taking into account endowment contributions and appropriations into the operating account and highlights the need for cost control.
- Over the past several years, as the government has focused on funding enrolment growth only, the University has effectively used enrolment growth to fund incremental costs. This has meant that, in some areas, the costs of educating students has not been fully funded in departments and schools where there have been significant increases in enrolment.
- There continue to be very considerable pressures on the OMAF contract. Although these are being resolved, it is vital that the University prepares to take full advantage of the facilities available through the contract and to enhance revenue where-ever possible.
- The University continues to carry its share of the debt for Guelph-Humber. This will be repaid by 2007 from Guelph-Humber revenue but continues to be a pressure on the cash-flow of the institution.
- The condition of the investment market continues to be very volatile which directly affects our pension liabilities and the endowments and there is no reassurance that this volatility will subside. The potential challenge to the pension funds is exacerbated by the rising costs of post-employment health benefits.
- The possibility of the financial impact of the end of mandatory retirement.
- The University has not received incremental funding for many, many years to cover inflation and there is no indication that the government will change. In fact, the situation is more serious. Despite promises to cover incremental costs associated with the increased intake of students associated with the double cohort, the Liberal government has not fulfilled previous promises for additional revenue; has frozen tuition and not provided full compensation for the freeze; has reneged on commitments to match funds raised in the OSTOF program; has reneged on commitments to support matching funds for research through the Ontario Innovation Trust; has not provided any increase in funds for

deferred maintenance nor any indication that the new Ministry will be willing to consider universities in the bids for infrastructure renewal in the provinces; and has not confirmed transfers of one-time monies into base. Once again, the fiscal future of the University is under threat.

- The University is faced with meeting the requirements of its core business **AND** providing the intellectual support and resources to fund innovation and development of ideas and opportunities.

Planning processes and the need for integration

Over the past several years, a number of planning exercises have been undertaken relating to budget, to academic planning, research planning, planning for fund-raising and the capital campaign. In most cases these planning exercises have not been linked. Moreover, the impact of the decisions tended to filter down with repercussions on support units, particularly physical resources, financial services, human resources and hospitality. It is important to develop a strategy that integrates all levels of planning and places the responsibility for consultation on the plans in individual departments, schools and units. But this planning must be within the framework of a multi-year budget and must be integrated with other planning within colleges. At the same time, these plans need to be integrated with planning in the institutional support units and linked with planning that identifies trends and critical issues in the support units. It is critical that there is tighter integration between resources and resource planning with the academic plans. Finally, these plans need to be linked with the plans for fund-raising.

Multi-year operating budgets

Like many publicly funded institutions, the University of Guelph has focused its budget cycle around the provincial operating grant. In times past, the provincial announcement would trigger discussions about planning for the upcoming year, prospective changes in major items such as salaries or academic planning and decisions would be made about tuition. This arrangement began to unravel when the timing of the provincial budget or announcements about constraints on possible tuition increases began to vary. Essentially, the University has maintained an annual budgeting process where operating revenues or projected revenues were matched against expenditures for the coming year. However, many of the processes in the institution are multi-year. For example, planning faculty replacement and hiring, staffing major research projects, developing new curricular initiatives, space planning and determining plans that will be effective in dealing with deferred maintenance, or planning for human resource needs and operational planning require work over a number of years. Finally, the strategy for debt reduction needs to be scheduled over several years. At the same time, there are some serious imbalances in funding within the University. For example, there is a wide diversity of student:faculty teaching ratios between colleges and a wide disparity in the level of external funding and infrastructure available to colleges. This not only begs the question about the ability to sustain research intensiveness in the colleges most challenged by large student enrolment, but also creates tension between colleges which appear to have low enrolment but high research support and *vice versa*. At the same time, support units are faced with increased numbers of people on campus, additional physical facilities, new research initiatives (for example, those provided through CFI etc.) and capital expansion – all at a time when there is limited resource to be able service additional facilities and people.

But, in many ways, the above statement about annual budgeting is an oversimplification. True the budget is developed by the administration and approved annually by the Board but there are several elements of the budget that actually reflect a longer-term perspective. For example, the University recognizes that units should retain carry forwards to assist in multi-year planning. It is important to recognize that this is **not** the case in other institutions. Similarly, the central administration has shown in most colleges at some time that it is prepared to cash-flow initiatives over several years. Again this is a unique feature to Guelph and is often discounted or forgotten in the budgeting process.

The budgeting process at the University of Guelph has evolved over a number of years. Much of the process is based on incremental revenue and expense considerations, with support for inflationary elements vested clearly in the centre. At the same time, there is a mixture of disseminated and central control which makes the process seem opaque to new comers. The current model at Guelph holds the centre responsible for managing inflationary costs such as salaries and benefits and utilities and for incremental costs that might come from new appointments (i.e., appointments are funded in the department budget at the actual level of the appointment). There are no charges to departments and units for space, utilities or infrastructure. To cover these costs, overhead charges on research activities are handled by the centre. At one level, this approach is more efficient and does not involve detailed financial management or checking at each and every unit level. On the other hand, this approach is less transparent to faculty and staff who do not appreciate that the overhead costs are allocated to cover these other elements of the budget or that positions and inflation are funded centrally. Guelph has also adopted a mixture of centralized and decentralized funding for special projects. In the past, the provost has retained a small fund to support special projects. As the fiscal belt has tightened, the fund has disappeared. Despite all the entreaties to the opposite, deans continue to ask the centre to fund a special project or appoint another faculty member or an external chair.

The challenge of the appropriate distribution of responsibility and budgeting has been the subject of discussion in other Ontario universities. In the past few years, two very distinct approaches have developed which represent extremes. At the University of Toronto, the budget was completely disseminated to deans including all the responsibilities for inflationary costs, space, overhead and for funding new positions. The provost approved the plans put forward but did not have any money to support new projects or innovations. At Western, a hybrid funding model was established: departments cover all inflationary costs from the allocations but the provost retains a central fund for innovation.

There are clearly advantages and disadvantages with different approaches to budgeting and it will be important for the deans and vice-presidents to discuss these openly and form a consensus on the way of operating for the future.

Critical elements of a multi-year plan

Whatever the division between centralized or decentralized budgeting, the first step will be to accept that it is necessary to develop a multi-year integrated plan that clearly recognizes the likely revenue available to the institution. The key elements of a multi-year operating budget include on the revenue side expectations of provincial operating support, including infrastructure support programs; expectations for tuition revenue; and, expectations of other sources of revenue. On the expenditures side, the elements include salary and benefit costs (our major expenditure); utilities costs and other essential services; commitments towards dealing with deferred maintenance in a planned way; and, debt servicing and debt reduction strategies.

The second element is strong academic and operational leadership. The values and distinctive attitudes of departments and schools are the single most important factor in developing academic plans. To have these reflected appropriately at the College level will require strong leadership from chairs and directors and strong management and leadership by deans who will need to ensure that there is adequate consultation. Chairs/directors must be capable of articulating the standards and directions of their colleagues and must advocate the highest standards of collaboration and cooperation and be advocates for high quality teaching, research and service. They must also be willing to share and understand the plans of other departments and schools. Chairs/directors must be strong advocates of innovation and support of teaching as well as supporters of research. It is not likely that the institution will be able to sustain the same approach to teaching and innovation must come from departments and schools. Deans must take responsibility for establishing the priorities within a College, for listening effectively to the chairs/directors and for enunciating clearly the areas of strength, weakness, threat and opportunity for the College. Deans must be strategic, imaginative, and enthusiastic about the College and the units within the College but they must be

able to make decisions that balance the needs across the College and not simply allow individual departments and schools to behave autonomously. At the same time, there must be planning in the resource and operational units on campus. This must clearly be carried out at two levels: first, in relation to the key trends or pressures within the particular area (for example, the demand to deal with emergency repairs to steam lines or the need to make radical shifts to a more aggressive management of people on campus) and second, in relation to the academic plans emerging from the colleges. And these themes have to be tied together.

Academic plans need to be constructed at the college and operational unit level. They should enunciate where the academic college or operational unit is going and identify the pathway from where the unit is now to where it needs to be in five to seven years. (Note: the operational units will have to chart not only their own course but will have to ensure that the course is linked to the academic planning and both the academic and operational unit planning will have to be grounded in fiscal reality). Developing the plan must be a consultative and inclusive process: it must articulate the opportunities. But it must also identify choices and set priorities for the unit. Finally there must be some elements that can be measured to determine whether the plans objectives are being met. Each academic unit will have to decide on the particular set of benchmarks (both qualitative and quantitative) for academic plans that are relevant to the unit and will be used in the analysis.

The academic and operational plans must be set in the context of budget realities to ensure the optimal use of all university facilities and resources. The deans and vice-presidents will have to fold the College plans into a University level plan that is based on sound fiscal principles and recognizes that there will need to be appropriate resource allocations to the institutional support units who are being asked to support the academic direction of the institution. This means that decisions will have to be taken in accepting or rejecting components of plans. This process will create some winners and losers but it will be transparent and will lead to greater understanding of the budget issues and pressures.

Summary

It is apparent that the University will have to plan for a period of entrenchment. At the same time, it is vital that we do not retrench. This means that we have to develop a clear and effective way to plan in an integrated fashion and to *make choices* about areas of priority and strategic importance to the University. The planning must be transparent and generated from the academic and support units but must be undertaken within the framework of budget realities and must include planning at the academic and operational level over a multi-year time frame.
