Background

The College of Design’s recent reorganization and the development of the collegiate strategic plan give us a unique opportunity to re-evaluate the resource allocation strategies within the college. In addition, we have established a budget planning process in which budget allocations are intended to support annual strategic priorities relevant to both the college and the university.

University budgeting policies and practices place the responsibility of resource allocations within the colleges in the Office of the Dean. To obtain ideas, inform decisions and establish robust communication channels, the recently approved college governance document created a Budget Advisory Committee that facilitates communication between faculty, staff and the Dean’s Office in relation to budget policies and allocations; discusses proposals to ensure that the college’s budget reflects the goals and objectives of the strategic plan; and makes faculty and staff aware of the impacts of budget policies and allocations.

The starting point of our FY15 budgeting process is the current draft of our strategic plan action plan, and a strategic framework built on recommendations received from the Executive Cabinet and the Budget Advisory Committee. This document describes the framework and its implementation.

Process

The Budget Advisory Committee, the department chairs and the Office of the Dean are working together on a three-step process intended to clarify our purpose and procedures for budgeting:

Step 1: Define a strategic budget framework that guides all allocation decisions.
Step 2: Map all of our activities against that strategic framework.
Step 3: Identify strategic “levers” that can move our activities in the direction set by our mission, vision and strategic plan.

Based on the fundamental premise that we are a not-for-profit higher education organization, the process intends to avoid three common “myths:”

Myth 1: All spending is bad. In fact, spending is desirable in the right areas, and we should not be afraid to do it.

Myth 2: All revenue is good. We need to direct our efforts where strategic impact is maximized. Strategy is defined more than anything by what we choose not to do.

Myth 3: Units can plan independently, or focusing on one’s own area is good enough. Our strength comes from collaboration across all of our disciplines; we’re one of the very few colleges of design that incorporate all the disciplines that shape the environment around us, and working together is essential to accomplishing our goals.

The following grid (strategic budget framework), developed and refined over the past month, will help us map our activities in terms of their contributions to our budget balance (negative, neutral, positive) and to our strategic goals (fringe, core, defining).
• **Core** activities are the important teaching, research, scholarly/creative and outreach activities we do because we are a College of Design, because they are required to meet accreditation standards or because they are part of the standard curriculum of the discipline.

• **Defining** activities are those that highlight the expertise of the College of Design and Iowa State University in areas where we have (or can have) unique recognition around the world.

• **Fringe** activities include two categories: those experimental activities that point to the future and could soon become core or defining, and those that point in a direction that soon is found to be not right for us or that once were important but we’re now moving away from. Fringe activities should not stay in this column for long; they need to be soon phased out or reclassified as core or defining.

Our focus as a public institution of higher education should be on spending where we can maximize the impact of our strategic plan, increase the quality of our academic offerings, support our faculty, achieve the most recognition, and provide revenue without distracting us from our core mission.

With step one (defining a strategic budget framework) completed; our focus is shifting to step two, mapping our activities to this framework. We are in the process of calculating the economic resources linked to different activities in the college, and we began with curricular activities because they drive the majority of our budget. We have just begun doing the same thing for research/creative activities by identifying clusters of interest. Mapping these activities to the framework is a task that will be driven by the chairs of all departments and members of the Executive Cabinet, in collaboration with faculty and staff.

The purpose of this exercise is both short and long term. In the short term, we will use it to make decisions for the FY15 budget. In the long term, we will use it to understand the structural challenges we have in terms of academic programs in design disciplines. It will help us explain more clearly to external audiences the difference between our pedagogical and scholarship models compared with other disciplines across the university and permit us to work with them to identify innovative formulas to address these challenges on a more permanent basis.

Thanks in advance for your collaboration in this important process.