

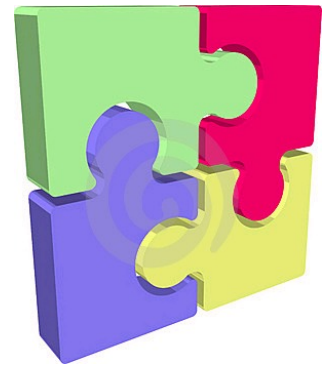


Dean's Advisory Council: Strategic Planning Implementation (Part 1)

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I want to describe the role of the Dean's Advisory Council in implementing our strategic planning priorities and evaluating other resource needs. There are three main components of work for the DAC at this stage of the process.

- What permanent and one-time resources are available? Should we permanently allocate part of our endowment income? Should we permanently allocate a part of our membership dues?
- What investments are needed to implement our strategic priorities and other existing or new activities?
- In allocating scarce resources, how do we balance our strategic priorities against each other and against other new and existing positions and activities?

In order to avoid overwhelming you with too much information at one time, I will blog about each of these components separately over the next few days.

What permanent and one-time resources are available? Should we permanently allocate part of our endowment income? Should we permanently allocate a part of our membership dues?

We need to decide what funding will be available for investments this fiscal year (2010-2011),



which necessarily also involves making some projections about budget cuts and funding for next fiscal year (2011-2012). The School's endowment generates approximately \$500,000 of income each year, and so far we have reinvested that money to increase the size of the endowment—which in turn increases the amount of income that is generated. My plan has been to wait until the endowment income reaches \$1 million per year before permanently committing it to support the School's mission. That has seemed like a reasonable goal, but there is no requirement that we wait. Should we use some of that income now for strategic investments or should we continue to let the endowment grow? This is a policy question that the DAC will discuss, and so will the School of Government's Foundation Board at its next meeting on November 5.

I also have asked Brad Volk to make a recommendation to the budget committee (Volk, Thornburg, Nicolet, and me) about whether we need all of our local government membership dues to meet existing operating expenses each year. There have been so many budget cuts and related changes in recent years that it is difficult to establish a reliable baseline. If we find that the money collected annually from dues exceeds our operating expenses—after making conservative estimates—then we will consider allocating the difference for permanent investments.

The budget committee will bring a recommendation to the DAC on both of these questions—whether to permanently commit endowment income and membership dues to support some of our strategic priorities. Let me know if you have thoughts about this question, especially how to manage our endowment income at this point. Next, I will blog about determining what investments are needed to support our mission—whether new priorities or existing activities.