TO: Cabinet, Deans, and other Managers of University Budgets  
Institutional Priorities Committee  
Strategic Planning Committee

FROM: President Pamela A. Eibeck

SUBJECT: Guidelines for FY14 Budget Planning

DATE: December 12, 2012

As we begin planning for Fiscal Year 2013-2014, it gives me confidence to be starting with a sense of purpose. At their October meeting, the Board of Regents enthusiastically endorsed Pacific 2020 as our new strategic plan. This transformative plan will position our University strongly for the future based on four broad strategies over the next seven years. We will build our academic programs in strength and reputation. We will pursue new student markets and leverage our strengths in northern California. We will prepare students for success for the careers and lives of the future. And we must build our own capacities to ensure we can achieve our vision. You can view the full details of the plan online at http://go.pacific.edu/planning.

We continue our work in strategic planning. The Strategic Planning Committee and Cabinet are working on a detailed Implementation Plan that identifies specific actions necessary over the next three fiscal years to achieve the goals of Pacific 2020. Cost estimates for these actions will be determined in coming weeks. In addition, the Budget Model Task Force is nearly ready to submit its final recommendations to me regarding a new way for all units to manage budgets and allocate resources. This will serve as an engine for the new strategic plan.

As we move toward our future, we will be confronted by external challenges, including a volatile economy and greater uncertainty in revenues. This fall our freshman enrollments were down considerably and this may happen again next fall. Our law school, after making major budget cuts due to drops in enrollments, faces reductions in JD enrollments again. Cal Grant funding reductions for entering freshmen begin in fall 2013. And the future of state and federally sponsored financial aid remain uncertain as the national economy’s slow recovery faces the “fiscal cliff.”
In these uncertain times, we must budget very conservatively – likely for at least the next two fiscal years. Yet at the same time we must invest in our future and be sure that our resources and budgets are directed most wisely toward the new strategies and goals that will make Pacific stronger.

I want to share with you four important decisions I have made as we prepare a budget for FY14:

- The Institutional Priorities Committee will not review proposals from the units for new investments in FY14. There is no need to prepare budget requests this year as you have in the past. All managers will need to take a hard look at the things they are currently doing and the things they should do to align with the strategic plan, and make hard choices about where to put resources.
- I will ask the IPC to recommend to me only those new allocations for next year that are most essential.
- If sufficient new funds are available in FY14, we will create a strategic investment pool to ensure we can make progress toward building our future.
- A request process will be developed and communicated to all managers in spring 2013 for strategic funds. Funds will be allocated from the strategic investment pool based on alignment and support of the goals in Pacific 2020 once the revenues for FY14 are accurately determined in fall 2013.

Similar to colleges and universities across the country, we are facing fiscal challenges, but I remain very optimistic about Pacific’s future. We are a University of talented, creative, and hardworking faculty and staff with a keen eye to the future. We have an ambitious plan designed to position the University to thrive in the future. As we focus our efforts, become more efficient, and commit to enhancing the success of our students, I am confident that Pacific will achieve our vision to become a leading California university preparing graduates for meaningful lives and successful careers.