

Planning at Penn: A Progress Report

We have reached the halfway point in the planning process that began in 1981. It seems wise to restate our goals and to ask what additional steps are necessary to achieve those goals. Any mid-course corrections in the planning process will call for full involvement by the Schools and Resource Centers, as well as the central administration and the Academic Planning and Budget Committee.

This progress report has been reviewed with that Committee, the Council of Deans, and the Faculty Senate Executive Committee. I am most grateful for their continuing counsel and hope publication will result in suggestions and comments from throughout the University community.

At the outset, it may be helpful to summarize our progress over the past two and a half years in addressing substantive issues and in developing a University-wide planning process. This will provide an opportunity to review the principles that have guided our efforts to preserve and build on Penn's unique strengths. The broad rationale traced in this history underlies several suggestions for additional initiatives designed to strengthen our current planning efforts.

Though University planning is a continuous process, it proceeds in discernible stages. In the first stage, the University administration defines, through extended discussion, a limited set of issues and concerns requiring priority attention. During the second stage, the major components of the University—in our case, the Schools and Resource Centers—respond with their own plans within the framework of those key issues and concerns. The third stage is a time for adjustment or mid-course correction, when the centralized and the decentralized planning agenda are reviewed, coordinated, and refined to reflect actual practices as well as proposed policies. In the final stage, the University's long-range plans are fully articulated as a set of programmatic initiatives scheduled for implementation, with appropriate mechanisms established for evaluation.

This paper outlines the principal aspects of the first three stages: (1) developing the University agenda; (2) reviewing the Schools' draft five-year plans; and (3) considering mid-course corrections. The fourth stage, of course, remains for subsequent analysis and action.

I. Developing the University Agenda

The planning process we have built together at Penn has evolved through the collaboration of the central administration, the Council of Deans, and the Academic Planning and Budget Committee, who together have worked closely with other interested faculty and students. Key issues have been regularly reviewed with groups from the Faculty Senate, the Undergraduate Assembly, the Graduate and Professional Students Association, and the University Council.

From the beginning, the Council of Deans has played a central organizational role in defining the University's long-range planning agenda. On behalf of their individual Schools, the Deans are responsible for the intellectual vitality and financial viability of specific programs of instruction, research, and service. Collectively, our Deans represent an extraordinary reservoir of knowledge about the University, its strengths and its problems, and a source of experience that greatly benefits the University as a whole. Much of our success in launching the current planning process has stemmed from engaging the talents and the interests of the Deans. They suggested the first steps we might take to preserve the University's strengths and to invest in new fields of endeavor.

The role of the Academic Planning and Budget Committee has been

equally important. Under David DeLaura's chairmanship, the former Educational Planning Committee recommended creation of a single, unified Academic Planning and Budget Committee to be chaired by the Provost. Composed of faculty named by the Senate Executive Committee, faculty and administrators named by the President, and students selected by the undergraduate Nominations and Elections Committee and the Graduate and Professional Students Association, the Committee was appointed in July 1981 and began its work the following September. Charged with ensuring that the University's plans and budgets are based on academic priorities, the Academic Planning and Budget Committee has full access to all central administrative data as well as to School and Resource Center budgets and plans. The Committee's willingness to discuss frankly the essential academic and budgetary issues facing the University, including the relative strengths of individual Schools and Resource Centers, is itself an important indication of success in this planning effort.

The Academic Planning and Budget Committee began its deliberations in 1981-1982 by concentrating on policies concerning three central issues: faculty salaries, tuition, and student financial assistance. A policy paper for each issue was prepared by the Planning Office, providing focus for initial discussions. These discussions led eventually to three fundamental decisions.

The first decision was that faculty compensation should increase in real terms. It is not only clear that the faculty forms the heart of the University, but also that real growth in faculty compensation is essential to enhancing faculty quality. One important corollary of this judgment is that providing adequate resources for existing faculty is more important than maintaining—let alone enhancing—faculty size. Those resources involve support for faculty research and other academic activities, but compensation is the primary financial element in the University's ability to attract and retain the best faculty.

The second decision was that we could not project tuition increases of the magnitude that had occurred in previous years. The need to maintain a diversified student body, and to ensure Penn's continued standing as an institution of choice, precludes such major tuition rises. At the same time, we also concluded that tuition must necessarily increase somewhat more than inflation in light of the University's overall financial position and the relatively stagnant nature of its other income sources. On this basis, the need for a dramatic move in student financial assistance became even more evident.

The third decision, therefore, was to seek a much broader definition of financial assistance, one recognizing that in these times the financing of a quality education is accomplished best as a partnership among students, their families, and the University. Penn must be assured it can continue to admit students without regard to financial means, even though some of our peers have begun rationing undergraduate aid in order to control the growth of their financial aid budgets. We need to recognize, as well, that increasing student debt is not good academic policy. If families are to share with their children the burden of increased costs, then the University has an obligation to provide family-based financing at the lowest possible cost and the greatest potential tax savings to the families. Our answer to these challenges is the Penn Plan. Implementation is now underway, and the Penn Plan is already recognized as one of the most innovative approaches to educational financing in the country.

During this initial stage of the planning process there developed a growing consensus regarding University priorities. The events which marked this growth are recorded in a series of planning papers produced

over the last two years. The first paper, entitled "Educational Goals," began by sketching the central academic issues the University would face in the 1980s.

This paper served as a starting point for a major discussion with the Council of Deans, which led in turn to the identification of six priority planning areas: increasing the minority presence on the campus, undergraduate education, graduate education, research capacity, educational outreach, and ties with the City of Philadelphia.

Six working groups, one in each of these six areas, were appointed by the President to develop specific initiatives for consideration by the University as a whole. The reports of these working groups were presented to the University in January 1982. They were discussed in a series of open meetings and with a variety of interested faculty and student groups. The reports were also intensively reviewed by the Academic Planning and Budget Committee and the Council of Deans. Many of the options suggested by the working groups have been adopted and are now being implemented.

In the fall of 1982, the President drew from those initial planning efforts and shared with the University, first in draft and later as a formal document, his own sense of how and where the University needed to invest its attention over the rest of this decade. Entitled "Choosing Penn's Future," this general plan for the University established four planning maxims as a framework for future decisions:

- The University's quality is the strength of its faculty.
- The University must conserve its resources and protect its financial integrity.
- The University's special character is reflected in the diversity of interests and people it attracts to its community.
- The University's scale must ensure the highest academic quality of its students and research efforts.

The President asserted that the University not only must adhere to these maxims, but also must respond to three special challenges: undergraduate education, research excellence, and student financial assistance. Each School and Resource Center was charged with developing a five-year plan to take account of both its own priorities and the central concerns identified in "Choosing Penn's Future."

In this way the President brought together the work of the Academic Planning and Budget Committee and the Council of Deans. The University's planning agenda was established by defining three issues on which the University needed to concentrate particular attention. Policies limiting the growth of the University, preserving the quality of its academic program, and enhancing the economic status of its faculty were announced. Schools and Resource Centers were asked to develop their own planning agenda. A foundation was laid for the University's fund-raising efforts that, in spring 1983, were spelled out in a development document entitled "Building Penn's Future." This document directly reflected the academic priorities that had been established through the planning process.

In the year since publication of "Choosing Penn's Future," we have made substantial progress. In an extended meeting last May, the Academic Planning and Budget Committee made preliminary judgments on the scale of the Schools over the next decade, and on a number of other basic issues.

These same issues were the subject of a day-long meeting of the Council of Deans in the fall of 1983, when the Council agreed to organize a special Task Force, led by Dean Bordogna, to consider the size and quality of our undergraduate student body, and its distribution among the undergraduate Schools and joint-degree programs.

The Deans also endorsed the recommendations that each School formally define policies governing teaching loads, report average salary recovery from sponsored grants, and conduct a detailed census of its graduate (Ph.D.) groups. These reports are now in preparation. Finally, the Deans conducted a last review of the proposed Penn Plan before its formal presentation to the Trustees and to the University community as a whole.

The next step in the University's central planning process was the publication last fall of a second report by the President, "Building Connections." In that report to the University community, the President placed the central challenges of "Choosing Penn's Future" within a

larger framework of shared educational experiences at Penn. The report stressed "the importance of coordinating and integrating the diverse yet complementary strengths of the twelve Schools," as well as the need to foster educational interaction among students, between students and faculty, and among faculty.

An outline of steps to implement the University's planning agenda was included in "Building Connections." The agenda was structured around the three broad challenges identified in "Choosing Penn's Future"—undergraduate education, research excellence, and student financial assistance. Within each subject, the agenda items were divided into "Current Initiatives" and "Next Steps."

The President cited two initiatives in particular—the development of common academic experiences for undergraduates and the implementation of a University-wide computing plan—as prime examples of "our plans for building academic connections at Penn." In regard to the first, the new Faculty Council on Undergraduate Education already has underway several experimental efforts that offer potentially exciting approaches. Computing has also been an area of intense planning at Penn for more than a year. The University-wide plan of the Academic Computing Committee has now been approved, and the Committee is working to ensure development, coordination, and integration of each School's and Resource Center's own computing plan.

Finally, budget planning should follow rather than lead academic planning, and many of our efforts over the past two years have been directed to that end. Of particular importance has been our shift to a two-year budget cycle to help provide the lead time needed to ensure that academic priorities are adequately reflected and that necessary reductions can be appropriately phased. At the same time, we now recognize more clearly the need to link the budget process to improved University-wide space planning on the one hand and personnel planning on the other.

II. Reviewing the Schools' Draft Five-Year Plans

By late last fall, all Schools had submitted initial drafts of their five-year plans. The Academic Planning and Budget Committee then began an intensive review of the Schools' plan, the resources available to achieve those plans, and their impact on the University as a whole—all as measured against the priorities and guidelines in "Choosing Penn's Future" and "Building Connections." Through this evaluation, we have gained a better understanding of the major issues confronting each School, the data needed to help each School plan its future, and the opportunities that exist across the University for better coordinating the activities of Penn's constituent parts.

Each of the Resource Centers has also prepared a draft five-year plan, and the Committee has now begun to review those plans. It is also discussing the major interdisciplinary centers that form such an important part of the "One University" academic environment on the Penn campus.

Overall, the Schools' draft five-year plans present a picture of Penn's future that is exhilarating. They include exciting academic initiatives and dynamic new approaches in both teaching and research. One cannot read these draft plans without a renewed sense of optimism about the University and the vitality of its academic future.

The most convincing plans are those that clearly state what a School expects to accomplish over the next five years. In these plans, priorities are established and then analyzed in terms of financial resources, demographic trends, and academic opportunities. Strengths and weaknesses are fully discussed along with equally detailed consideration of the programmatic initiatives the Schools plan to undertake. Two draft plans deserve special mention. The School of Nursing—while recognizing the risks that a small, inherently expensive health-care School will likely face in the 1980s—has developed a plan that deals forthrightly and imaginatively with the steps the School should take to secure its own future and increase its contribution to the University at large. The School of Dental Medicine's plan calls for a 50 percent reduction in the scale of its DMD program. To ensure that dental education at Penn remains strong, the plan details new patterns of faculty affiliation, the implementation of a new preceptor curriculum, and the development of a new clinical instruc-

tion facility over the next decade. These School plans demonstrate the financial feasibility of each proposed initiative.

The steps needed to revise these draft plans, along with those of the Annenberg School, the School of Engineering, and the Wharton School are relatively clear. A number of School plans, however, will require substantially more interactive efforts with the Academic Planning and Budget Committee and the administration. At the same time, it is important to stress that many commitments have already been made—to particular Schools and Departments—and that major fund-raising efforts are underway based to a degree on those commitments. In short, there is a real need for all parts of the University to press forward in the planning process if their efforts are to have an impact on University-wide priorities.

Most important, the majority of the draft plans need work to ensure that the visions they express can be realized. A number tend to resolve their revenue problems through increasing student enrollments—particularly undergraduate enrollments. Since we project a constant undergraduate enrollment for the University as a whole (and that only with the most aggressive and imaginative efforts on the part of both the Admissions Office and the Task Force headed by Dean Bordogna), all of those School projections obviously cannot be achieved. Additional fund-raising should meet some of the costs of desired growth, but much more will have to be through “growth by substitution” and some reductions in scale.

Although the Committee will be engaged for some time in an interactive process with the Schools concerning their draft five-year plans, some preliminary reactions are in order at this point.

In terms of approach:

1. A number of plans lack detailed five-year estimates of students, faculty, administrative and support staff, and external support. These estimates must strike a balance between financial projections based on current trends and the quantitative goals or benchmarks each School has established for itself. A few School plans even seem to have been prepared without regard to financial considerations.

2. Only a few School plans deal explicitly with the questions of scale raised by the President in “Choosing Penn’s Future.” In that document, the President stressed that “the University’s scale must ensure the highest academic quality of its students and research efforts.” He set three necessary conditions for each of the University’s constituent parts, emphasizing that failure to meet any one will require careful reappraisal:

- (a) Each School and Program must preserve the strength and diversity of its student body.
- (b) Each School and Program must invest in new faculty and, when necessary, in the refurbishing of basic research space.
- (c) Each School and Program must maintain its ability to attract and retain faculty on par with the very best universities. Each School and Program must ensure growth of faculty real income at both junior and senior ranks.

3. The initial five-year plans of several Schools are essentially development prospectuses. Ideally, development efforts grow out of good educational planning and the setting of priorities. More often than we care to admit, however, development priorities are as much opportunistic as planned. On this basis, the Schools that submitted development plans alone need to augment those efforts.

4. Some Schools did not involve a planning committee or other appropriate consultative mechanisms in the preparation of their draft plans. Extensive School-wide discussion of the plans is highly desirable.

5. Finally, some of the draft School plans range upwards of five hundred pages. Even the best plan needs an executive summary—a succinct statement in ten or fewer pages of what is most important to the School, what it hopes to accomplish over the next five years, and the principal problems it expects to face. Few of the plans include such a summary.

In terms of substance:

1. The President stated in “Choosing Penn’s Future” that all Schools should expect to become more involved in undergraduate education. He added, however, that “the University’s graduate and professional Schools must nevertheless understand that they cannot expect significant financial benefit from the teaching of undergraduates.” The draft School plans clearly reflect an acceptance of the first part of the President’s challenge; six of the Schools are expecting significant increases in undergraduate enrollment. In many cases, however, Schools also project substantial financial gain as a result of those increases. The financial implications of these shifts are one obvious concern. Even more important is the issue of balance among our undergraduate programs. The point underscores the

need for moving carefully and deliberately toward a University-wide view. In this effort, the Task Force headed by Dean Bordogna is particularly important.

2. The University has been experiencing a steady decline in graduate enrollments, though that decline is by no means evenly spread among the various Schools. Few of the draft plans explicitly address issues of quality and scale in graduate education. Again, the need for a University-wide approach, based on the varying situations in different Schools, is evident.

3. Except in the School of Medicine and, to lesser degrees, in Engineering and Nursing, the University has lost real research income during each of the past three years. Yet increased research activity is a crucial aspect of most of the School plans. Many omit, however, the basic assumptions concerning ways to increase research activity in those Schools. A more critical assessment of the effects of the changing environment on research prospects, as well as of investment priorities for research, needs to be carried out for each School and ultimately for the University as a whole.

4. Almost all of the Schools discuss in their draft five-year plans expectations for increased fund-raising. This is all to the good, but it underscores the need for coordinated efforts to ensure that academic priorities dominate and that needless competition is avoided.

5. Over the past two years the modest growth in the subvention pool has necessarily been allocated primarily to the Resource Centers—particularly the Library—as well as to meet a few key School needs, especially in Arts and Sciences and the Dental School. As a consequence, too little new funding has been available for other University priorities. This spring the Academic Planning and Budget Committee is beginning a review of the many formulae that together shape the University’s budget processes.

6. Perhaps the most dominant concern relates to faculty size. The draft five-year plans of every School, with two exceptions, propose some increase in the number of standing faculty. In “Choosing Penn’s Future,” the President made clear that if a choice must be made between maintaining academic quality and reducing scale, the former is our first priority. In short, we must at all costs ensure adequate resources for the faculty we have, in terms of compensation, research assistance, and other support. Based on current budgetary data, enrollment projections, expectation of research support, and prospects for external support, some reductions in faculty size at a number of Schools will be needed. It is essential, of course, that this be done on a phased basis, rather than precipitously. The careful planning that has been, and continues to be, undertaken by the Dental School is a prime example of a sound process.

7. The University is committed to active efforts to recruit and retain women and minority faculty members and students. The School and Resource Center plans should specify their affirmative action undertakings and their strategies to achieve those undertakings.

8. A number of the School plans include little specific discussion of several important support areas—computing being among the most important. The Academic Computing Committee is well along in its planning processes. Each School’s plan should reflect realistic approaches to the School’s computing needs, the costs required to meet those needs, and how those costs will be borne.

9. Graduate financial assistance continues to be a serious problem, although this year’s additions to support of Ph.D. candidates in 1983-84 and 1984-85 represent considerable steps in the right direction. More graduate fellowship aid will clearly be needed in the future. In addition, the professional Schools must work through variations of the Penn Plan designed to meet their particular needs.

10. Space remains a real problem in most of the Schools and in the University as a whole. The most pressing needs are to improve the deteriorating quality of much of the University’s classroom and office space, and to enhance our research facilities. A number of the School plans recognize this problem, though few suggest ways to help resolve it. In every way possible, the University must limit growth in the amount of space it maintains. The alternative would have increasingly serious financial consequences for all parts of the institution.

When viewed together, the Schools’ draft five-year plans put a high premium on University-wide decisions about academic priorities and the steps needed to satisfy those priorities. We have made significant progress in setting those priorities through “Choosing Penn’s Future” and “Building Connections.”

III. Considering Mid-Course Corrections

As we enter the third stage of the University’s planning process—refining the agenda that have emerged from two years of collective effort—two kinds of adjustments seem particularly needed. On the one hand, the University administration must sharpen its focus on several issues that have evolved in new directions since the publication of “Building Connections.” The Schools, on the other hand, must clarify their responses to the central planning agenda, translating the broadly

conceived University initiatives into specific programs and policies at the School level.

In the first instance, "Building Connections" needs to be supplemented to reflect some shifts in emphasis. Undergraduate education, research excellence, and student financial assistance were the three principal topics of that report. The first two clearly remain in their entirety as active planning areas. Student financial assistance, however, has now receded—not in importance, but as a target for intensified planning—since the Penn Plan is currently being implemented. Only in the professional Schools does this program remain in the planning stage.

Two other issues raised in "Building Connections" need special planning efforts:

1. *Joint Programs*—In "Building Connections," the President stressed our aim "to express more fully Penn's unique character through creative connections within and across Schools, programs, disciplines, and departments." The development of joint programs of research as well as instruction should be clearly recognized as an explicit topic for planning on both the central and School levels. This spring we should begin to develop insights about how best to pursue this course, as the Academic Planning and Budget Committee reviews the University's research institutes and centers.

2. *Graduate Education*—From the first discussion of educational goals in 1981, some urged equal planning emphasis on graduate and undergraduate education. We resisted, in part to signal our commitment to make a primary investment in undergraduate education, and in part because of our uncertainty about how to improve graduate education at a time when employment prospects were dismal in many fields. For these reasons, the agenda in "Building Connections" subsumed graduate education within the category of research excellence. On the basis of discussions within the Academic Planning and Budget Committee and our review of the draft School plans, however, it seems essential to move decisively toward a consolidation and strengthening of graduate groups. To this end, several important first steps have been taken. First, the Deans have agreed to conduct a census concerning the quality (based on available data such as GRE scores), scale, and prospects of the graduate groups reporting to them. The rational centralization of graduate education in the bio-medical area represents a second significant action. Beyond the important steps already taken, increased funding for graduate education is essential and should be concentrated only on efforts of the highest caliber.

For the School draft plans, the key mid-course correction that is needed involves the specific responses by the Schools to the University planning agenda. As suggested earlier, the central planning process of the last two years has proceeded systematically. Purposefully and publicly, we set out to establish a planning agenda, to draw widely on the expertise of the University through six initial working groups, to establish the Academic Planning and Budget Committee, to articulate our vision of how the University should concentrate its energies, and finally to launch a set of consistent initiatives designed to fulfill the promise of our planning.

Several Schools have accomplished all of this and more in terms of their own plans. In other Schools, however, the planning process has been much more limited. It seems to have been an exercise performed primarily at our request rather than in their own interest. In order to provide the Schools the greatest latitude possible, we listed a set of issues to be covered without specifying a particular format for School planning. It seems now that a greater degree of specificity may be needed. Given a common framework for planning, the Schools may find it easier to engage the University administration in an interactive planning process.

The University also requires a more detailed understanding of each School's planning agenda. We need to know what each School plans to accomplish over the next five years and why. We must also make certain that the Schools, in addition to stating clearly their own priorities, relate their goals to the University's by specifying the initiatives they plan for strengthening undergraduate education, for promoting research excellence, for implementing the Penn Plan (and other forms of student financial assistance), as well as plans for consolidating and strengthening graduate education and developing the University's capacity for joint programs.

Perhaps the simplest strategy will be to ask each School to develop such a list of priorities and specific initiatives. Much as the central administration did in "Building Connections," each School would identify its priority programs by stating the current steps as well as the next

initiatives planned to meet each goal. These priority programs, in addition to addressing the University-wide planning objectives, might concern traditional academic issues within the School, such as rebuilding a weak department that is deemed central to the School's mission, or funding the construction of a new research facility. Other priority programs, however, should be designed to draw the School together, to demonstrate that the School is more than the sum of its parts.

Our most important mid-course correction, therefore, will be to ask each School to draw from its five-year plan a Programmatic Planning Summary, restating its own priorities and their links to University priorities in terms of specific initiatives that the School plans for the next five years.

Three other steps are also needed to ensure that the Programmatic Summaries are prepared within the discipline of realistic judgments on scale, that those judgments reflect actual academic trends in each School, and that an appropriate group within each School is involved in the planning process.

1. *Estimates of Scale*—We have explicitly stressed to each School the need to deal expressly with the key questions of scale. One approach would be for the Schools to respond to projections supplied centrally. Under this approach, each School would receive our estimates of its total scale over the next five to ten years, including number of faculty, number of students, and available space. The Dean and School planning committee would then have an opportunity to confirm or question those estimates. On the issue of faculty size, we have made an important beginning, which we have informally shared with the Schools. Over the next year we will refine those judgments, indicating further reductions where necessary and allowing increased expansion where possible. The Schools will then need to be careful that cuts and gains are made in light of School and University priorities.

2. *Academic Trends Analyses*—In our reviews of the Schools' plans and our discussions with individual Deans and School planning groups, it has become clear that the Schools need to maintain, on a regular basis, standard measures of teaching activity, publication, student quality, research support, and departmental finances. Dangers exist in any data-gathering effort within an academic environment. Among them is the risk that the quantitative will be viewed to the exclusion of the qualitative, and that some will interpret data gathering as a call to produce impressive statistics rather than outstanding academic work. Mindful of the dangers, however, these efforts must proceed. Working with the Council of Deans, we must now initiate an academic planning/budget inventory.

3. *School Planning Committees*—In order to meet the demands of a truly interactive planning process, it is also apparent that each School should have an active planning committee which, if not chaired by the Dean, at least meets regularly with him or her.

* * * *

To some, planning in a university may seem almost inimical to the generation and dissemination of knowledge. It forces us to think about priorities and imposes constraints on our use of resources. In an ideal world we could pursue our intellectual bents with the assurance that the necessary funding would be made available. In fact, of course, we face a decade of constrained resources. Since there will never be a shortage of attractive uses of resources at Penn, it is not enough to argue that a given activity would be desirable; the question is, what must we give up to pursue that activity?

If we are to continue to choose Penn's future, we must continue to plan. In planning we inevitably face difficult tradeoffs, about which reasonable persons differ. Rather than being surprised by events with too few responses open to us, it is far better to make our choices in advance while we still have relative freedom of action and an opportunity to engage in fruitful exchange about goals and priorities. That is what planning is all about.

In the end, we will be judged by our success in defining and launching well-conceived initiatives. When we bring to closure the third stage of this planning cycle—adjusting and refining our common agenda—we can articulate a fully-developed University plan for the 1980s. That plan will naturally continue to evolve as circumstances change, but we will have produced a basic guide for the future. Our successors will then have every right to ask, "Did they accomplish what they set out to do?"

Thomas Ehrlich

April 1984