
EXCELLENCE WITH FRUGALITY: MAKING IT WORK AT THE UNIVERSITY OF NEW HAMPSHIRE

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Across the country, the weak economy has taken its toll. State budgets are in near-freefall and legislators are scrambling to make the best of the worst. Higher education, typically the third-largest beneficiary of state funding after health care and K-12 education, has taken a big hit—in some cases a very big hit. Populous states such as California, New Jersey, and New York—and their public education systems—must come to grips with and function within a new and stark fiscal model. Some answers as to how they might proceed and prosper may be found in New Hampshire. To meet the challenge of its land-grant mission and provide an affordable, quality education to qualified New Hampshire residents, the University of New Hampshire has developed a number of strategies that are helping it to successfully meet its charge—even though New Hampshire ranks last in the nation in support of higher education.

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INTRODUCTION

Across the country, the weak economy has taken its toll. State budgets are in near-freefall and legislators are scrambling to make the best of the worst. Higher education, typically the third-largest beneficiary of state funding after health care and K-12 education (Hartle, 2003) has taken a big hit—in some cases a very big hit. Many states—and their public education systems—must come to grips with and function within a new and stark fiscal model. Some answers as to how they might proceed may be found in

New Hampshire. These answers, however, carry with them new challenges and pitfalls.

The National Association of State Universities and Land-Grant Colleges (NASULGC) reports in a July 2003 survey that “more than 25 state colleges or university systems—over one-third of the respondents—increased their tuition by between 10 percent and 20 percent. In addition, five raised tuition by 20 percent or more, four by 25 percent or more, and another four by 30 percent more” (Arnone, 2003). Even with an increase of only 6.8 percent in tuition and fees, University of New Hampshire rates are still among the highest in the nation for state universities.

Increases in tuition and fees are part of the response but can go only so far before disturbing the delicate balance between affordability and value at a public university. In New Hampshire,

TABLE 1
LESS FROM STATES, MORE FROM STUDENTS

	2003–4 tuition and fees	Percentage increase over 2002–3	Dollar increase over 2002–3
Northern Arizona U.	\$3,596	39.2%	\$1,012
U. of Arizona	\$3,593	38.6%	\$1,000
U. of California system	\$5,437	29.5%	\$1,239
State U. of New York System	\$4,350	27.9%	\$ 950
U. of Oklahoma	\$3,741	27.7%	\$ 812
Texas Tech U.	\$4,745	22.7%	\$ 878
Indiana U.*	\$6,517	22.6%	\$1,202
Iowa State U.	\$5,028	22.3%	\$ 918
Indiana U. Purdue U. at Indianapolis*	\$5,703	21.0%	\$ 989
U. of Virginia	\$6,149	19.1%	\$ 984
U. of Massachusetts at Amherst	\$7,482	15.4%	\$1,000
U. of Maryland at College Park	\$6,759	14.6%	\$ 861
Ohio State U.*	\$6,474	14.3%	\$ 810
Michigan Technological U.	\$7,440	12.9%	\$ 849

NOTE: Rates apply only for new students.

SOURCE: National Association of State Universities and Land-Grant Colleges
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where the level of state funding for higher education is habitually the lowest in the nation, UNH is nevertheless experiencing success by several measures.

A chronically low level of state support has compelled the University to develop management principles, strategies, and tactics that allow it to deliver high academic quality, sustain its land-, sea-, and space-grant missions, and promote an entrepreneurial dynamic that reinvests new knowledge into the state and regional economies, all the while enriching its social and cultural capital. Low state funding has also resulted in the development of an admirable and, perhaps, rare ability on the part of the faculty at UNH to focus on excellence and outcomes while working in a perpetually trying economic environment. Slim resources have necessitated productive interdisciplinary collaborations. The Institute for Earth, Oceans, and Space (EOS) climbed to the top of its field as a result of the academic cross-pollination that was born partly out of faculty determination to continue its work, regardless of funding. The institute's success has prompted a surge in sponsored research funding for the institute and the University as a whole. Between 1998 and 2002, research funding at the University increased by \$25.8 million, or 43 percent (Gula, 2002). The newly endowed Peter T. Paul Space Science Chair demonstrates how private funding can partner with academic and public interests to facilitate quantum leaps in advancement. All of this is happening in an environment in which many universities are struggling to find ways to enhance interdisciplinary and cross-disciplinary work.

Positive enrollment trends, improved faculty and student achievement, growing stature as a research university, increased private support, and greater recognition among its peer institutions are part of the University's current picture. Contributing factors include a new academic plan; the implementation of a decentralized budget model that provides divisions with incentives for efficiency and innovation and a business service model that supports it; the development of additional critical revenue streams through fundraising, grants, and

contracts; thoughtful enrollment management; and the integration of administrative functions. These same factors are not only important over the long term. They serve as means through which UNH can also mitigate against the most serious negative consequences of the present economic downturn that has affected many areas of the University.

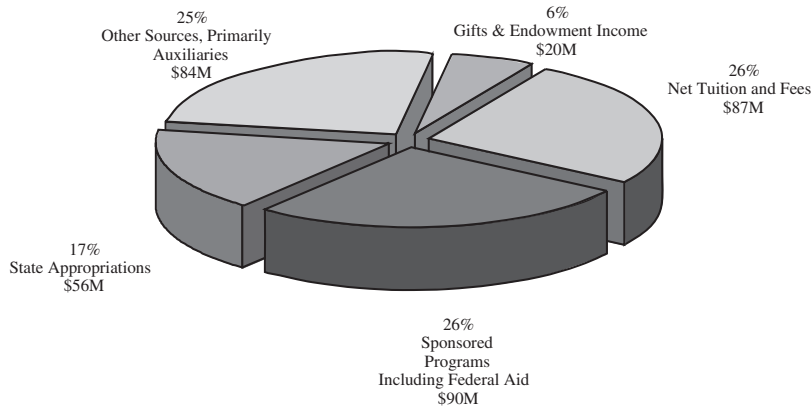
HISTORIC AND NATIONAL CONTEXT: A LESSON IN RESILIENCE

In contrast to many other state systems, the University System of New Hampshire did not experience a budget cut in the 2004–06 biennial budget, but the battle in the legislature to achieve level funding was long and heated. Level funding is nevertheless significantly less than required to maintain operations and meet increasing budget pressures from salaries, benefits, and other increased costs. It is, however, far better than the 5 percent reduction originally proposed in the Governor’s budget and certainly better than the huge cuts faced by many of our peers who are now increasingly joining us in the ranks of public universities receiving smaller and smaller proportions of their budgets from their states.

The level of support for higher education in New Hampshire continues to be the lowest in the nation. Based on support per \$1,000 of personal income in New Hampshire, state support would need to rise by 62 percent to equal the state ranked 49th (USNH Office of Policy Analysis, 2002). Moreover, New Hampshire reduced its investment effort by 50 percent between fiscal 1978 and fiscal 2003 (Mortenson, 2003). This is the case even though UNH has no medical school and health science center, law school, or dental school.

UNH, which received only 17 percent of its total revenues from the state last year, derives the majority of its revenue from tuition, sponsored programs, and auxiliary fees. The University is adept at delivering a quality education funded only in small part by the public purse.

FIGURE 1
CURRENT FUND REVENUE FY02 UNIVERSITY OF NEW HAMPSHIRE* \$337 MILLION



* Includes UNHM & NHPTV

University of New Hampshire tuition levels for both resident and nonresident students are among the highest in the nation for public colleges and universities. While the University System trustees recently approved a 6.8 percent increase in tuition and fees, it compares favorably to the national average for public colleges and universities, estimated to be in excess of 12 percent. Competitive analysis by the University System of New Hampshire, however, indicates that out-of-state tuition levels cannot go much higher without resulting in a loss of out-of-state students (USNH, July 2003).

Furthermore, endowment income has been compromised by poor market conditions. Under the Uniform Management of Institutional Funds Act (UMIFA) guidelines, payout on endowments dropped by 50 percent in the last two years. All endowment-reliant institutions have had to deal with the downturn, but so much of the UNH endowment was donated during the capital campaign completed in 2002, that the current value of the endowment is especially far below book value, further eroding the ability of the University to use these new funds for the purpose for which they were given.

Yet, UNH is much more efficient in the delivery of quality higher education than its peers, spending 30 percent less than other New England land-grant universities per student, while being ranked as the leading public university in New England by *Kiplinger's Personal Finance* (Knestout and Rossi, 2002). We are 16 percent below the median of our comparator institutions in the number of staff members employed per student and 5 percent below the median of comparators in the number of faculty members per student.

Linked with the state it serves, and consistent with its mission and institutional identity, the University is committed to deep and reciprocal relationships with the community of Durham and surrounding seacoast area, the city of Manchester, the state of New Hampshire, the region, and beyond (Academic Plan 2003). Providing access to affordable, quality education and returning newly educated citizens to the state's workforce reaps benefits among all stakeholders. Ironically, to be successful and fulfill its mission and to sustain and enhance the level of excellence for which it is recognized, the University has adapted some of the fiscally successful management models of the better-managed *private* universities while remaining true to its public purpose.

The public/private duality that characterizes the University of New Hampshire is rooted in its history. At its founding as the state's land-grant university under the Morrill Act, UNH was affiliated with Dartmouth. It broke away in 1893 when a farmer donated his land in Durham to help establish an institution that would educate the state's sons and daughters. Today, the University and its state remain closely associated, and their futures are mutually dependent.

As New Hampshire's flagship university, UNH receives a great deal of attention and scrutiny from its major stakeholders. The legislature, Governor, trustees, local communities, and the general public are actively interested in most aspects of the University's decision making and direction, ranging from the specific curricular foci available to students to the mix of varsity

sports offered. The sense of “ownership” is as deep as if the state were providing a far higher level of support.

UNH has been on the ascendancy in terms of quality and achievement. Faculty members work diligently to lead the nation in innovations in undergraduate education by providing an experience that equals the small New England liberal arts college experience in support and intimacy, while providing the intellectually charged atmosphere of a research university at its best to all who work and study here.

STRATEGIES AND TACTICS

In order to advance while dealing with this environment of high tuition and low state support, UNH has developed a number of strategies to increase its efficiency, enhance its administrative effectiveness, and pursue excellence in its core missions of teaching, research, and public outreach and engagement. Under the current financial pressures, UNH has sought to be flexible, designing temporary and creative interventions in support of its established priorities and values for the good of the whole. So that this approach can effectively nurture excellence and creative development while achieving efficiencies, academic planning at the unit and University levels guides decision making. We believe that this makes it possible for the University to continue to pursue increased distinction and distinctiveness, thus bringing our overall strategy full-circle by helping us to recruit high-quality students interested in a UNH-style education, attract and retain superb faculty members, and continually increase engagement in our immediate, regional, and national communities in fulfillment of the University’s land-, sea-, and space-grant missions.

STRATEGY 1: THINK LIKE A PUBLIC, MANAGE LIKE A PRIVATE

At the heart of this overall approach to excellence with frugality is a core of financial and management tactics designed to minimize administrative costs and, in downturns, find reasonable

ways to protect the academic core. UNH has been fortunate to have creative and thoughtful academic and administrative leaders who have worked to continually expand the ways in which they can be more effective while spending fewer scarce resources doing so, especially over the past several years. The tactics adopted have included financial planning and management, cost-saving business practices, thoughtful enrollment management, and fundraising in areas specifically designed to support the advancement of goals laid out in the Academic Plan.

Financial Planning and Management with an Entrepreneurial Spirit

Keeping pace with a changing university requires creative leadership in all areas of the administration, including finance and administration. The University's finance and administration team, in extensive collaboration with academic, research, and student affairs, has worked to incorporate flexibility into its modeling to meet constantly changing short- and long-term demands arising from continuous improvements in a growing university and variable funding resources. An innovative plan has been instrumental in freeing valuable resources as well as assisting the University in meeting the challenges posed by current state funding shortfall issues.

An administrative services redesign effort begun in 1995 resulted in a system that provides optimal financial and administrative support services for the University community. UNH has been able to improve business support through the establishment of Business Service Centers (BSC). Rather than relying on the administrative assistants in each academic or administrative unit to provide financial support services, professional staff whose only responsibility is to provide expert financial and budgetary services work in regional BSCs. We are continually improving and refining the Business Service Centers (including an occasional merger or reorganization) so that the University can take maximum advantage of quality financial support staff.

Following on the heels of this innovation, UNH adopted a decentralized budget model frequently referred to as Responsibility Center Management (RCM). RCM provides incentives and empowerment to deans and other managers to achieve their goals in a more efficient manner. All of the University's revenue is allocated based on activity levels, and units are responsible for all expenditures (including overhead and facilities costs). This budget model gives RCM units incentives to generate revenue and manage expenses in order to fulfill programmatic goals, as well as incentives to plan since they retain their own fund balances. Under RCM, University general fund reserves have grown from just under \$4 million in 1999 to nearly \$16 million in 2003.

Responsibility Centers enjoy a great deal of financial flexibility and independence, as unit heads are empowered to develop their own policies and practices for planning and budgeting. They are expected to remain faithful to the University's overall mission and values articulated in the Academic Plan and to support the unit-level strategic plans developed as part of the overall planning process. A Central Budget Committee (CBC), which is advisory to the President, provides the means for institutional oversight through financial planning and coordination of unit budgets and determination of funding priorities (www.unh.edu/rcm/manual/cbc.htm).

Critical components of the success of RCM were the participative and carefully designed three-year process through which the UNH model was developed and the commitment to the principle that no college or school (or administrative unit) would be unduly advantaged or disadvantaged when RCM was adopted. A comprehensive five-year review of the effectiveness of RCM is scheduled for next year (Leitzel, Corvey, and Hiley, 2004).

Finally, UNH recently adopted a long-term phase-in of outsourcing for facilities maintenance and housekeeping, is conducting a comprehensive study of cogeneration as a possible solution to campus energy needs, and has developed a

preliminary proposal for a campus summer use plan to be integrated with a redesigned Division of Continuing Education (currently involved in strategic planning) for discussion and further development.

Thoughtful Enrollment Management

It would do the University little good to be more efficient in its management of revenue if it were not effective in recruiting outstanding students. New Hampshire is a small state, and the University's ability to provide quality programs at a critical mass and a strong student demand leading to tuition revenue are critical to its financial well-being.

The University must work hard to achieve a sustainable balance between in-state access for qualified New Hampshire students and out-of-state revenue. "As a public university, UNH is committed to assuming the full spectrum of responsibilities for public service and outreach expected of land grants in particular and publics in general," states Mark Rubinstein, Vice President for Student and Academic Services. The trustees have adopted a policy that UNH must meet the financial needs of New Hampshire residents who qualify to attend by providing a combination of loans, work-study, and grants. But the University is also consistently attractive to out-of-state students who respond to the New England liberal arts college atmosphere combined with the intellectual horsepower of a dynamic research university, and the tuition that out-of-state students pay is a vital part of the University's revenue.

While out-of-state students provide 58 percent of tuition revenues, they make up only 48 percent of the student body. As a small state, New Hampshire could not afford to offer a comprehensive set of programs and ensure their quality without a critical mass of student enrollment in each program. By reaching out effectively to nonresident students with financial aid and scholarships—need-based and merit-based—the University can ensure that it has the critical mass across the academic units to continue to offer these programs, maximize net tuition,

and enhance the academic quality of out-of-state students who attend UNH. Among the beneficiaries of this effort are New Hampshire residents who participate in a full range of University programs at the discounted in-state rate.

Meeting financial need ensures that all qualified state residents who want to attend the University are able to do so. According to John Lynch, chairman of the University System of New Hampshire Board of Trustees, “The allocation we receive from the state directly subsidizes tuition for our in-state students and their families.” The University has not yet turned away qualified New Hampshire applicants in favor of qualified out-of-state applicants. UNH has enrolled a freshman class of approximately 2,600 over the last several years, of whom 1,400 are New Hampshire residents—approximately 9 percent of the state high school graduate population. With access ensured for qualified New Hampshire students, the University is able to pursue affirmative action and diversity goals without denying admission to any qualified majority student from New Hampshire. Careful enrollment management also makes it possible for the University to keep its commitment to providing an open and enriched academic community.

Strategic emphasis on our urban campus in Manchester is another important aspect of UNH’s overall financial and academic success plan. UNH Manchester is the University’s urban campus, located in the state’s largest city. While providing expanded *undergraduate* access to urban students who cannot attend the primarily residential and traditional Durham campus, UNH Manchester is exceeding enrollment expectations in its *master’s* degree programs. UNH Manchester offers accessible day, evening, and weekend programs for both traditional and nontraditional students. A primary example is the Center for Graduate and Professional Studies, established two years ago. Through the center, the University is now offering master’s programs in business administration, public administration, public health, social work, counseling, and teacher education to working adults in the most populated area of the state.

Enrollments in these programs doubled from one year to the next and drastically exceeded our expectations. Much as have other universities, UNH has found master's degrees to be in high demand by returning professionals in many fields. Because of the success that has been achieved, additional programs are being contemplated.

Flexibility in Support of Priorities and Values

The current financial situation in the United States and New Hampshire has placed unanticipated strains on the University's budget model. With no increases in state appropriations predicted in the near future (and pervasive rumors of possible rescission), collapsing revenues from endowments, little remaining tuition elasticity, and the increased costs of providing a quality education, the University's Central Budget Committee adopted principles to guide budget allocation decisions in the face of material disruptions in revenue streams:

- Any shortfall would be viewed as a University issue, not one that only affected those units receiving state appropriations or dependent upon endowment revenue
- Every unit would be expected to participate in funding solutions, including auxiliaries with self-supporting sources of revenue
- The reallocation of funds would be prioritized according to the University's Academic Plan and supporting unit strategic plans
- Academic and service quality would be protected as much as possible

As a result, critical funding in the next few years will be secured to keep such state-dependent divisions as the Agricultural Experiment Station, Cooperative Extension, and New Hampshire Public Television operating during stressful times, while simultaneously supporting the University's research and public service

mission. We also committed the proceeds of the annual appeal to the support of critical academic initiatives and scholarships that are dependent upon revenue from endowment for their funding. While this decision severely limits the discretionary spending flexibility of the president in the short term, it preserves the core academic areas on which the University has placed its emphasis in academic planning and fundraising.

Private Fundraising: Inspired Partnerships

As do most colleges and universities, UNH relies on financial support from alumni and friends who see opportunities to make a real difference in the world through partnerships with UNH. While we are far behind many of our distinguished sister institutions in public higher education in raising private support dollars, the University sees the benefit of this effort and has in recent years been increasingly successful, not only in raising funds but also in targeting those efforts to promote the success of the Academic Plan. Through the work of the UNH Foundation, private giving has assumed a place of growing importance as a factor in the University's overall growth and advancement.

Donor confidence is growing as the University demonstrates administrative and financial responsibility in support of scholarship, research, and engagement with its communities. This was most recently evidenced through the successful completion of its \$100-million capital campaign for academic programs two years ahead of schedule. While \$100 million will surely seem a small sum to larger public institutions, this was viewed by many to be the most ambitious public campaign in the history of New Hampshire. (The University's last major campaign, which ended in 1983, raised only \$18.2 million.) The accomplishment is remarkable in a state that ranks sixth in per capita wealth, yet sets the floor for per capita giving relative to adjusted gross income (Giving New Hampshire, 2003).

As with all successes, fundraising has its pitfalls. It is critical that the people of New Hampshire share the University's vision of excellence and achievement, so that the state will continue to

accept its stewardship responsibilities for the University's basic programs and the ongoing maintenance and support of the campus facilities. We must work hard to demonstrate that the University of New Hampshire can promote the entrepreneurial spirit through private fundraising and research grants and contracts. The state of New Hampshire can thus be assured that its resources have the maximum impact on the future, leading it to continue to fulfill its stewardship responsibilities to its land-grant public university.

STRATEGY 2: INTEGRATED PLANNING AND EVALUATION PROCESSES

Over the course of almost a decade and extending into the future, UNH has committed to processes that integrate academic, financial, and physical facilities planning and evaluation. While strategic planning is clearly nothing new in higher education, the commitment of the broad university community to decision making framed by academic planning has been a particularly important focus of UNH.

This is not to say that the University makes decisions mechanically and automatically by referring to a "plan" that is written in stone. The Academic Plan is specifically an evolving document, and the Provost is committed to working continually with the deans and faculty as action plans are developed and implemented.

The Academic Plan: Staying True to Your Mission

The University's strategic planning process, begun in 2000, focuses first on the academic program. Its goal has been to "focus our energies, to capitalize on our strengths, and to bring the whole of the University up to the quality of its best parts" (Academic Plan, 2003).

The Academic Plan is the linchpin of UNH's strategy to build a distinctive program that attracts qualified in-state and out-of-state students, retains and recruits outstanding faculty, and continues to draw and increase sponsored and private funding. It starts with developing a unique curriculum—the Discovery

Program—and tying to it a comprehensive program that reconnects student life with academics.

All strategic planning and decision making have at these most fundamental levels a set of core values reached through campus consensus and articulated in the Academic Plan. These are academic freedom; commitment to the pursuit of knowledge; quality; integrity; community and diversity; accountability; and engagement. When new programs are reviewed in light of these values, the University assesses the balance between academic needs and financial viability and considers how close new programs are to the University's central mission, enrollment trends, and program costs.

New opportunities at the undergraduate level have become increasingly possible and have brought the teaching and research functions closer together than ever before. The academic planning process defines a new curricular focus that integrates teaching and learning, improves the quality of both in-class and out-of-class experiences, and encourages the pursuit of new knowledge through research and creative inquiry.

The University is also developing a long-range campus master plan to complement the Academic Plan by addressing the quality of the physical plant. Public/private funding partnerships are supporting some capital improvements and make a real difference in the University's ability to maintain tuition revenues at an optimum level. However, beneath the surface, the campus has serious deferred maintenance and capital renewal needs.

Evaluation That Reinforces Planning

In addition, we are committed to making modifications as new ways of understanding and interpreting the University present themselves. As is the case with all universities, UNH must periodically engage in a reaffirmation-of-accreditation review. In the process of preparing a self-study as part of its decennial accreditation by the Commission on Institutions of Higher Education (CIHE) of the New England Association of Schools and Colleges (NEASC), another means was developed through

which tighter internal coupling of purpose and practice could be achieved. The accreditation process—both self-study and external review—is an important opportunity to evaluate the University’s strengths and challenges. Within this process, the Institutional Effectiveness Committee of the self-study committee conducted a “systems” audit to improve effectiveness through better integration of planning, resource allocation, and evaluation.

This effort resulted in a recommendation in the self-study that a Committee on Institutional Effectiveness be developed that, according to Provost Bruce Mallory, “will assure congruity among academic planning, financial decision making, and both program assessments and assessment of student learning.” A Committee on Institutional Effectiveness can become the mechanism that ensures that financial decisions at the University level will promote the goals to which we have committed in academic and campus planning.

STRATEGY 3: ENRICH THE CULTURE OF LEARNING

We strive at UNH to continually remember that the faculty and students are at the heart of all great universities. A major focus of the academic planning process was the development of a more distinctive and identifiable learning experience for students. We are also committed to continually improving the quality of the services the University provides to students in support of their overall experience at UNH.

A Distinctive Educational Experience

At the heart of the undergraduate focus in the Academic Plan was the emerging commitment to an undergraduate learning experience characterized by inquiry and creative achievement. The Discovery Program—a new undergraduate general education program currently moving through the academic approval process—captures this commitment. Inquiry courses are currently being developed by faculty with the support of the

provost's office, and the academic leadership of the University is moving forward to make this way of knowing a reality for all UNH students.

The commitment to a “discovery” experience is not confined to the general education program, however. UNH has committed to an extensive Undergraduate Research Opportunity Program and International Research Opportunity Program. Fundraising efforts are aimed at supporting student and faculty activities that reinforce the growing presence and influence of inquiry—of discovery—as a fundamental part of the way UNH graduates approach learning and the exploration of their world. The quality of a UNH experience is expected to grow, even as its distinctiveness increases, as the “discovery” character becomes more and more pervasive.

Administrative Integration: A New Model for Increased Student Development

As the Discovery Program initiative aims to focus the character and quality of the education UNH students experience and as enrollment management (including retention) becomes more finely tuned, UNH has adopted a structure designed to provide the best possible academic and student services. Academic and student support services are part of the University's plan to meet its responsibility to all of its students. The University must answer its competition by providing an innovative, high-quality, cohesive, and integrated educational experience.

Toward that end, the University has formed a new Academic and Student Services administrative unit that “links academic and non-academic aspects of student life, creates better connections between curriculum and co-curricular experiences, and fosters high expectations for academic and personal excellence for all students,” according to Mark Rubinstein, who heads the new unit. “Our Academic Plan says that we can and must do better by focusing with greater clarity and intensity on a core set of outcomes that will define a UNH graduate.” By unifying all support services for students and adhering closely to

the commitment that UNH graduates will be skilled at using inquiry and induction to discover their world and solutions to the problems they confront for the rest of their lives, the new Academic and Student Services unit should gradually become more and more influential in helping UNH excel.

SUMMARY AND CONCLUSION

The strategies employed by UNH to evolve in a context of permanently and critically constrained state support can promote the success of all colleges and universities as states move to withdraw their traditional financial support for public higher education. In this article, I have discussed a few of the strategies and tactics that UNH has used to excel despite such pressures. At UNH, we have also adopted a strong spirit of nimbleness, creativity, and resilient entrepreneurialism sustained by continued and admirable commitment and support from a devoted faculty. UNH has recently benefited from careful and integrated financial, academic, and campus capital planning, and the faculty, administration, and staff have worked to keep the central values and strategies front-and-center in decision making.

The UNH experience stands as evidence of the efficacy of its core strategies. However, some of the approaches adopted by UNH have worked so effectively in part because they are niche strategies—succeeding because most public universities have had no need to employ them. For example, the thoughtful enrollment management techniques that the UNH team has employed work in part because not all universities similarly leverage in-state and out-of-state enrollment in the way UNH has. As more and more state institutions look to out-of-state enrollment to leverage in-state revenues and subsidize revenue from in-state tuition, we will increasingly be competing for the same, limited number of students. Remarkable new strategies are emerging in public higher education. The University of Colorado is considering a move to equalize tuition so that in-state and out-of-state students pay the same (Couturier, 2003).

California State University, San Bernardino, established a branch campus in Palm Desert at the request of community leaders—but only after the community raised the money for and built the facility on its own (Winter, 2003).

The signs are strong that current cuts in state funding for higher education may signal a major shift away from a commitment of the states to higher education as an essential public good. A number of thoughtful writers have suggested that the trend may mark a general withdrawal from the fundamental values embedded in the Land-Grant Act first enacted during the Lincoln administration (Sample and Bennis, 2003) and bolstered by the G.I. Bill nearly a century later during the Truman era. We may be witnessing a shift away from a long-standing commitment to access to higher education that has arguably contributed to unparalleled economic prosperity.

Despite the intense commitment of faculty, staff, and administration, the University of New Hampshire continues to face many challenges. Financial constraints have prevented us from being able to pay our faculty as much as we feel they deserve. Students work too many hours to pay for school and many graduate with debt levels that are too high. We face perennial concerns about access for low-income students. A very large backlog in deferred maintenance remains despite increased state capital support in recent years. And our under-capitalized status and operating leanness (which we call efficiency on our optimistic days) leaves us extremely vulnerable to small shifts in revenue and expenses.

For the short-term as well as the long-term, public universities must learn to adopt shrewd and adaptable approaches in order to remain viable and uphold their public missions. We at the University of New Hampshire are proud of our ability to nurture and promote the development of a fine university with minimal state support, but we must also vigilantly guard against allowing episodic, yet highly salient, financial crises distributed across federal and state funding bases to destroy an infrastructure that has been the instrument of American success

in the past. A highly educated citizenry is among our most important assets. Providing quality higher education must remain a treasured value.

We have the obligation to continue the public discourse on the mission of higher education and the stewardship responsibilities of states to sustain and advance education, research, and the public good. Whether or not we attended a public university, we have all benefited from the public higher education system in the United States.

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