

Review schedule and material/major recommendations regarding the RCM model were summarized. Other recommendations, especially those around communications, education, and governance issues, were not presented here but will be acted upon. All subcommittee reports are posted on the RCM Review website.

Summary of open discussion:

Participants' questions in blue; presenters' responses on black.

- **What are the university's major sources of revenue?**
The total UNH budget is roughly \$400M, deriving revenue from tuition (approx. 25%), auxiliary enterprises such as housing, dining, etc. (approx. 25%), research (approx. 25%), state allocation (a little less than 15%), and miscellaneous sources.
- **What are the cost components included in the calculation of relative instructional costs that led to the recommendation to maintain the current credit hour weightings, and was the data from internal or external sources?**
It was an examination of internal data based on national measures. 25 years of UNH department profiles served as the basis for the examination. Cost components included faculty salaries and fringe benefits, supplies, equipment, etc. 90% of the cost is in faculty salaries and fringe – this is true both at UNH and nationally. A ratio is derived by dividing total direct expenses with student credit hours generated. The data was examined in 1998/99 in preparation for RCM implementation, reviewed again in 2001, and thoroughly re-examined this fall. In each case the results indicated that the current weightings are rational, with the CEPS average cost on the high end, Liberal Arts' on the lower end, and SHHS and WSBE in the middle. The subcommittee proved that FY99, the original year used to set the credit hour weightings, was not an outlier. The relativity of the instructional costs held true in each year examined. Because the base data is education & general (E&G) funding, use of federal Ag Experiment Station funding in COLSA reduces the calculated instructional cost in that college. However, the subcommittee also calculated the COLSA average instructional cost as if only E&G funding were used and the results placed COLSA in the middle, with average instructional costs very similar to SHHS and WSBE.
- **Would a lab technician be included in the calculated cost of instruction?**
Yes, if it was an instructional lab and the salary and fringe was charged to E&G funds.
- **Facilities charges for instructional space were not included in the calculation of instructional costs, so the relative costs would be even more disparate than the Delaware study might indicate.**
 - Correct, not every cost of instruction is included in the calculation. While the Undergraduate Tuition Subcommittee did look at space costs, this was primarily left to the Facilities Subcommittee.
 - Use of the NSF rate serves to subsidize the higher cost of energy-intensive laboratories somewhat by spreading the costs to all units.
- **If RCM leads schools and colleges to offer service courses over smaller courses for majors this is the wrong emphasis. Also, the original model was based on a snapshot in time, but the university is not static. Now we're doing the same thing again – making adjustments to the model based on a particular point in time. The model needs continuing refinement.**

- The model is a budget tool and must be used wisely to carry out UNH's missions in a high quality way. Deans know what courses need to be offered.
 - The model has actually been changed several times to correct errors and to make adjustments for unintended consequences. This is the first comprehensive review, but the Central Budget Committee (CBC) will need to ensure regular reviews and oversight.
 - RCM is a budget tool with incentives meant to guide us toward our goals. With this review we are asking, have the original incentives worked? Have there been perverse outcomes? We try to embed sensible and fair incentives toward our goals -- the many recommendations for changes that support graduate education are examples of this.
 - We're aware of the possible downsides of the model, and that's why strong governance is so important. UCAPSE was put in place to monitor situations such as the rise in popularity of sign language courses accompanied by a decline in other foreign languages. The review includes the question, are the monitoring mechanisms working? Some need work.
- **How should individuals provide input on the model?**

The current review has been going on for more than a year with regular and widespread invitations for input. As we move forward and further input is warranted, community members may inform their dean, the VPFA, Academic Affairs, etc., which will convey information to the CBC, which is responsible for the model.
 - **The combination of a reduction in state appropriation directed to units on the basis of research faculty salaries and proposed changes to the distribution of indirect cost revenue would seem to be disincentives for research. Sometimes the PI share of IDC revenue is the only funding available to expand a research program or to buy equipment, etc. What is the intent behind these proposals?**
 - The reduction of state appropriation allocations to .5 is a reflection that research faculty are entirely funded by external sources and do not contribute to the instructional mission.
 - **The 30 research faculty in my unit do teach some, serve on university committees, advise students, and support graduate students.**
 - The proposed redirection of some of the PI IDC share to departments is intended to help integrate researchers into academic departments by allowing departments to share in the IDC revenue. Since departments bear some of the cost of supporting researchers, they should share in the researchers' success and this will aid in the integration of researchers into departments. Also, in terms of UNH's comparator institutions, the 13% distribution of IDC to PI's is high. Finally, at a time when research has been increasing at a great rate, the number of graduate students supported has been flat, so the proposal to redirect some of the PI IDC share to support graduate students is meant to add incentive for graduate student support.
 - **The sharing of indirect cost revenue with PI's began in 1984 as an incentive to develop research at UNH, and it actually began at a rate of 15%. Lack of graduate students is a real issue, but we need to look for the real causes. This is not a new problem. Research has been growing at a great rate for 15 years but the number of graduate students has not grown significantly in that time. PI's are not always writing graduate support into proposals.**
 - **Many PI's are writing graduate student support into proposals, the problem is finding qualified graduate students.**

TA's have not always been distributed rationally. There is both a management challenge within this issue and the problem of insufficient monetary support for grad students. RCM is part, but not all, of this problem.

- UNH doesn't offer as lucrative support packages for graduate students as do our competitors and UNH fees are high, so we are losing recruits to other institutions.
- Assessment method model 1 appears to have a dramatic impact on some units. How will the hold harmless concept be used to mitigate the impact?
 - The subject of assessments is still being examined. The total impact on units will be an amalgam of all the accepted changes. Hold harmless will likely be used to mitigate the initial net effect of the various changes so there will be no "winners" or "losers" at the beginning of FY07. Whether the HH will inflate, whether there should be a partial phase-out of HH over what time period, these are among the many questions still to be addressed.
 - The trial models have been released only to a very small group. The challenge is to be open but not to cause undue concern.
- Research provides a quarter of UNH revenue?

This has been true over the last few years, but was not the case ten years ago. What has occurred is that state appropriations have declined while research revenue has increased.
- The zero sum game is not as true in research, which can be increased. We need to encourage research because research growth can benefit the whole university.
 - Changes in the RCM model will not generate new revenue, but proper incentives can lead to revenue growth. Also, in addition to research, fund raising has the potential to increase support.
 - Tuition is not a zero sum game either; UNH is currently enjoying very high enrollment demand. Of course, larger enrollments have wide-spread impacts – there are questions of space, housing, class size, etc. A group has been convened to examine enrollment expectations.
 - Also, research growth does have an impact on enrollment capacity. If faculty want to reduce course load in order to pursue research, this has an impact on teaching capacity. There's a trade-off, and this is one of our challenges.
- Colleges balance teaching and research. We need to restore the financial well-being of the colleges.
- Enrollment of high quality students and recruitment and retention of high quality faculty are enhanced by the publicity attracted by cutting edge research. We need positive incentives for research. The 13% PI share of IDC revenue may seem high compared to other institutions, but UNH researchers have to use this money to buy very basic things like furniture which might not be the situation at other institutions.
- Can you talk about the relationship of mandatory fees and financial aid? Has there been discussion of having fee-based auxiliaries share in the cost of financial aid?
 - Currently mandatory fees are covered by financial aid, which comes from tuition and impacts only the colleges. The pertinent subcommittee recommended there be a zero-based examination of the services provided by these auxiliary units.
 - Exempting financial aid from assessments will spread the cost of financial aid to all units.

Further comments are welcome. An input form is available on the RCM Review website.

Comments received subsequent to Forum II:

Glad to see that "Allocate summer graduate tuition to instructional unit -- no weighting" is being discussed. Our department used to offer summer short courses geared towards teachers throughout New England. These courses were offered for both undergraduate and graduate credit. Prior to RCM, this was a very successful program. However, once the weighting of credits was instituted, our revenue was cut drastically. This meant no money for advertising, which in turn meant lower enrollments and eventually cancellation of classes. After a few years of barely (and not so barely) making ends meet, we were forced to cancel the program. Having tuition revenue unweighted for summer courses would allow us to continue this program.