

RCM 5 Year Review: Initial Hearings

Hearing 2: COLSA

December 6, 2004

Administrative Representatives: Steve Bolander (Moderator), Tammy Goldberg, Bruce Mallory, Leigh Anne Melanson, Dave Proulx, Christine Shea, P.T. Vasudevan.

Speakers: Bob Champoux, Andrew Conroy, Garrett Crow, Joanne Curran-Celentano, Tom Davis, Tom Foxhall, Cynthia Giguere, Brent Loy, Joe Moore, Jon Pennock, Pete Pekins, David Tooch.

Questions and Comments from Participants:

- **Hold Harmless.** Did the **beginning point for RCM unfairly impose the current crisis situation in COLSA?** Possibly RCM has become an improper impetus for the reorganization now going on in the college.
- Thompson School faculty have studied RCM and are presenting a **position paper**.
- He noted there has been a **loss of seven faculty members** and due to the budget situation they cannot be replaced. Also due to budget constraint, **part time faculty cannot be hired** to replace them. Because of this, **generation of credit hours has been reduced**.
- Stated that **all colleges are "making money."** COLSA generated \$9 million in revenue (in FY04?). The **difficulty comes from outside charges**. A top heavy administration should be trimmed. The faculty union resulted from hiring of too many assistant vice presidents.
- The college is **losing faculty** and **due to budget constraints they cannot be replaced**. This has an **impact on the ability to recruit students**.
- He is **glad RCM brought revenue and expenses** together, but the **loss of funds with which to invest in new courses** is resulting in a negative spiral.
- RCM at UNH is a **revenue-driven model**. **Recruiting is suffering**; UNH is losing students to competitors. A crisis reaction has manifested, leading to cutting of course offerings.
- Faculty member in the Thompson School have reviewed RCM.
- RCM makes sense.
- If university enrollment is capped, then **increased enrollment for a college means stealing students from other colleges**.
- If academic mission is primary, but **lost faculty** cannot be replaced, then a downward spiral commences.
- **Need to replace lost faculty** or lose programs.
- **Assessments** provide a disincentive to pursue research grants from agencies which **provide low IDC rates**. Cited an **assessment rate of 23%**. **Deans offices are discouraging** faculty from submitting such proposals. Need a **sliding scale or adjustment of assessments** on grants.
- Under Andy Rosenberg RCM was not passed on the departments.
- When RCM began, **tuition waivers** were passed to the colleges. Some were converted to other uses.
- Described personal difficulty involving his daughter, study abroad, and lack of tuition waiver. There should be a **sliding scale of assessments for small classes**. RCM provides **disincentives for small classes**.
- Difficulties posed by **23% assessments on research grants with only 15% - 20% IDC rate**.
- Believes **Facilities charges on grants are double-charging**, since a this is already paid through IDC.
- RCM leads to **stealing credit hours from other colleges** – the development of entertaining courses designed to draw students from other colleges.

- **Enrollment cycles** are not dysfunctional, but are the result of normal cycles in the inclinations of parents and students.
- **Faculty have been lost** in his program and not replaced and this is leading to fewer course offerings and therefore **enrollment decline**.
- **College culture has become dominated by financial concerns**. This is getting in the way of strategic planning.
- **Research faculty** are bringing revenue to the college, yet courses offered by these long-time members of the COLSA community have been cut to save money, with little regard for the contributions made by the research faculty members, who were treated in this regard as if they were beginning faculty. The state appropriation drawn by these faculty should be used to help support them.
- Concerned about **operational costs of future buildings**, the new coastal lab as an example. The Marine Program can only contribute so much to operational costs of the new lab. Encourages rolling new buildings into the RCM model, even if the main source of funds is not state dollars. If not, there is little incentive for faculty and others to pursue sources of funding for new buildings that would advance the academic agenda.
- Thompson School is financially lean with a clear mission and vision. Have been asked to cut another 16% of budget, but the school has **no control over institutional overhead, no control over the budget or performance of Facilities**. Described situation with outsourced custodians and substandard service, regarding which the school has no say or control.
- TSAS has a lot of “real estate” – a lot of buildings. There is an **improper incentive to cut “floor space.”** There is a disincentive to have laboratories, since these are charged to the college and not to the Registrar.
- Increased costs plus enrollment ceiling leads to cutting costs, program displacement, and loss of faculty. Is there an **underlying agenda in RCM to displace faculty?**
- **RCM has unfairly made COLSA’s financial situation a primary focus.**
- COLSA is **giving away a lot of instruction**. When COLA faculty offer a 4 credit course it isn’t the same as when COLSA offers a 4 credit course plus accompanying lab. The college is not gaining revenue for the lab; the lab is a bonus. **Separate revenue should be provided for labs.**
- Space charge issue: depts/colleges must furnish equipment in **labs** and must pay to use the space for teaching purposes – totally instructional function, yet must pay for the space.
- Had awaited a declaration of **RCM principles** from the deans at the outset of RCM; this never came. **Central RCM principles violated right away**; used examples related to \$1,000 parking charge and the change in library funding structure.
- Responsibility and authority must go hand in hand. Unclear where the authority lies. Need collaboration and shared authority for RCM to work.
- Should be **discounted assessments for teaching and research**. **Deans discourage faculty from submitting proposals for grants with low IDC.**
- Said faculty at Indiana University are provided direct incentives for teaching big classes rather than small classes.
- Doesn’t believe the **credit hour weighting** of COLSA vs. CEPS is reasonable.
- Expenses are going to increase, but a university can’t always increase enrollments.
- Part of COLSA’s financial difficulty is due to mistakes made by administration – miscalculations. This is not the faculty’s fault.
- Need a governance mechanism ensure **curriculum review**, so colleges aren’t **stealing students** from one another.
- Likens RCM to a circle of colleges passing a grenade around.
- **Credit hour weighting** is an issue.
- Philosophy is changing. She now looks at all decisions with an eye toward the financial picture rather than academic concerns – the **budget instead of the academic plan**. Understands the

institution must have sound financial management, but is not comfortable with this new way of doing her job.

- Need to find a way to de-emphasize competition and ensure that RCM is a help to all.
- **Current focus is clearly on how many students are taught.**
- Thinks its important to acknowledge that **colleges are not all the same.**
- The beauty of RCM is the amount of information available. He understands his departments budget much better than ever before.
- The review should find a way to encourage everyone to work together instead of against each other.
- Incremental analysis is needed. Used examples of IDC and external degree students. Incremental analysis could help administrators decide to accept or forego programs.
- Described situation in which his department must pay \$1,000 per parking space for their three vans. **RCM is causing Transportation Services to pass increased costs on to customers.**
- **RCM has been a factor in putting COLSA in financial distress.** There is no evidence that college organizational structure caused this. He requests that the displacement process be suspended until the RCM 5 year review is complete.
- Would like to see exploration of the **whether the new Discovery Program can succeed in light of the recent faculty losses.**
- Believes there is improper incentive to turn a 4 credit course into two 3 credit courses.
- Ridiculous to charge a volunteer \$8 for a parking permit when they are coming to teach a course.
- Seconded irrationality of visitor parking charges, citing example of voluntary research subjects forced to pay. Her department now budgets funds to cover these parking permits.
- **Facilities charges** are unbelievable. It is robbing Peter to pay Paul. Central charges such as these and **charges for ethernet drops** should be investigated.
- RCM provides incentive to collect credit hours, **causing colleges to steal from colleges.** If RCM is passed to departments, then departments will steal from other departments.
- This provides improper incentive – just moving bodies around – this is contrary to academic goals.
- Excellent custodians quitting because of fear of outsourcing.
- **Revenue tax on pass-through money** for Ecoquest; disincentive for innovative programs, which really don't place a burden on UNH since all we ask for is one check cut each semester from that money.
- We **pay for services** like building repairs and building maintenance, yet **when decisions are made** like outsourcing and cutback of services, **we in the buildings and depts are never consulted.** If we decide to outsource, why can't we do it at the college lovely, and specify who works for us and what we want them to do?
- University **responsibilities for buildings** vs. College are unclear.
- These are the biggest ones for me, beyond the ones like our relative tuition weighting, etc
- My experience at UNH covers both the pre-and post-RCM period. I agree there were problems with the **previous system**, one of the worst of which (but could have been altered) was the insistence by the Trustees that there be **no carry-over permitted** from one FY to the next.
- **RCM puts almost everything in the hands of the unit manager**, and if the manager bungles everything, then there is really no protection for the subunits (i.e. academic departments). I feel that all that has happened in COLSA has confirmed that my concerns were well founded. Until financial competency becomes one of the parameters used to evaluate applicants for positions as administrators at UNH, I think we are likely to be in situations, such as we're in now in COLSA, for an indeterminate period.
- Of course I can discern other problems: I strongly suspect that the **reset-zero-"hold-harmless" calculations were not done accurately** (though you know more about that than I do, and if you're satisfied, I'll table the complaint). Also I think it's **ridiculous to have pay for TEACHING space for labs but not for lectures** (if I am correctly informed about that, not sure).

- You know enough about the management of COLSA since RCM came into being to be able to reach your own judgment about the wisdom of successive deans in making their decisions. And you can judge whether the accountants have put in place adequate control mechanisms to prevent overspending from specific accounts, etc. I'm not ready just yet to conclude that RCM is intrinsically a flawed system. But any system depends on people to execute it. The best ones are, perhaps, as described by Herman Wouk in "The Caine Mutiny," where it was said that the U.S. Navy is a wonderful system designed by geniuses for execution by idiots. At the very least, **RCM needs to be made far more foolproof than it is now**, at least until such time as we can have some assurance that financial managers can be found who are actually able to perform competently.

Bruce Mallory indicated there will likely be a clarifying document issued in January. This will address misconceptions about RCM.