I. Roll - The following Faculty Senate members were absent: Balderacchi, de la Torre, Henke, McMahon, Morris, Niman, Pugh, Sohl, and Williams. Excused were Bornstein, Crepeau, Draper and Gross.

II. Discussion with the President - President Leitzel said that, due to planned enrollments which did not materialize, the academic departments must adjust their budgets by $2.2 million, either by increasing revenues or by reducing expenses. The Deans’ Council prepared recommendations for the president, which she has passed on to the senate chair and asked for response from the Agenda Committee and the Academic Affairs Committee. Academic program reductions usually also have revenue consequences, and we must only look at net savings. Cost transfers to other units in the university are not net savings. The president said that the Faculty Senate does not have authority over the curricula of the colleges except as they impact other programs. She added that we will need a group to review proposals to be sure that they do not transfer costs to other units and also to be sure that one unit does not encroach on another’s area. In addition, this group could give guidance regarding such issues as general education, writing requirements, the number of credits allowed per course, and so on. Faculty should consider interdisciplinary programs and make recommendations on how to deal with them. No displacement of faculty has been proposed in these budget recommendations.

A professor asked what is the hope that the future will be different; and the president responded that she expects improvements to result from decentralization of the budget process, better enrollments, private fund raising, increasing research funding and more industrial funding. However, the surrounding states are pumping money into their financial aid packages, and we cannot compete with that. Our alumni advocacy network is taking shape. A faculty member pointed out that, if responsibility-centered management were instituted, there would be competition between departments, which would result in both good and bad consequences. Before a decision is made, we should take a hard look at what the principles and structures will be, since there is wide concern about the plan.

III. Communications from the Chair - The chair said that the Campus Journal will include a notice that everyone now should be using the 1998/99 parking permits. John Miller is our new faculty representative on the Parking Appeals Board. The Faculty Senate’s Library Committee will take a tour of the new library. If faculty have any concerns or questions about the library, they should contact Robert Stibler, the chair of that committee. The library dedication will be at 1:30 on October 1 in the Murkland Hall courtyard. A faculty advisory committee on enrollment management is being set up. A committee from the Faculty Senate is meeting with the provost to suggest a mechanism to minimize negative academic impacts from competition between colleges resulting from
the implementation of responsibility-centered management, e.g. teaching courses which would more appropriately be taught in another college or adjusting credit hours to increase revenues. This committee will include the Agenda Committee members and the chairs of the Faculty Senate’s Academic Affairs Committee and Finance and Administration Committee.

John Crosier will speak to the Faculty Senate on November 9 in the 1925 room of the Alumni Center. He is president of the Business and Industry Association of New Hampshire and will provide an outside perspective and discuss ways to facilitate relations with the business community. In addition to the Faculty Senators, certain members of the university community but not the press will be invited to the meeting. There will be a reception following the meeting.

The distinguished alumni event has been scheduled for February 7, 8 and 9, in order to recognize distinguished alumni, publicize the work of the faculty and educate students and the public. The three alumni participating this year will be nationally-known author Alice McDermott, Dr. Bruce Watson who is the Institute Professor of Science at Rensselaer Polytechnic Institute, and Dr. Richard Linnehan who is an astronaut and doctor of veterinary medicine.

IV. Minutes - The minutes of the September 14 Faculty Senate meeting were unanimously approved with amendments to change one section to refer to “about 1,250 fewer students apply”, rather than admitted, and add sentences saying that some senators had expressed concern about the Agenda Committee’s role in the budget process and that the president had responded to a question about her role in the negotiation process by saying that the negotiation process is one in which the president has no direct role and that fair labor practices limit what she can say to faculty about issues under negotiation. She added that she was disappointed about the impasse.

V. Budget - The UNH budget is a smaller portion of the USNH budget now than it was eleven years ago, from 72.7% in 1987 to 70.9% in 1998. The annual grown rate in UNH revenue has been 6.9% since 1987, whereas the system’s annual growth rate of revenue has been 7.2%. The university’s general fund percentage from the state has gone down from 37.2% to 29.1%, and its reliance on tuition and fees has gone up from 49.4% to 60.8%. Auxiliary funds are ancillary activities such as dining services, recreation, and the New England Center. Internally designated funds are those funds which have been restricted by a decision within the university, with such a decision being theoretically changeable by the university. The university’s general fund revenues have had an annual growth rate of 6.1% since 1987, but the expenses have risen by 6.4% annually. In terms of UNH general fund expenses, institutional support from 1987 to 1998 has decreased by more than half, as a percent of the whole general fund, from 13% to 6.1%; and financial aid has taken a comparable rise, from 5.9% to 13%. Expenditures for instruction (support to the academic departments) have increased a little, from 40.0% to 40.8% of UNH general fund expenses. Support of the system is up from 3.6% to 4.9% of the UNH general fund expenses, and UNH now contributes about eight million dollars annually to the system. The Vice President for Finance and Administration is meeting to
discuss this issue. When the higher education price index is taken into account, state appropriations per student have lost ground.

In future budgets, the cost of financial aid will be shown as an offset to revenue rather than as an expense. The VPFA will check on whether non-tenure-track faculty have increased more than tenure-track faculty or vice versa. The unfunded liability for future post-retirement benefits are viewed in different ways by the system and the university budget planners. Since no new people can enroll in this program, it will eventually disappear; and since the university can now pay for it from the current benefits program, the VPFA feels comfortable with her budget view in this regard. The only difference between the “as audited view” and her “budget view” is in where the prior-year fund balance is listed. The bottom lines are the same. A new item is the establishment of an EOS reserve of $954,000, and so those funds will no longer wash through the carry-forward section of the budget. A professor asked why there was a half million dollar increase in our contribution to the system from FY 1997 to 1998. Academic departments were asked to decrease funding, but the system funding increased. The VPFA will provide a further breakdown of those system funds when she comes to the next senate meeting.

There has usually been about $3.7 million in carry forwards to the following year. If the EOS reserve, which is a new category this year, were added to the 1998 carry forward, that would be $2.3 million this year. A faculty member asked how fast we depreciate computers, and the VPFA will return with that information at the senate’s next meeting. Although on 6/30/98 UNH had a fund balance of $315.8 million, only $50.5 million of that is expendable. Quasi endowments are funds which UNH has decided to restrict, such as for endowed chairs or library support. Campus reserves should be 5% or eight million dollars but are actually only three million dollars. $6.5 million listed as plant fund balances for construction in progress are for Morse Hall and the Dimond Library.

This year’s budget was balanced by the use of $3.2 million in one-time funds. There is a $4.5 million deficit for next year which is being dealt with now. The university was able to recover a $1.7 million error in the calculation of the fringe benefits which UNH had to send to the system. A professor asked why this university is having an enrollment problem when other universities are not. A projection had been made based on a bulge in the high-school graduation rates, and also other states have increased their financial aid packages. Changes are being made now in enrollment management at UNH. A faculty member in the sciences said that we compete with other schools which have much more modern equipment than we do. The vice president for finance and administration asked that senators send any additional questions or concerns to her on email at ccorvey@christa.unh.edu. She will return to the senate at its next meeting, to discuss responsibility-centered management.

VI. Committees - Chairs have been elected for all the Faculty Senate standing committees, except for the Research and Public Service Committee due to illness. Deb Winslow has been elected chair of the Faculty Senate’s Academic Affairs Committee and has therefore resigned from the Agenda Committee. A motion was made, seconded and
passed unanimously that Don Chandler become the new member of the Agenda Committee.

VII. Open Mike - A web site for responsibility-centered management may be reviewed at www.unh.edu/rcm, and there is also an article on the subject in the Campus Journal. A web page for the Faculty Senate is now being created. A professor thanked the vice president for finance and administration for her presentation and asked that in the future more time for discussion be allowed at the end of the presentation. The meeting was adjourned.