

UNIVERSITY OF NEW HAMPSHIRE  
2001-02 FACULTY SENATE  
FEBRUARY 11, 2002      MINUTES SUMMARY

I. Roll - The following Faculty Senate members were absent: Barcelona, Becker, Burger, Denis, Fletcher, Frankel, Halstead, Miriam, Niesse, Pollard, Simpson and Zercher. Excused were Afolayan, Ashwell, Garofalo, Merenda, Trowbridge, Trzaskoma, Tucker, Tuttle, and VonDamm.

II. Communications with the Vice President for Financial Affairs - VPFA Candace Corvey said that about seventy-two percent of the USNH operating budget for fiscal year 2001 went to UNH and that this amounted to \$319,000,000. In recent years, UNH faculty have succeeded in attracting more research grant funds, and thus the UNH budget for research and public services is now higher than the UNH budget for instruction. The next largest category, auxiliaries, includes the operating budgets of the residence halls and dining halls paid for by student fees. The academic support category includes the library. UNH also contributes about ten million dollars to the support of the system office, which includes the controller's office, computer services, and the chancellor's office. UNH pays seventy to seventy-five percent of the system office costs, on a pro-rata basis.

The UNH revenues in fiscal year 2001 were seventeen percent from the state, twenty-eight percent from sponsored programs and federal aid, twenty-six percent from tuition and fees, six percent from gifts and endowments, and twenty-three percent from other sources including auxiliaries. In former years, a greater percentage came from the state; but the state appropriation has steadily declined as a percent of UNH revenue, as the appropriation has not fully kept pace with inflation. Enrollments are expected to rise to the levels of the mid 1990s and then stabilize at that level.

Of the \$390,000,000 net assets of the university, over half is in the value of the physical plant; and \$153,500,000 is the principal of the endowment. The university may not spend the principal but does benefit from the earnings, most of which are directed to donor-designated purposes such as scholarships. \$16,200,000 is mostly federal funds for student loans and can only be used for that purpose. An equal amount is restricted funds from gifts for specific purposes. The unrestricted funds of \$7,200,000 are the only unencumbered liquid funds, and the university does not have a suitable level of reserves. However, due to rule changes generated by the responsibility-center management concept, the individual units are now able to carry funds over from year to year and have banked funds for future use. The carry-over rule works at the unit level and not for departments, because RCM deals with the unit level in order to smooth out the results of short-term swings in enrollment for any given department.

A professor said that there needs to be a stable system of criteria by which funds go to departments. The VPFA agreed and said that must come from each unit separately, since RCM relies on decentralized management. Among the schools and colleges, COLSA and SHHS have the smallest budget increase from fiscal year 01 to 02. RCM works on a two-year moving average of credit-hour production for the distribution of new tuition revenue to the units. The 8.35 percent increase for NHPTV came from earmarked state appropriations, memberships, and

fund raising. In the formula which allocates net tuition, there is a weighting factor of 0.8 for Liberal Arts and 1.5 for CEPS; and this formula is intended to recognize the material differences in the cost structure, including salary-level differences among disciplines throughout the country. The weighting formulas have been and will be reviewed regularly. At the end of the fifth year of responsibility-center management, the provost will chair a committee to determine RCM's effectiveness and its impact on academic quality. The committee will consider historic data for this campus and aggregate data from across the country and will review such issues as faculty/student ratio, grade inflation, and the use of adjunct faculty and graduate students for instruction. The review will also include a survey at UNH.

The replacement value of the university's physical plant is \$900,000,000, but the deferred maintenance needed is calculated at \$250,000,000. The renovation of Murkland Hall and Kingsbury Hall has been approved; and in addition, NHHEFA tax-exempt bonds will pay for a new dining hall, a new residence hall, and renovation of Congreve Hall. This will provide 350 more beds for students on campus. The dollar amounts requested for renovation of several other UNH academic buildings were based on cost estimates that are at least two years old, and such costs tend to increase.

Project FRESH is a several-year project to replace the financial and human resources information system. For financial information, the old system was replaced on January 2 of this year; and the new human resources system is expected to go on line on July 1, 2003. The financial system started in January rather than at the beginning of the fiscal year, because the software was delayed by the vendor. These systems are expected to make management reporting easier, when they become fully functional.

The fringe benefits for the entire university system cost \$72,000,000 and have an annual deficit of \$5,500,000 which is rapidly increasing. The largest increase is for health insurance. The university system is considering taking a number of steps, many of which will be subject to negotiation with the faculty union before they can be put in place for faculty. These steps include raising the fringe-benefit rate charge to department budgets from thirty-five to thirty-nine percent over two years and increasing the faculty and staff contributions for medical benefits. In addition, the plan may include decreasing benefit costs by instituting more aggressive competitive bidding, designing plan changes, adding waiting periods for eligibility for certain benefits, and combining with other groups in the state to form consortia in order to increase the leverage for negotiation with the health insurance companies. The PAT and Operating Staff Councils are now reviewing these options. Any changes would be approved by the Board of Trustees and the chancellor.

The university is drafting a plan for parking and transportation changes, and some of these ideas also must be negotiated with the faculty union. Many models were considered, including the parking system at Cornell University. In early March, the Transportation Committee will issue its preliminary recommendations which will go to the constituent groups for input; and the final draft is expected to be sent to the president before she leaves the university. The plan includes a feasibility study for a parking garage, changes in permit prices and permit eligibility, improved public transportation and shuttle service, modifications in class scheduling, and closer housing for some students and perhaps also faculty. Previous suggestions for additional faculty housing are being reviewed. Changes at road intersections are also being negotiated. Next fall the

university will begin an update of the Master Plan and consider a possible location for the parking garage, perhaps near the Whittemore Center and the train Station.

III. Report on Responsibility-Center Management, from the Senate's Finance and Administration Committee - The committee looked at memoranda prepared by each dean, on how RCM will be administered in that unit. Each department works up a budget and submits it to the dean for approval or modification. Some deans provided more detailed plans than others, and Liberal Arts has a system of planned review for RCM. COLSA plans to post information on its primary budget to the Blackboard website. In CEPS, departmental reserves may remain in the department for future use. The SHHS plan says that, if a new program is introduced, another program must be eliminated.

IV. Report from the Senate's Library Committee, on the Impact of RCM on the Library - Half of the library's budget goes to purchase library materials. This year the total budget for the library was \$12,500,000, of which \$11,000,000 comes from the state. An increase is planned of five percent per year, but the costs of the usual materials the library purchases for its collection are rising at a rate of twelve percent per year. The university was able to find one-time funds, including a monetary donation, to allow for the purchase this year; but a long-term solution needs to be found.

In order to add a journal to the purchasing list, a department must remove a similar item from the list. Usually when a deletion is considered, an announcement is made to other interested departments to see if any other department might wish to take responsibility for that journal. RCM planners had set up the library budget as coming mostly from the state, in order to protect the library from fluctuations in student enrollment at the university.

V. Minutes - The minutes of the last senate meeting were unanimously approved.

VI. Communications from the Chair - The senate chair announced that, after receiving feedback, the General Education Study Committee is writing another draft of its recommendations and may be ready to present them to the Faculty Senate on March 25. The senate will need time to review the document. The senate chair said that time will be provided to discuss the recommendations in the senate, that the changes proposed are substantial, and that if necessary the senate might continue the matter to the fall. The senate chair met with the assistant vice president of Computing and Information Services, who wants to work closely with the senate to discuss and coordinate proposed changes in CIS policy. The senate chair is working with the UNH Office of Publications, to prepare this year's Faculty in the News. The chair said that spring-clean-up day will occur soon and that the university scholarships will be announced then.

VII. Academic Action Plan Task Force - Two senate committees are working on the academic action plan. When these committees have developed action plan strategies, the task force will review those strategies and bring them to the senate for input. The task force chair will meet with Jim Varn next week on these matters.

VIII. Faculty Lunch Meetings - The senate host of the December 7 faculty lunch meeting said

that the faculty who attended that meeting had an interesting discussion of responsibility-center management and its effect on the departments and also a discussion on the university system, its history, effectiveness, and whether the system office operates under budget restraints. The chair of the senate's Library Committee hosted the December 14 faculty lunch meeting and said that the faculty at that meeting discussed the needs of the library and also a number of aspects of the parking and transportation situation. The senate chair asked that senate committee chairs arrange for faculty to attend the luncheons and that the chairs inform the senate office in advance of any cancellations or changes in schedule. Perhaps the host should also send a reminder to the invitees just before the luncheon.

IX. Other Business - A professor asked that everyone be vigilant to close windows in university buildings, in order to prevent frozen pipes and resultant flooding of offices or classrooms.

X. Adjournment - The meeting was adjourned.