

RCM APPROVAL ▼

Below is the letter of approval written by President Joan Leitzel to the RCM Steering Committee authorizing the University to implement RCM.

January 14, 2000

TO: The UNH Community

FROM: Joan R. Leitzel, President

SUBJECT: Implementation of RCM

For the last eighteen months our campus has engaged many people in an effort to develop a decentralized budget model for UNH. This project has been tagged Responsibility Center Management (RCM). You may recall that the timeline for the development of RCM calls for me to make a go/no go decision this month.

I have reviewed again all of the planning documents and the recommendations from various groups. The RCM Steering Committee has unanimously recommended that we proceed to implement the new model for the 2000-01 fiscal year. Vice President Corvey's letter on behalf of the Committee is printed in full below.

On December 22 I met with the RCM Steering Committee, the Deans' Council and the Vice Presidents to review the Steering Committee's recommendation and to discuss issues still remaining to be addressed before implementation. My judgment is that we are ready to commit to a July 1, 2000 implementation.

Let me comment briefly about why I am comfortable with this decision. First, the process has been thorough, open, and inclusive over the last eighteen months. More than 40 administrative staff, Deans, and faculty have participated on the various committees and working groups associated with the project. The Faculty Senate, staff councils, research center directors, and department chairs have been engaged as well. I am particularly grateful to the Faculty Senate whose concern for academic quality has helped formulate appropriate controls within RCM and provided a basis for the continuous evaluation of the model, and to the research center directors who helped ensure that RCM will support UNH's research enterprise. The preponderance of opinion, although not unanimous, favors RCM with some important cautions which I will address more specifically later in this memo.

Second, I am convinced that the potential benefits of RCM are significant for our University. In the new model:

1. Budgets will be more responsive to changes in activity.
2. There will be greater local authority and responsibility for financial matters
3. There will be stronger incentives for cost effectiveness and revenue generation.

4. There will be greater clarity about the University's finances in general.
5. There will be emphasis on longer term planning.

Third, I am persuaded that we have designed an adequate structure to address the cautionary advice we have received. Let me provide some examples. The new University Curriculum and Academic Advisory Committee will advise the Provost, and he and I will ensure that academic quality is monitored and maintained. The Vice President for Research and Public Service and I will work together to ensure that a supportive and invigorating research environment is maintained. The Deans will provide clear plans this month as to how they will use the principles of RCM to benefit academic units and how they will involve the faculty in resource allocation and management. Performance criteria for administrative personnel will include effectiveness in managing RCM responsibilities. This month a comprehensive academic planning initiative will be launched under the leadership of the Provost and will provide in time an institutional action plan for achieving University priorities. The University Budget Office is prepared to offer continuous training and support for financial officers in the units and to facilitate development of management reports for unit heads. The System Office and the Trustees are supportive of this change; I have received written confirmation from the Chancellor that the policy and procedural changes RCM requires with respect to more campus control over reserves and carry-forwards, as well as the elimination of the distinction between salary dollars and other dollars, will be implemented.

In addition to providing for continuous monitoring of the new model, the plan also calls for a comprehensive review of the effects of the new model after five years. I believe that it is important now to set forth the criteria on which we will base our judgment after five years. Information about the review plan is available on the RCM website. The evaluation criteria are still to be finalized, but they derive from the objectives we set for ourselves when we began the process of considering a decentralized model. They should include trends in academic quality and student quality, research vitality, various measures of institutional financial health, and faculty and staff attitudes toward the new budget process. Both quantitative and qualitative information can be used in this assessment.

The RCM project has been a major effort for the entire University and has required a significant commitment from a great number of people. I want to thank every member of the UNH community who was involved in the design of the new model or who took the care to offer thoughtful criticisms and concerns. A change of this magnitude is actually not a single event, but rather a work in process for an extended period of time.

In his *Campus Journal* article on RCM, Provost Hiley wrote, "We must remember that RCM is merely a tool. Like any tool it can be used well or badly. It is not a substitute for decision-making, judgment, or leadership. It is merely an aid. The ultimate success of RCM depends upon the people who use it—and how we at UNH choose to use it, how we prepare ourselves to use it well, and how we are held accountable for using RCM to achieve University-wide goals." I am confident that we will use this new tool wisely over the next decade to the benefit of our programs campus-wide and to the strengthening of the University.