

# UNH Officials Announce New Decentralized Budget Model that Makes Campus More Efficient, Accountable, Adaptable

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UNH News Bureau

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DURHAM, N.H. -- University of New Hampshire officials are scheduled to inform trustees today that the campus will be ready to implement, on July 1, 2000, a new decentralized budget system that will strengthen incentives for cost effectiveness as well as revenue generation.

UNH President Joan Leitzel will report on the new budget model at the University System of New Hampshire Board of Trustees business meeting in Lebanon.

The new budgeting model, called Responsibility Center Management, or RCM, will be more responsive to a changing economy and will offer greater authority and financial responsibility at the departmental level. "In general," Leitzel notes, "there will be greater transparency concerning the university's finances, a feature welcomed by both the campus community and our constituencies beyond Durham."

Responsibility Center Management -- a concept that a number of public universities in the nation adopted during the 1990s -- is being called "a progressive and timely change" by Bruce Keough, chair of the University System of New Hampshire Board of Trustees. "This shift to RCM is an important part of a broader effort by Trustees to decentralize responsibility and accountability within the University System. It also will enable institutional leaders to focus on strategic planning and more closely align institutional goals with those of the state and its citizens."

Keough added, "The trustees have supported UNH's developing and now implementing a new budget system that will ensure that resources and programs are

directed to meet future needs."

Beginning on the first day of the university's new fiscal year, July 1, each budgetary unit at UNH will have its own revenue stream and may compete for additional institutional resources on the basis of its plans and performance, according to Candace Corvey, UNH vice president for finance and administration. Each unit will be responsible for managing its full costs within the limits of its combined resources from all sources including federal, state, private donors, as well as tuition and fees.

"Our current model takes a centralized and incremental approach to budgeting, and doesn't work well in situations requiring flexible, creative responses to financial problems," Corvey explains. "It tends to favor the status quo and is not incentive-based. With RCM, UNH as a whole will be greater than the sum of its parts, but each of the parts will have considerable influence over its own destiny."

Faculty, staff, administrators and deans have spent the past 18 months in working groups to develop and build the new system. Leitzel says the Faculty Senate review has provided a basis for continuous evaluation of the model. "The senate's concern for academic quality has helped formulate the appropriate controls within the new model," says Leitzel.

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. "The criteria on which we will base our judgment follow from the principles underlying the new model," Leitzel explains. "While the evaluation criteria are still to be finalized, they will 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."

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