A Well-coordinated Approach to Public Higher Education in New Hampshire

Greater efficiencies and coordination benefit NH students and the state

The University System of New Hampshire (USNH) includes the University of New Hampshire (UNH) at Durham and Manchester, Plymouth State University (PSU), Keene State College (KSC), and Granite State College (GSC). About 31,000 individuals enroll annually.

The University System is directed by a 27-member Board of Trustees. The overall administration of USNH is the responsibility of the chancellor, who is selected by the Board to be the chief executive of the University System. The System Office performs numerous essential services for the USNH Board and the four component institutions that create efficiencies, make good use of limited resources, and enhance overall coordination. There are major benefits to the Board and each campus by running select non-academic services through a single entity instead of at all four separate organizations.

USNH – Established by an Act of the Legislature

All three USNH residential institutions have been in existence for more than a century. The University System was created by the Legislature in 1963 to:

- Increase educational opportunities for New Hampshire citizens
- Minimize costs through economies of scale
- Consolidate and coordinate New Hampshire’s public higher education resources
- Improve and advance the state’s higher education institutions

USNH — Meeting greater financial aid demands for NH students

Financial aid for in-state students from USNH educational and general sources has seen a nearly six-fold increase from $5.2M in FY02 to $30.8M in FY12.

A System-wide Approach Looks out for the State’s Interests and is Good Business

The system-wide approach is working. Through a single statewide Board of Trustees and System Office, we can look beyond the specific missions of individual institutions, objectively assess the State’s educational and workforce needs, and develop a coordinated strategy to address those needs. In addition, a single board and central administration avoids duplication in common administrative efforts and delivers services that are the most cost-effective via economies of scale.

Since FY00, full time equivalent enrollment at USNH institutions has grown by 22.6% whereas the state’s support for USNH has shrunk by 28.1%.

USNH constantly evaluates workforce needs to make sure the institutions are educating and training people in these current and future demand fields. Only a system perspective with a statewide view that can tap expertise across institutions can fulfill these needs in a coordinated fashion. Good business practice means using limited resources as efficiently as possible. At a time when state support has been reduced to its lowest levels in decades, taking this coordinated approach makes both fiscal and operational sense.
Examples of Centralized or Shared Services
Centralized services provided by the System Office include the following functional areas: Board operations, academic research & planning, human resources, legal, treasury, capital planning, audit, budget, accounting, purchasing, and government affairs.

Some specific functions include the following:
• Administer a Benefits Program for 4,300 full time employees and their dependents plus roughly 6,700 additional part time workers, including adjunct faculty and student workers
• Administer Corporate Tax and Regulatory Compliance, including filing nearly 18,000 W-2 forms
• Coordinate all bond issues, debt service and Banking Relationships
• Control receipt, disbursement and investment of all Institutional Funds
• Oversee and administer Contracts
• Develop and implement annual and biennial Operating Budgets
• Coordinate and oversee Capital Budgets and projects
• Oversee and support Collective Bargaining contracts
• Provide centralized Legal Counsel services; Internal and External Audit services; and Management Information Systems for Finance, Human Resources and Grants Administration for all institutions

The Role of the USNH Board of Trustees
Board members are unpaid volunteers – some appointed by the Governor, some elected by alumni of the four institutions, some students, and some state officials – whose responsibilities include long-term planning, mission and goal setting, and policy level decisions. They devote several days each month to the Board, but that is not sufficient time to assess and oversee the day-to-day programs and operations of the specific organizations that are extremely complex, personnel-intensive and highly regulated.

The four institution presidents work regularly with the chancellor, as the chief liaison to the Board, in recommending and implementing Trustee policies and actions. The System Office both leads and serves, and the chancellor’s staff are the principal links with the Board and the institutions.

The System Structure – Common in Small and Large States
The predominant model for multi-campus boards throughout the US is governance over a small number of institutions. Over half of the boards govern five or fewer institutions, as is true for the University System of New Hampshire. Even as a small system, USNH can significantly reduce costs and create efficiencies that result in lower rates of institutional support (administrative overhead) as demonstrated in the chart to the left.

In summary, the University System model in New Hampshire is working extremely well. It helps New Hampshire make the most efficient use of its limited resources while enabling the USNH colleges and universities to focus on serving student needs.