

HB 603-FN – AS INTRODUCED

2013 SESSION

13-0037
04/05

HOUSE BILL **603-FN**

AN ACT relative to the administration of the university system of New Hampshire.

SPONSORS: Rep. Parsons, Straf 1; Rep. D. McGuire, Merr 21; Rep. Weyler, Rock 13;
Sen. Cataldo, Dist 6; Sen. Reagan, Dist 17

COMMITTEE: Education

ANALYSIS

This bill makes changes to the office of the chancellor of the university system of New Hampshire and revises the student trustee membership on the university system of New Hampshire board of trustees.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the administration of the university system of New Hampshire.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Division of Higher Education. Amend RSA 21-N:8-a, II(a)(1) to read as follows:

2 (1) The president of the university of New Hampshire; the president of Keene state
3 college; the president of Plymouth state university; the chancellor of the university system of
4 New Hampshire; ***the president of Granite state college***; a president of one of the institutions of
5 the community college system of New Hampshire, to be chosen by the board of trustees of the
6 community college system.

7 2 State College and University System; Administration. Amend RSA 187-A:13 to read as
8 follows:

9 187-A:13 Trustees of University System. The general government of the university system and
10 its constituent divisions and institutions shall be vested in a single board of [27] trustees composed
11 as follows and in accordance with the following conditions:

12 I. [~~Eight~~] ***Seven*** ex-officio members: the governor of the state, the chancellor of the
13 university system, the commissioner of agriculture, markets, and food, the commissioner of
14 education, the president of the university of New Hampshire, the president of Plymouth state
15 university, the president of Keene state college, the president of the Granite state college[;].

16 II. [~~Eleven~~] ***Nine*** members appointed by the governor with the advice and consent of the
17 council[;].

18 III.(a) [~~Two members~~] ***Four members*** shall be students enrolled at [~~Keene state college,~~
19 ~~Plymouth state university, Granite state college, or the university of New Hampshire~~] ***the***
20 ***institutions listed below*** who shall serve as student trustees, for the term indicated in this
21 paragraph[~~, on a rotating basis in the order listed below~~]:

22 (1) One student [~~each~~] from the university of New Hampshire [~~and Plymouth state~~
23 ~~university~~].

24 (2) One student [~~each~~] from Plymouth state university [~~and Granite state college~~].

25 (3) One student [~~each~~] from [~~Granite state college and~~] Keene state college.

26 (4) One student [~~each~~] from [~~Keene state college and the university of~~
27 ~~New Hampshire~~] ***Granite state college***.

28 (b) The student trustees shall be elected by the student body at the school responsible for
29 providing the student trustees. The term of the student trustees shall be for one year commencing
30 July 1 of the year for which the student was elected and ending June 30 of the next year. ***The***
31 student trustees shall be expected to serve the full duration of their elected term. In the event that a

HB 603-FN – AS INTRODUCED
- Page 2 -

1 student trustee ceases for any reason to attend the school from which the student was elected, the
2 chancellor of the university system shall declare a vacancy in that student trustee position, and the
3 school causing the vacancy shall elect a replacement student trustee who shall serve for the
4 remainder of the predecessor's term. Graduation of a student trustee shall not constitute a vacancy
5 under this paragraph.

6 IV. ~~[Four members]~~ **One member** elected by the alumni of the university of
7 New Hampshire[;].

8 V. One member elected by the alumni of Keene state college trustee[;].

9 VI. One member elected by the alumni of Plymouth state university.

10 **VII. One member elected by the alumni of Granite state college.**

11 At all times, 2 members of the board shall be farmers and both major political parties shall be
12 represented on the board.

13 3 State College and university System; Operation of the Board of Trustees. Amend RSA 187-
14 A:15, IV to read as follows:

15 IV. Fourteen members shall constitute a quorum for the transaction of business, but not less
16 than 14 affirmative votes shall be required to elect the chancellor of the university system or a
17 college or university president;

18 4 State College and University System; Authority of the Board of Trustees. Amend RSA 187-
19 A:16, IV-V to read as follows:

20 IV. Establish an administrative board, comprised of the chief executive officers of each
21 component institution together with the chancellor of the university system, which shall be the
22 coordinating body for the university system. The board is responsible for recommending and
23 implementing policies and procedures which assist the campus presidents in discharging their
24 responsibilities in such a manner as to provide for maximum institutional initiative and
25 responsibility within a unified university organization.

26 V. Appoint and fix the compensation and duties of ~~[such other]~~ **a business manager and**
27 **up to 10** university system administrators ~~[as are needed]~~ to provide a well coordinated system of
28 public higher education. These system administrators shall provide assistance needed by the
29 component institutions in order to fulfill their individual educational missions and shall provide
30 services which facilitate coordination in order to serve the educational needs of the people of
31 New Hampshire.

32 5 College Tuition Savings Plan; Advisory Commission. Amend RSA 195-H:2, I(a)(6) to read as
33 follows:

34 (6) One member representing the college and university system of New Hampshire,
35 appointed by the chancellor.

36 6 The New England Higher Education Compact; Membership of Board. Amend RSA 200-A:3 to
37 read as follows:

HB 603-FN – AS INTRODUCED
- Page 3 -

1 200-A:3 Membership of Board. There shall be 8 resident members from New Hampshire on the
2 New England Board of Higher Education as provided in article II of the compact. One of such
3 resident members shall always be the chancellor of the university system. The second resident
4 member shall be the director of the division of higher education, department of education. The third
5 resident member shall be the chancellor of the community college system of New Hampshire. The
6 fourth and fifth resident members shall be citizens of the state appointed by the governor and
7 council. The sixth resident member shall be a member of the house of representatives appointed by
8 the speaker of the house. The seventh member shall be a member of the senate appointed by the
9 president of the senate. The eighth resident member shall be a representative of a private college in
10 New Hampshire appointed by the governor and council. The term of office for each of the first 3
11 resident members shall be concurrent with his or her term as chancellor or director. The term of
12 office for each of the latter 5 resident members shall be for 4 years and until a successor is appointed
13 and qualified, except that the term of any member of the general court shall terminate if such
14 member shall cease to be a state legislator. In that case, another member shall be appointed in a
15 like manner for the unexpired term. The term of the member representing a private college shall
16 end if the member's association with the private college terminates. Each member of the board shall
17 receive his or her expenses actually and necessarily incurred by the member in the performance of
18 his or her duties as a member. In addition to their expenses, the fourth, fifth, sixth, seventh, and
19 eighth members shall receive \$15 per day compensation for time actually spent in the work as a
20 member of the New England Board of Higher Education, provided that the total for expenses and per
21 diem compensation for any of such 5 members shall not exceed the sum of \$500 during any one fiscal
22 year. All expenses and per diem compensation shall be audited by the commissioner of
23 administrative services as expenses of other employees are audited and shall be a charge against any
24 appropriation provided for this purpose.

25 7 Effective Date. This act shall take effect July 1, 2013.

HB 603-FN – FISCAL NOTE

AN ACT relative to the administration of the university system of New Hampshire.

FISCAL IMPACT:

The University System of New Hampshire states this bill, as introduced, will have an indeterminable impact on state revenue and expenditures in FY 2014 and each year thereafter. There is no fiscal impact on county and local revenue or expenditures.

METHODOLOGY:

The University System of New Hampshire states this bill reduces the size of the System's board of trustees by two seats, and restricts the ability of the System's chancellor to appoint employees by limiting staff to "a business manager" and "up to 10 university system administrators to provide a well coordinated system of higher education." The System interprets the second provision as a restriction on the chancellor from hiring full-time equivalent (FTE) employees at its central office.

The System states the FY 2013 budget for the chancellor's office is \$11.0 million, down from \$12.6 million in FY 2010, and FY 2012 spending on the centralized administrative services of the chancellor's office represented 1.4% of operating expenditures for the System as a whole.

The System states these centralized administrative services represent the lowest overall administrative overhead among New England public university systems. The System states currently the chancellor's office is staffed by 71.1 FTE employees, who perform a number of centralized functions for the member institutions, including legal counsel, government relations, policy analysis, information technology planning, academic program coordination, controller, budget, treasury, internal audit, capital planning, contracts administration, purchasing, payroll, accounts payable, tax administration, human resources and financial systems, employee benefits and compensation, and support for the System's volunteer board of trustees. The System states these centralized functions are not duplicative of functions at the individual institutions, either not existing at the member institutions or serving as a complement to services offered there.

In a report presented to the System's board of trustees in July 2012, Huron Consulting Group (HCG) estimated the centralized services at the System offices result in between \$6M and \$9.5M per year in expense savings for the campuses. HCG concluded that devolving these

centralized services to the individual campuses would increase costs annually through 3 factors:

1. A loss of operational synergy and efficiency and a duplication of costs (\$4.2M - \$7.3M);
2. A rise in borrowing costs due to a deterioration of the System's bond rating (\$1.1M);
3. An upfront cost associated with the process of devolving the centralized services for each of the first five years after devolution (\$1M).

The System states, due to a lack of clarity in the specific terms of the bill and an uncertainty regarding the potential future actions the board may take in response to this bill, it cannot provide precise estimates of the fiscal impact of this bill. The System states the reduction in positions in the chancellor's office will not result in any cost reduction for the System as a whole.