



BOARD OF TRUSTEES SEPTEMBER 2023 STRATEGIC RETREAT

Meeting Held at University of New Hampshire-Manchester Multipurpose Room
88 Commercial Street, Manchester, NH
(September 15, 2023)

Meeting Minutes

In Attendance: Trustees present at meeting location: Governor Christopher Sununu (through agenda item number five), Chair Alex Walker, Vice Chair Jamie Burnett, Secretary Kass Ardinger, Donald Birx, Jamie Burnett, Emily Coutermarsh, James Dean, James Gray, Cathy Green, Patrick Griffin, George Hansel, Shawn Jasper, Kevin Knarr, Rick Ladd, Patrick Moore, Peter Paul, Mike Pilot, Morgan Rutman, Wayne Semprini, Christiana Thornton, Melinda Treadwell, and David Westover. Also in attendance and participating: Governor's Office Representative James Gerry.

Call to Order: At 9:00 am, Chair Walker called the meeting to order and noted the presence of a quorum sufficient for the conduct of business.

Chair's Remarks: Chair Walker welcomed new Governor's Office representative James Gerry and thanked Governor Sununu for his attendance and support.

Governor's Remarks: Governor Sununu acknowledged UNH President Jim Dean's upcoming retirement and thanked him for his service. The Governor then noted that this is a transformative time in public higher education and urged the Board to consider moving toward a more unified system of higher education in New Hampshire. This could include combination with the community college system, increased consolidation of operations, or some other fundamental change to how higher education operates in the State. Trustees sought and received advice from the Governor on how to manage the process of studying a potential combination of USNH and CCSNH. The Governor expressed willingness to issue an executive order creating a task force to review the possibility of a combination of USNH and CCSNH.

UNH Presidential Transition/Search: UNH President/Interim Chancellor Jim Dean recently announced his intention to retire in June 2024 after six years of diligent service to UNH and the System. Chair Walker thanked President Dean for that service. President Dean noted that it had been a privilege and that he planned to continue his work right up until the day of his retirement. Chair Walker noted that the search firm the System used for its prior search is available to assist with the search for President Dean's replacement. Trustees noted that a prerequisite to the search was a clear understanding of the scope of the role, particularly whether the incoming candidate would be expected to report to a System Chancellor, serve as System Chancellor, or operate under some other sort of structure. Trustees also discussed the possibility of seeking an interim President or Chancellor during this period of potential transformation. Trustees agreed to continue those discussions during the governance breakout sessions later in the day.

Ten-Year Directional Model and Campus Financial Plans: Chief Administrative Officer Cathy Provencher and Assistant Vice Chancellor Karen Benincasa presented a *pro forma* ten-year model of the System's finances. The model was designed to project the System's operating margin and cash flow over the next ten years if the System and its institutions made no material changes to their operations. It incorporated assumptions vetted by all three institutions as well as demographic projections reviewed by the New Hampshire state demographer. The model reflected financial challenges for the System in the coming years, particularly as projected incoming classes reach their lowest point in the fall of 2028. Trustees discussed the assumptions underlying the projections and received clarification from staff.

Nonpublic Session: Following this presentation, at 10:35 am, by motion made by Trustee Griffin and seconded by Trustee Hansel, the Board voted unanimously by roll call as follows to enter nonpublic session:

VOTED, that, pursuant to RSA § 91-A:3.II(j), the Board hereby enters nonpublic session in order to consider confidential, commercial, and/or financial information.

Return to Public Session: At 12:25 pm, upon motion duly made and seconded, the Board unanimously voted to return to public session. No reportable action took place during nonpublic session.

Recess: At 12:26 pm, Chair Walker recessed the meeting for lunch.

Return to Order: At 12:45 pm, Chair Walker called the meeting back to order.

Report Out from September 8, 2023 Meeting with EAB: CAO Provencher shared the results of a recent discussion held among the institutions' Presidents, CFOs, and Provosts regarding prospects for structural changes of the System in light of the financial challenges set out in the ten-year directional model. The discussion was facilitated by EAB. The discussion touched on several different options including restoration of an executive Chancellor, combination of the regional institutions with the community college system, or combination of the entire System with the community college system.

The conclusion of the group convened with EAB was that the possibility of a full merger with the community college system warranted careful consideration by a task force, ideally created by the Governor via executive order, because a combined system may represent the most effective configuration of public higher education for the State. The group also recommended that the System move forward with recruiting a new UNH President who would report directly to the Board and retain an interim nonexecutive Chancellor pending further consideration of the possibility of combination.

Trustees expressed openness to the idea of combining with CCSNH but emphasized the need to ensure that the Board did not lose focus on its existing institutions. Trustees also emphasized that merger alone would not be a solution for the System's projected financial challenges.

Breakout Sessions: The trustees and senior campus leaders present broke into smaller groups to discuss the recommendations arising out of the EAB report, the feasibility and desirability of carrying out those recommendations, and alternative approaches that should be considered. Each group consolidated its thoughts for report out to the full Board.

Report Out from Breakout Session:

Spokespersons from each of the breakout groups summarized the groups' thoughts on three issues: (1) the desirability of requesting that the Governor convene a State task force to analyze and make recommendations on a potential combination with the community college system, and what prerequisites the System believes would need to be in place for such a combination; (2) whether other structural changes to the System should be considered; and (3) whether and how to proceed with a search for a new UNH president and/or interim Chancellor. While the groups presented sequentially, the comments are summarized below by topic.

1. Potential Combination with Community College System: With different levels of confidence, each of the groups endorsed the idea of performing the due diligence needed to determine whether a combination of the System and CCSNH made sense. A consensus emerged that a task force convened by the Governor would be the quickest and most logical way to begin the conversation, especially in light of the Governor's remarks earlier in the day.

Potential membership of the task force was discussed, with consensus that the group should be small enough to act nimbly and should include representatives from the System, CCSNH, both houses of the General Court with bipartisan representation, and the Governor's Office, with the possibility of additional representation from students and other constituencies.

Trustees emphasized that to be successful, any request for a task force needs to be made in concert with CCSNH. Trustees also identified the need for State commitments to maintaining funding levels for any combined system and to taking on legacy pension and OPEB obligations of the community college system as prerequisites for any sustainable combination.

Potential benefits were identified as increased flexibility for students, the ability to align the State's higher education system as a whole with workforce needs, and increased accessibility and affordability while maintaining academic rigor. Potential risks were identified as diversion of effort from addressing financial challenges at current System institutions and the possibility that a combination would occur too quickly to allow for the significant operational effort that would be needed to integrate the two systems.

On motion made by Trustee Jasper and seconded by Trustee Gray, the Board voted unanimously as follows to direct the System to request that the Governor create a task force to study the potential combination of USNH and CCSNH:

VOTED, that the Board requests that the Governor issue an Executive Order forming a task force to review and make recommendations regarding the potential combination of the System with the Community College System of New Hampshire;

AND FURTHER, that the Executive Committee be authorized to draft a formal request including the recommended makeup of the proposed task force.

2. Other Potential Structural Changes: Some breakout groups discussed other potential structural changes, including possible merger of the regional USNH institutions with CCSNH or a change in the duties and responsibilities of the USNH Chancellor. The Chancellor discussion is set out in the following section. No consensus formed around any particular alternative structural change.
3. UNH President/Interim Chancellor: A consensus formed among the trustees that the System should retain Isaacson Miller, the search firm used by the System during the search which hired current UNH President/Interim Chancellor Dean, to lead the search process for his replacement. However, the breakout groups envisioned somewhat different details for the search process. The majority of groups supported the recommendation from the EAB group report that a search begin immediately for a new UNH President who would report to the Board. However, several trustees expressed concern that the Board had not yet had the opportunity to fully debate the questions of how the Chancellor position should be structured, whether the institutional presidents should report directly to the Board or to the Chancellor, and whether the new UNH President should also serve as Chancellor in some capacity. Some trustees advocated for an executive Chancellor in order to promote “systemness” and/or protect System institutions. Other trustees raised the challenge of having the UNH president report to a Chancellor when UNH represents a significant majority of the system’s overall resources, questioned the financial cost of hiring an executive Chancellor, and expressed concern over how a move to an executive Chancellor might affect the candidate pool for the UNH presidency.

A consensus formed that in view of the differing approaches to the future structure of the Chancellor position, it would be premature to draft a job description for the new UNH President. Trustees expressed a desire to further discuss the role of the Chancellor at its October business meeting, with the goal of making the decisions needed to enable the UNH President search to go forward. In the interim, CAO Provencher and Vice Chair Burnett, in his capacity as chair of the search committee, will consult with Isaacson Miller to begin setting up a search process.

During these discussions, trustees also acknowledged that there should be some process in place for the interim governance of the System. The EAB group (presidents, provosts, CFOs) had suggested that the Board designate the Chief Administrative Officer as Interim Chancellor. However, there was a lack of clarity on when and how that recommendation might be implemented.

On motion made and duly amended by Trustee Jasper and seconded by Trustee Gray, the Board voted as follows, Trustees Walker, Burnett, Ardinger, Birx, Coutermarsh, Gray, Green, Griffin, Jasper, Knarr, Ladd, Pilot, Rutman, Semprini, Thornton, and Westover in favor, Trustees Hansel, Paul, and Treadwell opposed, with Trustees Dean and Moore abstaining, to authorize the Executive Committee to address this issue:

VOTED, that the Board authorizes the Executive Committee to discuss the Interim Chancellor position with the CAO and Interim Chancellor and make recommendations to the full Board for further action as necessary.

Adjourn: At 3:59 pm, Chair Walker called for further business and, hearing none, adjourned the meeting.