

UNH Financial and Strategic Update

Prepared by the Provost's Office, COO & Financial Division

Overview

FY20/21 Financials

Projections for FY22 and FY23

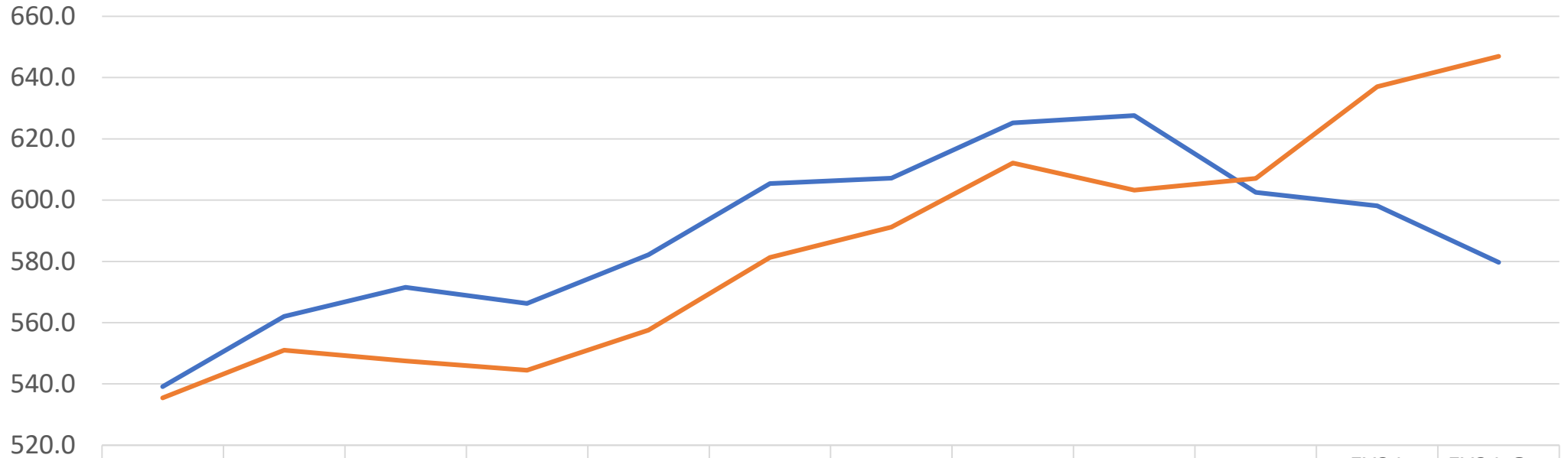
Enrollment Update

Building Financial Strength for FY23 and beyond

Questions

UNH Operating Revenues and Expenses

University of New Hampshire
Operating Revenues and Expenses (all funds)



	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Budget	FY21 Oct Proj
Operating Revenue (A)	539.2	562.0	571.6	566.3	582.1	605.4	607.1	625.2	627.6	602.6	598.1	579.7
Operating Expense (B)	535.4	551.0	547.5	544.5	557.6	581.3	591.2	612.1	603.3	607.1	637.0	646.9

— Operating Revenue (A) — Operating Expense (B)

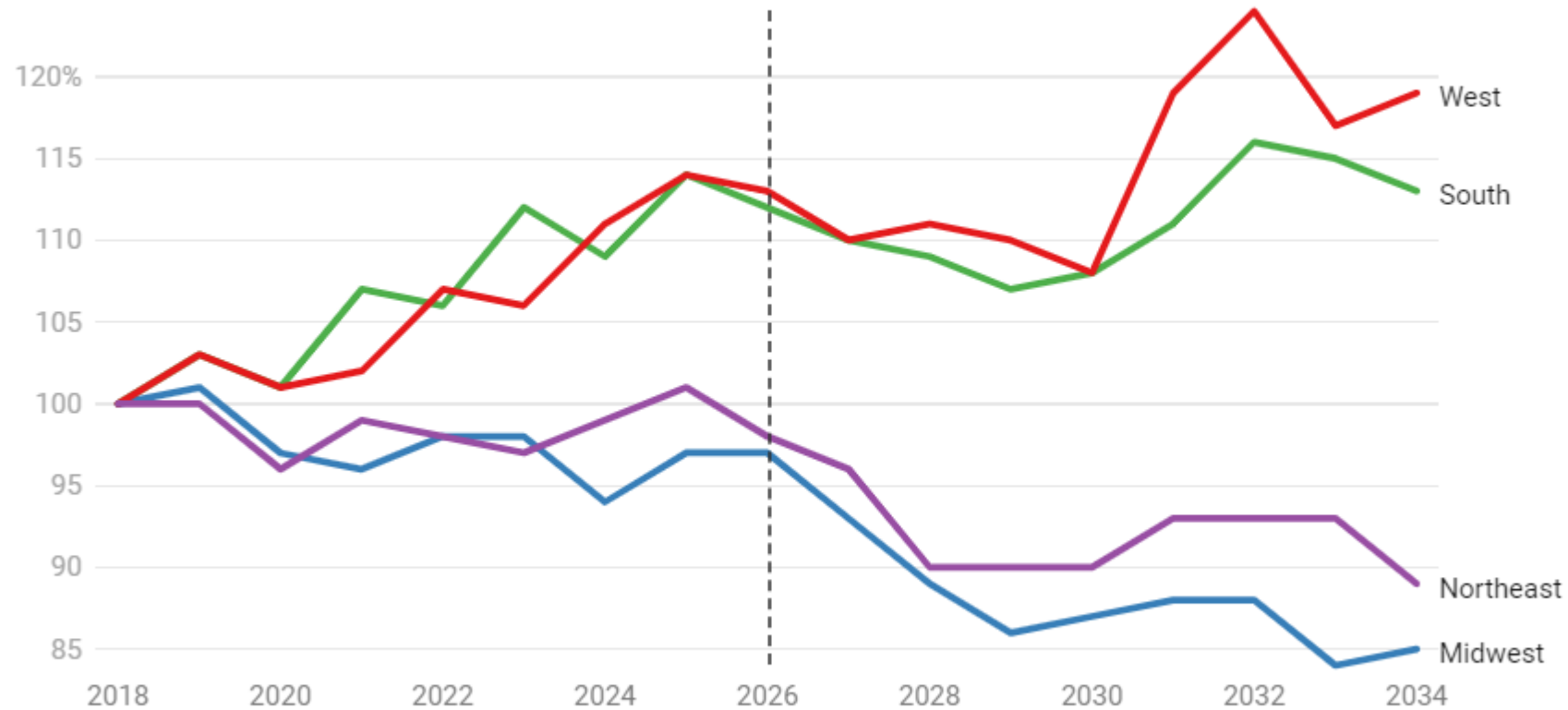
Operating Revenues = all revenues excluding endowment gifts, endowment returns, state capital appropriations and gifts for capital projects
Operating Expenses = all expenses excluding transfers (net \$0 across USNH)

UNH Revenues and Expenses Actual and Modeling 3-year planning

UNH Summary- FY22/FY23 Model					
KLS 1/16/21					
\$Millions	FY19	FY20	FY21	FY22	FY23
Operating Revenues	627.6	622.6	608.0	595.0	599.3
Operating Expenses	603.3	600.7	598.4	586.4	594.9
Net Op Revenue- Excludes COVID/CERP	24.3	21.9	9.6	8.6	4.4
UNH Target				7.5	11.7
Over/(Under) Target				1.1	(7.3)
<i>Financial Aid as a % of Tuition</i>	<i>39.5%</i>	<i>40.8%</i>	<i>43.9%</i>	<i>45.7%</i>	<i>46.8%</i>
<i>Fall 2019 USNH Model- Op Revenue</i>			<i>606.4</i>	<i>589.6</i>	<i>584.8</i>
COVID Impact	0.0	(26.5)	(43.5)	(10.1)	(1.8)
CERP Impact	0.0	0.0	(33.3)	0.0	0.0
Net Op Revenue- Includes COVID/CERP	24.3	(4.6)	(67.2)	(1.5)	2.6

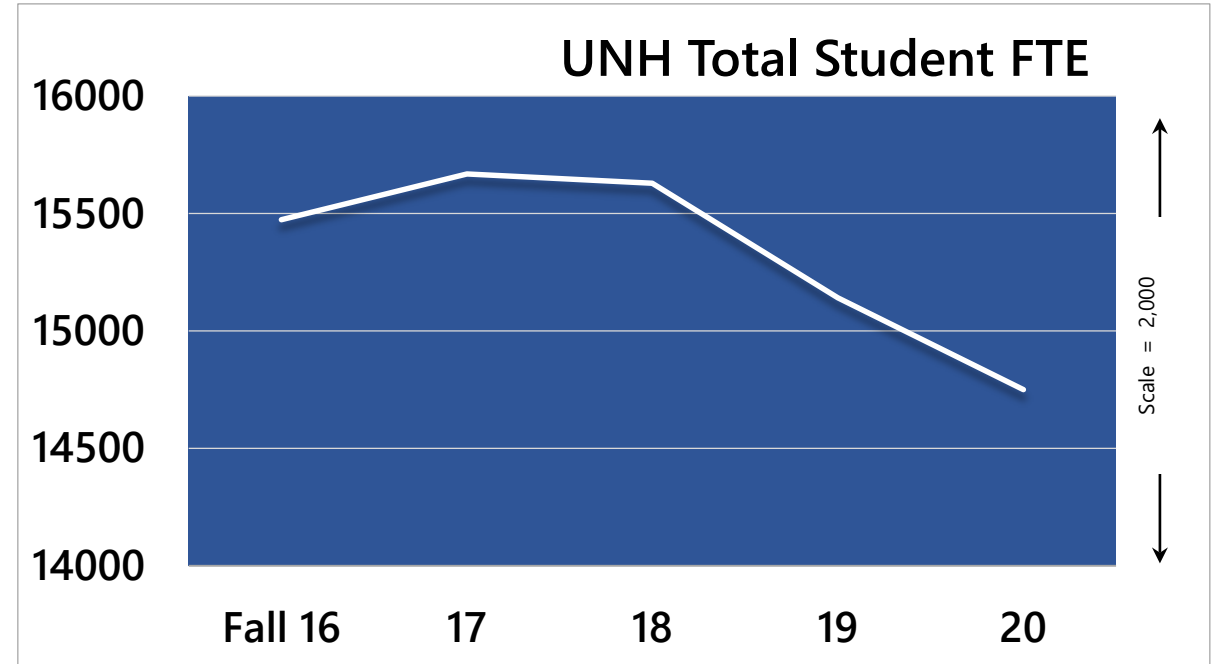
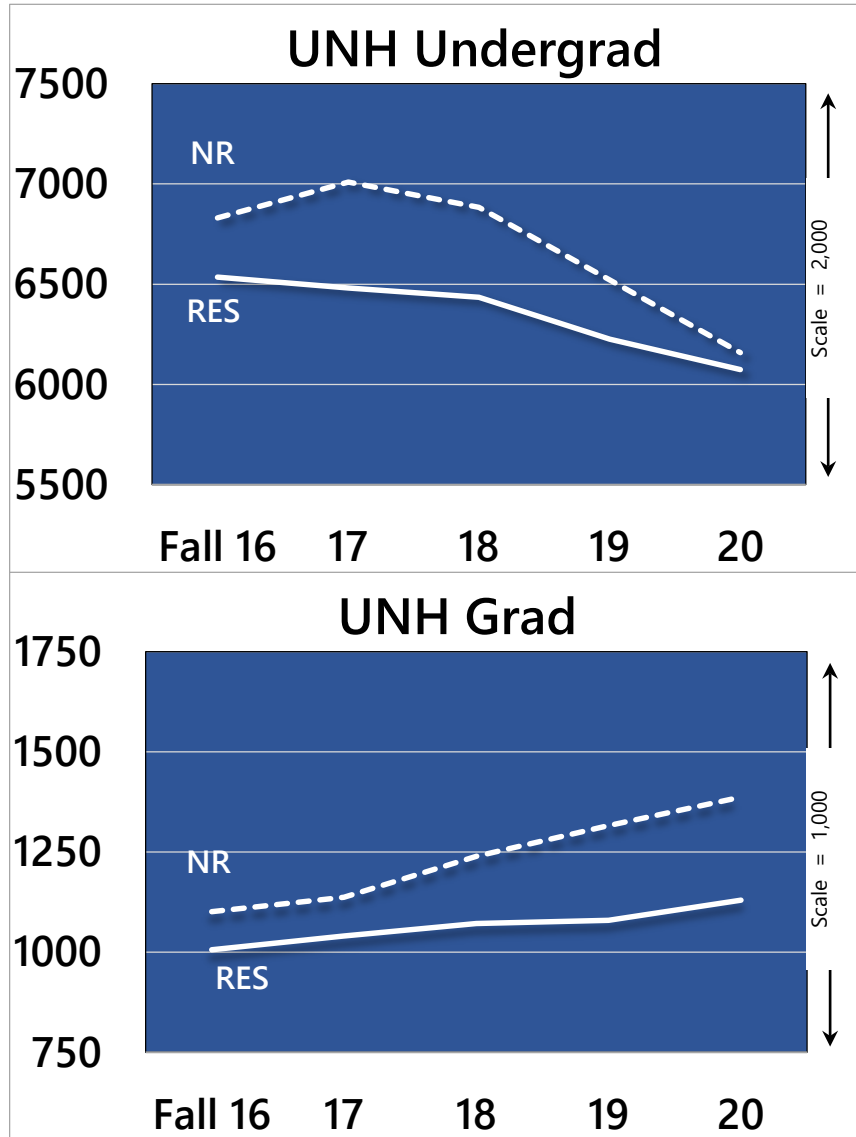
Latest National Projections for HS Graduation

4-Year National Colleges

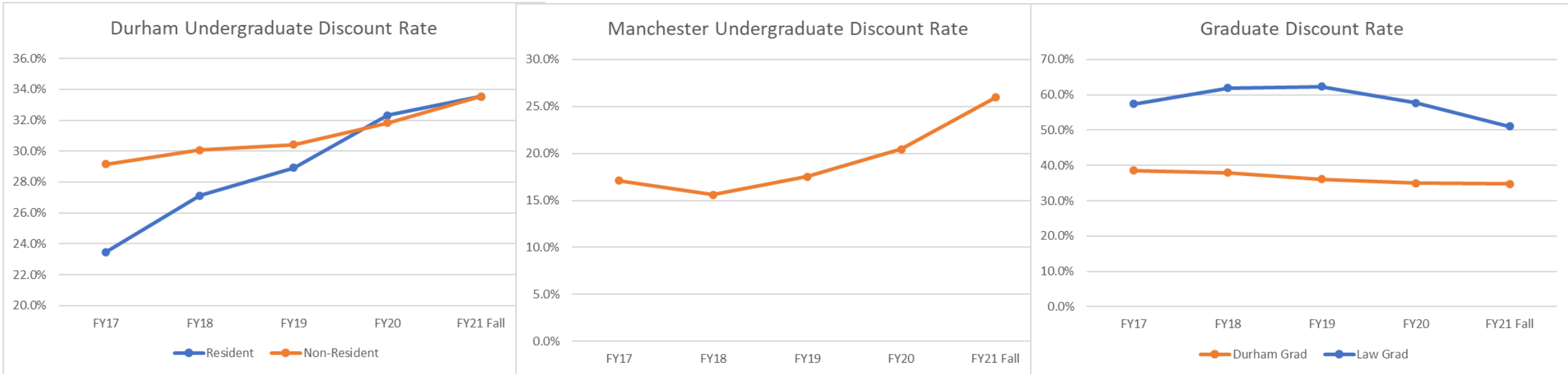


Source: [Nathan D. Gawe, "The Agile College"](#) • [Get the data](#) • Created with [Datawrapper](#)

New and Continuing Enrollment FTE



Discount Rates on Total Enrollment



- Negative trends for Durham and Manchester discount rates
- Improvement for Law and Durham/Manchester Grad

Discount Rate defined as E&G, auxiliary, internally designated and gift funded aid divided by Gross Tuition + Mandatory Fees. FY21 Fall is preliminary as of 9/30/20

UNH Outcomes Snapshot

UG Retention and Graduation Rates

Year	First-Year Retention Rate		Four-Year Graduation Rate		Six-Year Graduation Rate	
	NH Resident	Non-Resident	NH Resident	Non-Resident	NH Resident	Non-Resident
FALL 2020	90.0%	84.0%	72.5%	68.3%	-	-
FALL 2019	88.4%	83.8%	70.8%	68.8%	-	-
FALL 2018	89.5%	83.2%	69.2%	68.3%	79.5%	74.4%
FALL 2017	89.1%	84.4%	69.7%	67.3%	79.8%	74.6%
FALL 2016	89.5%	84.1%	69.9%	68.3%	79.7%	75.8%
FALL 2015	87.9%	83.5%	69.1%	67.1%	79.6%	74.9%
FALL 2014	89.4%	83.6%	67.0%	66.3%	79.1%	75.9%
FALL 2013	88.5%	84.8%	n/a	n/a	n/a	n/a
FALL 2012	89.3%	83.3%	n/a	n/a	n/a	n/a
FALL 2011	90.1%	83.7%	n/a	n/a	n/a	n/a
FALL 2010	91.6%	81.5%	n/a	n/a	n/a	n/a

Current Efforts to Build Financial Strength

- Expense Initiatives

- \$15M Huron and FAR (UNH)
- \$ 8M Huron (System)
- \$21M CERP

- Revenue

- COVID recovery federal (impacts FY21 and FY22 only)
- COVID testing partnerships
- On-line Professional master's growth and LAW

Progress To Date - Huron

Phase 1 (January 2020)

- IT – end user
- IT – ERP
- Libraries
- BSCs
- Academic cost structure
- RCM review

Phase 2 (summer/fall 2020)

- Facilities – motor pool
- Facilities – operations
- Procurement – strategic sourcing
- Research – F+A recovery

Phase 3 (2021)

- Athletics
- Enrollment yield
- Communications, marketing



Future Financial Planning and Operations

- ▶ **Transaction work is going central**
 - UNH coordinated through USNH Financial Operations Center (AR/AP/Payroll)
 - Optimizing technology to minimize the number of steps in the process
 - Personnel transactions coordinated through UNH HR

- ▶ **Financial and Administrative Restructuring (FAR) Progress**
 - Focused on planning support of RC Units
 - January 28 – Formal offers given to the five finance directors (24 total positions in this group)
 - 1st week of Feb. – Meeting with the finance directors
 - Phase 1 (6 months) transition plan for current operations led by finance directors
 - Phase 2 – Go live July 1, 2021

- ▶ **Transformation of Research Administration Support Services**
 - Full-service support group for PIs within Sponsored Programs
 - Enhancing both pre- and post-award activities and service to researchers

CERP

- 291 (58 tenure track faculty, 8 clinical faculty, 225 staff)
 - ~\$33M in salary and benefits
 - **Targeting net savings of \$21 M**
- CERP Hiring Approval Process
 - Unit leader look for synergies, consolidations, and efficiencies
 - Leverage other current vacancies
 - Submit plans through VP
 - Final approvals by EC



Opportunities to Grow and Invest



Expand
Academic **and**
Research
Excellence



Build
Financial
Strength

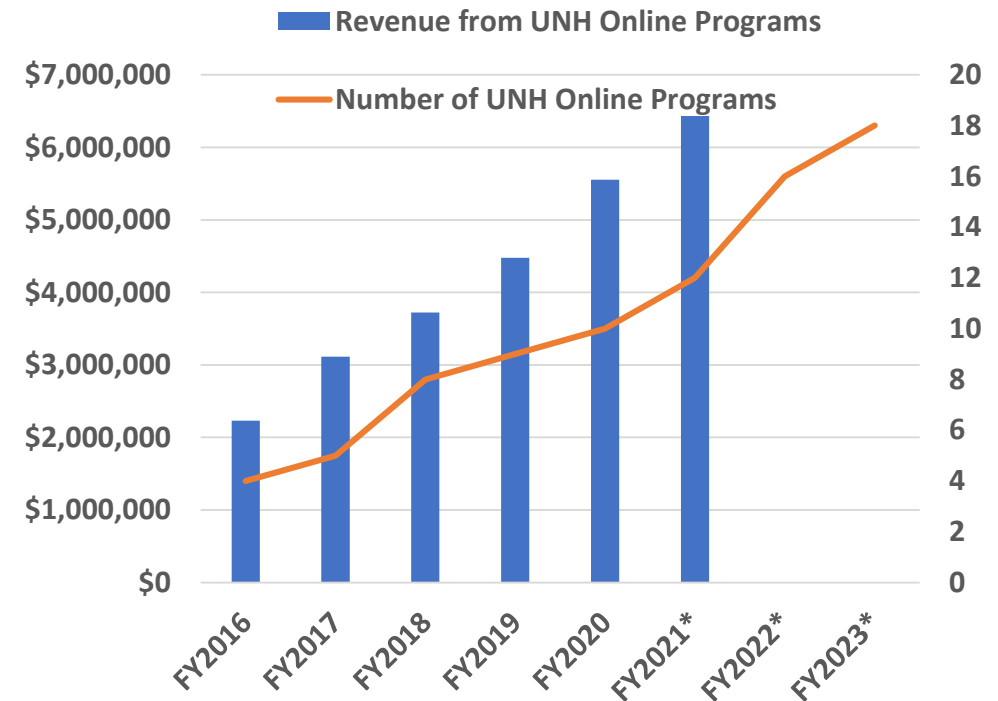


Embrace
New
Hampshire



Enhance Student
Success and Well-
Being

- New major gifts
 - \$2.1 M diversity scholarships
 - \$6 M Business Analytics program development
 - \$5 M Sustainable Seafood Lab
- Research awards up \$17.2M, exp. up \$12.3M
- New revenue from COVID lab supporting state and partners
- Professional grad and on-line programs up 20+%



Summary and Looking Forward

- COVID has been a challenge on top of known financial challenges such as declining high school market
- Need to address structural deficit over the next 2 years (by FY23)
 - Expense controls including restrained hiring
 - Structural changes
 - Revenue enhancements
 - Enrollment and market strategy will be critical
- New budget model going forward

Tentative Conclusions

- Still considerable uncertainty about projections
 - Will know more in spring
- We appear to be making good progress to reach financial sustainability
- Key factors over next two years will be undergrad enrollment, retention, and discount rate; continuing growth in graduate programs; and continuing to make and sustain expense reductions via the Huron process