

FY23 Budget Summary

The FY23 Budget achieves key financial objectives

- 1% Recurring Operating Margin (-0.4% when including non-recurring)
- Undergrad net tuition is slightly higher over FY22, as Durham campus enrollment is projected to increase 160 students, offset by higher financial aid
- Growth in graduate net tuition is primarily driven by overall enrollment and rate increases with the law program
- Employee compensation increase over FY22 with vacancy replacements, salary increases, and new hires
- Capital spending within 1x depreciation (\$0.2M under cap when including FY22 carryover)
- Projected to end FY23 with \$70M of Unrestricted Financial Reserves (UFR)

Additionally, the FY23 Budget incorporates strategic investments to position UNH for the future

(Non-Recurring – Is not factored in to 1% OM or 1x depreciation targets)

- ERP
- Online Infrastructure
- GSC Merger



PLC/EC Financial Dashboard
as of Fiscal Year 2023 and Fiscal Period 03 - SEPTEMBER

Key Performance Indicators (KPI)

| | | FY23 YTD | FY23 Budget | FY22 Actual | FY21 Actual |
|---------------------------------|--|----------|-------------|-------------|-------------|
| Operating Income | Operating Revenues (\$M) | 270.2 | 663.9 | 690.5 | 616.4 |
| | Operating Expenses (\$M) | 145.7 | 666.5 | 656.7 | 631.0 |
| | Operating Income (\$M) | 124.5 | (2.6) | 33.7 | (14.5) |
| | Operating Income Pct | 46.1% | -0.4% | 4.9% | -2.4% |
| Undergraduate Enrollment | Undergrad Enrollment (Fall R30) | 11,903 | 12,173 | 12,073 | 12,358 |
| | Undergrad Gross Tuition (\$M) | 157.9 | 291.7 | 284.5 | 285.8 |
| | Undergrad Financial Aid (\$M) | (69.3) | (142.9) | (130.1) | (125.6) |
| | Undergrad Net Tuition (\$M) | 88.6 | 148.8 | 154.4 | 160.2 |
| | Undergrad Net Tuition/Student (Fall, \$) | 7,553 | 7,473 | 7,350 | 7,349 |
| Graduate Enrollment | Grad Enrollment (Fall R30) | 2,842 | | 2,948 | 2,925 |
| | Grad Gross Tuition (\$M) | 32.8 | 64.3 | 55.3 | 50.6 |
| | Grad Financial Aid (\$M) | (14.1) | (26.4) | (24.2) | (21.3) |
| | Grad Net Tuition (\$M) | 18.7 | 38.0 | 31.1 | 29.3 |
| Non-Credit Tuition (\$M) | | 0.8 | 2.1 | 1.8 | 1.4 |
| Balances | Unrestricted Reserves (\$M) | 208.9 | 62.9 | 80.2 | 65.4 |
| | Total External Debt (\$M) | 150.5 | 142.1 | 152.8 | 163.4 |
| | Unrestricted Reserves/Debt | 1.4 | 0.4 | 0.5 | 0.4 |
| | Current Use Gift Fund Balance (\$M) | 52.4 | 51.1 | 46.2 | 44.2 |
| | Restricted Reserves (\$M) | 1,070.9 | 1,125.8 | 1,070.6 | 1,089.0 |

Commentary

Note: Q1 Forecast will be available with October Dashboard

Operating Income: FY23 Operating Income YTD is temporarily inflated due to the recognition of fall semester net tuition revenue without all of the offsetting employee compensation and support expenses. Timing of academic year hiring impacts year-over-year comparisons. The salary expense for academic year faculty is incurred over the academic year as opposed to the full fiscal year span. A full-year projection will be available in the October Dashboard.

Undergraduate Enrollment: FY23 YTD Undergraduate Enrollment reflects final Fall R30 census data. Net tuition per student calculations excludes grant-funded financial aids.

Graduate Enrollment: Graduate net tuition fluctuates throughout the year due to differing programmatic schedules and timing of financial aid postings. The FY23 Budget for graduate enrollment is not currently available as this datapoint was not part of the budget submission.

Non-Credit Tuition: Includes Professional Development & Training and Paul Development Programs.

Balances: YTD Unrestricted reserves balance is temporarily inflated due to the timing of Operating Income described above. Current Use Gift fund balance excludes certain funds not available for spending (i.e. pledges, investments, future capital projects, accounting adjs). Restricted reserves include endowment corpus and net investment in capital plant and equipment.



PLC/EC Financial Dashboard
as of Fiscal Year 2023 and Fiscal Period 03 - SEPTEMBER

Operating Income

| | | FY23 YTD | FY23 Budget | FY22 Actual | Budget v Forecast |
|---------------------------------|----------------------------------|--------------|--------------|--------------|--|
| Operating Revenues (\$M) | Gross Tuition & Fees | 199.3 | 386.9 | 367.9 | |
| | Financial Aid | (83.7) | (170.7) | (155.7) | |
| | State Appropriation | 15.1 | 60.4 | 60.4 | |
| | Grants & Contracts/F&A/Pell | 51.0 | 181.2 | 219.5 | |
| | Non Cap Gifts & Endowment Income | 7.3 | 37.4 | 37.1 | |
| | Sales of Aux Services | 70.6 | 141.7 | 133.4 | |
| | Other Operating Revenue | 10.7 | 26.8 | 27.7 | |
| | Other Chgs Impacting Op Margin | 0.0 | 0.0 | 0.2 | |
| | Total | 270.2 | 663.9 | 690.5 | |
| Operating Expenses (\$M) | Employee Compensation | 77.2 | 408.5 | 387.2 | |
| | Supplies & Services | 50.9 | 191.5 | 202.7 | |
| | Depreciation | 13.3 | 50.6 | 53.1 | |
| | Other Operating Expense | 4.3 | 15.8 | 13.7 | |
| | Total | 145.7 | 666.5 | 656.7 | |
| Operating Income (\$M) | | 124.5 | (2.6) | 33.7 | (50.0) 0.0 50.0 |
| Operating Income Pct | | 46.1% | -0.4% | 4.9% | Green bars/positive amounts reflect favorable impact on Operating Income; Red bars/negative amounts reflect unfavorable impact on Operating Income |

Commentary

Operating Income: FY23 YTD Operating Income is temporarily inflated due to the recognition of fall semester net tuition revenue without all of the offsetting employee compensation and support expenses. A full year projection will be available in the October Dashboard.

Notes:

- Q1 Forecast will be available with October Dashboard

Salary Expense - Fully Benefitted Positions

(\$M, excluding Grant Funds)

| | FY23 YTD | FY23 Budget | FY22 Actual | Budget v Forecast | | | |
|--|-------------|--------------|--------------|-------------------|--|--|--|
| Faculty/Librarian - AAUP Tenure Track | 5.9 | 58.6 | 56.2 | | | | |
| Faculty/Librarian - AAUP Lecturers | 1.3 | 13.4 | 12.6 | | | | |
| Faculty/Librarian - Other | 1.3 | 11.0 | 10.9 | | | | |
| Professional, admin & technical staff | 18.9 | 89.0 | 84.3 | | | | |
| Operating staff | 5.4 | 29.8 | 25.6 | | | | |
| Academic administrators | 1.6 | 7.9 | 7.6 | | | | |
| Extension educators | 0.5 | 3.1 | 2.4 | | | | |
| All other (primarily offset to PAT & OS) | 0.1 | 0.4 | 0.9 | | | | |
| Grand Total | 35.1 | 213.3 | 200.6 | | | | |

(6.0) (4.0) (2.0) 0.0 2.0 4.0 6.0

Green bars/positive amounts reflect favorable impact on Operating Income; Red bars/negative amounts reflect unfavorable impact on Operating Income

FTE - Permanently Budgeted, Term and Perm-Term Positions

| | FY23 9/30/22 | FY22 9/30/21 | Variance |
|---------------------------------------|-----------------|-----------------|------------|
| Faculty/Librarian - AAUP Tenure Track | 523 | 518 | 5 |
| Faculty/Librarian - AAUP Lecturers | 170 | 160 | 10 |
| Faculty/Librarian - Other | 115 | 111 | 4 |
| Professional, admin & tech staff | 1,064 | 974 | 90 |
| Operating staff | 599 | 560 | 39 |
| Academic administrators | 37 | 37 | 0 |
| Extension educators | 52 | 55 | (3) |
| Grand Total | 2,561 | 2,416 | 145 |

Commentary

The year-over-year increase in FTE reflects the COVID Early Retirement Program (CERP) refills, and new hires.

Notes:

- Q1 Forecast will be available with October Dashboard
- Timing of academic year hiring impacts year-over-year comparisons
- Salary expense for academic year faculty is incurred over the academic year as opposed to the full fiscal year span
- Principal administrators are included in 'Professional, admin & technical staff' rows; Postdoctoral associates are included in 'Faculty/Librarian - Other' rows

FY23 - Recurring vs Non-Recurring Operating Income

| | Recurring | | Non-Recurring | | Total | | <div style="border: 1px solid black; padding: 5px; font-weight: bold;">Commentary</div> |
|---------------------------------|--------------|----------------|---------------|----------------|--------------|----------------|---|
| | FY23 YTD | FY23 Budget | FY23 YTD | FY23 Budget | FY23 YTD | FY23 Budget | |
| Operating Revenues (\$M) | | | | | | | The Non-Recurring Operating Income contains the impact of one-time items not expected to repeat in future fiscal years. This primarily includes expenses related to key strategic initiatives such as the GSC merger, ERP, and Online Infrastructure. |
| Gross Tuition / Fees | 199.3 | 385.0 | 0.0 | 2.0 | 199.3 | 386.9 | |
| Financial Aid | (83.7) | (170.7) | 0.0 | 0.0 | (83.7) | (170.7) | |
| State Appropriation | 15.1 | 60.4 | | | 15.1 | 60.4 | |
| Grants & Contracts/F&A/Pell | 49.1 | 178.4 | 1.9 | 2.8 | 51.0 | 181.2 | |
| Non Cap Gifts & Endowment Inc.. | 7.3 | 37.4 | 0.0 | 0.0 | 7.3 | 37.4 | |
| Sales of Aux Services | 70.6 | 141.7 | 0.0 | 0.0 | 70.6 | 141.7 | |
| Other Operating Revenue | 10.7 | 26.8 | 0.0 | 0.0 | 10.7 | 26.8 | |
| Grand Total | 268.3 | 659.1 | 1.8 | 4.8 | 270.2 | 663.9 | |
| Operating Expenses(\$M) | | | | | | | |
| Employee Compensation | 76.6 | 401.6 | 0.6 | 6.9 | 77.2 | 408.5 | |
| Supplies & Services | 48.4 | 183.9 | 2.5 | 7.6 | 50.9 | 191.5 | |
| Depreciation | 13.3 | 50.6 | 0.0 | 0.0 | 13.3 | 50.6 | |
| Other Operating Expense | 4.3 | 15.8 | 0.0 | 0.0 | 4.3 | 15.8 | |
| Grand Total | 142.6 | 651.9 | 3.1 | 14.6 | 145.7 | 666.5 | |
| Operating Income | 125.8 | 7.2 | (1.2) | (9.8) | 124.5 | (2.6) | |
| Operating Margin | 46.9% | 1.1% | | | 46.1% | -0.4% | |