

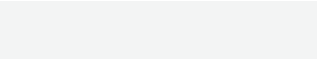


UNH Financial & Strategic Update

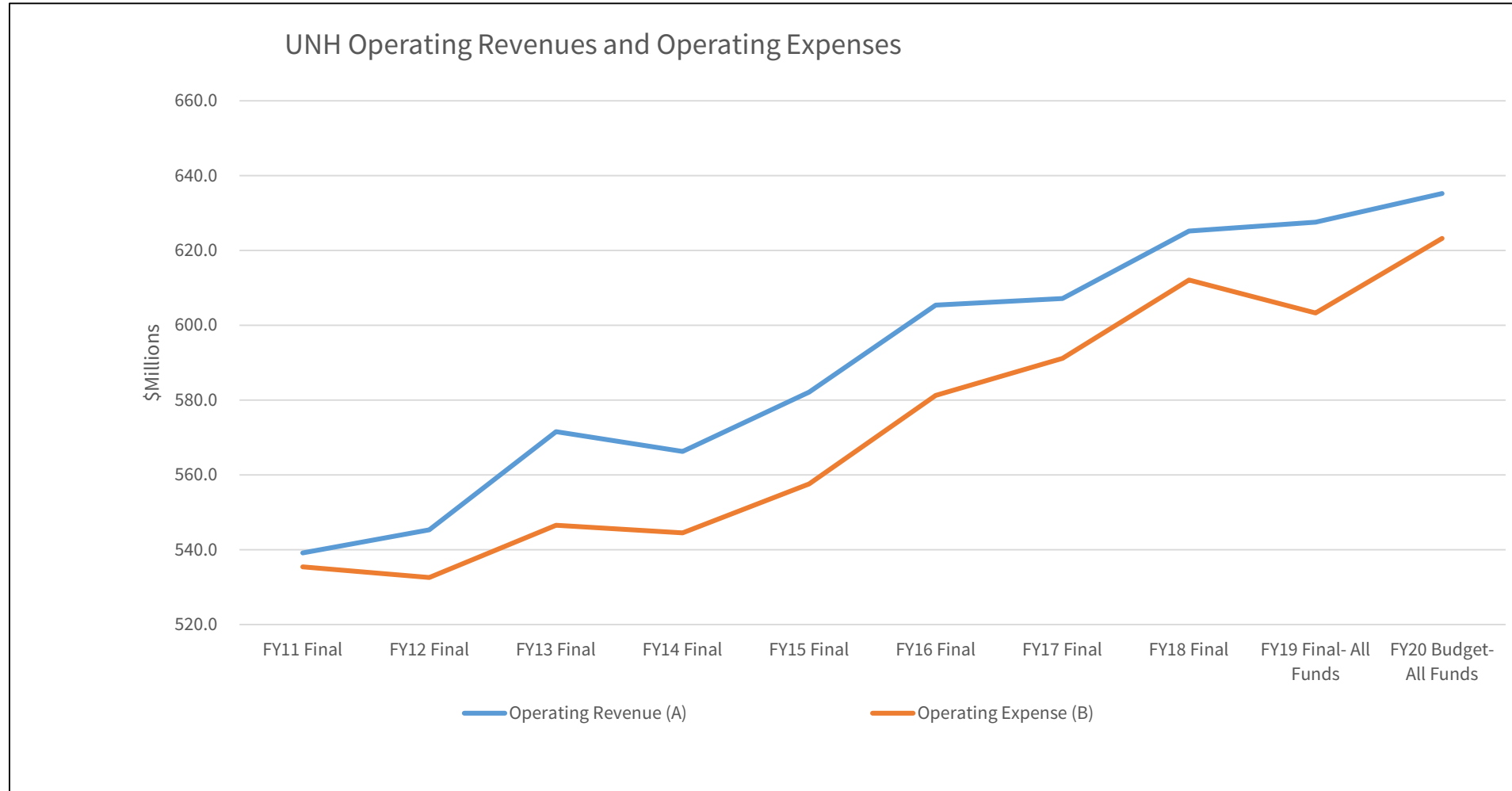
Prepared by Provost's Office, COO, & CFO

Spring 2020

Today's Goals

- Financial Update for FY19 and FY20**
 - Building Financial Strength for the Future**
 - Advancing Strategic Priorities**
- 

UNH Operating Revenues and Expenses (All Funds)



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)

Revenue and Expenditures

| FY | OPERATING MARGIN | |
|------|------------------|-------------|
| | BUDGET | ACTUAL |
| FY13 | 0.9% | 4.2% |
| FY14 | 1.2% | 3.9% |
| FY15 | 2.4% | 4.2% |
| FY16 | 1.9% | 4.0% |
| FY17 | 3.0% | 2.6% |
| FY18 | 3.0% | 2.1% |
| FY19 | 3.0% | 3.8% |
| FY20 | 2.4% | |

NH State Support

- The budget for FY20 approved by the BOT in June included an assumption of \$85.5 M in State funding. In FY21, with an appropriation of \$88.5 M, USNH will freeze undergraduate in-state tuition
- UNH's plans for the health science/nursing initiative were supported by the State. The \$9 M appropriation has been received as part of our regular operating funds this year
- Capital commitment for the Biological Sciences Initiative and the renovation of Spaulding Hall of \$30 M toward the \$90 M project costs.

UNH Operating Margin

FY20 P1 Projection

(\$ in millions)

| | FY18 | FY19 | FY20 | FY20 | FY20 P1 vs Budget | | FY20 P1 vs FY19 Actual | |
|--|--------------|--------------|--------------|--------------|---------------------|---------------------|------------------------|---------------------|
| | Actual | Actual | Budget | P1 | Increase/(Decrease) | Increase/(Decrease) | Increase/(Decrease) | Increase/(Decrease) |
| | | | | | \$ | % | \$ | % |
| Resident tuition | 108.3 | 109.6 | 110.7 | 111.6 | 0.9 | 0.9% | 2.1 | 1.9% |
| Nonresident tuition | 220.3 | 226.8 | 232.3 | 227.0 | (5.3) | -2.3% | 0.2 | 0.1% |
| Continuing education tuition | 14.8 | 15.1 | 17.5 | 16.1 | (1.4) | -8.2% | 1.0 | 6.6% |
| Student fees revenue | 17.2 | 17.9 | 17.7 | 17.4 | (0.3) | -1.7% | (0.5) | -2.8% |
| Gross Tuition Revenue & Fees | 360.7 | 369.4 | 378.2 | 372.1 | (6.1) | -1.6% | 2.7 | 0.7% |
| Less: student financial aid | (132.8) | (137.8) | (141.8) | (141.5) | 0.3 | -0.2% | (3.7) | 2.7% |
| Financial Aid % of Total All Funds Gross Tuition Revenue & Fees | 36.8% | 37.3% | 37.5% | 38.0% | 0.5% | | 0.7% | |
| Net Tuition & Fees | 227.9 | 231.6 | 236.4 | 230.5 | (5.8) | -2.5% | (1.0) | -0.4% |
| Other Operating Revenue | 397.3 | 396.0 | 402.0 | 397.5 | (4.4) | -1.1% | 1.5 | 0.4% |
| Total Operating Revenues | 625.2 | 627.6 | 638.3 | 628.1 | (10.2) | -1.6% | 0.5 | 0.1% |
| Employee Compensation | 392.8 | 386.4 | 402.0 | 396.0 | (6.0) | -1.5% | 9.6 | 2.5% |
| Other Operating Expense | 219.3 | 216.9 | 221.2 | 220.4 | (0.9) | -0.4% | 3.5 | 1.6% |
| Total Operating Expenses | 612.1 | 603.3 | 623.2 | 616.3 | (6.9) | -1.1% | 13.1 | 2.2% |
| Net Operating Income or (Loss) (Operating Margin) | 13.1 | 24.3 | 15.1 | 11.8 | (3.3) | -21.9% | (12.6) | -51.6% |
| Operating Margin % | 2.1% | 3.9% | 2.4% | 1.9% | | | | |
| Add Back Strategic Investments | - | - | - | 3.3 | - | 0.0% | 3.3 | 0.0% |
| Net Operating Income or (Loss) (Operating Margin) Excluding Strategic Investments | 13.1 | 24.3 | 15.1 | 15.1 | 11.2 | 85.5% | (9.3) | -38.1% |
| Operating Margin % Excluding Strategic Investments | 2.1% | 3.9% | 2.4% | 2.4% | | | | |

Note: may not add due to rounding

Current Revenue and Expense Activities

October 31 P1 projections of expenses currently underway

Revenue opportunities

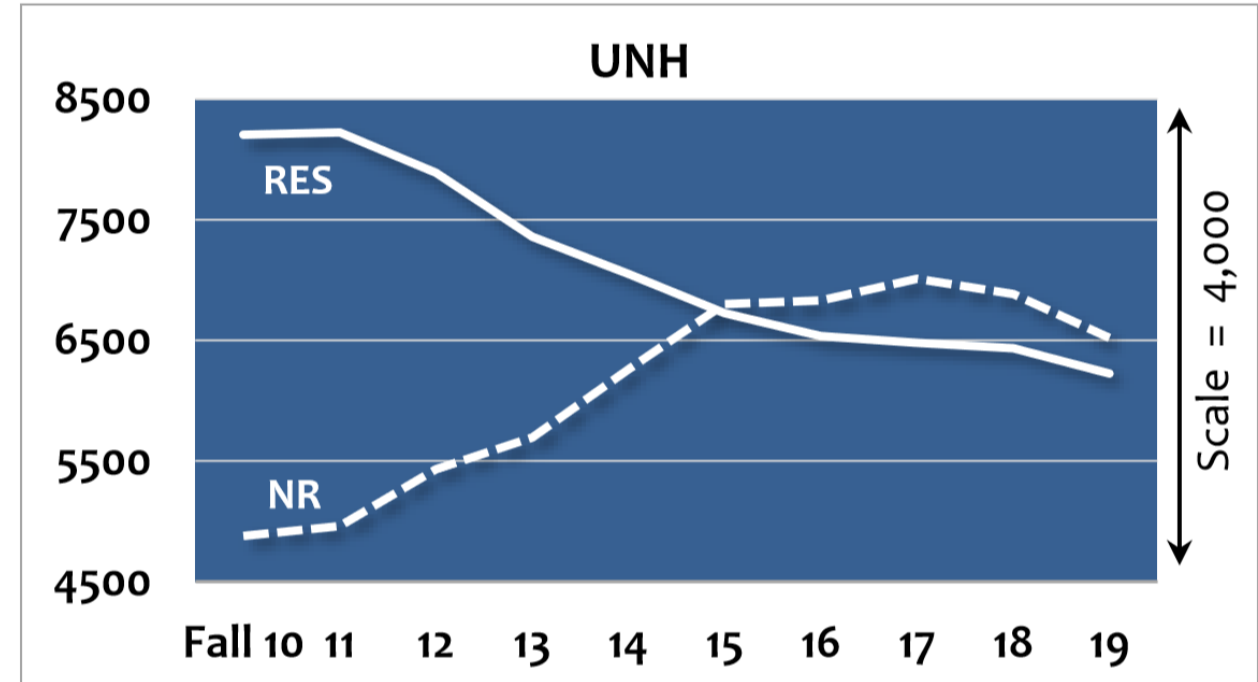
- Reduce melt from fall to spring
- Shift more institutional aid to gift funds
- Increase spring enrollment at both UG and G levels
- Growing non-credit and on-line revenue streams
- Increase non-capital gifts

Expense Control

- Delay hiring where possible
- Renegotiate vendor contracts
- Delay project spending
- Responsible spending

UNH Historical Overall Undergraduate Enrollment

| YEAR | ENROLLMENT ¹ | DELTA |
|-----------|-------------------------|-------|
| FALL 2019 | 12,811 | -4.4% |
| FALL 2018 | 13,371 | 0.1% |
| FALL 2017 | 13,358 | -0.1% |
| FALL 2016 | 13,365 | -0.9% |
| FALL 2015 | 13,484 | 1.3% |
| FALL 2014 | 13,310 | 1.8% |
| FALL 2013 | 13,068 | -2.1% |
| FALL 2012 | 13,341 | 1.2% |
| FALL 2011 | 13,185 | 0.9% |
| FALL 2010 | 13,065 | |



All undergraduate credit-bearing activity (degree and continuing ed).

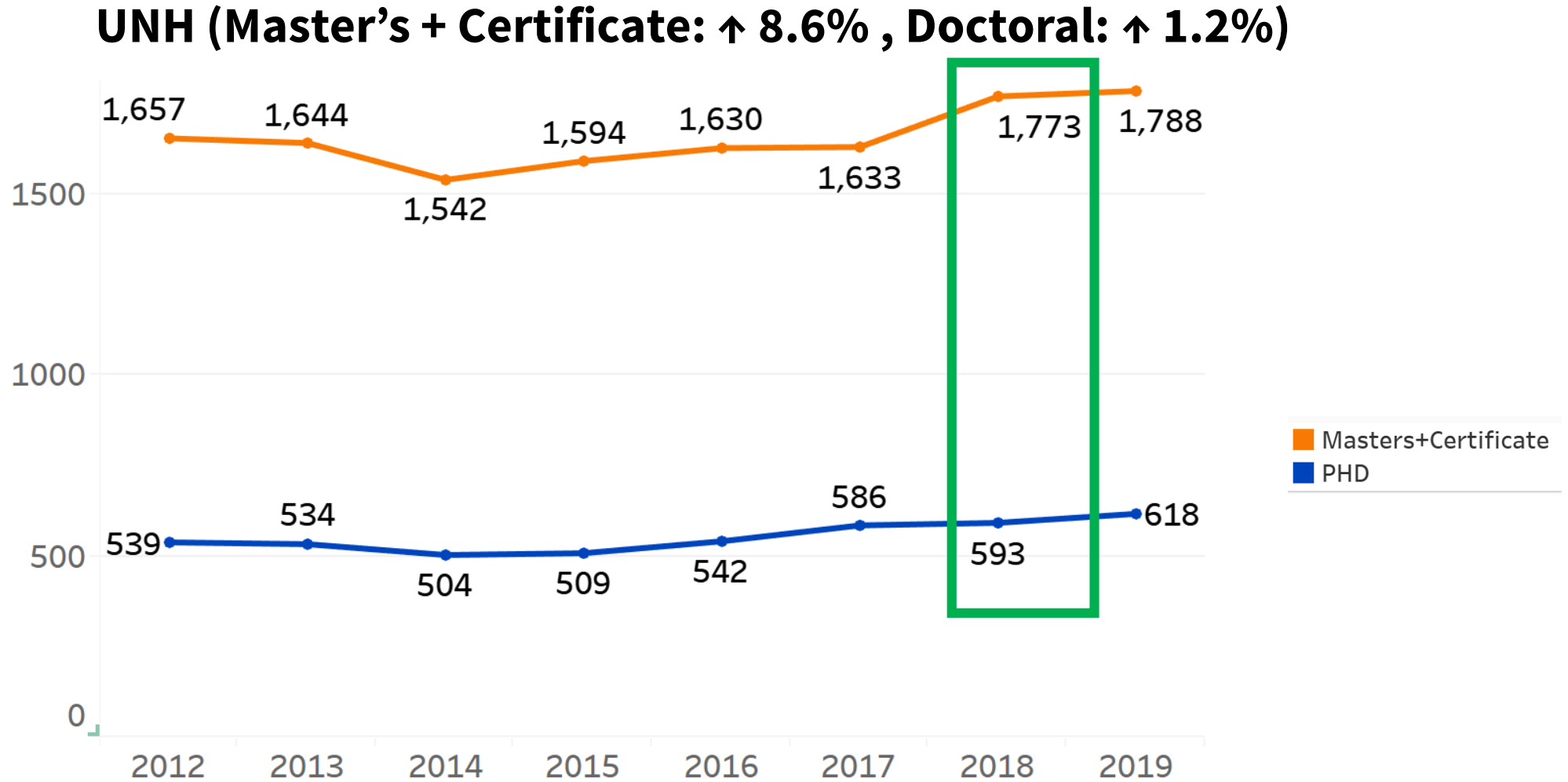
¹ Enrollment figures include degree-seeking undergraduate and graduate students at UNH Durham and Manchester.

First-Year UG Student Trends (Durham Only)

| Year | Applications | Admitted | Admit% | Enrolled | Yield% |
|-----------|--------------|----------|--------|----------|--------|
| FALL 2019 | 19,701 | 15,159 | 76.9% | 2,731 | 18.0% |
| FALL 2018 | 20,096 | 15,430 | 76.8% | 3,031 | 19.6% |
| FALL 2017 | 19,966 | 15,275 | 76.5% | 3,019 | 19.8% |
| FALL 2016 | 20,203 | 15,326 | 75.9% | 2,881 | 18.8% |
| FALL 2015 | 19,255 | 15,137 | 78.6% | 3,221 | 21.3% |
| FALL 2014 | 18,419 | 14,739 | 80.0% | 3,227 | 21.9% |
| FALL 2013 | 17,937 | 13,962 | 77.8% | 2,869 | 20.5% |
| FALL 2012 | 17,234 | 13,433 | 77.9% | 2,999 | 22.3% |
| FALL 2011 | 17,344 | 12,863 | 74.2% | 2,949 | 22.9% |
| FALL 2010 | 16,545 | 12,140 | 73.4% | 2,850 | 23.5% |

UNH Graduate Enrollment

(excludes Law School which was up 21% over fall '18)



Note: Nationally total graduate enrollment increased at both the master's and doctoral level between fall 2017 and fall 2018 at 1.3% and 2.3% respectively

2019 Fall R30 Fast Facts

- Highest number of **African American** students (↑ **10.5%***)
- Highest number of **International** students (↑ **4.8%**)
- Highest number of **Grad** students (↑ **1.7%**)
- Highest number of **Women** students (↑ **5.2%**)
- Highest number of **Certificate** students (↑ **48.6%**)
- Highest number of **Doctoral** students (with and without DNP) (↑**2.8%** / ↑**1.8%**)
- Highest number of students in **HHS, PAUL** and **UNHM**(↑**9.4%** / ↑**3.5%** / ↑**38.5%**)
- **47** US States and **57** Countries are represented

** All increases are with reference to fall 2018*

Huron Financial Analysis Initiative

UNH Steering Committee

Huron is pleased to partner with UNH Steering Committee under the executive sponsorship of President James Dean and Provost Wayne Jones:

Executive Team

- Wayne Jones, Provost
- Chris Clement, COO
- Cathy Provencher, Interim CFO
- P.T. Vasudevan, Senior Vice Provost
- Bill Poirier, CIO
- Debbie Dutton, VP for Advancement
- Scott Ollinger, Faculty Senate, COLSA

Data Support Team

- Kerry Scala
- Jackie Snow

Revenue and Expenses Team

- Deborah Merrill-Sands, Paul
- Louise Griffin, Research
- Amy Wack, BSC
- David May, OBA
- Betty Schmidt, OS Representative
- Alexandra Padilla, Graduate Student

Academic Program Costs Team

- Michelle Dillon, COLA
- Sarah Connor, Provost Office
- David Matta, BSC
- Anne Broussard, HHS and ASAC
- Karen Graham, CEPS
- Ethan McClanahan, Undergraduate Student

Huron Study: Opportunity Impact / Service Delivery Matrix

The opportunities identified by Huron can be reasonably grouped into the 19 areas below, categorized by level of financial impact and change to service delivery, with a total financial impact of \$22.76-42.67M.

| | | |
|--------------------------------|--|--|
| Higher (4) | Lower Financial Impact / Higher Change to Service Delivery | Higher Financial Impact / Higher Change to Service Delivery |
| | <ul style="list-style-type: none"> ▪ Academic Affairs: Supplemental Pay ▪ Facilities: Motor Pool | <ul style="list-style-type: none"> ▪ Procurement: Strategic Sourcing ▪ IT: End User Computing Support ▪ IT: ERP Support ▪ Enrollment: First-Time Full-Time Yield ▪ Facilities: Operations ▪ HR: 403(b) ▪ Research: F&A Recovery ▪ University-wide: Business Service Centers (BSCs) |
| Lower (1) | Lower Financial Impact / Lower Change to Service Delivery | Higher Financial Impact / Lower Change to Service Delivery |
| | <ul style="list-style-type: none"> ▪ Enrollment: Retention ▪ Advancement: Institutional and Parent Gifts ▪ University-wide: Internal Transactions | <ul style="list-style-type: none"> ▪ University-wide: Franklin Pierce School of Law ▪ University-wide: UNH at Manchester ▪ Advancement: Alumni Engagement ▪ Communications: Personnel Centralization ▪ Library: Expenditure Alignment ▪ Enrollment: Credit Hour Threshold Adjustment |
| Lower (1) | | Higher (4) |
| Annual Financial Impact | | |

| Financial Impact (1-4) | | Service Delivery (1-4) | |
|------------------------|-----------------------|-------------------------|---------------------------|
| 1 = \$0-299,999 | 2 = \$300,000-599,999 | 1 = Little to No Change | 2 = Moderate Change |
| 3 = \$600,000-999,999 | 4 = \$1,000,000+ | 3 = Significant Change | 4 = Transformative Change |

Next Steps/Timeline

Phase 1 (initiate Spring 2020)

Huron Academic Cost Structure (W. Jones)
Huron Resource Assessment
IT – Business and Student (ERP) (B. Poirier)
Libraries (W. Jones)
BSCs (C. Provencher/CFO)
RCM review (W. Jones)

Phase 2 (initiate Fall 2020)

Enrollment Yield (P. Ellis)
Facilities (C. Clement)
Research/F&A (M. McCord)

Phase 3 (initiate Spring 2021)

Motor Pool (C. Clement)
Communications (M. Stark)

Further evaluation necessary

403B (HR/USNH)
Credit Hour Rating (Provost/Faculty Senate)
Advancement (D. Dutton)

Continuing and In Progress

Supplemental Pay
(Vasudevan)
Retention (N. Gullace)
Procurement (C. Provencher)
IT – End User Support (B. Poirier)
Law (M. Carpenter)
Manchester (M. Decelle)

Academic Affairs Strategic Priority Initiatives

- Student Success and Well-Being

- Retention Initiative
- Rethink Core Curriculum
- State of the Art Teaching and Learning



- Expand Academic Excellence

- Honors College
- Advance High Potential programs
- Expand Graduate Education
- Post-doctoral Diversity and Innovation Scholars Program



- Embrace NH













- Expand leadership, student visits in Concord
- Partner with K-12 high schools



- Build Financial Strength

- Diversify Tuition Revenue

Strategic Spending

| Strategic Priority | Activity | Amount |
|---|--|--------|
|  | Retention Initiatives | \$75k |
|  | Expansion of Wildcat Days | \$58k |
|  | Strategic/marketing spending in Law | \$100k |
|  | Enrollment Management and Marketing | \$150k |
|  | Research Partnerships | \$300k |
|  | K12 pipeline expansion (Year 1) | \$75k |
|  | Modernize CEMS platform | \$202k |
|  | Campaign feasibility study | \$100k |
|  | Gift officer training | \$180k |
|  | Advancement initiatives | \$500k |
|  | Branding and enrollment management marketing including On-line | \$1M |
|  | Huron Financial Project | \$600k |

Total = \$3.3 M

Thank You

Questions?