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)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21 Budget</th>
<th>FY21 Oct Proj</th>
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<tbody>
<tr>
<td>Revenue (A)</td>
<td>539.2</td>
<td>562.0</td>
<td>571.6</td>
<td>566.3</td>
<td>582.1</td>
<td>605.4</td>
<td>607.1</td>
<td>625.2</td>
<td>603.3</td>
<td>607.1</td>
<td>598.1</td>
<td>579.7</td>
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<tr>
<td>Expense (B)</td>
<td>535.4</td>
<td>551.0</td>
<td>547.5</td>
<td>544.5</td>
<td>557.6</td>
<td>581.3</td>
<td>591.2</td>
<td>612.1</td>
<td>603.3</td>
<td>607.1</td>
<td>637.0</td>
<td>646.9</td>
</tr>
</tbody>
</table>

**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**

<table>
<thead>
<tr>
<th>$Millions</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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</thead>
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<tr>
<td>Operating Revenues</td>
<td>627.6</td>
<td>622.6</td>
<td>608.0</td>
<td>595.0</td>
<td>599.3</td>
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<tr>
<td>Operating Expenses</td>
<td>603.3</td>
<td>600.7</td>
<td>598.4</td>
<td>586.4</td>
<td>594.9</td>
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<tr>
<td>Net Op Revenue- Excludes COVID/CERP</td>
<td>24.3</td>
<td>21.9</td>
<td>9.6</td>
<td>8.6</td>
<td>4.4</td>
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<tr>
<td>UNH Target</td>
<td>7.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Over/(Under) Target</td>
<td>1.1</td>
<td>(7.3)</td>
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**Financial Aid as a % of Tuition**

- FY19: 39.5%
- FY20: 40.8%
- FY21: 43.9%
- FY22: 45.7%
- FY23: 46.8%

**Fall 2019 USNH Model- Op Revenue**

- Actual: 606.4
- Model: 589.6
- Model+COVID+CERP: 584.8

**COVID Impact**

- Actual: 0.0
- Model: (26.5)
- Model+COVID+CERP: (43.5)

**CERP Impact**

- Actual: 0.0
- Model: 0.0
- Model+COVID+CERP: (33.3)

**Net Op Revenue- Includes COVID/CERP**

- Actual: 24.3
- Model: (4.6)
- Model+COVID+CERP: (67.2)
Latest National Projections for HS Graduation

4-Year National Colleges

Source: Nathan D. Graue, "The Agile College" • Get the data • Created with Datawrapper
New and Continuing Enrollment FTE

UNH Undergrad

UNH Grad

UNH Total Student FTE
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

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

- 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