



Financial Affairs Committee Meeting

March 20, 2025

UNH - Durham - Memorial Union Building - Strafford Room

<https://unh.zoom.us/j/94634556996>

Durham

University System of New Hampshire

2025 March 20 - Financial Affairs Committee Meeting

I. Zoom Information

Meeting URL: <https://unh.zoom.us/j/94634556996>

Or Telephone:

Dial: +1 301 715 8592 (US Toll)

Meeting ID: 946 3455 6996

II. Committee Members

Gregg Tewksbury, Chair,
Kevin Knarr, Vice Chair,
Kassandra Spanos Ardinger,
James P. Burnett III,
George Hansel,
Brian S. McCabe,
Peter T. Paul

III. Approve Consent Agenda

MOVED, that the consent agenda for the Financial Affairs Committee's meeting of March 20, 2025 be approved.

A. Approve Meeting Minutes of October 24, 2024

1. Meeting Minutes of October 24, 2024 - 4

B. ERM Update on Financial Health - Informational Only

1. ERM Update - 9
-

3:00 - 3:45 pm

IV. FY25 Updated Projections

A. FY25 Projected Financial Results - 14

3:45 - 4:45 pm

V. Updates on Strategic Investments

A. Strategic Investments Update

1. Strategic Investments Update - 60
2. UNH
3. PSU
4. KSC

B. ERP Update

1. ERP Update - 66
-

4:45 - 4:50 pm

VI. Approval Items

A. Approval of NHTI USNH Farnum Hall Lease Agreement

1. USNH Lease - 73
-

4:50 pm - 5:25 pm

VII. Research Presentation

A. Research Funding at UNH

1. UNH Research - 78
-

5:25 - 5:30 pm

VIII. Other Business

A. Chair or Committee comments

President
Chilton

B. Next Meeting Date is June 26, 2025

IX. Adjourn



DRAFT

**FINANCIAL AFFAIRS COMMITTEE
October 24, 2024**

The Financial Affairs Committee met at Keene State College on October 24, 2024.

Financial Affairs Committee members participating at the meeting location: Gregg Tewksbury, (Chairman), Mike Pilot, Kass Ardinger, Jamie Burnett, Kevin Knarr, George Hansel, Brian McCabe and Peter Paul; Other trustees participating at the meeting location: Maureen Beauregard, Isabella Falcetti, Mackenzie Murphy, Christiana Thornton, Jacqueline Eastwood, Cathy Green, MJ Condon, Ethan Dupuis, Representative Rick Ladd, Frank Edelblut, Shawn Jasper, Senator James Gray, Wayne Semprini, David Westover, President Donald Birx, President Elizabeth Chilton, President Melinda Treadwell and Chancellor Provencher;

Staff presenting at meeting location: (UNH) Wayne Jones, Ken Weston, Adam Kohler and Bill Janelle; (KSC) Nathalie Houder, MB Luftkin; (PSU) Tracy Claybaugh; (USNH), Chad Pimentel, Karen Benincasa, Kara Bean, Tia Miller and Lorna Jacobsen (scribe).

Additional Faculty, Staff, and students participated by video conference.

Call to Order:

At 3:20 pm Trustee Tewksbury called the meeting to order and announced the need for a non-public session.

Nonpublic Session

At 3:25 p.m. the following motion to enter nonpublic session was made by Chairman Tewksbury and duly seconded. In addition to trustees, campus CFOs attended the non-public session.

MOVED, that the Financial Affairs Committee go into nonpublic session for the purposes of discussing (1) Consideration of the acquisition, sale, or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community, as authorized by RSA 91-A:3 (d).

Return to Public Session

Upon a motion to exit nonpublic session, made by Chairman Tewksbury, duly seconded, and approved, Chairman Tewksbury reconvened the public meeting at 4:05 p.m. and the Committee took the following action.

VOTED, pursuant to RSA 91-A:3.III, that the minutes of the nonpublic session be

sealed until the USNH Treasurer and Vice Chancellor for Finance determines that disclosure would no longer render the nonpublic session's proposed action ineffective.

(The Committee unanimously approved this motion by roll call vote)

Approve Consent Agenda

VOTED, that the consent agenda for the Financial Affairs Committee's meeting of October 24, 2024, be approved.

{The Committees voted unanimously in favor of this motion}

Items on the Consent Agenda:

- A. Approve the minutes of June 27, 2024, meeting
- B. Suspend the 25% enrollment limitation on Out-of-State Undergraduates at UNH

End of Consent Agenda

Update on Fall 2024 Enrollment (FY25) and impact on FY25 Primary Student Revenue

Vice Chancellor Benincasa reviewed enrollment results on a system-wide basis based on Fall 2024 R+30 enrollment. She reported that the current system-wide FY25 primary student revenue estimates are consistent with the FY25 budget approved in June 2024. She provided institutional details noting that UNH and KSC are estimated to be at budget and PSU projections are under budget by \$1.1 million.

Vice President Claybaugh said PSU leadership is actively working on plans to try to achieve the FY25 budgeted operating margin despite this projected reduction in primary student revenue,

Campus CFOs and Presidents provided details and insights on their results.

Update on Strategic Investment Funding

Vice Chancellor Benincasa said that in October 2022, approximately \$92 Million of Strategic Investments were approved by the Board of Trustees, including \$40 Million for the ERP project. Funding was identified for \$59 Million, and the remaining funding (\$33 Million) was to be identified within existing systemwide funds. Management has developed a funding plan for the remaining \$33 million using the Debit Mitigation Quasi Endowment. There is currently available 'excess' funding of approximately \$30 Million based on the actual FY24 balances. She said the recommendation is to allocate \$30 Million of reserves/fund balance in FY25 to fund Strategic Investments and move that amount to an internally designated fund. Since cash is not needed at this time, management is asking that the \$30 Million is transferred to the Long-Term Treasury

Investment Quasi Endowment to be invested alongside the endowment fund until needed.

VOTED, on recommendation of the Chancellor, that the Financial Affairs Committee liquidate \$30 million from the Debt Risk Mitigation Quasi-Endowment and that the fund balance be transferred to an Internally Designated Fund for the Strategic Investments approved by the BOT in October 2022.

AND FURTHER, since cash is not needed at this time, transfer the \$30 Million to the Long-Term Treasury Investment Quasi Endowment to be invested alongside the endowment fund until needed.

(The Committee unanimously approved this motion)

September Retreat Follow-up

Chancellor Provencher said that in response to the discussion at the retreat in September, the Presidents' Council has been working on reimagining what USNH looks like in the next five to ten years and developing a challenge statement that outlines the direction forward. She shared some of the specific steps they are taking. In response to a question, she said that while she meets with CCSNH Chancellor Rubenstein regularly, this work is primarily for USNH's strategic plan.

Trustee Pilot said the Presidents were charged with 6 goals/objectives, in addition to institutional goals, and said these goals (listed below) are important for trustees to keep in mind as the presidents and Chancellor will be evaluated on them.

1. Lead the effort to develop and deliver on a 5-year system-wide vision and strategy by the end of the fiscal year, including strategies that will alleviate the cash burn projected over the next five years.
2. Support the continued strengthening of collaborations between USNH and CCSNH, particularly in student enrollment initiatives.
3. In collaboration with presidents, implement recommendations made by Grant Thornton for reasonable and easily understandable methodologies to allocate shared costs and revenues, to include allocation of State appropriations.
4. Assess progress and risks and actively support and champion the ERP implementation.
5. Articulate a vision for online education in collaboration with the Presidents Council.
6. Actively support and champion the unification of ET&S with the system level; support opportunities for system-wide standardization including data/reporting, customer relationship management (CRM) tools, and Web environment.

Trustee Ardinger commented that in the past the Board has held each president responsible for their own institution's goals and the focus has shifted to include, in addition to campus goals, system-wide goals.

Approve FY26 Maximum Tuition Rates, Mandatory Fees and Room and Board Rates

VOTED, on recommendation of the Presidents' Council, that the following motion be recommended for consideration by the Board of Trustees

MOVED, on recommendation of the Financial Affairs Committee that, effective for academic year 2025-26, the maximum tuition rate, mandatory fees, room and board rate annual increases as presented on the attached schedule be adopted as the maximum amounts authorized.

(The Committee unanimously approved this motion)

Vice Chancellor Benincasa said the Board of Trustees is charged with approving tuition and fees. She reviewed the maximum tuition, room and board, and mandatory student fees proposed by the campus presidents (rates are provided in detail in the materials and are the MAXIMUM rate increases allowed). However, to meet market conditions for on-line programs, the UNH College of Professional Studies or the relevant graduate school may choose to reduce non-resident rates so that all students pay the same regardless of residency.

Each component of the Cost of Attendance was compared with peer institutions. A request was made for overall cost of attendance comparisons for all New England institutions.

Approve FY26 Budget Assumptions and Parameters

VOTED, that FY26 budget planning assumptions and parameters as outlined on the attached be approved for use in developing the FY26 budget.

{The Committee voted in favor of this motion with one vote in opposition}

Vice Chancellor Benincasa reviewed the proposed assumptions and parameters to be used in developing the FY26 budget noting many are consistent with prior years. She reported that the Investment and Capital Planning Committee recommended a long-term investment return assumption of 7% and a short-term investment return assumption of 3%. USNH Endowment pool payout will continue with the current methodology. She reviewed the key assumptions and including the proposed assumption for state appropriation is \$91.2 million (Governor's Budget Target which is a 4% reduction vs FY25 Budget) subject to change during the State's FY26/FY27 budget process, if appropriate, no new debt issued in FY26 (excludes refinancing opportunities), USNH-funded systemwide capital spending, excluding strategic investments and

unspent FY25 budgeted capital which may carry forward into FY26 as a result of timing changes, should be targeted at a maximum of 1x annual depreciation, and aligned with the multi-year/long-term capital plans.

Vice Chancellor Benincasa said that any material and new non-recurring items, or if an institutional budget will not meet the 1% OM target, must be approved by the FAC Chair and the ICPC Chair by April 30, 2025.

Trustee Knarr said that he would be voting in opposition to the motion because the operating margin target was not aspirational enough. He said he does not object to any of the other assumptions and the opposition is not a reflection of the lack of faith in the intentions or desire of leadership. He indicated he could potentially consider approving a 1.5%, 1.75% or 2% recurring operating margin; however, based on the project cash burn we are facing, he believes something more than 1% is necessary.

Campus presidents shared their thoughts on the operating margin assumption noting that they have already taken aggressive measures at cost cutting/revenue improvements and will continue to do so. Committee members shared their opinions on the viability of the set of assumptions, concerns with the state budget situation, and the possible need to revisit assumptions in March.

Informational Items

FY24 Financial results highlights

Debt update and refinancing opportunity

Vice Chancellor Benincasa said the assumptions do not include any new debt but she described a refinancing opportunity on the 2015 bonds that could be considered in April 2025 pursuant to the standing BOT motion which provides for refinancing opportunities if in the best interest of the System.

Other Business

Next Meeting Date is March 20, 2025

The Committee adjourned at 5:30 PM.

UNIVERSITY SYSTEM OF NEW HAMPSHIRE
BOARD OF TRUSTEES

Financial Affairs Committee

Information Item
Supporting Materials Summary Sheet

University System of New Hampshire

To: Financial Affairs committee

Re: ERM Update on Financial Health– **For Information, No Action Required**

SUPPORTING MATERIALS (attached) – SUMMARY AND SALIENT INFORMATION

At the January 29, 2025 meeting, the Presidents Council reviewed a report on the risk mitigation efforts relating to Financial Health risks. The presented report is attached.

SUBMITTED AND APPROVED BY:

Catherine A. Provencher
Chancellor

Date Prepared: March 10, 2025

For the Meeting of: March 20, 2025

-- End of Summary Sheet --



ENTERPRISE RISK MANAGMENT

Risk Monitoring Report to the
Board of Trustees'

PC – January 29, 2025

BOT - March 20, 2025

Process for Management of Enterprise Risks:

[Insert description of process(es) including (but not necessarily limited to): who is involved and how mitigation plans were developed; the nature and extent of ERM Champion and other staff involvement and Presidents' Council's oversight.]

Summary of the Mitigation Plans for Enterprise Risks (*Mitigation plan and progress comments columns are updated periodically. Other columns flow from the Annual ERM Report.*):

Risk Area	Accountable Office	Risk Description	ERM Champion	Likelihood	Impact	Management/ Mitigation Plan	Presidents' Council Assessment Comments
Financial Health	Presidents' Council, FINEC	<ul style="list-style-type: none">Declining and changing demographics, increased student financial need, fierce competition, changes in consumer expectations, inflation, etc. are putting	Karen Benincasa	High	High	<ul style="list-style-type: none">As of FY24, USNH has a strong balance sheet and experienced good financial performance which exceeded expectations. However, USNH has financial challenges it knows it will need to mitigate and overcome in the future.	

		<p>extreme pressure on bottom line.</p> <ul style="list-style-type: none"> • Limited ability to raise prices or increase financial aid because of significant price sensitivity in the higher education market. • Unpredictable financial market which could result in low/negative investment returns and increased borrowing costs. • Strategic investments don't have the desired effect on mitigating demographic and other uncontrollable higher education trends or generating the financial returns expected. • Fixed cost structure grows after significant cost reductions are implemented; temporary expenses become permanent. 				<ul style="list-style-type: none"> • Budget parameters are adopted by the FAC to target <u>a minimum</u> system-wide 1% operating margin for FY26. This is an improvement over FY25 Budget but still understood to be less than needed in the future to provide reinvestment/growth opportunities and a sustainable future. Budget parameters assumed a minimum state cut of approx \$4m which could be higher; USNH is aware it needs to plan for a larger cut and raising tuition in this competitive market is not the solution. • Campuses closely track actual performance during the year against budget and make adjustments when/if needed. • Financial Affairs Committee (FAC) receives updates at each of its meetings relative to financial performance at some level and Cash (usage/burn) is being evaluated and monitored closely by USNH leadership on a regular basis. • CFOs are attending the financial portion of all PC meetings to ensure PC and FINEC remain aligned on priorities and initiatives to improve USNH's future financial health. • VCFA and CFOs meet with the chair of FAC and ICPC when needed. • Campuses track expected return on strategic investments that have been approved. 	
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						<ul style="list-style-type: none"> • PC is developing a systemwide vision and strategy for USNH and FINEC will support this effort. FINEC provided PC a list of potential opportunities to be evaluated in the short-term and the long-term. This includes increasing and maximizing shared service opportunities, downsizing/rightsizing facilities, monetizing assets, etc. • Facilities assessment and master planning efforts are underway. PC has given FINEC a charge to evaluate rightsizing/downsizing USNH facilities to meet the future needs which requires a smaller and potentially different footprint. • Campuses are prioritizing capital spending to ensure the limited USNH resources are spent on the highest priorities of the organization. • Employee headcount is being actively monitored by campuses and system office. • Recent increase in employee medical costs and claims are being monitored on a monthly basis; adjustments will need to be considered as this cost continues to increase more consistently with trends and peers vs realizing lower costs in USNH's most recent past. • The ERP system implemented for FIN and HR in Dec 2024 is expected to bring significant opportunities for more current, reliable, and meaningful financial data and information to use in 	
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						<p>decision-making and planning. The implementation process has/will require the systemwide organization to develop comprehensive yet consistent data definitions, business processes for planning and analysis and robust reporting. Work will continue throughout 2025 and beyond.</p> <ul style="list-style-type: none"> • USNH will continue to assess opportunities to refund existing debt for savings; however, will be very cautious about issuing new-money debt until a solid future financial plan is developed. • Advancement campaigns are closely tracked by campuses. 	
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University System
of New Hampshire

FY25 Projected Financial Results

Financial Affairs Committee

March 20, 2025

FY25 Financial Presentation

Purpose and Goals



1. Review high-level FY25 current systemwide projections vs the budget approved by the Board of Trustees in June 2024:
 - Total Operating Margin/(Loss) – Recurring and Non-Recurring Activity
 - Capital Expenditures
 - Cash Flow
2. Review institutional-level details (Operating Margin/(Loss) and Capital Expenditures)
3. Consider FY25 and preliminary FY26 operating risks and opportunities
4. Communicate the commitment of the Presidents' Council to mitigate the projected increase in the loss currently projected for USNH for FY25 as well as mitigate as much of the unplanned increase in USNH-funded capital expenditures and the collective increase in the 'cash burn' projected for FY25.



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Overview Updated Projections – All Funds/All Activity Compared to FY25 Budget and FY24 Actuals (in \$Millions)



	FY24	FY25	FY25	Proj vs Bud	Proj vs Bud	Proj vs FY24	Proj vs FY24
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Total Operating Revenue Excluding One-Time Impacts	951.1	942.3	943.1	0.8	0.1%	(8.0)	-0.8%
Total Operating Expense Excluding One-Time Impacts	924.8	946.5	948.5	(2.0)	-0.2%	(23.7)	-2.6%
Recurring Operating Margin Before One-Time Impacts	26.2	(4.2)	(5.4)	(1.2)	-28.5%	(31.6)	-120.7%
Operating Margin %	2.8%	-0.4%	-0.6%				
One-Time Operating Margin Impacts	(14.6)	(22.8)	(21.4)	1.4	5.9%	(6.8)	-46.7%
Operating Margin Including One-Time Impacts	11.6	(27.0)	(26.8)	0.2	0.6%	(38.5)	-331.0%
Operating Margin %	1.2%	-2.9%	-2.8%				

In total, relatively consistent with FY25 Budget; however, medical costs significantly higher than budget (\$5M) and UNH gift spending less than budget.

System-wide Key Takeaways – Recurring Operating Activity Compared to FY25 Budget and FY24 Actuals



FY 25 Projected Operating Loss of (\$5.4M) or (.6%)

- **Compared to FY25 Budget: \$1M Unfavorable:**

- » Net tuition/fees unfavorable \$10M
 - Total Enrollment (FTE) projected to be down by 0.6%
- » Other operating revenues favorable \$11M (Actual increase \$7M and reporting change of \$4M)
 - \$5M Federal Pell, \$2M Auxiliary and \$4M reclassification from expenses
- » Operating expenses unfavorable \$2M (Actual decrease of \$6M offset by reporting change of \$4M)
 - Employee compensation unfavorable \$10M (\$6M actual increase and \$4M reporting change), depreciation favorable \$3M, Supplies & Services favorable \$5M

- **Compared to FY24 Actuals: \$31.6M Unfavorable**

- » Net tuition/fees unfavorable \$8.8M
 - Total Enrollment (FTE) projected to be down by 0.9%
- » Other operating revenue favorable \$0.9M: state appropriations unfavorable \$3.0M; federal Pell favorable \$7.0M; short term interest income unfavorable \$7.8M; other operating revenue favorable \$4.7M
- » Expenses unfavorable \$23.7M: employee compensation unfavorable \$21.1M (due in part to fringe benefits), other operating expenses unfavorable \$2.6M

FY25 Projections Summary –All Funds Recurring Activity

Total University System of New Hampshire (in \$Millions)

	FY24	FY25	FY25	Proj vs Bud	Proj vs Bud	Proj vs FY24	Proj vs FY24
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Resident tuition	154.2	153.4	158.0	4.6	3.0%	3.8	2.5%
Nonresident tuition	324.6	333.9	321.6	(12.3)	-3.7%	(3.0)	-0.9%
Continuing education tuition	9.7	10.2	9.5	(0.7)	-7.1%	(0.3)	-2.8%
Student Fee revenue	20.6	20.9	20.7	(0.2)	-1.0%	0.1	0.5%
Gross Tuition Revenue & Fees	509.2	518.4	509.8	(8.7)	-1.7%	0.6	0.1%
Less: student financial aid	(232.9)	(240.8)	(242.3)	(1.6)	0.7%	(9.4)	4.1%
Financial Aid % of Total All Funds Gross Tuition Revenue	45.7%	46.4%	47.5%	-1.1%	-2.4%	-1.8%	-3.9%
Net Tuition & Fees	276.3	277.7	267.4	(10.2)	-3.7%	(8.8)	-3.2%
State of New Hampshire general appropriations	98.0	95.0	95.0	0.0	0.0%	(3.0)	-3.1%
Sales of auxiliary services	219.5	219.5	221.1	1.6	0.7%	1.6	0.7%
Grants, Contracts, and Other Operating Revenue	357.3	350.1	359.6	9.5	2.7%	2.3	0.6%
Total Operating Revenue Excluding One-Time Impacts	951.1	942.3	943.1	0.8	0.1%	(8.0)	-0.8%
Employee Compensation	559.2	570.4	580.4	(10.0)	-1.8%	(21.1)	-3.8%
Other Operating Expense	365.6	376.1	368.2	8.0	2.1%	(2.5)	-0.7%
Total Operating Expense Excluding One-Time Impacts	924.8	946.5	948.5	(2.0)	-0.2%	(23.7)	-2.6%
Recurring Operating Margin Before One-Time Impacts	26.2	(4.2)	(5.4)	(1.2)	-28.5%	(31.6)	-120.7%
Operating Margin %	2.8%	-0.4%	-0.6%				

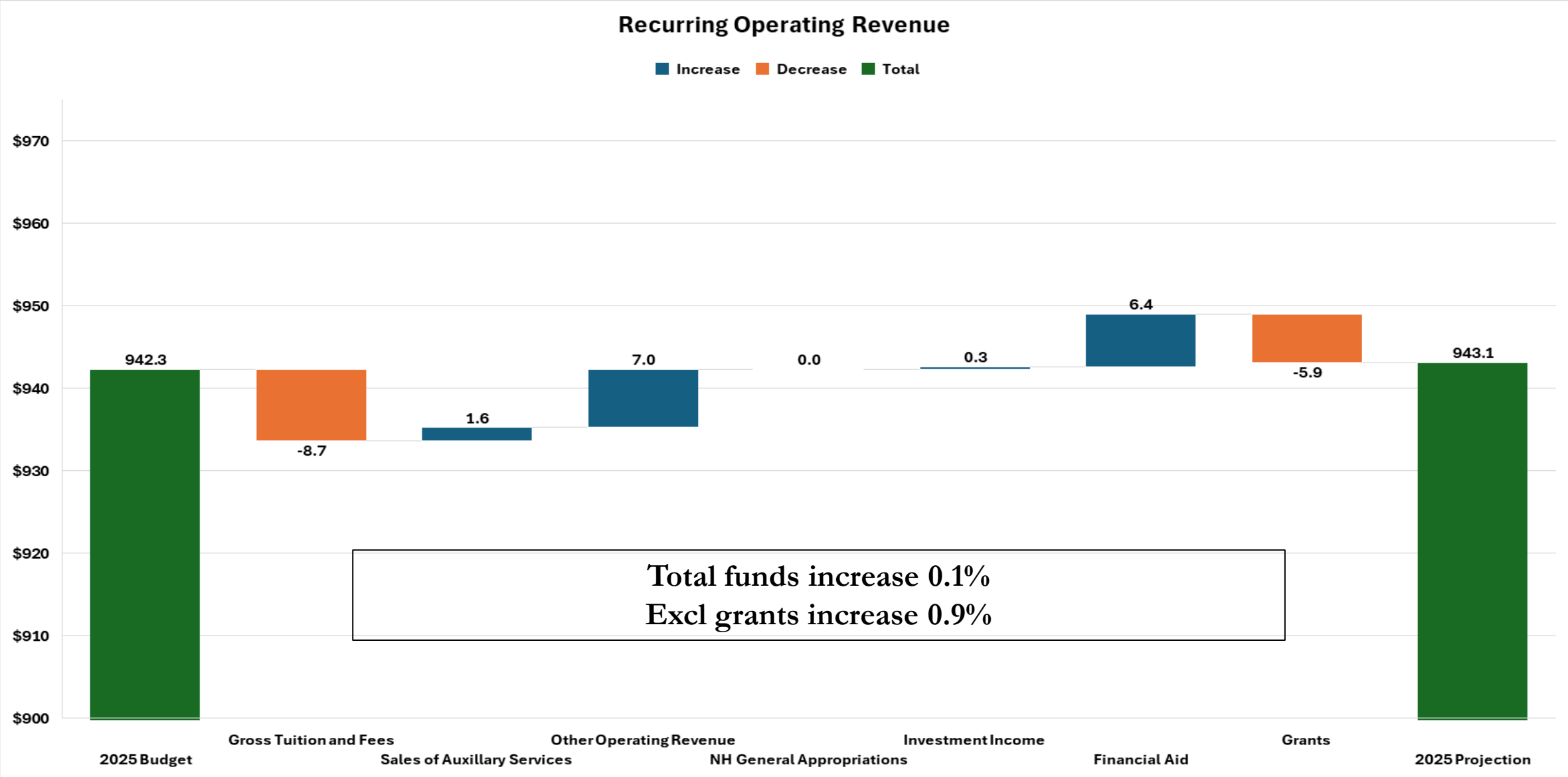
FY25 Projection Summary by Institution – Recurring Operating Margin Total Funds (in \$Millions)

	FY24	FY25	FY25	Proj vs Bud
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)
UNH	10.5	(5.2)	(5.2)	0.0
PSU	5.5	(0.9)	(1.5)	(0.6)
KSC	(0.4)	(0.3)	(1.3)	(1.0)
Shared Services	10.6	2.2	2.6	0.4
Total Recurring OM	26.2	(4.2)	(5.4)	(1.2)

Recurring Operating Revenues

FY25 Projections Vs FY25 Budget

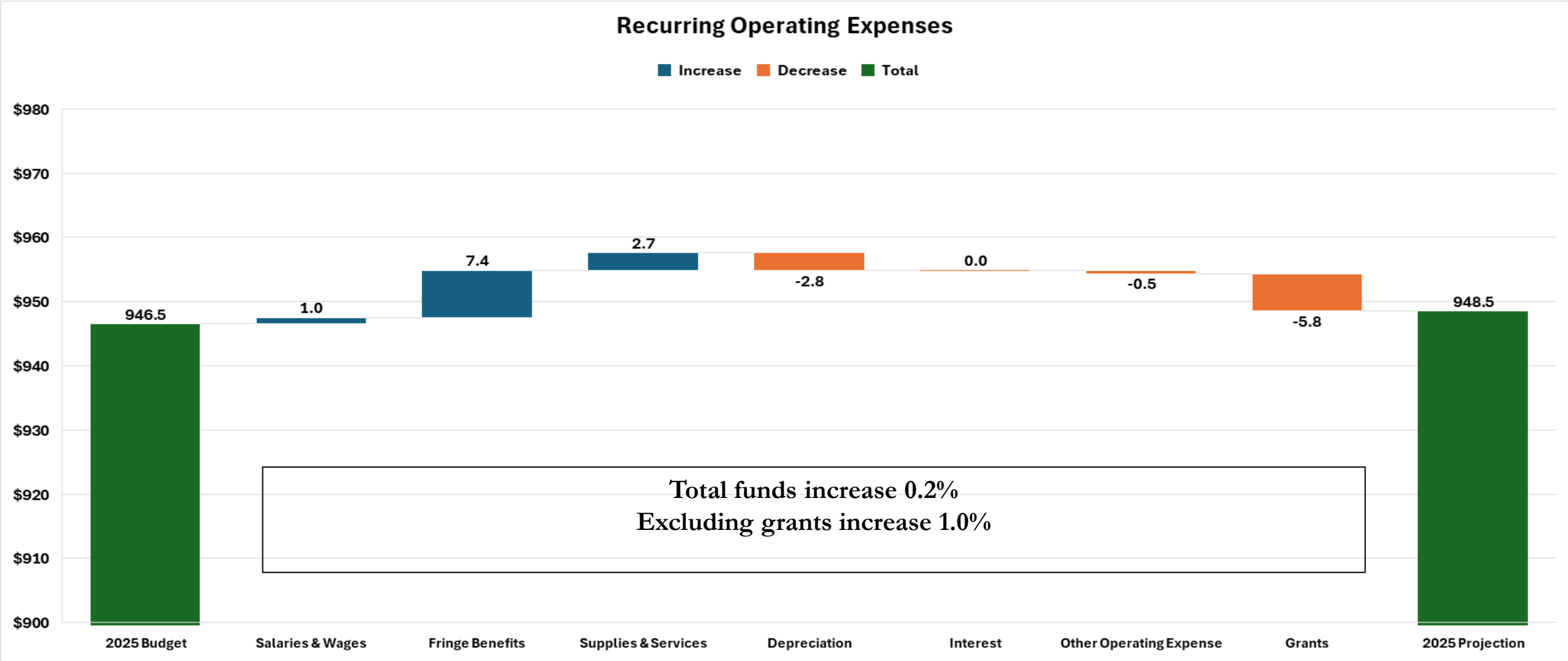
Total University System of New Hampshire (Total Funds)



Budget Summary – Recurring Operating Expense

FY25 Projections Vs FY25 Budget

Total University System of New Hampshire (Total Funds)



FY25 Projections Summary – Recurring Activity **Excluding Grant Funds** Total University System of New Hampshire (in \$Millions)



University System
of New Hampshire

	FY24	FY25	FY25	Proj vs Bud	Proj vs Bud	Proj vs FY24	Proj vs FY24
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Resident tuition	154.2	153.4	158.0	4.6	3.0%	3.8	2.5%
Nonresident tuition	324.6	333.9	321.6	(12.3)	-3.7%	(3.0)	-0.9%
Continuing education tuition	9.7	10.2	9.5	(0.7)	-7.1%	(0.3)	-2.8%
Student Fee revenue	20.6	20.9	20.7	(0.2)	-1.0%	0.1	0.5%
Gross Tuition Revenue & Fees	509.2	518.4	509.8	(8.7)	-1.7%	0.6	0.1%
Less: student financial aid	(197.9)	(203.2)	(196.8)	6.4	-3.1%	1.1	-0.6%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	38.9%	39.2%	38.6%	0.6%	1.5%	0.3%	0.7%
Net Tuition & Fees	311.2	315.3	313.0	(2.3)	-0.7%	1.7	0.6%
State of New Hampshire general appropriations	98.0	95.0	95.0	0.0	0.0%	(3.0)	-3.1%
Sales of auxiliary services	219.5	219.5	221.1	1.6	0.7%	1.6	0.7%
Grants, Contracts, and Other Operating Revenue	144.5	132.0	139.3	7.4	5.6%	(5.2)	-3.6%
Total Operating Revenue Excluding One-Time Impacts	773.2	761.7	768.4	6.7	0.9%	(4.9)	-0.6%
Employee Compensation	470.4	475.9	484.2	(8.4)	-1.8%	(13.8)	-2.9%
Other Operating Expense	283.7	294.0	293.5	0.5	0.2%	(9.8)	-3.4%
Total Operating Expense Excluding One-Time Impacts	754.1	769.8	777.7	(7.9)	-1.0%	(23.6)	-3.1%
Recurring Operating Margin Before One-Time Impacts	19.1	(8.2)	(9.3)	(1.2)	-14.4%	(28.4)	-148.8%
Operating Margin %	2.5%	-1.1%	-1.2%				

Undergraduate Enrollment* – New vs Continuing

Fall 2024 below market expectations; further 12% decrease expected through Fall 2028 (FY25 = Fall 2024 Actuals)



USNH	Fall Actual					
	FY20	FY21	FY22	FY23	FY24	FY25
New	4,608	4,446	4,478	4,521	4,320	4,128
<i>New Student Growth/(Loss)</i>		-3.5%	0.7%	1.0%	-4.5%	-4.4%
Continuing	14,562	13,826	13,295	12,798	12,881	12,843
<i>Continuing Growth/(Loss)</i>		-5.1%	-3.8%	-3.7%	0.7%	-0.3%
Total	19,170	18,272	17,773	17,319	17,201	16,971
<i>Total Growth/(Loss)</i>		-4.7%	-2.7%	-2.6%	-0.7%	-1.3%

Reminder:
'Cliff' Fall 2028 (FY29)

HEDI/Grawe 1st-Yr College-Going Projections to 2033: Public 4Yr College Goers												
	22 Fall	23	24	25	26	27	28	29	30	31	32	33
New England	53035	51744	54094	53911	51478	51481	47711	47698	50622	51146	48805	51154
		-2.4%	4.5%	-0.3%	-4.5%	0.0%	-7.3%	0.0%	6.1%	1.0%	-4.6%	4.8%

*Includes UNH (Durham), PSU and KSC

FY25 Capital Projections \$117M vs Budget \$125M

Increase in USNH-funded capital and decrease in externally funded

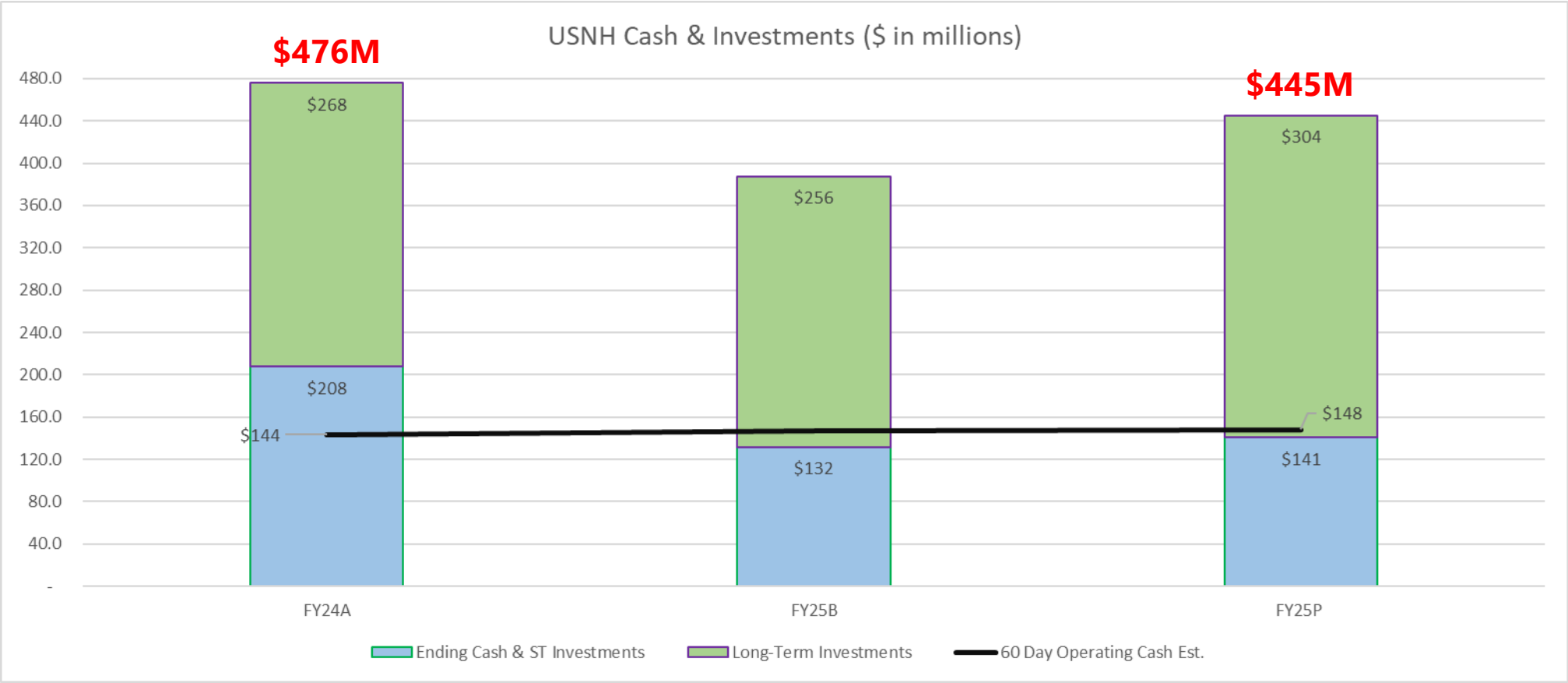
\$7 Million Increase in USNH-Funded Capital Expenditures – BOT Approval Requested

	Projections								Variance vs Budget		
	USNH Funded (Annual Plan)	FY24 Carryover USNH Funds	Externally Funded	Total Recurring	Strategic- USNH Funded	Strategic- Debt Funded	Total Strategic	Total Capital Expenditures	USNH Funded	Externally Funded	Total
UNH	50.6	6.8	11.3	68.7	-	12.1	12.1	80.8	9.4	(8.4)	1.0
PSU	7.3	7.3	2.5	17.1	7.0	-	7.0	24.1	(1.7)	(6.9)	(8.6)
KSC	4.7	0.1	1.9	6.7	3.7	-	3.7	10.5	(0.6)	0.6	0.0
Shared	0.6	-	-	0.6	1.0	-	1.0	1.6	(0.0)	-	(0.0)
Total	63.2	14.2	15.7	93.2	11.7	12.1	23.8	117.0	7.1	(14.7)	(7.6)

USNH is projected to spend **\$117M** in capital projects: **UNH \$80.8M, PSU \$24.1M, KSC \$10.5M, Systemwide Shared Services \$1.6M**

- \$63.2M Annual capital budget or 90% annual depreciation (vs Budget of \$56.7M)
- \$14.2M USNH-funded Carryforward of FY24 annual capital budget (vs Budget of \$11.5M)
- \$15.7M Non-USNH Funded capital expenditures (State, gifts, grants, etc. vs Budget of \$35.3M)
- \$11.7M USNH-funded Strategic Investments (vs Budget of \$13.7M)
- \$12.1M debt-funded Strategic Investments (vs Budget of \$7.3M)

FY25 Projected Cash Flow and Projected Cash and Short-Term Investments June 30, 2025



Note: Cash and investment is projected to decrease from 6/30/24 Actuals of \$476M to \$445M as a result of the following:

- **Total operating/non-operating activity FY25 reduction (‘cash burn’) of (\$67M)**
- Transfer from Debt Quasi approved by BOT in October 2024 of +\$30M
- Gain on LTTI, net of payout +\$6 Million

FY25 Projected Cash Flow June 30, 2025

\$ in millions

	FY25 Budget	FY25 Projection	FY25 Proj vs Bud Favorable/ (Unfavorable)
Recurring OM - All Funds	(4)	(5)	(1)
Interest	15	15	-
Depreciation	73	70	(3)
EBITDA	83	79	(4)
Capital - Recurring	(68)	(78)	(10)
Debt Service:			
Debt - Principal	(15)	(15)	-
Debt - Interest	(15)	(15)	-
Total Debt Service	(30)	(30)	-
Other (changes in working capital, etc)	(3)	(3)	-
Annual Recurring Operating Activity & Debt Service	(18)	(32)	(14)
Subtotal Strategic Investments/One-Time/Other	(40)	(35)	5
Total Annual Cash Inflow/(Outflow)	(58)	(67)	(9)
Summary of Ending Cash, Short Term Investments and Long Term Investments (Quasi Endowment)			
Ending Cash & ST Investments	132	141	9
Long-Term Investments	256	274	18
Long-Term Investment Transfer from Debt Quasi (Oct 202	-	30	30
Total	388	445	57

Operating Activity FY25 Unfav (\$14M)

- FY25 Capex to be recovered FY26+ \$2M
- FY25 Capex carryforward increase offset by FY24 Favorable Variance \$2M

Net FY25 Oper Unfav Variance (\$10M)

FY25 annual cash outflow projected to be higher (\$9M):

- Decrease in EBITDA* (\$4M)
- Increase USNH-funded Capex (\$10M)
- Decrease (timing delay) USNH Strat Inv +\$5M

USNH total June 30, 2025, cash and investments are projected to be \$57M higher than FY25 Budget:

- FY24 Ending Cash/ST Balance higher than expected +\$18M
- FY24 Ending LTTI Balance higher than expected +\$18M
- FY25 Operating Activity (\$14M)
- FY25 Non-Recurring Activity \$5M
- FY25 Transfer of Debt Quasi to Long Term Inv +\$30M
- **Total Increase \$57M**

*EBITDA = earnings before interest, taxes, and depreciation

Risks:

- Enrollment will continue to decline faster than restructuring initiatives can be implemented
- Operating margin improvements expected from Strategic Investments may not be realized
- Medical costs continue to rise at a higher rate than revenues
- Potential credit rating downgrade based on operating activity (loss) projected for FY25
- Potential federal funding reductions; risk of residual/unfunded expenses to be covered by USNH

Opportunities:

- Short-Term Investment Returns – potentially higher than 4.5% currently assumed for FY25 (and 3% FY26)
- Additional restructuring initiatives to be implemented once future vision/strategy is developed
- Savings from future debt refunding (delayed until FY26 as a result of resource constraints)

Note: 7 of the 13 USNH bargaining unit contracts expire June 30, 2025



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University System
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University of New Hampshire

BOT Operating Margin flat to Original Budget

Revenue net decrease of \$2M from the Original Budget

- Net tuition / Fees \$7M lower than the Original Budget
 - Resident tuition increased \$3.5M, mainly driven by the Durham undergraduate student residency mix shift \$3.1M, and Law graduate tuition increase \$1.3M, offset by lower Manchester undergraduate and graduate resident tuition \$1.1M
 - Nonresident tuition decreased \$9.0M, mainly driven by the Durham undergraduate student residency mix shift of \$7.0M, lower Durham graduate tuition of \$1.6M, and lower Law graduate tuition of \$.5M
 - Continuing education tuition decreased \$.1M mainly driven by lower noncredit tuition; and student fee revenue decreased \$.1M
 - Student financial aid increased \$1.3M, mainly driven by \$7.0M higher grant financial aid (Pell \$5.2M and Unique \$2M), offset by Durham undergraduate financial aid saving due to residency mix \$5.4M, and lower Law graduate financial aid \$.5M
- Grants & Contracts/F&A/Pell \$3.7M higher than Original Budget
 - Pell increase of \$5.2M, F&A recovery increase of \$1.6M
 - Offset by lower Grant & Contract, as a result, lower than expected professional services and subcontract
- Non-capital gift increase of \$1M
- Auxiliary revenue increased \$.4M

Expenses net decreased \$2M from the Original Budget

- Employee Compensation increase of \$7.2M (mainly driven by grant increase and potential fringe benefit true up from 39% to 41%)
- Goods & Services decrease of \$6.1M, mainly driven by lower Grant professional services and subcontract
- Depreciation decrease of \$3.1M per USNH's November estimates

UNH Projections Summary Total Funds

(\$ In Millions)



University System
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	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	114.2	117.8	3.5	3.1%
Nonresident tuition	266.1	257.0	(9.0)	-3.4%
Continuing education tuition	6.0	5.9	(0.1)	-1.6%
Student Fee revenue	12.6	12.5	(0.1)	-0.8%
Gross Tuition Revenue & Fees	398.9	393.2	(5.7)	-1.4%
Less: student financial aid	(180.4)	(181.7)	(1.3)	0.7%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	45.2%	46.2%	-1.0%	-2.2%
Net Tuition & Fees	218.5	211.5	(7.0)	-3.2%
State of New Hampshire general appropriations	65.9	65.9	0.0	0.0%
Sales of auxiliary services	155.1	155.6	0.5	0.3%
Grants, Contracts, and Other Operating Revenue	296.3	300.8	4.6	1.5%
Total Operating Revenue Excluding One-Time Impacts	735.8	733.9	(1.9)	-0.3%
Employee Compensation	424.2	431.4	(7.2)	-1.7%
Other Operating Expense	316.9	307.7	9.2	2.9%
Total Operating Expense Excluding One-Time Impacts	741.0	739.1	1.9	0.3%
Recurring Operating Margin Before One-Time Impacts	(5.2)	(5.2)	0.0	0.2%
Operating Margin %	-0.7%	-0.7%		
One-Time Operating Margin Impacts	(4.2)	(4.2)	(0.0)	0.2%
Operating Margin Including One-Time Impacts	(9.4)	(9.4)	0.0	0.0%
Operating Margin %	-1.3%	-1.3%		

UNH Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



University System
of New Hampshire

	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	114.2	117.8	3.5	3.1%
Nonresident tuition	266.1	257.0	(9.0)	-3.4%
Continuing education tuition	6.0	5.9	(0.1)	-1.6%
Student Fee revenue	12.6	12.5	(0.1)	-0.8%
Gross Tuition Revenue & Fees	398.9	393.2	(5.7)	-1.4%
Less: student financial aid	(157.1)	(151.4)	5.7	-3.6%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	39.4%	38.5%	0.9%	2.2%
Net Tuition & Fees	241.7	241.8	0.0	0.0%
State of New Hampshire general appropriations	65.9	65.9	0.0	0.0%
Sales of auxiliary services	155.1	155.6	0.5	0.3%
Grants, Contracts, and Other Operating Revenue	101.3	104.2	3.0	2.9%
Total Operating Revenue Excluding One-Time Impacts	564.0	567.5	3.5	0.6%
Employee Compensation	335.8	341.0	(5.2)	-1.5%
Other Operating Expense	237.1	235.4	1.7	0.7%
Total Operating Expense Excluding One-Time Impacts	573.0	576.4	(3.4)	-0.6%
Recurring Operating Margin Before One-Time Impacts	(8.9)	(8.9)	0.0	0.3%
Operating Margin %	-1.6%	-1.6%		

UNH Recurring Operating Margin/(Loss)

Bridge From FY25 Budget

(\$ in millions)

	Incr/ (Decr)	Annual OM/(Loss)
FY25 Budget Margin/(Loss)		(\$5.2)
Undergraduate net tuition		(\$4.9)
Graduate net tuition		(\$1.1)
Continuing ed net tuition and others		(\$1.0)
Grants & Contracts/F&A/Pell		+\$3.7
Noncapital Gifts		+\$1.0
Auxiliary Revenue & Other operating revenue		+\$0.3
Employee Compensation (mainly driven by fringe increases and grant increases)		(\$7.2)
Supplies & Services		+\$6.1
Depreciation		+\$3.1
FY25 Projection Margin/(Loss)		(\$5.2)

UNH FY25 Capital Projections (Recurring only)



	FY25 Budget			FY25 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
Spaulding Expansion and Renovation	\$6.4		\$6.4	\$6.8		\$6.8	(\$0.4)
Huddleston Hall Renovations/Honors Program	\$3.5		\$3.5	\$5.5		\$5.5	(\$2.0)
Thermal Energy Storage Tank	\$2.5		\$2.5	\$5.3		\$5.3	(\$2.8)
Field House- Women's Locker Room Renovations	\$7.0		\$7.0	\$7.0		\$7.0	-
Whittemore Center Expansion and Renovation		\$3.0	\$3.0		\$0.8	\$0.8	\$2.2
Morse Center HVAC AHU Replacement	\$3.1		\$3.1	\$0.7		\$0.7	\$2.4
NOAA Ocean Mapping Center of Excellence		\$8.0	\$8.0		\$1.2	\$1.2	\$6.8
Jackson Lab Expansion and Renovation		\$4.2	\$4.2		\$0.2	\$0.2	\$4.0
Combined Heat & Power Plant			-	\$2.3		\$2.3	(\$2.3)
Utility Distribution S-HHW Garrison to Stillings Hall	\$1.7		\$1.7	\$1.0		\$1.0	\$0.7
Paul Creative Arts Center - Life Safety System			-	\$0.4		\$0.4	(\$0.4)
Hetzel				\$0.4		\$0.4	(\$0.4)
Other Major Capital Investments (<\$2M)	\$2.5	\$1.0	\$3.5	\$6.7	\$0.1	\$6.8	(\$3.3)
On-Going/Recurring Investments	\$15.2	\$2.2	\$17.4	\$15.2	\$2.9	\$18.1	(\$0.7)
Capital Equipment	\$6.1	\$6.1	\$12.2	\$6.1	\$6.1	\$12.2	-
Total (Incl FY25 Carryforward)	\$48.0	\$24.5	\$72.5	\$57.4	\$11.3	\$68.7	\$3.8

UNH FY25 Projected Strategic Investments



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	FY25 Budget			FY25 Projection			
\$M	Capital	Non Capital	Total	Capital	Non Capital	Total	Favorable/ (Unfavorable) vs Budget
Hetzel Hall (Bond-funded)	\$7.3		\$7.3	\$12.1		\$12.1	(\$4.8)
Research Strategic Initiatives		\$1.1	\$1.1		\$1.1	\$1.1	-
UNH Online Strategic Investments		\$1.2	\$1.2		\$1.2	\$1.2	-
<i>Total BOT-Approved Strategic Invest.</i>	<i>\$7.3</i>	<i>\$2.3</i>	<i>\$9.6</i>	<i>\$12.1</i>	<i>\$2.3</i>	<i>\$14.4</i>	<i>(\$4.8)</i>
EOS Sub-award for Boat Purchase		\$0.8	\$0.8		\$0.8	\$0.8	-
Campus Master Plan		\$0.4	\$0.4		\$0.4	\$0.4	-
Spaulding Equipment Fit Out		\$0.7	\$0.7		\$0.7	\$0.7	-
<i>Total Other Non-Recurring</i>		<i>\$1.9</i>	<i>\$1.9</i>		<i>\$1.9</i>	<i>\$1.9</i>	-
<i>Total Non-Recurring</i>	<i>\$7.3</i>	<i>\$4.2</i>	<i>\$11.5</i>	<i>\$12.1</i>	<i>\$4.2</i>	<i>\$16.3</i>	<i>(\$4.8)</i>



University of
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University System
of New Hampshire

Plymouth State University

Risks

- Enrollment – New Hampshire’s population has one of the highest median ages in the country, which has and will continue to translate to lower high school enrollment levels and declining in-state enrollment.
- Financial Aid continues to increase to attract students. While necessary to maintain enrollment, such actions lower net revenue.
- Goods and Services increases - Operating costs have been increasing due to inflation, supply chain and location (transportation) factors. As we outsource more, we are dependent on other entities’ wage increases, fringe benefit increases and product increases.
- Federal & State appropriation and policy changes are occurring more frequently than in the past. Not having concrete information makes it difficult to plan and subject to volatility.
- Utilities were locked in, but our usage remains subject to weather conditions. Contingencies were minimized to achieve last summer’s budget bridge requirements.
- Unions are expressing displeasure with discussions of a retrenchment plan.

Key Takeaways - Opportunities



Opportunities

- Continued alignment across USNH academic programs to further student-serving collaboration and efficiency
- Implementation of 3-year Bachelor's degrees and development of co-op program to address both student demand and workforce need
- Working with faculty and unions to develop 5-year strategic sustainability plan to present to the BOT in June
- Convert appropriate buildings for business lease. This will keep the GSF for PSU future endeavors, while generating revenues to support repairs/maintenance and other general institutional expenses. We already have one leasing arrangement underway.
- If feasible, offer residential leasing to faculty/staff that are having difficulty finding suitable housing. This will help to attract and retain employees while bringing in revenues for the campus.
- Major projects such as Hyde Hall are coming online. These projects are intended to attract new students.

PSU Projections Summary - Total Funds

(\$ In Millions)



University System
of New Hampshire

	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	22.1	23.3	1.1	5.2%
Nonresident tuition	37.7	34.9	(2.8)	-7.4%
Continuing education tuition	0.8	0.6	(0.2)	-30.6%
Student Fee revenue	4.1	4.0	(0.1)	-2.1%
Gross Tuition Revenue & Fees	64.8	62.8	(2.0)	-3.1%
Less: student financial aid	(32.5)	(33.1)	(0.6)	1.7%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	50.2%	52.7%	-2.5%	-5.0%
Net Tuition & Fees	32.2	29.7	(2.6)	-7.9%
State of New Hampshire general appropriations	14.9	14.9	0.0	0.0%
Sales of auxiliary services	34.4	34.7	0.3	0.8%
Grants, Contracts, and Other Operating Revenue	16.0	17.2	1.2	7.3%
Total Operating Revenue Excluding One-Time Impacts	97.6	96.4	(1.1)	-1.1%
Employee Compensation	50.7	49.3	1.4	2.9%
Other Operating Expense	47.8	48.7	(0.9)	-2.0%
Total Operating Expense Excluding One-Time Impacts	98.5	98.0	0.5	0.5%
Recurring Operating Margin Before One-Time Impacts	(0.9)	(1.5)	(0.6)	-64.6%
Operating Margin %	-1.0%	-1.6%		
One-Time Operating Margin Impacts	(2.7)	(1.4)	1.36	49.6%
Operating Margin Including One-Time Impacts	(3.7)	(2.9)	0.8	20.6%
Operating Margin %	-3.8%	-3.0%		

PSU Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



University System
of New Hampshire

	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	22.1	23.3	1.1	5.2%
Nonresident tuition	37.7	34.9	(2.8)	-7.4%
Continuing education tuition	0.8	0.6	(0.2)	-30.6%
Student Fee revenue	4.1	4.0	(0.1)	-2.1%
Gross Tuition Revenue & Fees	64.8	62.8	(2.0)	-3.1%
Less: student financial aid	(24.8)	(24.6)	0.2	-0.7%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	38.3%	39.2%	-0.9%	-2.4%
Net Tuition & Fees	40.0	38.2	(1.8)	-4.5%
State of New Hampshire general appropriations	14.9	14.9	0.0	0.0%
Sales of auxiliary services	34.4	34.7	0.3	0.8%
Grants, Contracts, and Other Operating Revenue	6.3	6.6	0.3	4.5%
Total Operating Revenue Excluding One-Time Impacts	95.6	94.4	(1.3)	-1.3%
Employee Compensation	49.3	47.7	1.6	3.2%
Other Operating Expense	47.3	48.3	(1.0)	-2.2%
Total Operating Expense Excluding One-Time Impacts	96.6	96.1	0.6	0.6%
Recurring Operating Margin Before One-Time Impacts	(1.0)	(1.7)	(0.7)	-68.8%
Operating Margin %	-1.0%	-1.8%		

PSU Recurring Operating Margin/(Loss)

Bridge From FY25 Budget

(\$ in millions)



	Incr/ (Decr)	Annual OM/(Loss)
FY25 Budget Margin/(Loss)		(\$0.9)
FY24 VRIP positions budget move to non-recurring	\$0.2	
Fringe Increase Adjustment per USNH	(\$0.3)	
Depreciation Prior Year Adjustment in current year	(\$0.2)	
Net Tuition/Fees	(\$2.6)	
Grants – Unique Annual Allotment	\$0.6	
Employee Compensation	\$1.7	
FY25 Projection Margin/(Loss)		(\$1.5)

PSU FY25 Capital Projection

\$ in millions



*Grant Funding	FY25 Budget			FY25 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
Hyde Hall Project (above BOT-approved strategic investment)	\$8.6	\$2.8	\$11.4	\$10.8	\$1.2	\$12.0	(\$0.6)
PE Center Energy Conservation*		\$4.7	\$4.7		\$0	\$0	\$4.7
Sam Read Hall Nursing Renovation*		\$1.6	\$1.6		\$0.9	\$0.9	\$0.7
Auxiliary-Related Renovations	\$1.1		\$1.1			\$0	\$1.1
South Campus Steam Loop	\$1.0		\$1.0	\$1.0		\$1.0	\$0
Boyd Hall Roof Replacement	\$0.6		\$0.6	\$0.5		\$0.5	\$0.1
HUB Renovation	\$0.5		\$0.5	\$0.1		\$0.1	\$0.4
Lamson Library Roof	\$0.4		\$0.4	\$0.4		\$0.4	\$0
Langdon Chiller Replacement	\$0.4		\$0.4	\$0.3		\$0.3	\$0.1
Other Repair & Adaption Projects (Highland)	\$0.8		\$0.8	\$0.7		\$0.7	\$0.1
Capital Equipment	\$0.7	\$0.3	\$1.0	\$0.6	\$0.3	\$0.9	\$0.1
Total	\$14.1	\$9.4	\$23.5	\$14.4	\$2.4	\$16.8	\$6.7

PSU FY25 Strategic Investments & Other Non-Recurring Activities



University System
of New Hampshire

	FY25 Budget			FY25 Projection			
\$M	Capital	Non Capital	Total	Capital	Non Capital	Total	Favorable/ (Unfavorable) vs Budget
Highland Hall Wellness Center	\$1.3		\$1.3	\$1.5		\$1.5	(\$0.2)
Hyde Hall	\$0.4		\$0.4	\$1.7		\$1.7	(\$1.3)
PE Center Upgrade	\$4.4		\$4.4	\$2.0		\$2.0	\$2.4
Sam Read Hall Nursing Renovations	\$1.0		\$1.0	\$0		\$0	\$1.0
Residence Hall Upgrades	\$1.3	\$0.4	\$1.7	\$0.8	\$0.7	\$1.5	\$0.2
White Mountain Apartment Complex	\$0.7	\$2.2	\$2.9	\$1.0		\$1.0	\$1.9
Other Strategic		\$0.3	\$0.3		\$0.3	\$0.3	\$0
<i>Total BOT-Approved Strategic Invest.</i>	<i>\$9.1</i>	<i>\$2.9</i>	<i>\$12.0</i>	<i>\$7.0</i>	<i>\$1.0</i>	<i>\$8.0</i>	<i>\$4.0</i>
FEMA Recovery (Flood) (.2) & VRIP .5		(\$0.2)	(\$0.2)		\$0.3	\$0.3	(\$0.5)
<i>Total Other Non-Recurring</i>	<i>\$0.0</i>	<i>(\$0.2)</i>	<i>(\$0.2)</i>	<i>\$0</i>	<i>\$0.3</i>	<i>\$0.3</i>	<i>\$0.1</i>
<i>Total Non-Recurring</i>	<i>\$9.1</i>	<i>\$2.7</i>	<i>\$11.8</i>	<i>\$7.0</i>	<i>\$1.3</i>	<i>\$8.3</i>	<i>\$3.5</i>



University of
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University System
of New Hampshire

Keene State College

Operating Margin (excludes grants):

FY25 projected recurring operating margin for KSC is a (\$1.4M) deficit, which is (\$0.9M) unfavorable to the original FY25 budgeted deficit of (\$0.5M). The variance is primarily related to Operating Expenses.

Operating Revenues (excludes grants):

FY25 projected operating revenue is \$0.2M higher than budget.

Our total matriculated enrollment numbers are higher than in FY24 as a result of strategic financial aid and admissions strategies. Our revenue for both undergraduate and graduate tuition revenue was below budget but was offset by a decrease in financial aid for a net variance of (\$0.1M). We did not achieve our anticipated continuing education and summer revenue; impact was (\$0.4M).

We anticipate an increase in sales of auxiliary services, driven by Community Living and Dining. A 2.5% rate increase combined with higher than anticipated participation resulted in a favorable variance of \$0.9M, offset slightly with other variances in operating revenue of (\$0.3M).

Operating Expenses (excludes grants):

FY25 projected expenses are \$1.1M higher than budget, primarily due to unfavorable variances in Salaries and Wages and Dining costs.

Salaries and wages are anticipated to be \$0.9M over budget. The unfavorable variance is primarily a result of not achieving a budgeted vacancy reserve (due to almost full employment) and higher adjunct costs. Fringe benefits are expected to be \$0.6M over budget due to higher salary expenses as well as an anticipated true-up of system-wide effective fringe rate.

Other operating expenses include dining costs that were higher than budgeted, offsetting a portion of the favorable variance in dining revenue. The direct costs of more meals served, increase in food costs, and higher labor costs are partly offset by savings in other areas.

Offsetting some of these higher costs are anticipated savings in utilities of approximately \$0.5M offset by (\$0.1M) higher other operating expenses.

KSC Operating Projections Summary - Total Funds

(\$ In Millions)



University System
of New Hampshire

	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	17.1	17.0	(0.1)	-0.6%
Nonresident tuition	30.1	29.6	(0.5)	-1.6%
Continuing education tuition	3.4	3.0	(0.4)	-11.2%
Student Fee revenue	4.2	4.2	(0.0)	-0.7%
Gross Tuition Revenue & Fees	54.8	53.8	(1.0)	-1.8%
Less: student financial aid	(27.9)	(27.6)	0.3	-0.9%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	50.8%	51.3%	-0.4%	-0.9%
Net Tuition & Fees	26.9	26.2	(0.7)	-2.7%
State of New Hampshire general appropriations	14.2	14.2	0.0	0.2%
Sales of auxiliary services	29.9	30.8	0.9	2.9%
Grants, Contracts, and Other Operating Revenue	23.5	22.9	(0.6)	-2.6%
Total Operating Revenue Excluding One-Time Impacts	94.5	94.1	(0.4)	-0.5%
Employee Compensation	46.9	47.8	(0.9)	-2.0%
Other Operating Expense	48.0	47.6	0.4	0.7%
Total Operating Expense Excluding One-Time Impacts	94.9	95.5	(0.6)	-0.6%
Recurring Operating Margin Before One-Time Impacts	(0.3)	(1.3)	(1.0)	-313.7%
Operating Margin %	-0.3%	-1.4%		
One-Time Operating Margin Impacts	(3.5)	(2.4)	1.0	29.9%
Operating Margin Including One-Time Impacts	(3.8)	(3.8)	0.03	0.7%
Operating Margin %	-4.0%	-4.0%		

KSC Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



University System
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	FY25 Budget	FY25 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	17.1	17.0	(0.1)	-0.6%
Nonresident tuition	30.1	29.6	(0.5)	-1.6%
Continuing education tuition	3.4	3.0	(0.4)	-11.2%
Student Fee revenue	4.2	4.2	(0.0)	-0.7%
Gross Tuition Revenue & Fees	54.8	53.8	(1.0)	-1.8%
Less: student financial aid	(21.3)	(20.8)	0.5	-2.2%
Financial Aid % of Total All Funds Gross Tuition Revenue & Fees	38.8%	38.6%	0.2%	0.4%
Net Tuition & Fees	33.6	33.0	(0.5)	-1.5%
State of New Hampshire general appropriations	14.2	14.2	0.0	0.2%
Sales of auxiliary services	29.9	30.8	0.9	2.9%
Grants, Contracts, and Other Operating Revenue	10.0	9.8	(0.2)	-2.1%
Total Operating Revenue Excluding One-Time Impacts	87.7	87.8	0.2	0.2%
Employee Compensation	42.1	43.6	(1.5)	-3.5%
Other Operating Expense	46.0	45.6	0.4	0.8%
Total Operating Expense Excluding One-Time Impacts	88.1	89.2	(1.1)	-1.2%
Recurring Operating Margin Before One-Time Impacts	(0.5)	(1.4)	(0.9)	-195.2%
Operating Margin %	-0.5%	-1.6%		

KSC Recurring Operating Margin/(Loss) Bridge From FY25 Budget

(\$ in millions)



	Incr/ (Decr)	Annual OM/(Loss)
FY25 Budget - Margin		(\$0.3)
Benefitted Earnings & Fringe	(\$1.0)	
Graduate & Continuing Ed	(\$0.5)	
Adjunct Labor	(\$0.4)	
Fringe true-up	(\$0.3)	
Community Living	\$0.5	
Utilities savings	\$0.5	
Contract savings	\$0.2	
FY25 Projection - Margin		(\$1.3)

KSC FY25 Capital Projection

\$ in millions



	FY25 Budget			FY25 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
Renewal Program (Deferred Maintenance/Departmental Projects)	\$0.7		\$0.7	\$1.8		\$1.8	(\$1.1)
Holloway Commons - Bathroom Improvements	\$1.3		\$1.3	\$0.5		\$0.5	\$0.8
Joslin Roof and HVAC/Renovation		\$1.1	\$1.1		\$1.1	\$1.1	\$0.0
Spaulding Gym HVAC	\$0.6		\$0.6	\$0.6		\$0.6	\$0.0
Redfern Arts Center HVAC	\$0.6		\$0.6	\$0.6		\$0.6	\$0.0
Other Repair and Adaption Projects	\$1.2	\$0.1	\$1.3	\$0.4	\$0.4	\$0.8	\$0.5
Capital Equipment	\$1.0	\$0.2	\$1.2	\$0.8	\$0.4	\$1.2	\$0.0
Total	\$5.4	\$1.4	\$6.8	\$4.7	\$1.9	\$6.6	\$0.2

KSC FY25 Budgeted Strategic Investments & Other Non-Recurring Activities (\$ in millions)

	FY25 Budget			FY25 Projection			
\$M	Capital	Non Capital	Total	Capital	Non Capital	Total	Favorable/ (Unfavorable) vs Budget
Athletics Strategic Investments	\$1.9	\$1.7	\$3.6	\$1.8	\$1.1	\$2.9	\$0.7
Carle Hall Renovations	\$1.7		\$1.7	\$1.9		\$1.9	(\$0.2)
Access and Excellence Strategic Investments		\$0.3	\$0.3		\$0.1	\$0.1	\$0.2
Student Success Initiative		\$0.7	\$0.7		\$0.6	\$0.6	\$0.1
Total BOT-Approved Strategic Invest.	\$3.6	\$2.7	\$6.3	\$3.7	\$1.8	\$5.5	\$0.8
Separation Costs		\$0.3	\$0.3		\$0.1	\$0.1	\$0.2
Building Demo		\$0.2	\$0.2		\$0.4	\$0.4	(\$0.2)
Contractual Bonuses for Union Faculty/Staff		\$0.2	\$0.2		\$0.2	\$0.2	\$0.0
Total Other Non-Recurring	\$0.0	\$0.7	\$0.7		\$0.7	\$0.7	\$0.0
Total Non-Recurring	\$3.6	\$3.4	\$7.0	\$3.7	\$2.5	\$6.2	\$0.8



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Systemwide Shared Services

Key Takeaways



- Net Operating Revenue materially at budget, excluding the reclassification of medical rebates from expenses (budget) to revenue (projection)
- Capital spending at budget
- Biggest risk area is employee fringe benefits. Campus projections reflect an additional ~\$5M in fringe allocations to offset the increased cost in the System fringe benefit pool. Increased medical claims are the largest driver.

System-Wide Shared Services Operating Projections Summary

Total Funds

(\$ In Millions)



	FY25	FY25	Proj vs Bud	Proj vs Bud
	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Grants, Contracts, and Other Operating Revenue	14.4	18.7	4.3	30.1%
Total Operating Revenue Excluding One-Time Impacts	14.4	18.7	4.3	30.1%
Employee Compensation	48.6	51.9	(3.3)	-6.8%
Other Operating Expense	(36.5)	(35.9)	(0.6)	1.6%
Total Operating Expense Excluding One-Time Impacts	12.1	16.0	(3.9)	-32.3%
Recurring Operating Margin Before One-Time Impacts	2.2	2.6	0.4	18.1%
Operating Margin %	15.6%	14.2%		
One-Time Operating Margin Impacts	(12.3)	(13.3)	(1.0)	-8.5%
Operating Margin Including One-Time Impacts	(10.1)	(10.7)	(0.6)	-6.3%
Operating Margin %	-70.0%	-57.2%		

Systemwide Shared Services Recurring Operating Margin/(Loss) Bridge From FY25 Budget

(\$ in millions)



	Incr/ (Decr)	Annual OM/(Loss)
FY25 Budget - Margin		\$2.2
Reduction to Long Range Technology Plan funding allocation (projections < original budget); favorable variance to be allocated to campuses at year-end	\$0.4	
Fringe benefit expense over budget	\$4.6	
Fringe benefit allocation recovery from campuses over budget (fully allocated expense)	(\$4.6)	
FY25 Projection - Margin		\$2.6

Systemwide Shared Services FY25 Capital Projection



	FY25 Budget			FY25 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
NHTI Renovations	\$1.0		\$1.0	\$1.0		\$1.0	\$0
ET&S and Long Range Technology Plan (LRTP) Equipment	\$0.6		\$0.6	\$0.6		\$0.6	\$0
Total	\$1.6		\$1.6	\$1.6		\$1.6	\$0

Presidents' Council Commitment



The USNH Presidents' Council is committed to mitigating as much of the unfavorable budget variances presented in the attached as possible. Specifically:

- Work to mitigate the projected increase in recurring operating loss of \$1.2M
- Work to mitigate increase in projected capital spending; however, noting that some of the increase presented might not be mitigated as it was created as a result of the following:
 - Increase in FY24 expenditures carried forward into FY25 of \$2M (cumulative impact for both years is unchanged as FY24 actual results were favorable)
 - Increase related to a UNH project where funding will be recovered in the future (grant and tax credit) of approximately \$2M
 - UNH emergency needs which exceeded budget (approximately \$3M)
- Provide updates at future Executive Committee meetings on the status of the efforts to offset the currently projected unfavorable financial variances.



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FY25 Budget Approval For Reference June 2024 Meeting Motions

Motion to Approve Systemwide FY25 Operating and Capital Budgets – **Approved in June 2024** (Reference)



- MOVED, on recommendation of the Presidents' Council, that the following motion be presented for consideration to the Board of Trustees:
- MOVED, on recommendation of the Financial Affairs Committee, that the Board of Trustees, approve the operating and capital budgets, for the University System applicable to the fiscal year beginning July 1, 2024, and ending June 30, 2025 (FY25) as presented in the attachments;
- AND FURTHER, in the event revenues are lower than currently planned in the attached budget by institution and in total, require budget adjustments to reduce expenses to the lower revenue levels to meet the Operating Margins as presented in the attachments;
- AND FURTHER, require the use of available restricted and external funding prior to the use of any USNH funds with exceptions requiring the approval of the institutional CFO or CFO designee.



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October 2022 BOT-Approved Investments Update

*Financial Affairs Committee Meeting
March 20, 2025*

October 2022 BOT-Approved Investments

Executive Summary



1. Investments: Total amount expected to be invested for initiatives outlined is consistent with the total amount approved in Oct 2022
2. Investment Returns:
 - UNH –
 - Hetzel Hall \$29M project was funded via debt and occupied beginning in January 2025; total investments and annual returns are consistent with BOT approvals
 - Online and Research/Engagement/Outreach investment returns are still to be determined
 - PSU – Incremental returns were not assumed for the capital investments; investments were necessary to maintain/preserve future enrollment levels and address deferred maintenance
 - KSC – Investments returns consistent with original estimates
3. Investment Funding: No additional central strategic investment funding is needed
 - UNH's investments were self-funded except for Hetzel which was funded using available USNH debt capacity; if expected returns are not achieved, UNH will need to support the variance
 - Increase in ERP investment will be funded via reductions in annual Long-Range Technology Plan Investment

Systemwide BOT-Approved Strategic Investments (October 2022)

March 2025 Update; Impacts through FY28

		October 2022 (Original)		March 2025 (Update)	
		BOT Approval Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)	Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)
	Operating Margin Opportunities (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)
Initial Total Investment (Operating and Capital):					
	UNH Total	\$37.9		\$36.5	
	PSU Total	\$26.5		\$26.5	
	KSC Total	\$16.0		\$16.0	
	ERP	\$40.0		\$42.0 (1)	
	Total Gross Investment	\$120.4		\$121.0	
Investment Returns:					
	UNH Total	(\$20.6)	(\$7.0)	TBD	TBD
	PSU Total	(\$0)	(\$0)	(\$0)	(\$0)
	KSC Total	(\$8.3)	(\$2.1)	(\$8.3)	(\$2.1)
	Total Returns	(\$28.9)	(\$9.1)	TBD	TBD
Net Investment as of FY28		\$91.5M		TBD	

(1) Additional increase may be required for SIS implementation (TBD); any increase to be funded via decreases in Annual Long-Range Technology Plan.

UNH BOT-Approved Strategic Investments (October 2022)

March 2025 Update; Impacts through FY28

		October 2022 (Original)		March 2025 (Update)	
		BOT Approval Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)	Total Investment Net of 5 Year Returns FY25-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)
	Operating Margin Opportunities (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)
Initial Total Investment (Operating and Capital):					
	Hetzel Hall (Debt Funded)	\$29.0		\$28.3	
	GSC/UNH Merger	\$4.1		\$3.9	
	Research, Engagement & Outreach	\$1.9		\$2.0	
	Online (System-wide)	\$2.9		\$2.3	
	Total Gross Investment	\$37.9		\$36.5	
Investment Returns:					
	Hetzel Hall (Debt Funded)	(\$7.1)	(\$1.8)	(\$6.5)	(\$1.9)
	Research, Engagement & Outreach	(\$6.3)	(\$1.8)	TBD	TBD
	Online (System-wide)	(\$7.2)	(\$3.4)	TBD	TBD
	Total Returns	(\$20.6)	(\$7.0)	TBD	TBD
Net Investment as of FY28		\$17.3M		TBD	

PSU
BOT-Approved Strategic Investments (October 2022)

March 2025 Update; Impacts through FY28

		October 2022 (Original)		March 2025 (Update)	
		BOT Approval Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)	Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)
	Operating Margin Opportunities (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)
Initial Total Investment (Operating and Capital):					
	Res Hall- Belknap, Blair, Grafton, Langdon Woods, Mary Lyon, Pemi	\$5.0		\$4.5	
	White Mountain Apartments (9 of 24 buildings)	\$5.0		\$3.25	
	PE Center (ventilation, A/C and/or boilers)	\$5.0		\$5.0	
	Hyde Hall (Business School)	\$10.0		\$10.0	
	Highland Hall (Wellness Center)	\$1.5		\$1.5	
	Other (Robotics, Sales, Admissions)	N/A – New Initiatives		\$0.5	
	Samuel Read Hall (Nursing)	N/A – New Initiative		\$1.75	
	Total Gross Investment	\$26.5		\$26.5	
Investment Returns:					
	Total Returns	\$0	\$0	\$0	\$0
Net Investment as of FY28		\$26.5M		\$26.5M	

KSC BOT-Approved Strategic Investments (October 2022)

March 2025 Update; Impacts through FY28

		October 2022 (Original)		March 2025 (Update)	
		BOT Approval Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)	Total Investment Net of 5 Year Returns FY24-FY28	Estimated Annual OM Improvement As of FY28 (@ end of 5 Years)
	Operating Margin Opportunities (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)	Est. Impact (\$M)
Initial Total Investment (Operating and Capital):					
	Student Success Initiative	\$6.8		\$7.2	
	Access and Excellence	\$.5		\$.2	
	Athletic Program Enhancements and Growth	\$4.2		\$5.5	
	Redfern Arts Center Renovation	\$1.0		\$1.0	
	Building Demolition	\$3.5		\$2.1	
	Total Gross Investment	\$16.0		\$16.0	
Investment Returns:					
	Student Success Initiative	(\$3.2)	(\$.8)	(\$3.5)	(\$0.8)
	Access and Excellence	(\$1.7)	(\$.4)	(\$1.7)	(\$0.2)
	Athletic Program Enhancements & Growth	(\$3.4)	(\$.9)	(\$3.4)	(\$1.1)
	Total Returns	(\$8.3)	(\$2.1)	(\$8.3)	(\$2.1)
Net Investment as of FY28		\$7.7		\$7.7	

ERP Update

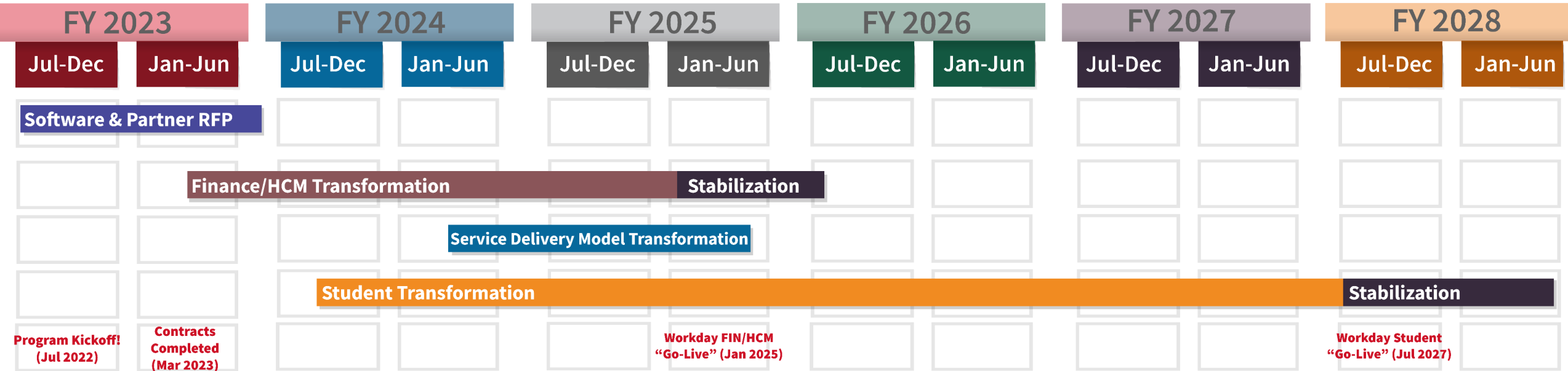
*Workday HR, Finance and Student business
systems transformation*

Financial Affairs Committee
Update

March 20, 2025



Program Timeline



Software & Partner RFP

Software "Request for Proposals"

- Workday chosen.

Software implementation partner "Request for Proposals"

- Cognizant chosen.

Service Delivery Model Transformation

- Workday production governance
- Single Point of Entry Customer Support
- Training Documentation

Finance/HCM Transformation

- Plan
- Design
- Test
- Train
- Deploy

Student Transformation

- Readiness
- Discovery
- Analysis
- Alignment
- Plan
- Design
- Test
- Train
- Deploy

Stabilization

- Knowledge Transfer
- Evaluation
- Adjustments

Key milestone dates HR/FIN (platform)

- **Hypercare Extended until March 31, 2025**

Key milestone dates Student Information System (SIS)

- Foundation tenant released to testers: March 10, 2025
- Workset A verification and unit testing starts: March 24, 2025

Executive Summary (March 2025)

Key Dates (FY25)

- AUG 2024 – Payroll parallel testing starts (*completed*)
- NOV 2024 - HR/FIN testing (*completed*)
- NOV 2024 - HR/FIN Production Tenant Build (*completed*)
- **DEC 2024 - Go-live authorization** (by Presidents' Council)
- JAN 2025 - Student implementation kick-off (*completed*)
- JAN 2025 - Start Student Architect & Design (Workset A)
- FEB 2025 - End of HR/FIN platform Hypercare
- MAY 2025 - Start Student Architect & Design (Workset B)

Current Status

- Workday HR/Finance hyper care (intensive support of Workday) phase extended through end of March 2025.
- Phase 2 for Adaptive planning delayed until September 2025 due to resources limitations.
- Employee Tuition Benefit process live in Workday as of January 31. 2025.
- FIN post go-live support engaged March - May 2025
- WD Student: Workset A design and architect stage is on track with configuration work ready for unit testing to start on schedule.

Change Requests

- None.

Key Messages

- HR/FIN platform is live, critical business processes are operational and post implementation work continues into calendar year 2025.

Platform (HR/FIN)

Jan – March 2025

- **Hypercare** starts at go-live and continues through March 2025.
- Completed **Finance data catch-up** files.
- Completed priority **post-production integrations**.
- Implemented **Employee Tuition Benefit** Workday application.
- Provided ongoing **training support**.
- Completed first (semi-annual) **Workday Update**.

April 2025 – ongoing

- Ongoing **production support**.
- FIN post go-live support engaged March - May 2025
- Implement remaining **Adaptive Planning** functionality.

Student

Jan – March 2025

- Finalized planning stage **SOW review**.
- **Design and Architect stage kick-off** meeting for core team and campus.
- **Started Workset A** (first of 4 design Worksets).
- Delivered **Foundation tenant** and prepare for core team to **start unit testing** and verification of workset A configurations.
- Preparing datafiles for **Workset B tenant build**.

April – June 2025

- Complete **Workset A design** (April)
- Start **Workset B design** (May)
- Prepare **Workset C tenant build**.

Change & Readiness

Jan – March 2025

- Continued support for Workday HR/FIN production by **developing job aids** and **hosting office hours**.
- Document **identified change impacts** and **Workday Wins** as identified during Workday Student discovery.
- Updated the **Workday Resources website** with Student program planning and governance information.

April – June 2025

- Perform **lessons learned HR/FIN platform training program**.
- Develop **training and outreach strategy** for Workday Student implementation.

Workday FIN/HR Hyper Care Status with 3rd Party Implementor

Topic	Status
Hypercare	Extended through end of March 2025.
Finance Data Catchup	Completed.
Integrations	Priority post-production integrations complete. Low priority will be completed by 1 April.
Employee Tuition Benefit	Application launched fully in production on 1/31/2025.
Enhancements	Reviewed Workday 2025 Release 1 features for Mar 15 th implementation.
Training	<ul style="list-style-type: none">• Workday Learning for Managers, Team Performance in development.• Job aids and Workday Resources site regularly updates.• Regular office hours for HR and Finance support continue to be offered.
Adaptive Planning	Basic Budget module moved to production 1/31/2025. Driver based Revenue and Cash model, and long-range planning functionality postponed until early Fall.

Area	Open Issues and Status
Grants	All data files converted and grant billing underway—billing catch-up finalized in March
Reporting	Eight key reports in progress; 3 rd Party implementer and USNH resources teaming to finish. ECD: 28 March
Finance Accounting	<ul style="list-style-type: none">• USNH HR/Finance/IT teams partnering with institutions' Finance divisions to provide appropriate security access to data and reports.• Updating data mapping to reflect post- production campus requests.
Customer Accounts	Configuring customer portal to include non-student (external customer) Invoice payments. This is a new capability for USNH.
Split position allocations for accounting purposes	Ongoing updates of costing allocations to reflect post-production campus requests.

Thank You!



University System
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USNH System Office Relocation
Formal Request to Co-Locate with CCSNH
(Final Lease Approval)

Financial Affairs Committee
March 20, 2025

USNH Lease with CCSNH

System Office Relocation to Co-Locate with CCSNH in Concord



- USNH policy requires FAC approval on property leases above \$2 Million for PSU/KSC and \$5 Million for UNH. For the purpose of this approval request, the System Office is being treated similarly to PSU/KSC approval requirements. Although the System Office does not generally have leases of this type, the total potential 20 years term would most likely exceed \$2 Million so approval to enter the lease is being requested.
- USNH System Office will relocate to CCSNH Concord campus effective July 2025 - Approximately 6,641 sq ft building office space including parking and use of CCSNH common spaces. Note: Current USNH location is approximately 19,678 sq feet of space so USNH is downsizing the space by 66%.
- Initial Term of 10 years with 1 10-year renewal option (through 2035)
- Estimated annual USNH cost savings associated with this transition to the CCSNH location is expected to be approximately \$320K per year, on a cash basis, and \$200K on an operating margin basis (after depreciation for leasehold improvements - approximately \$2M of leasehold improvements funded by USNH).
- Lease payments will be made to CCSNH beginning with \$80K per year (\$12/sqft) and escalating annually approximately 3-4% in future years.

USNH Lease with CCSNH
System Office Relocation to Co-Locate with CCSNH in Concord

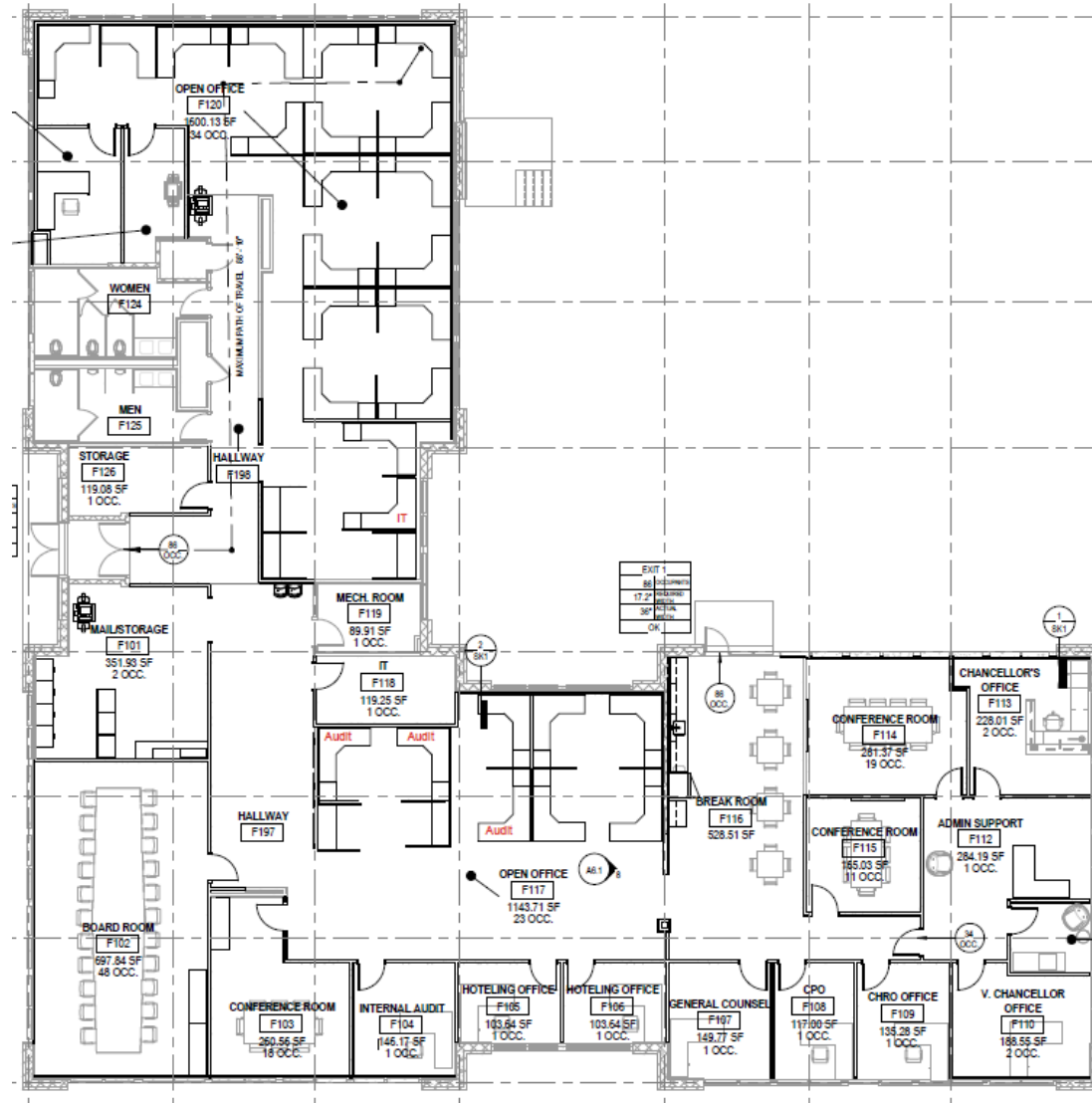


Current annual base lease, common area maintenance, taxes, utilities	\$400,000
New annual lease which includes common areas and majority of utilities	<u>\$ 80,000</u>
Estimated cash savings per year	\$320,000
Initial lease term	10 Years
Estimated cash savings over 10-year period	\$3,200,000
Less cash leasehold improvements (invested in CCSNH-owned building)	<u>(\$1,200,000)</u>
Estimated cash savings over 10-year period	<u>\$2,000,000</u>

MOVED, on recommendation of the USNH Chancellor, that the Financial Affairs Committee approve a new lease for approximately 6,641 square feet at New Hampshire Technical Institute – Concord’s Community College, for an initial term of 10 years commencing around July 2025 with the option to extend one additional 10-year term to allow the USNH System Office to co-locate with CCSNH and generate additional value for New Hampshire’s public higher education systems.

Policy Reference: Pursuant to BOT VI.E.1.2, the Financial Affairs Committee must approve any proposal to lease real property (whether USNH is the lessor or lessee) under which the lease payments over the full term would total over the presidential limitations set forth in BOT VI.A.5.1. For lease proposals less than these limitations, the Chancellor must co-approve with the President any proposal to (a) lease real property (whether the University System is the lessor or the lessee) under which the lease payments over the full term would exceed \$500,000 or (b) enter into a capital lease whereby there is a bargain purchase amount at the termination of the lease or the lease is merely a method to finance the acquisition of an asset over time. The Financial Affairs Committee must approve for recommendation to the full Board any proposal to lease where the payments would total over \$20,000,000.

USNH/Farnum Floor Plan





Research Funding at UNH

Financial Affairs Committee, March 20, 2025

Why Research?

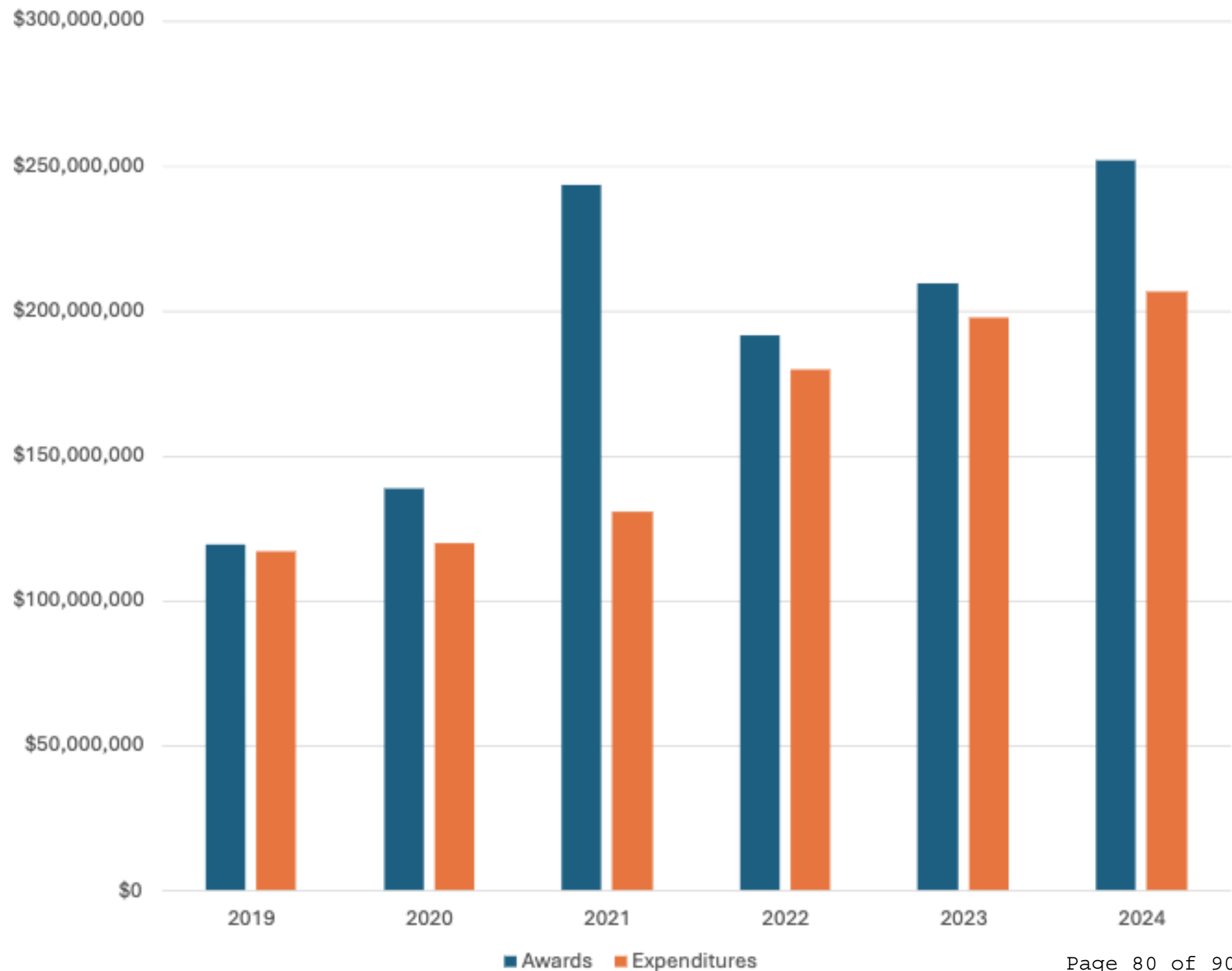
State mandates

- "The university system shall provide for... research which contributes to the welfare of mankind..." (187-A:1)
- UNH is established to "teach such branches of learning and to prosecute such researches as may be necessary and desirable in the education of youth and advancement and development of the arts, the sciences and the industries..." (187-A:3)
- Cooperative Extension shall "bring university-based research and knowledge to the citizens of New Hampshire." (187-A:6)

Our mission

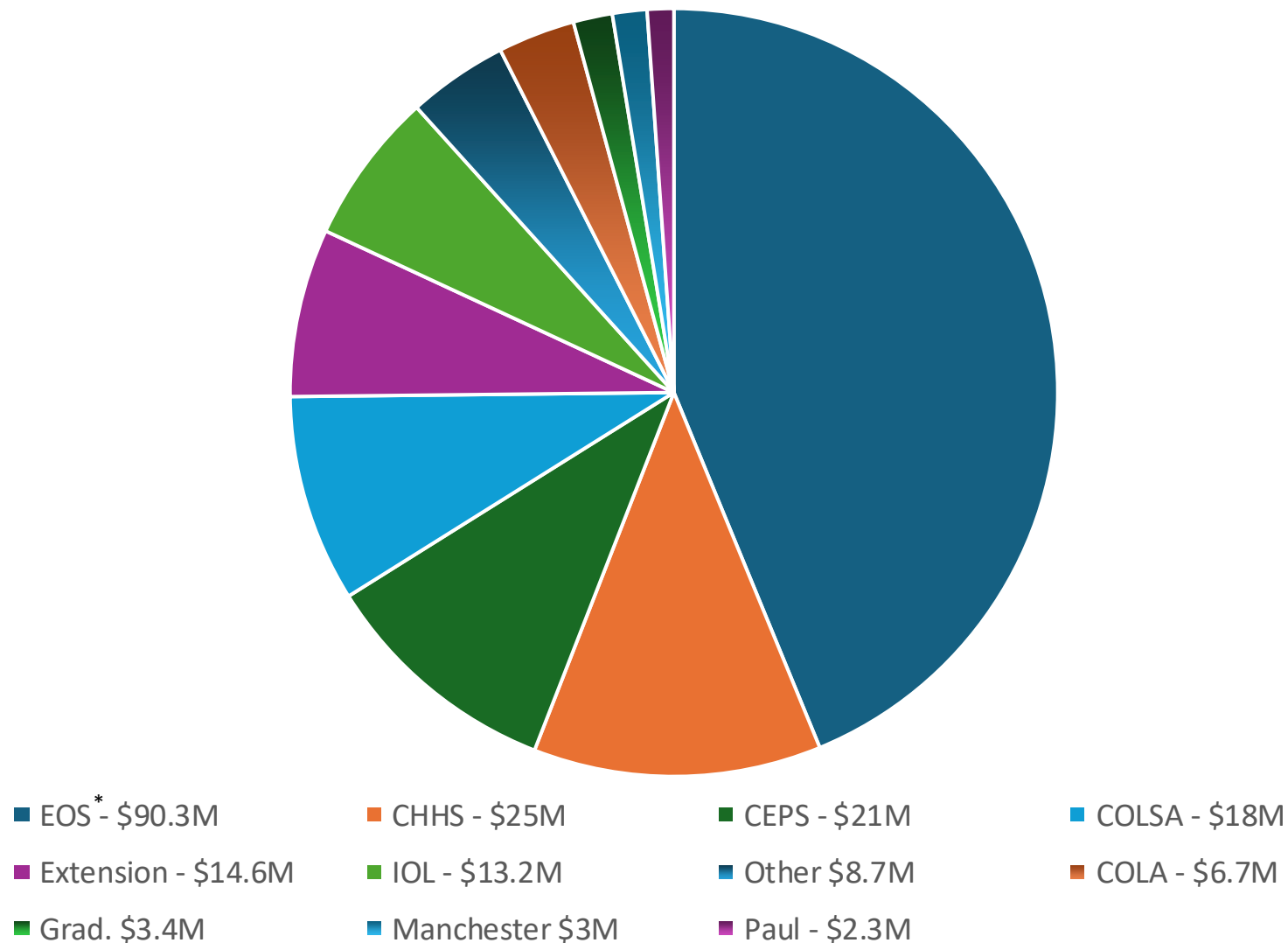
- "The University of New Hampshire is the state's public research university..."
 - This mission attracts faculty and students, bolsters our reputation, supports our facilities, and contributes to the state's economy.

Research Awards and Expenditures



UNH Research by Major Unit

Sponsored Research Expenditures, FY2024 \$206,200,000

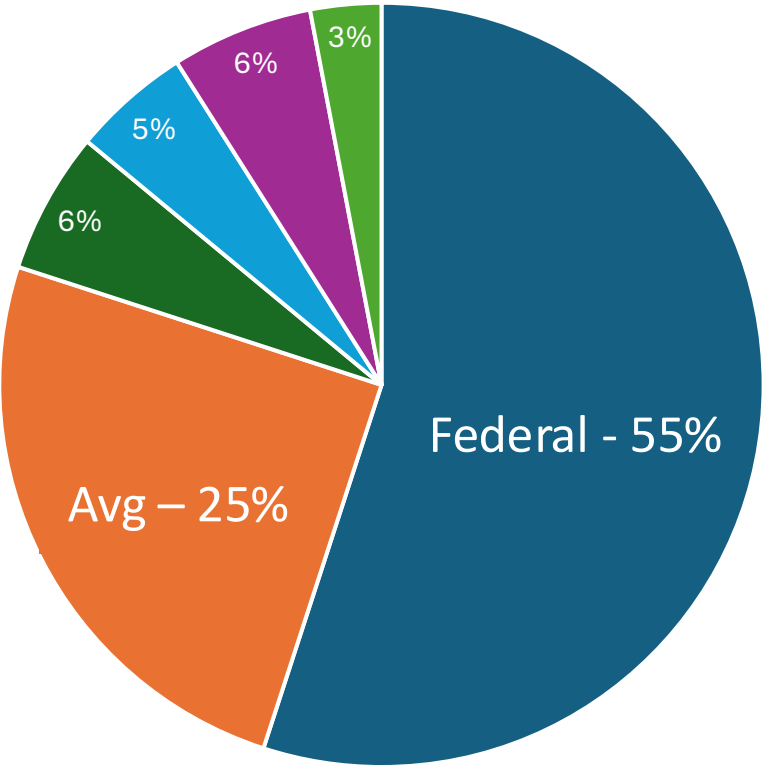


**Faculty with EOS appointments have the option of submitting as EOS or their home college, often, but not exclusively, CEPS or COLSA.*

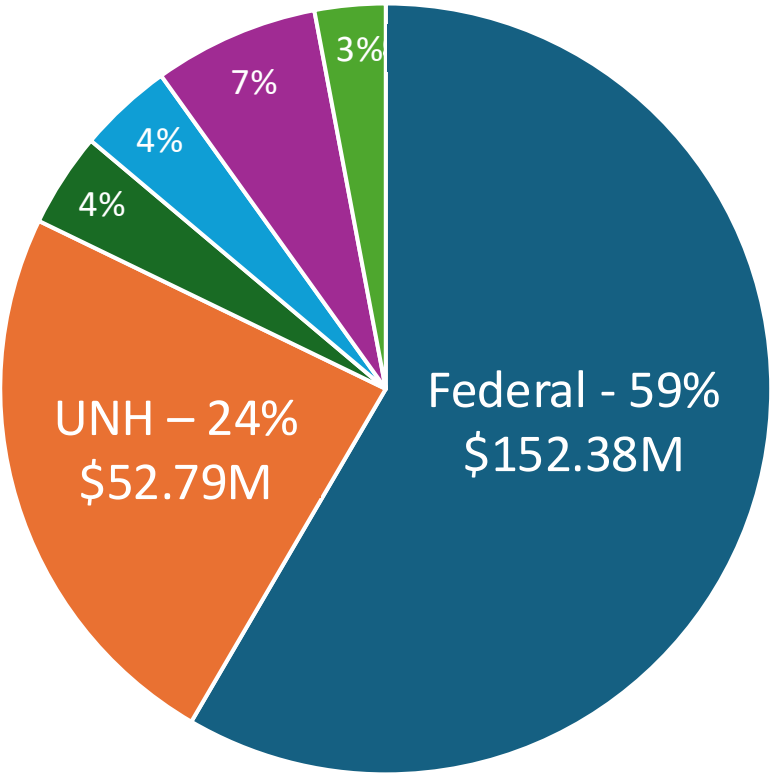
University
R&D by
Source of
Funds

R&D Expenditures, FY2023
\$223,683,000

Average

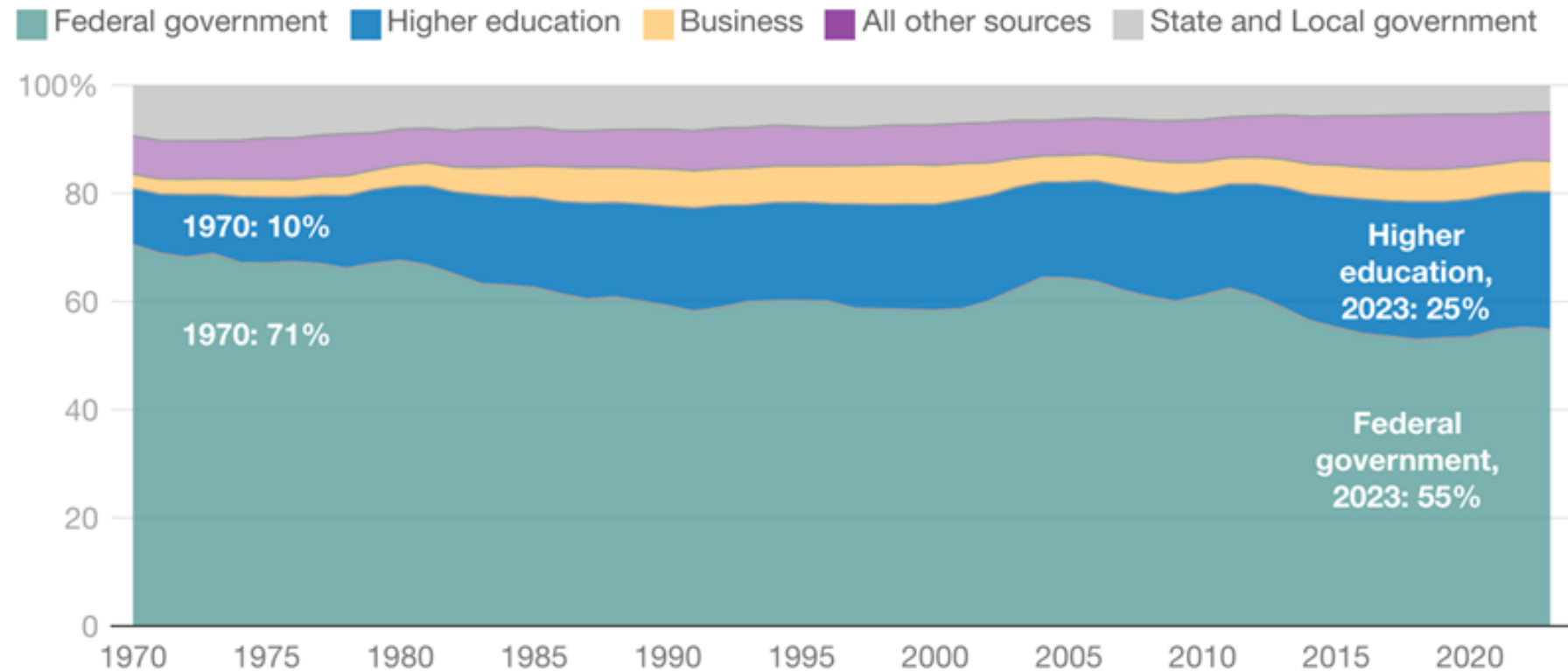


UNH



Federal Institution Business State and Local Gov Nonprofit Other

Funding Sources for R&D Performed by Higher-Ed



UNH Research Investments

UNH's Institutional Support (24%)

- Faculty time: 43%, \$23M
- Internal Research Investments: 26%, \$13M
- Gift Funds: 9%, \$4M
- Required cost share: 10%, \$5M
- Under-recovery of F&A (indirect costs): 12%, \$7M

Costs of University Sponsored Research

- **Direct Costs**: Researcher salaries, graduate students, equipment, travel, and supplies.
- **Indirect Costs** – Research laboratories; computing resources; national security protections; human subjects protections; radiation safety and hazardous waste disposal; administrative and regulatory compliance work, maintenance staff, etc.

UNH Negotiated F&A Rates

- Research - 53.5%
- Other Sponsored Activity - 37%
- Off-Campus - 26%

Actual Recovery: 20% of F&A on
total research costs

Barriers to Full F&A Recovery

- Exclusions for some categories of spending (next slide)
- Limits for some types of awards (e.g., training grants)
- Federal Agency caps (e.g., USDA NIFA)
- Private Foundation caps
- State agencies reduce the rate on state flow through awards. The cost recovery on NH pass-through funding is 15.6%

Sample Budget for \$1MM Award with 50% F&A Rate

Category	Total Direct Cost	F&A Cost at 50% Modified Total Direct Cost (MTDC) Rate
Personnel	\$312,500	\$150,000
Supplies	\$100,000	\$50,000
Travel	\$20,000	\$10,000
Student Researcher Tuition	\$20,000	Excluded from F&A
Project-Specific Equipment	\$150,000	Excluded from F&A
Subaward to Collaborator	\$175,000	F&A applied to the first \$25,000
Total	\$777,500	\$222,500
		\$1,000,000

Federal Uncertainty & Impact

- Topical
 - E.O.s and agency interpretations targeting particular research areas.
- Structural
 - Reduced staff and budgets at federal and state agencies.
- Policy
 - Proposed 15% F&A Cap at NIH.
- Other
 - Government shutdown, increased scrutiny on some universities (free speech, antisemitism, state policy).



Questions and Discussion