



# 2026 March 19 Financial Affairs Committee

Plymouth State University - Merrill Place Conference Center



## 2026 March 19 Financial Affairs Committee

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### I. Zoom Information

Meeting URL: <https://zoom.us/j/99678882837?pwd=PnBfOxpzlbzMFWHPMJTLFFmEm0BJU7.1>

Or Telephone:

Dial: +1 646 931 3860 (US Toll)

Meeting ID: 996 7888 2837

Passcode: 273065

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### 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

3:15 - 3:20 pm

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### III. Approve Consent Agenda

MOVED, that the consent agenda for the Financial Affairs Committee's meeting of March 19, 2026, be approved.

A. Approve Meeting Minutes of October 23, 2025

1. Meeting Minutes of October 23, 2025 - 4

3:20 - 3:30 pm

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### IV. Bond Update

A. Bond Update - 7

3:30 - 3:45 pm

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### V. USNH Metrics

A. USNH KPIs Update

1. Metrics - 10

3:45 - 5:00 pm

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### VI. Actual and Projected Financial Results

A. FY26 Updated Projections and FY27 Outlook

1. Systemwide

a. FY26 Projections and FY27 Outlook - 19

2. UNH

3. PSU

4. KSC

5:00 - 5:30 pm

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### VII. UNH Update on The Edge

A. Edge Update - Public - 63

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### VIII. Nonpublic Session

MOVED, pursuant to RSA 91-A:3(c),(j), that the Financial Affairs Committee enter nonpublic session for the purposes of considering the sale or lease of real property which, if discussed in public, would likely benefit a party

whose interests are contrary to those of the general community, and/or considering confidential commercial or financial information.

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IX. Other Business

A. Chair or Committee comments

B. Next Meeting Date is June 25, 2026

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X. Adjourn

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XI. Informational Items

A. ERM Update on Financial Health

1. ERM Financial Health - 78



**BOARD OF TRUSTEES**  
**FINANCIAL AFFAIRS COMMITTEE**  
**OCTOBER 23, 2025**

KEENE STATE COLLEGE  
KEENE, NH

MEETING MINUTES  
*Draft for Approval*

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**Attendance**

Committee members present: Gregg Tewksbury, chair; Kevin Knarr, vice chair; Cassandra Ardinger; James Burnett, III; Brendan Finn; George Hansel; Brian McCabe; Peter Paul

Other trustees present: Matthew Ash, Donald Birx; Elizabeth Chilton; John Corbett, Governor Ayotte's designee (remote); Caitlin Davis; Ethan Dupuis; James Gray, designee for the president of the NH Senate (remote); Tim Hoheneder; Shawn Jasper; Joel Nkounkou; Michael Pilot; Jennifer Higgins Pitre; Catherine Provencher; Wayne Semprini; Christiana Thornton

Other participants: Karen Benincasa, Tracy Claybaugh, Kim DeRego, Sam Fucile, Nathalie Houder, Jeanette Riley

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**Call to Order**

Committee Chair Tewksbury called the meeting to order at 2:50 p.m. In response to discussion at the Investments and Capital Planning Committee, he asked Vice Chancellor Benincasa and the CFOs to prepare an assessment of investment and return on the athletics programs. He also requested the development of a facilities/master plan dashboard.

**Consent Agenda**

Approval of the consent agenda containing the following items was duly moved, seconded, and approved.

Consent Items:

Approval of the June 26, 2025, Minutes

Approval to Suspend Enrollment Limitation of Out-of-State Undergraduates at UNH

**FY26 Budget Updates**

***Update on Fall 2025 Enrollment and Impact on Primary Student Revenue for FY26***

Vice Chancellor Benincasa reported that primary student revenue, based on fall 2025 enrollment, was below the systemwide FY26 primary student revenue budgets approved by the Board in June. She noted that UNH and KSC leadership are actively working on plans to achieve the FY26 budgeted operating margin in light of reduced revenue expectations. A full update will be available in March 2026. Campus finance leaders, Sam Fucile, UNH, Tracy Claybaugh, PSU, and Nathalie Houder, KSC, addressed campus-specific revenue budgets.

***Fiscal Year 2026 Operating Budget Amendment***

Vice Chancellor Benincasa reminded the committee that the current year budget, when approved by the Board, contained budget gap placeholders to achieve the operating margins approved. Subsequent to the budget approval, the institutions developed detailed plans to address those placeholder cost reductions and cost reduction actions

will require investment in one-time costs which were previously unknown. The amendment would increase the one-time expense budget by \$7 million.

The following motion was moved by Chair Tewksbury, duly seconded, and approved with no dissenting votes.

***VOTED**, on recommendation of the Chancellor, that the following motion be presented for consideration to the Board of Trustees*

*MOVED, on recommendation of the Financial Affairs Committee, that the BOT approve the proposed amendment of the Fiscal Year 2026 Operating Budget as presented in the attachments.*

### **Initial Recommendations for Key Performance Indicators and Metrics**

Vice Chancellor Benincasa reviewed the proposed list of 12 KPIs prepared in response to Board leadership's request for metrics to monitor systemwide and institutional progress and performance. She noted that the Presidents Council additionally would monitor an expanded set of KPIs. Based on discussion, the list will be modified to include a student debt load metric and to more strategically narrow the scope of the student enrollment and market share KPIs (suggestions included CCSNH transfers, re-engaged stop-outs, college-bound students specifically, and whether we are missing any NH populations). A post-graduation employment rate was also suggested.

### **FY27 Tuition Rates, Mandatory Fees and Room and Board Rates**

Vice Chancellor Benincasa presented for approval the proposed maximum FY27 direct price of attendance rate increases over the prior year, as follows: 2.5 percent for undergraduate, graduate, and program differential tuition rates, with the exception of the nursing program differential to be newly assessed at UNH, in part offsetting fees that would be eliminated, 2.5 percent mandatory fees and 5 percent for housing and dining rates.

After a discussion of the rationale for program differential rates and the not to exceed increases proposed, the following motion was moved by Chair Tewksbury, duly seconded, and approved with no dissenting votes

***VOTED**, on recommendation of the Chancellor, 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 2026-27, 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.*

### **FY27 Budget Assumptions and Parameters**

Vice Chancellor Benincasa reviewed the proposed assumptions and parameters for the operating budget, capital budget, debt, and cash. Trustees requested an update on preliminary FY27 enrollment assumptions prior to April 2026.

The following motion was moved by Chair Tewksbury, duly seconded, and approved with no dissenting votes.

***VOTED**, that FY27 budget planning assumptions and parameters as outlined in the meeting materials be approved for use in developing the FY27 budget.*

### **Informational Items**

Vice Chancellor Benincasa called attention to the two information items included with meeting materials:

- FY25 Financial Highlights
- Debt Report and Debt Refinancing Opportunity; Committee members asked for an evaluation of issuing new debt as well.

**Closing Remarks**

Chair Tewksbury echoed remarks made by Chancellor Provencher commended the presidents for closing FY25 at or better than budget.

**Adjournment**

There being no further business or discussion, the meeting adjourned at 4:50 p.m.



# University System of New Hampshire Series 2026

# University System of New Hampshire

## Key Financing Details

<b>Par Amount</b>	\$149,705,000
<b>Date of Sale:</b>	3/5/2026
<b>Date of Delivery:</b>	3/18/2026
<b>Security:</b>	Pledge of System Receipts
<b>Use of Proceeds:</b>	Renovation and improvements of two residence halls on the UNH Durham campus, various capital projects and refunding of outstanding Series 2015 Bonds
<b>Tax Status:</b>	Tax-Exempt
<b>Insurance:</b>	Build America Mutual
<b>Ratings (M/S):</b>	Aa3 (Stable) / A+ (Negative) / AA (Insured)
<b>Underwriter</b>	RBC Capital Markets
<b>Call Features:</b>	July 1, 2036 @ 100
<b>Final Maturity:</b>	7/1/2056
<b>Structure:</b>	Fixed rate serial bonds maturing 2027 to 2047, term bonds maturing in 2051 and 2056
<b>TIC:</b>	4.08%
<b>Average Life:</b>	14.8 years
<b>Net Present Vaue Savings:</b>	\$8.7 million (9.96%)



## Financing Overview

- The System issued \$149.70 million in par. Proceeds totaled \$164.4 million (including \$14.7 million premium).
  - Main uses of funds: \$66.8 million for Christiansen and Williamson Halls; \$7.8 million for capitalized interest for payments in through 2028 (during construction); \$88.7 million to refinance the series 2015, \$0.49M cost of issuance, \$0.37M Underwriter's Discount, \$0.26M Insurance
- Combined new money and refunding Total Interest Cost (TIC) is 4.08%. New Money TIC is 4.45% and Refunding TIC is 3.56%.
- The refunding transaction was able to generate approximately **\$8.7 million in NPV savings (9.96% of bonds refunded)**. Savings taken up front with approx. \$4.9 in FY27 and \$3.8 in FY28.
- The System utilized bond insurance provided by Build America Mutual in order to increase the marketability of the transaction and reduce overall borrowing costs.
- Bonds were priced on March 5, 2026 during a volatile week in global markets following the escalation of conflict in the middle east.
- Markets opened on Monday the week of pricing with a sharp tone, with US Treasury yields selling off dramatically and MMD<sup>1</sup> was higher by up to 6 bps on the day.
- Despite the market conditions, the transaction was well-received, with 19 unique institutional accounts placing orders, resulting in a total subscription of 2.0x with \$303 million of total orders.
- The largest orders came from Gannett Welsh and Kotler (GW&K), Nuveen and Blackrock. This was GW&K's first time participating in a USNH bond sale since 2017.
- Strong investor demand resulted in subscription of 1.0x to 4.4x, with the greatest demand in the intermediate part of the curve. USNH and its advisor were able to work with RBC to tighten spreads by 1 to 4 bps on oversubscribed maturities, leaving other maturities unchanged.
- At the time of the verbal award, RBC committed to underwrite approximately \$7.3 million balance of the 2056 term bond.



# Debt Service Obligations for the University System of New Hampshire

FY 6/30	Existing Debt Service (\$000)	Series 2015 Refunded Debt (\$000)	Series 2026 New Money (\$000) <sup>2</sup>	Series 2026 Refunding (\$000)	Aggregate Debt Service (\$000)
2027	28,579	8,123	-	3,133	23,589
2028	32,453	8,135	-	4,171	28,489
2029	32,410	8,111	1,750	8,110	34,159
2030	32,357	8,078	4,646	8,078	37,002
2031	32,042	8,075	4,645	8,071	36,684
2032	32,788	8,061	4,647	8,059	37,433
2033	32,742	8,040	4,645	8,039	37,387
2034	32,705	8,014	4,645	8,013	37,350
2035	23,387	8,006	4,647	8,005	28,033
2036	23,327	7,964	4,644	7,964	27,971
2037	19,123	7,940	4,643	7,940	23,766
2038	15,774	4,602	4,648	4,602	20,422
2039	8,026	4,598	4,643	4,597	12,669
2040	8,034	4,600	4,643	4,600	12,677
2041	8,028	4,600	4,644	4,600	12,672
2042	8,030	4,601	4,645	4,600	12,674
2043	8,022	4,597	4,645	4,597	12,667
2044	8,022	4,599	4,645	4,599	12,666
2045	8,026	4,601	4,643	4,601	12,669
2046	8,016	4,597	4,646	4,592	12,657
2047	3,423	-	4,647	-	8,070
2048	1,700	-	4,646	-	6,345
2049	1,699	-	4,648	-	6,347
2050	1,696	-	4,647	-	6,342
2051	1,694	-	4,643	-	6,336
2052	1,693	-	4,646	-	6,338
2053	1,692	-	4,645	-	6,337
2054	1,688	-	4,645	-	6,333
2055	-	-	4,645	-	4,645
2056	-	-	4,644	-	4,644
2057	-	-	4,643	-	4,643
<b>Total</b>	<b>\$ 417,177</b>	<b>\$ 129,942</b>	<b>\$ 131,811</b>	<b>\$ 120,970</b>	<b>\$ 540,016</b>



# Series 2026 Transaction Highlights – Investor Analysis



Top 10 Investors						
Account	Type	Order Count	Full Orders	Total Orders	%Par	% Total Orders
Gannett Welsh & Kotler (GW&K)	SMA	15	12	\$78,465	52.38%	25.90%
Nuveen Advisory Corp	Bond Fund	6	6	\$37,730	25.19%	12.46%
Blackrock Financial Management	SMA	16	3	\$36,620	24.44%	12.09%
Goldman Sachs Asset Management	Bond Fund	10	3	\$28,410	18.96%	9.38%
Lord Abbett	Bond Fund	5	3	\$25,345	16.92%	8.37%
Appleton Investors	SMA	4	2	\$21,280	14.20%	7.02%
Belle Haven Investments, L.P.	Broker/Dealer	4	4	\$20,105	13.42%	6.64%
Asset Preservation Inc.	SMA	3	2	\$13,550	9.04%	4.47%
Northern Trust	Bond Fund	3	1	\$9,100	6.07%	3.00%
Boston Company	Bond Fund	4	0	\$5,500	3.67%	1.82%
<b>Top 10 Investors Total:</b>		<b>70</b>	<b>36</b>	<b>\$276,105</b>	<b>184.30%</b>	<b>91.14%</b>

*Separately managed accounts (SMAs) are personalized, professional investment portfolios holding individual securities—rather than shares of a fund, often on behalf of sophisticated retail investors*

*Priority Order: ahead of the sale USNH, RBC and PFM designate the priority in which investor orders are fulfilled. Priority orders are first to be filled if there is more demand than bonds available*

*Full Order: Investor put in request to for all bonds within a single maturity year*



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## Draft of KPI and Metrics Continued Discussion

*Financial Affairs Committee*

*March 19, 2026*

# Key Performance Indicators - Update



- In June 2025, leadership committed to providing a suggested list of metrics to assist with the evaluation of the restructuring plans and activities.
- In October 2025, leadership provided an initial list of proposed metrics to consider monitoring on an ongoing basis; feedback was provided and further refinement was requested for the March 2026 meeting.
- In December 2025, the New England Commission of Higher Education (NECHE) for institutional accreditation implemented a new annual financial screening requirement for public institutions. UNH, PSU, KSC each submitted the requested FY25 information, determined as best possible following the NECHE guidelines, and all institutions did not require further monitoring/reporting at this time. Leadership now recommends replacing select and similar metrics proposed in October 2025 with the new NECHE metrics as outlined in the following slides (vs having multiple metrics for similar metrics/measures).
- Additionally, USNH has updated other metrics (outside of the NECHE screening metrics) to align and leverage available metrics from other existing sources such as the Integrated Postsecondary Education Data System (IPEDS) to avoid duplicating work and having multiple sources of the same metrics/information.
- All sources used for USNH metrics (NECHE, IPEDS, etc.) are based on data reported by USNH.

# Key Performance Indicators - Draft



NECHE Metrics	Performance Indicator	Data Alignment/ Source, if applicable
1. Primary Reserve Ratio	Long-Term Viability	NECHE
2. Viability Ratio	Long-Term Viability	NECHE
3. Net Operating Revenue	Short-Term Performance	NECHE
4. Return on Net Position	Short-Term Performance	NECHE
5. State Appropriations	Funding/Support	NECHE
6. 1 Year % Change Fall FTE (Total)	Enrollment	NECHE
7. 1 Year % Change in Net Student Revenue	Enrollment	NECHE
8. 3 Year % Change in Fall FTE (Total)	Enrollment	NECHE

## NECHE Financial Screening:

- Protects students and the public by ensuring institutions remain financially viable, and flags early signs of financial distress.
- Results are not made public.
- The Commission expects USNH institutions to use this as a tool to evaluate and monitor fiscal stability.

# Key Performance Indicators - Draft



Additional Metrics	Performance Indicator	Data Alignment/ Source, if applicable
9. Enrollment – 1st-Year, UG, Grad & Online	Demand	USNH
10. USNH New England Market Share	Demand	USNH
11. Retention Rates – First-to-Second Year & Total Ave	Student Success	IPEDS
12. Graduation – 4 & 6-Year Bachelor’s Graduation Rates	Student Success	IPEDS
13. Net Tuition and Fee/FTE Student	Efficiency	USNH
14. Operating Expense (excluding Grants)/FTE Student	Efficiency	USNH
15. Operating Margin	Operating Performance	USNH
16. Student to Full-time Faculty & Staff Ratios	Operating Performance	USNH
17. Cash & Investments	Financial Resources & Liquidity	USNH
18. Deferred Maintenance – Total Asset Reinvestment Need \$/GSF	Facilities Condition	USNH
19. Total Space (GSF)/Student FTE	Space Utilization	USNH
20. Undergraduate Student Average Debt (Annually)	Student Financial Burden	Common Data Set

# Key Performance Indicators – Next Steps



- Transition to fully allocated institutional balance sheets as of 6/30/26 (fiscal yearend)
- Maintain fully allocated institutional balance sheets going forward beginning in FY27
- In June 2026, with the FY27 budget approval request, USNH will populate as many of the proposed metrics as possible for review/consideration when approving the budget
- December 2026 - USNH will submit 2026 (FY26 Financial and Fall 2026 Enrollment) information for the annual NECHE screening using more precise financial information (after transitioning to a fully allocated balance sheet).



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# Appendix

## Three areas of financial health measures (8 metrics):

1. Composite Financial Index (CFI) –
  - Primary Reserve & Viability Ratios: Long-term (2 metrics)
  - Net Operating Revenue & Return on Net Position: Short-term (2 metrics)
  
2. State Appropriations – (1 metric)
  
3. Enrollment and Net Student Revenue – (3 metrics)

**Additional follow-up required by NECHE if:** 3 or more of the 8 metrics fall below the set thresholds (“red flag”), with at least one red flag for one of the long-term CFI components – Primary Reserve Ratio (PRR) or Viability Ratio (VR). Financial Screening Response Report requested. The requirement to have at least one red flag be the PRR or VR gives more weight to these measures of long-term financial health.

# NECHE Financial Screening - Metrics

## Primary Reserve Ratio

The Primary Reserve Ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable net position (both unrestricted and restricted, excluding net position restricted for capital investments) without relying on additional net position generated by operations. This ratio is calculated as follows:

$$\frac{\text{Expendable Net Position}^*}{\text{Total Expenses}}$$

\* Excluding net position restricted for capital investments

## Viability Ratio

The Viability Ratio measures expendable resources that are available to cover debt obligations (e.g., capital leases, notes payable, and bonds payable) and generally is regarded as governing an institution's ability to assume new debt. This ratio is calculated as follows:

$$\frac{\text{Expendable Net Position}^*}{\text{Long-Term Debt}}$$

\* Excluding net position restricted for capital investments

### Key items that can impact expendable net position:

- principal payments on debt
- use of unrestricted net position to fund capital construction projects
- operating results (operating revenues – operating expenses + nonoperating revenues – nonoperating expenses + depreciation)
- endowment returns

**A ratio of 1.25 or greater indicates that there are sufficient resources to satisfy debt obligations.**

There is no absolute threshold that will indicate whether the institution is no longer financially viable. However, the Viability Ratio, along with the Primary Reserve Ratio discussed earlier, can help define an institution's "margin for error". As the Viability Ratio's value falls below 1:1, an institution's ability to respond . . . to adverse conditions from internal resources diminishes, as does its ability to attract capital from external sources and its flexibility to fund new objectives.

*Strategic Financial Analysis for Higher Education*

# NECHE Financial Screening - Metrics

## Net Operating Revenues Ratio

The Net Operating Revenues Ratio is a measure of operating results and answers the question, “Do operating results indicate that the University is living within available resources?” Operating results either increase or decrease net position and, thereby, impact the other three core ratios: Primary Reserve, Return on Net Position, and Viability. This ratio is calculated as follows:

$$\frac{\text{Operating Income (Loss) plus Net Non-Operating Revenues (Expenses)}}{\text{Operating Revenues plus Non-Operating Revenues}}$$

A target of at least 2% to 4% is a goal over an extended time period, although fluctuations from year to year are likely. A key consideration for institutions establishing a benchmark for this ratio would be the anticipated growth in total expenses.

The primary reason institutions need to generate some level of surplus over long periods of time is because operations are one of the sources of liquidity and resources for reinvestment in institutional initiatives.

*Strategic Financial Analysis for Higher Education*

## Return on Net Position Ratio

The Return on Net Position Ratio measures asset performance and management. It determines whether an institution is financially better off than in the previous year by measuring total economic return. It is based on the level and change in total net position. An improving trend in this ratio indicates that the institution is increasing its net position and is likely to be able to set aside financial resources to strengthen its future financial flexibility. This ratio is calculated as follows:

$$\frac{\text{Change in Net Position}}{\text{Total Beginning of the Year Net Position}}$$

### Key items that can impact expendable net position

- items that impact the Net Operating Revenues Ratio
- endowment returns
- capital appropriations, grants, gifts, and transfers
- endowment gifts

The nominal rate of return on net position is the actual return unadjusted for inflation or other factors. The real rate of return adjusts the nominal rate for the effects of inflation using the Higher Education Price Index (HEPI). Publishers of the HEPI sometimes revise data for prior years as new information becomes available. The real rates presented below reflect the HEPI inflation factors published for August 31, 2020 and may differ from rates presented in previous years' reports.



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# FY26 Projected Financial Results

*Financial Affairs Committee*

*March 19, 2026*

1. Review high-level FY26 current systemwide projections vs the budget approved by the Board of Trustees in June 2025:
  - 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 FY26 risks and opportunities
4. Discuss outlook for FY27 compared to FY27 budget parameter(s) set by FAC in October 2025 (see appendix) and the updated FY26 projections



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# Overview Updated Projections – All Funds/All Activity Compared to FY26 Budget and FY25 Actuals (in \$Millions)



	FY25	FY26	FY26	Proj vs Bud	Proj vs Bud	Proj vs FY25	Proj vs FY25
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>932.2</b>	<b>898.9</b>	<b>906.7</b>	<b>7.8</b>	<b>0.9%</b>	<b>(25.5)</b>	<b>-2.7%</b>
Employee Compensation	580.2	549.7	563.0	(13.3)	-2.4%	17.3	3.0%
Other Operating Expense	345.3	344.8	342.3	2.6	0.7%	3.0	0.9%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>925.5</b>	<b>894.5</b>	<b>905.3</b>	<b>(10.7)</b>	<b>-1.2%</b>	<b>20.3</b>	<b>2.2%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>6.6</b>	<b>4.4</b>	<b>1.4</b>	<b>(3.0)</b>	<b>67.5%</b>	<b>(5.2)</b>	<b>-78.4%</b>
Operating Margin %	0.7%	0.5%	0.2%				
One-Time Operating Margin Impacts	(13.8)	(41.7)	(37.0)	4.8	11.4%	(23.2)	-167.9%
<b>Operating Margin Including One-Time Impacts</b>	<b>(7.2)</b>	<b>(37.3)</b>	<b>(35.5)</b>	<b>1.8</b>	<b>4.8%</b>	<b>(28.4)</b>	<b>396.6%</b>
Operating Margin %	-0.8%	-4.2%	-3.9%				

\*One-Time Margin impacts savings driven from UNH gift spend (\$5M)

# System-wide Key Takeaways – **Recurring** Operating Activity Compared to FY26 Budget and FY25 Actuals



## **FY 26 Projected Operating Margin of \$1.4M or 0.2%**

- **Compared to FY26 Budget: \$3.0M Unfavorable**

- » Net tuition/fees favorable \$0.2M
  - Total Enrollment (FTE) projected to be down by 0.9%
- » Other operating revenues favorable \$7.6M:
  - Grants favorable \$11.3M; Auxiliary unfavorable \$0.7M; Other revenue unfavorable \$1.9M; Gift unfavorable \$1.1M
- » Operating expenses unfavorable \$10.7M:
  - Employee compensation unfavorable \$13.3M (\$7M related to increase in grant revenue and \$6M non-grant related), offset by Other Operating Expense favorable 2.6M

- **Compared to FY25 Actuals: \$5.2M Unfavorable**

- » Net tuition/fees unfavorable \$2.5M
  - Total Enrollment (FTE) projected to be down by 3.6%
- » Other operating revenue unfavorable \$23.0M:
  - State appropriations unfavorable \$8.0M; Grants unfavorable \$6.0M; Noncapital Gifts unfavorable \$4.2M; Auxiliary favorable \$2.3M; Endowment Income favorable \$0.9M; Short Term Investment income unfavorable \$8.0M;
- » Expenses favorable \$20.3M:
  - Employee compensation favorable \$17.3M (\$3M Grants and \$14M Non-Grant) and Other Operating Expense favorable 3.0M

# FY26 Projections Summary –All Funds Recurring Activity

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



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	FY25	FY26	FY26	Proj vs Bud	Proj vs Bud	Proj vs FY25	Proj vs FY25
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Resident tuition	157.6	159.9	161.4	1.5	0.9%	3.8	2.4%
Nonresident tuition	321.4	314.5	310.4	(4.1)	-1.3%	(11.0)	-3.4%
Continuing education tuition	8.8	9.1	8.9	(0.3)	-2.9%	0.1	1.1%
Student Fee revenue	67.5	67.0	66.7	(0.3)	-0.5%	(0.8)	-1.1%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>555.3</b>	<b>550.6</b>	<b>547.4</b>	<b>(3.2)</b>	<b>-0.6%</b>	<b>(7.9)</b>	<b>-1.4%</b>
Less: student financial aid	(242.1)	(239.9)	(236.6)	3.3	-1.4%	5.5	-2.3%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>43.6%</b>	<b>43.6%</b>	<b>43.2%</b>	<b>0.4%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.8%</b>
<b>Net Tuition &amp; Fees</b>	<b>313.3</b>	<b>310.6</b>	<b>310.8</b>	<b>0.2</b>	<b>0.1%</b>	<b>(2.5)</b>	<b>-0.8%</b>
State of New Hampshire general appropriations	95.0	87.0	87.0	0.0	0.0%	(8.0)	-8.4%
Sales of auxiliary services	174.3	177.3	176.7	(0.7)	-0.4%	2.3	1.3%
Grants, Contracts, and Other Operating Revenue	349.6	323.9	332.2	8.3	2.6%	(17.3)	-5.0%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>932.2</b>	<b>898.9</b>	<b>906.7</b>	<b>7.8</b>	<b>0.9%</b>	<b>(25.5)</b>	<b>-2.7%</b>
Employee Compensation	580.2	549.7	563.0	(13.3)	-2.4%	17.3	3.0%
Other Operating Expense	345.3	344.8	342.3	2.6	0.7%	3.0	0.9%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>925.5</b>	<b>894.5</b>	<b>905.3</b>	<b>(10.7)</b>	<b>-1.2%</b>	<b>20.3</b>	<b>2.2%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>6.6</b>	<b>4.4</b>	<b>1.4</b>	<b>(3.0)</b>	<b>67.5%</b>	<b>(5.2)</b>	<b>-78.4%</b>
Operating Margin %	0.7%	0.5%	0.2%				

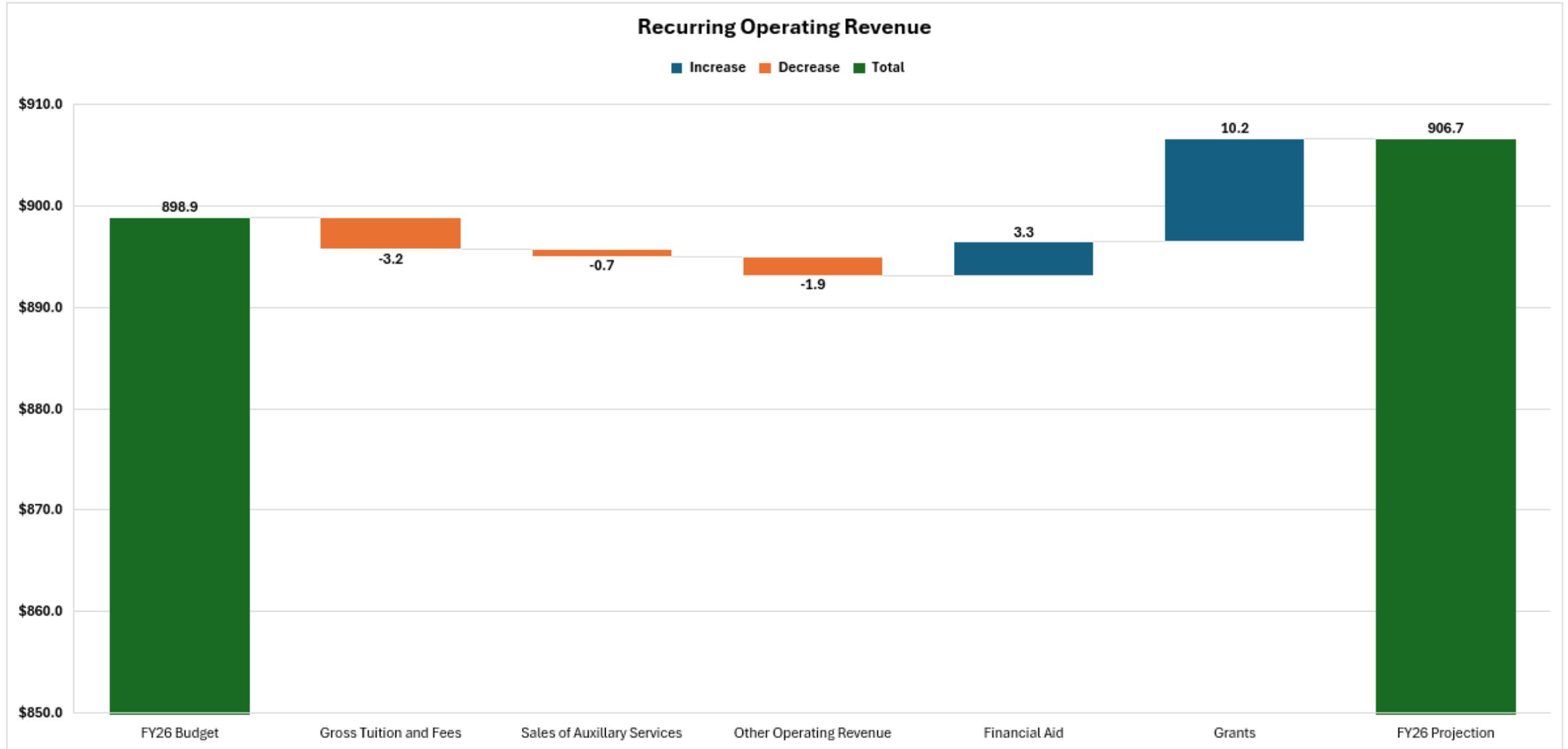
# FY26 Projection Summary by Institution – Recurring Operating Margin Total Funds (in \$Millions)

	FY25	FY26	FY26	Proj vs Bud
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)
UNH	7.9	3.5	3.5	(0.0)
PSU	2.2	(0.2)	(1.6)	(1.4)
KSC	(1.1)	(1.7)	(3.3)	(1.6)
Shared Services	(2.2)	2.8	2.9	0.1
<b>Total Recurring OM</b>	<b>6.6</b>	<b>4.4</b>	<b>1.4</b>	<b>(3.0)</b>

# Recurring Operating Revenues

## FY26 Projections vs FY26 Budget

Total University System of New Hampshire (Total Funds)



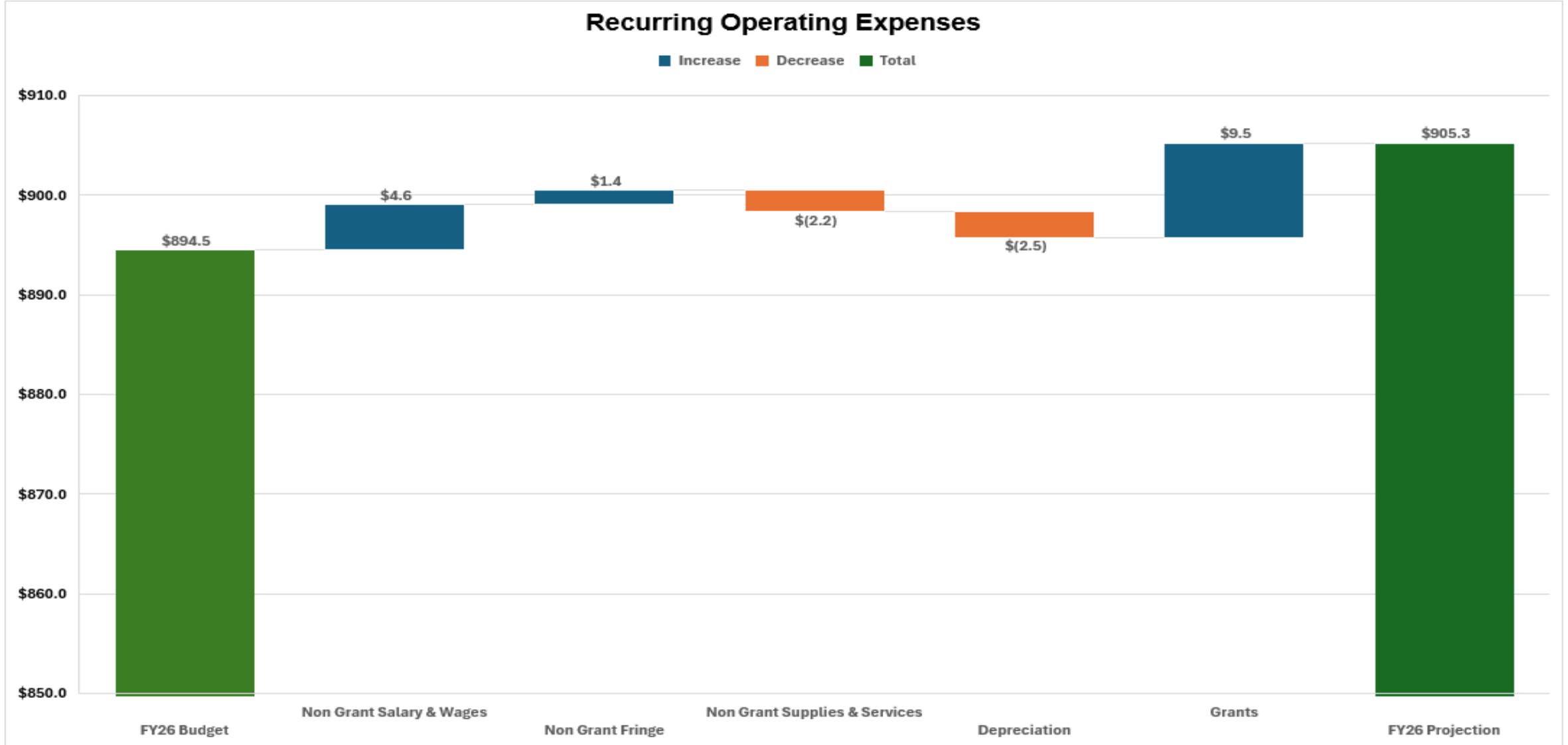
# Recurring Operating Expense FY26 Projections vs FY26 Budget

Total University System of New Hampshire (Total Funds)



## Recurring Operating Expenses

■ Increase ■ Decrease ■ Total



# FY26 Projections Summary – Recurring Activity **Excluding Grant Funds**

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



	FY25	FY26	FY26	Proj vs Bud	Proj vs Bud	Proj vs FY25	Proj vs FY25
	Final	Budget	Projection	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)	\$ Favorable/ (Unfavorable)	% Favorable/ (Unfavorable)
Resident tuition	158	160	161	1.5	0.9%	3.8	2.4%
Nonresident tuition	321	314	310	(4.1)	-1.3%	(11.0)	-3.4%
Continuing education tuition	9	9	9	(0.3)	-2.9%	0.1	1.1%
Student Fee revenue	67	67	67	(0.3)	-0.5%	(0.8)	-1.1%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>555</b>	<b>551</b>	<b>547</b>	<b>(3.2)</b>	<b>-0.6%</b>	<b>(7.9)</b>	<b>-1.4%</b>
Less: student financial aid	(197)	(195)	(195)	0.9	-0.5%	2.8	-1.4%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>35.5%</b>	<b>35.5%</b>	<b>35.5%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Net Tuition &amp; Fees</b>	<b>357.9</b>	<b>355.2</b>	<b>352.9</b>	<b>(2.3)</b>	<b>-0.6%</b>	<b>(5.1)</b>	<b>-1.4%</b>
State of New Hampshire general appropriations	95.0	87.0	87.0	0.0	0.0%	(8.0)	-8.4%
Sales of auxiliary services	174.3	177.3	176.7	(0.7)	-0.4%	2.3	1.3%
Grants, Contracts, and Other Operating Revenue	147.6	131.3	133.1	1.8	1.3%	(14.5)	-9.8%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>774.8</b>	<b>750.8</b>	<b>749.6</b>	<b>(1.2)</b>	<b>-0.2%</b>	<b>(25.2)</b>	<b>-3.3%</b>
Employee Compensation	484.4	463.9	469.9	(6.0)	-1.3%	14.5	3.0%
Other Operating Expense	282.4	284.2	279.5	4.7	1.7%	2.8	1.0%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>766.7</b>	<b>748.2</b>	<b>749.4</b>	<b>(1.3)</b>	<b>-0.2%</b>	<b>17.3</b>	<b>2.3%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>8.1</b>	<b>2.6</b>	<b>0.2</b>	<b>(2.5)</b>	<b>93.7%</b>	<b>(7.9)</b>	<b>-98.0%</b>
Operating Margin %	1.0%	0.4%	0.0%				

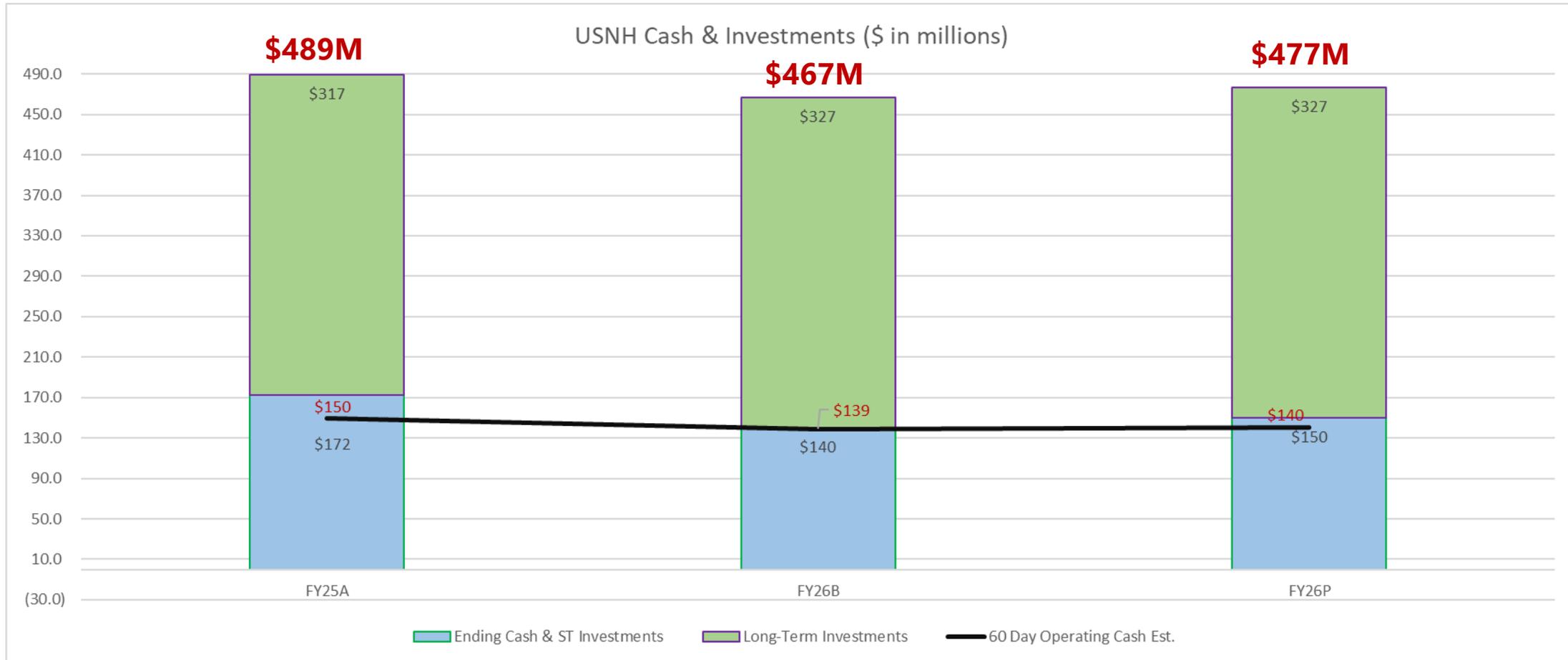
# FY26 Capital Expenditures Projection

Annual Spending + FY25 Carryforward + Strategic Investments = \$92M



\$M	Projected Annual Plan Plus Carryover from FY25				Strategic			Total	
	USNH Funding	FY25 Carryover to FY26	Total USNH Funding	Non UFR/ External Funding	Total Recurring Capital Projection	USNH Funding	Non UFR/ External/ Bond Funding	Total Strategic Capital Projection	Total Capital Projection
UNH	\$33.0	\$0.0	\$33.0	\$33.5	\$66.5	\$0.0	\$2.5	\$2.5	\$69.0
KSC	\$2.9	\$0.9	\$3.8	\$1.1	\$4.9	\$0.0	\$0.0	\$0.0	\$4.9
PSU	\$6.7	\$0.4	\$7.1	\$2.2	\$9.3	\$5.1	\$0.0	\$5.1	\$14.4
Systemwide	\$0.6	\$0.0	\$0.6	\$0.0	\$0.6	\$3.4	\$0.0	\$3.4	\$4.0
<b>Total</b>	<b>\$43.2</b>	<b>\$1.3</b>	<b>\$44.5</b>	<b>\$36.8</b>	<b>\$81.3</b>	<b>\$8.5</b>	<b>\$2.5</b>	<b>\$11.0</b>	<b>\$92.3</b>
FY26 Budget	\$49.1	\$1.5	\$50.6	\$44.2	\$94.8	\$7.7	\$2.1	\$9.8	\$104.6
Fav/(Unfav)	\$5.9	\$0.2	\$6.1	\$7.4	\$13.5	(\$0.8)	(\$0.4)	(\$1.2)	\$12.3

# FY26 Projected Cash Flow and Projected Cash and Short-Term Investments June 30, 2026



Cash and investment is projected to decrease \$12M from 6/30/25 Actuals \$489M to 6/30/26 Projections \$477M as a result of the following:

- **Total operating/non-operating activity reduction ('cash burn') of (\$22M)**
- **Long Term Treasury Income +\$10M** compared to FY25 ending balance

Note: The estimated FY25 Ending for Cash & Investments and Long-Term Treasury Income in the FY26 Budget was \$459M vs Final \$489M.

# FY26 Projected Cash Flow June 30, 2026

\$ in millions



	FY26 Original Budget	FY26 Projections	FY26 Proj vs Budget Favorable/ (Unfavorable)
<b>Recurring OM - All Funds</b>	\$ 4	\$ 2	\$ (3)
Interest	\$ 14	\$ 14	\$ -
Depreciation and Amortization	\$ 76	\$ 77	\$ 2
<b>EBITDA</b>	\$ 94	\$ 93	\$ (1)
<b>Capital - Recurring</b>	\$ (51)	\$ (44)	\$ 6
<b>Debt Service:</b>			
Debt - Principal	\$ (14)	\$ (14)	\$ -
Debt - Interest	\$ (14)	\$ (14)	\$ -
<b>Total Debt Service</b>	\$ (28)	\$ (28)	\$ -
<b>Other (changes in working capital, etc)</b>	\$ (5)	\$ (5)	\$ -
<b>Annual Recurring Operating Activity &amp; Debt Service</b>	\$ 10	\$ 15	\$ 5
<b>Subtotal Strategic Investments/One-Time/Other</b>	\$ (42)	\$ (37)	\$ 5
<b>Total Annual Cash Inflow/(Outflow)</b>	(32)	(22)	10
<b>Summary of Ending Cash, Short Term Investments and Long Term Investments (Quasi Endowment)</b>			
Ending Cash & ST Investments	\$ 140	\$ 150	\$ 10
Long-Term Investments	\$ 327	\$ 327	\$ (0)
<b>Total</b>	\$ 467	\$ 477	\$ 10

Total June 30, 2026, cash and investment Projection Favorable **\$10M** vs Original Budget:

- EBITDA Unfavorable (\$1M)
- Capital Expenditures Favorable \$6M- primarily driven by UNH
- Strategic Investment Expenditures Favorable \$5M due to timing shifts

Notes: The FY26 Original Budget is as of 7/1/25, prior to Board-approved adjustments in October 2025. Beginning balance for FY26 (7/1/25) has been updated to reflect the final actual ending balance.

\*EBITA = earnings before interest, taxes, and depreciation and amortization

## Risks

- **Enrollment & Net Tuition Pressure:** Undergraduate enrollment is tracking below budget; continued softness would outpace the timing of restructuring actions and pressure the recurring margin.
- **Dependence on Grant & F&A Performance:** FY26 results are materially supported by strong Grants & Contracts / F&A recovery; any slowdown or cost-share exposure would quickly erode operating performance.
- **Employee Medical Expenses:** Although claims are reasonably consistent with budget through January, an increase in claims and/or large claims could result in an overall increase in expenses.
- **One-time costs** associated with facilities down-sizing activities and Series 2026 bond sale could impact FY26 reported results

## Opportunities

- **Investment Income Upside:** Short-term and operating investment returns may outperform conservative assumptions, providing incremental margin and cash flow benefit.
- **Timing of Capital Expenditures:** Favorable capital timing offers near-term capacity to offset revenue shortfalls.



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- FY26 recurring operating margin is essentially at budget.
- Undergraduate enrollment and net tuition are modestly below the original budget, driven by slightly lower first-year headcount.
- Graduate tuition is generally on plan.
- Auxiliary revenues are tracking close to budget as a result of the slightly lower first-year headcount.
- F&A recovery is a critical upside driver (\$35M vs. \$30M budget) and is a key factor holding the recurring margin at target.
- Expense performance is favorable with projected savings in Goods & Services and Utilities offset by compensation (Shift of ET&S Tech Fees from USNH to UNH in addition to Student Labor, and adjunct trends).

# UNH Projections Summary Total Funds

(\$ In Millions)



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	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	119.1	119.9	0.8	0.7%
Nonresident tuition	250.0	248.2	(1.8)	-0.7%
Continuing education tuition	5.8	5.4	(0.4)	-7.2%
Student Fee revenue	48.5	48.4	(0.2)	-0.3%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>423.4</b>	<b>421.8</b>	<b>(1.6)</b>	<b>-0.4%</b>
Less: student financial aid	(176.1)	(174.1)	2.0	-1.1%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>41.6%</b>	<b>41.3%</b>	<b>0.3%</b>	<b>0.8%</b>
<b>Net Tuition &amp; Fees</b>	<b>247.2</b>	<b>247.7</b>	<b>0.4</b>	<b>0.2%</b>
State of New Hampshire general appropriations	60.9	60.9	-	0.0%
Sales of auxiliary services	122.4	121.8	(0.5)	-0.4%
Grants, Contracts, and Other Operating Revenue	269.0	279.8	10.8	4.0%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>699.4</b>	<b>710.2</b>	<b>10.8</b>	<b>1.5%</b>
Employee Compensation	401.6	415.3	(13.6)	-3.4%
Other Operating Expense	294.3	291.4	2.9	1.0%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>696.0</b>	<b>706.7</b>	<b>(10.8)</b>	<b>-1.5%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>3.5</b>	<b>3.5</b>	<b>(0.0)</b>	<b>0.0%</b>
Operating Margin %	0.5%	0.5%		
One-Time Operating Margin Impacts	(19.8)	(15.4)	4.4	22.4%
<b>Operating Margin Including One-Time Impacts</b>	<b>(16.3)</b>	<b>(11.9)</b>	<b>4.4</b>	<b>27.2%</b>
<b>Operating Margin %</b>	<b>-2.3%</b>	<b>-1.7%</b>		

# UNH Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



University System  
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	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	119.1	119.9	0.8	0.7%
Nonresident tuition	250.0	248.2	(1.8)	-0.7%
Continuing education tuition	5.8	5.4	(0.4)	-7.2%
Student Fee revenue	48.5	48.4	(0.2)	-0.3%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>423.4</b>	<b>421.8</b>	<b>(1.6)</b>	<b>-0.4%</b>
Less: student financial aid	(146.9)	(147.2)	(0.3)	0.2%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>34.7%</b>	<b>34.9%</b>	<b>-0.2%</b>	<b>-0.6%</b>
<b>Net Tuition &amp; Fees</b>	<b>276.5</b>	<b>274.7</b>	<b>(1.9)</b>	<b>-0.7%</b>
State of New Hampshire general appropriations	60.9	60.9	-	0.0%
Sales of auxiliary services	122.4	121.8	(0.5)	-0.4%
Grants, Contracts, and Other Operating Revenue	97.9	101.6	3.7	3.8%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>557.7</b>	<b>559.0</b>	<b>1.3</b>	<b>0.2%</b>
Employee Compensation	320.9	327.2	(6.4)	-2.0%
Other Operating Expense	235.1	230.1	5.0	2.1%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>556.0</b>	<b>557.3</b>	<b>(1.3)</b>	<b>-0.2%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>1.7</b>	<b>1.7</b>	<b>(0.0)</b>	<b>0.0%</b>
Operating Margin %	0.3%	0.3%		

# UNH Recurring Operating Margin/ (Loss)

## Bridge From FY26 Budget (\$ in millions)



	Fav/ (Unfav)	Annual OM/(Loss)
<b>FY26 Budget Margin/(Loss)</b>		<b>\$3.5</b>
Undergraduate net tuition	\$1.4	
Graduate net tuition	(\$0.2)	
Continuing ed net tuition and other	(\$0.4)	
Grants & Contracts/F&A/Pell	\$13.9	
Auxiliary Revenue & Other operating revenue	(\$2.1)	
Employee Compensation (driven grant increases and ET&S shift of Tech Fees)	(\$13.6)	
Supplies & Services (Driven by grant increases)	\$3.6	
Utilities	(\$0.5)	
Depreciation	(\$2.1)	
<b>FY26 Projection Margin/(Loss)</b>		<b>\$3.5</b>

# UNH FY26 Capital Projections

## Recurring only (\$ in millions)



	FY26 Budget			FY26 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
PCAC Life Safety Renovation	\$4.4	\$0.0	\$4.4	\$3.4	\$0.0	\$3.4	\$1.0
NOAA Ocean Mapping Center of Excellence		\$9.8	\$9.8	\$0.0	\$8.0	\$8.0	\$1.8
Field House Women and Ski Locker Room Renovation	\$2.0	\$0.0	\$2.0	\$2.0	\$2.8	\$4.8	(\$2.8)
Whittemore Center Expansion and Renovation	\$0.0	\$11.7	\$11.7	\$0.0	\$5.5	\$5.5	\$6.2
Jackson Lab Expansion and Renovation	\$0.0	\$4.9	\$4.9	\$0.4	\$4.6	\$5.0	(\$0.0)
Domestic Heat and Hot Water Main to Stillings Hall	\$4.6	\$0.0	\$4.6	\$4.0	\$0.0	\$4.0	\$0.6
Pressure Turbine Replacement	\$2.8	\$0.0	\$2.8	\$0.7	\$1.2	\$1.9	\$1.0
Williamson/Christensen Renovation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	(\$0.1)
Other Major Capital Investments (<\$2M)	\$0.7	\$2.3	\$3.0	\$1.0	\$0.8	\$1.8	\$1.2
On-Going/Recurring Investments	\$19.6	\$4.7	\$24.3	\$17.0	\$6.6	\$23.7	\$0.7
Capital Equipment	\$4.6	\$4.1	\$8.7	\$4.6	\$4.0	\$8.6	\$0.1
<b>Total</b>	<b>\$38.7</b>	<b>\$37.5</b>	<b>\$76.2</b>	<b>\$33.0</b>	<b>\$33.5</b>	<b>\$66.5</b>	<b>\$9.7</b>

# UNH FY26 Strategic Investments & Other Non-Recurring Activities (\$ in millions)



	FY26 Budget			FY26 Projection			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Favorable/ (Unfavorable) vs Budget
Gift Spend	\$0.0	\$10.0	\$10.0	\$0.0	\$5.1	\$5.1	\$4.9
Staff/Faculty reductions	\$0.0	\$8.5	\$8.5	\$0.0	\$8.7	\$8.7	(\$0.2)
NOAA ++	\$2.1	\$0.4	\$2.5	\$2.5	\$0.4	\$2.9	(\$0.4)
ECOLine Replacement	\$0.0	\$0.9	\$0.9	\$0.0	\$1.2	\$1.2	(\$0.3)
<b>Total Non-Recurring</b>	<b>\$2.1</b>	<b>\$19.8</b>	<b>\$21.9</b>	<b>\$2.5</b>	<b>\$15.4</b>	<b>\$17.9</b>	<b>\$4.0</b>



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## UNH- Placeholder FY27 Outlook Discussion



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Plymouth State University

Projections are based on very early actual data through 10/31/25 and prior year trends. (Spring R+30 improvement \$0.3M in Net Tuition/Fees/Financial Aid is projected to be offset by increased fuel costs \$0.3M due to the harsh winter)

### **REVENUES:**

Operating Revenues are projected at \$93.7M, which is \$0.4M more than the original budget of \$93.3M.

- Net Tuition/Fees/Financial Aid \$0.2M less than the original budget.
- Auxiliary Revenue is \$0.9M more when compared to the original budget (\$0.6M Housing, \$0.3M Dining).
- Grants & Contracts/F&A PELL \$0.1M more than the original budget.
- Contributions – Current Use Gifts are \$0.4M less when compared to the original budget.

### **EXPENSES:**

Operating Expenses of \$95.5M is \$1.9M more than the original budget of \$93.5M.

- Employee Compensation of \$48.1M is \$3.2M more than the original budget of \$44.9M (\$0.6M Shift of ET&S Tech Fee staff from USNH to PSU, projected overages in adjunct faculty, overly optimistic reductions in FY26, and decision not to pursue retrenchment in January.)
- Other Operating Expenses of \$47.2M is \$1.4M less than the original budget of \$48.6M. Composed of increases and decreases throughout categories. Largest reductions ET&S Tech fee realignment to employee compensation and in supplies, printing/copying, travel, and library acquisitions.

# PSU Projections Summary - Total Funds

(\$ In Millions)



University System  
of New Hampshire

	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	23.6	24.0	0.4	1.9%
Nonresident tuition	34.8	34.3	(0.5)	-1.4%
Continuing education tuition	0.7	0.5	(0.1)	-20.3%
Student Fee revenue	9.3	9.5	0.1	1.5%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>68.4</b>	<b>68.4</b>	<b>(0.0)</b>	<b>0.0%</b>
Less: student financial aid	(35.7)	(35.9)	(0.2)	0.6%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>52.2%</b>	<b>52.5%</b>	<b>-0.3%</b>	<b>-0.6%</b>
<b>Net Tuition &amp; Fees</b>	<b>32.7</b>	<b>32.5</b>	<b>(0.2)</b>	<b>-0.7%</b>
State of New Hampshire general appropriations	14.5	14.5	0.0	0.0%
Sales of auxiliary services	29.2	30.1	0.9	3.1%
Grants, Contracts, and Other Operating Revenue	16.8	16.6	(0.2)	-1.3%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>93.3</b>	<b>93.7</b>	<b>0.4</b>	<b>0.5%</b>
Employee Compensation	44.9	48.1	(3.2)	-7.2%
Other Operating Expense	48.5	47.2	1.4	2.8%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>93.5</b>	<b>95.3</b>	<b>(1.9)</b>	<b>-2.0%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>(0.2)</b>	<b>(1.6)</b>	<b>(1.4)</b>	<b>-701.3%</b>
Operating Margin %	-0.2%	-1.7%		
One-Time Operating Margin Impacts	(7.3)	(4.0)	3.3	45.0%
<b>Operating Margin Including One-Time Impacts</b>	<b>(7.5)</b>	<b>(5.6)</b>	<b>1.9</b>	<b>25.2%</b>
<b>Operating Margin %</b>	<b>-8.1%</b>	<b>-6.0%</b>		

# PSU Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	23.6	24.0	0.4	1.9%
Nonresident tuition	34.8	34.3	(0.5)	-1.4%
Continuing education tuition	0.7	0.5	(0.1)	-20.3%
Student Fee revenue	9.3	9.5	0.1	1.5%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>68.4</b>	<b>68.4</b>	<b>(0.0)</b>	<b>0.0%</b>
Less: student financial aid	(27.4)	(27.4)	(0.0)	0.2%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>40.1%</b>	<b>40.2%</b>	<b>-0.1%</b>	<b>-0.2%</b>
<b>Net Tuition &amp; Fees</b>	<b>41.0</b>	<b>40.9</b>	<b>(0.1)</b>	<b>-0.1%</b>
State of New Hampshire general appropriations	14.5	14.5	0.0	0.0%
Sales of auxiliary services	29.2	30.1	0.9	3.1%
Grants, Contracts, and Other Operating Revenue	6.9	6.6	(0.3)	-4.5%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>91.6</b>	<b>92.1</b>	<b>0.5</b>	<b>0.6%</b>
Employee Compensation	43.6	46.6	(2.9)	-6.7%
Other Operating Expense	48.1	46.7	1.4	3.0%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>91.7</b>	<b>93.2</b>	<b>(1.5)</b>	<b>-1.7%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>(0.1)</b>	<b>(1.1)</b>	<b>(1.0)</b>	<b>-695.7%</b>
Operating Margin %	-0.2%	-1.2%		

# PSU Recurring Operating Margin/(Loss)

## Bridge From FY26 Budget (\$ in millions)



	Fav/ (Unfav)	Annual OM/(Loss)
<b>FY26 Budget Margin/(Loss)</b>		<b>(\$0.2)</b>
Net Tuition & Fees	(\$0.2)	
Auxiliary Services Revenue (Reslife & Dining)	\$0.9	
Grants & Contract Revenue Including Pell	\$0.1	
Contributions Revenue – Current Use Gifts	(\$0.4)	
Total Employee Compensation	\$(3.2)	
Total Supplies & Services & Internal Allocation (Tech Fee realignment)	\$1.5	
Lease Amortization	\$(0.1)	
<b>FY26 Projection Margin/(Loss)</b>		<b>(\$1.6)</b>

# PSU FY26 Capital Projection

## Recurring Only (\$ in millions)



*Grant Funding	FY26 Budget			FY26 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)	\$0.0	\$1.3	\$1.3	\$0.3	\$1.3	\$1.6	(\$0.3)
PE Center Energy Conservation*	\$0.0	\$0.5	\$0.5	\$0.0	\$0.5	\$0.5	\$0.0
Sam Read Hall Nursing Renovation*	\$0.0	\$1.3	\$1.3	\$0.0	\$1.3	\$1.3	\$0.0
Auxiliary-Related Mechanicals	\$1.1	\$0.0	\$1.1	\$0.8	\$0.0	\$0.8	\$0.3
South Campus Steam Loop	\$2.0	\$0.0	\$2.0	\$2.0	\$0.0	\$2.0	\$0.0
Galehead/Owlshead Envelope	\$1.5	\$0.0	\$1.5	\$1.0	\$0.0	\$1.0	\$0.5
E&G-Related Mechanicals/Infrastructure	\$1.5	\$0.0	\$1.5	\$1.4	\$0.0	\$1.4	\$0.1
Capital Equipment	\$0.6	\$0.0	\$0.6	\$0.7	\$0.0	\$0.7	(\$0.1)
<b>Total</b>	<b>\$6.7</b>	<b>\$3.1</b>	<b>\$9.8</b>	<b>\$6.2</b>	<b>\$3.1</b>	<b>\$9.3</b>	<b>\$0.5</b>

# PSU FY26 Strategic Investments & Other Non-Recurring Activities (\$ in millions)



	FY26 Budget			FY26 Projection			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Favorable/ (Unfavorable) vs Budget
Residence Hall Upgrades	\$0.0	\$0.8	\$0.8	\$0.0	\$0.9	\$0.9	(\$0.1)
Residence Hall Mechanical	\$0.8	\$0.0	\$0.8	\$0.8	\$0.0	\$0.8	\$0.0
Highland Hall	\$1.4	\$0.0	\$1.4	\$0.0	\$0.0	\$0.0	\$1.4
WMAC Mechanical Rooms	\$0.0	\$0.0	\$0.0	\$0.8	\$0.0	\$0.8	(\$0.8)
PE Center Upgrade	\$0.5	\$0.0	\$0.5	\$1.0	\$0.0	\$1.0	(\$0.5)
Sam Read Hall Nursing Renovations	\$1.8	\$0.0	\$1.8	\$1.8	\$0.0	\$1.8	\$0.0
White Mountain Apartment Complex	\$0.8	\$0.0	\$0.8	\$1.2	\$0.0	\$1.2	(\$0.4)
Other Strategic	\$0.0	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1	\$0.0
<b>Total BOT-Approved Strategic Invest.</b>	<b>\$5.3</b>	<b>\$0.9</b>	<b>\$6.2</b>	<b>\$5.6</b>	<b>\$1.0</b>	<b>\$6.6</b>	<b>(\$0.4)</b>
Separation Costs (excluding ABUD adj)	\$0.0	\$3.7	\$3.7	\$0.0	\$3.4	\$3.4	\$0.3
<b>Total Other Non-Recurring</b>	<b>\$0.0</b>	<b>\$3.7</b>	<b>\$3.7</b>	<b>\$0</b>	<b>\$3.4</b>	<b>\$3.4</b>	<b>\$0.3</b>
<b>Total Non-Recurring</b>	<b>\$5.3</b>	<b>\$4.6</b>	<b>\$9.9</b>	<b>\$5.6</b>	<b>\$4.4</b>	<b>\$10.0</b>	<b>(\$0.1)</b>



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PSU - Placeholder FY27 Outlook  
Discussion



University of  
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University System  
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Keene State College

**Total Recurring Operating Margin:** Projected Recurring Operating Margin is a deficit of (\$3.3M), an unfavorable variance of (\$1.6M) to Original Budgeted Operating Margin deficit of (\$1.8M)

- Net tuition and fees: effectively on budget – lower tuition revenue offset by lower financial aid.
- Student Auxiliary revenue: Housing/Dining revenue significantly unfavorable driven by lower student headcount.
- Childcare center revenue: Unfavorable variance will be eliminated in FY27 by transitioning of operations.
- Employee compensation: on budget driven by staff position eliminations and faculty CTI.
- Other Expenses: driven by favorable direct costs for Student Dining revenue, favorable utilities due to lower negotiated rates and successful cost constraints across campus.

# KSC Operating Projections Summary - Total Funds

(\$ In Millions)



University System  
of New Hampshire

	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	17.3	17.5	0.2	1.2%
Nonresident tuition	29.7	27.9	(1.8)	-6.1%
Continuing education tuition	2.7	3.0	0.3	10.5%
Student Fee revenue	9.1	8.8	(0.3)	-3.2%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>58.8</b>	<b>57.2</b>	<b>(1.6)</b>	<b>-2.7%</b>
Less: student financial aid	(28.1)	(26.6)	1.6	-5.5%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>47.8%</b>	<b>46.4%</b>	<b>1.4%</b>	<b>2.9%</b>
<b>Net Tuition &amp; Fees</b>	<b>30.7</b>	<b>30.6</b>	<b>(0.1)</b>	<b>-0.2%</b>
State of New Hampshire general appropriations	11.6	11.6	0.0	0.0%
Sales of auxiliary services	25.7	24.7	(1.1)	-4.1%
Grants, Contracts, and Other Operating Revenue	22.2	19.8	(2.3)	-10.5%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>90.2</b>	<b>86.8</b>	<b>(3.4)</b>	<b>-3.8%</b>
Employee Compensation	45.0	45.4	(0.4)	-0.9%
Other Operating Expense	46.9	44.7	2.2	4.7%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>91.9</b>	<b>90.1</b>	<b>1.8</b>	<b>2.0%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>(1.7)</b>	<b>(3.3)</b>	<b>(1.6)</b>	<b>-98.0%</b>
Operating Margin %	-1.9%	-3.8%		
One-Time Operating Margin Impacts	(4.5)	(5.4)	(0.8)	-18.1%
<b>Operating Margin Including One-Time Impacts</b>	<b>(6.2)</b>	<b>(8.7)</b>	<b>(2.5)</b>	<b>-39.6%</b>
<b>Operating Margin %</b>	<b>-6.9%</b>	<b>-10.0%</b>		

# KSC Projections Summary – Recurring OM Excluding Grants

(\$ In Millions)



University System  
of New Hampshire

	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	17.3	17.5	0.2	1.2%
Nonresident tuition	29.7	27.9	(1.8)	-6.1%
Continuing education tuition	2.7	3.0	0.3	10.5%
Student Fee revenue	9.1	8.8	(0.3)	-3.2%
<b>Gross Tuition Revenue &amp; Fees</b>	<b>58.8</b>	<b>57.2</b>	<b>(1.6)</b>	<b>-2.7%</b>
Less: student financial aid	(21.2)	(19.9)	1.2	-5.9%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>	<b>36.0%</b>	<b>34.8%</b>	<b>1.2%</b>	<b>3.2%</b>
<b>Net Tuition &amp; Fees</b>	<b>37.7</b>	<b>37.3</b>	<b>(0.4)</b>	<b>-1.0%</b>
State of New Hampshire general appropriations	11.6	11.6	0.0	0.0%
Sales of auxiliary services	25.7	24.7	(1.1)	-4.1%
Grants, Contracts, and Other Operating Revenue	10.5	8.8	(1.7)	-15.9%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>85.5</b>	<b>82.5</b>	<b>(3.1)</b>	<b>-3.6%</b>
Employee Compensation	41.4	42.0	(0.6)	-1.5%
Other Operating Expense	45.9	43.7	2.1	4.7%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>87.2</b>	<b>85.7</b>	<b>1.5</b>	<b>1.8%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>(1.7)</b>	<b>(3.3)</b>	<b>(1.6)</b>	<b>-91.5%</b>
Operating Margin %	-2.0%	-4.0%		

# KSC Recurring Operating Margin/(Loss)

Bridge From FY26 Budget (\$ in millions)



	Fav/ (Unfav)	Annual OM/(Loss)
<b>FY26 Budget - Margin</b>		<b>(\$1.7)</b>
Net tuition and fees (excluding grants) - lower headcount offset by lower aid and increased summer	(\$0.4)	
Auxiliary revenue – reduced headcount impact on housing and dining revenue, offset by expense savings	(\$0.5)	
Contribution revenue - impacted by current economic environment, open positions, elimination of VP	(\$0.6)	
Other revenue – delayed outsourcing of childcare center, reduction in CALL and OSHA revenue, reduced lease revenue and indirect cost revenue	(\$1.0)	
Employee comp (excluding grants) - reclass of expense for tech employees from other expenses to comp	(\$0.6)	
All other expenses – offset by (\$0.6) tech employee reclass to comp; savings in goods & services, depreciation/amortization, lease purchases	\$1.4	
Utilities savings	\$0.2	
Change in grant impact related to additional cost share	(\$0.1)	
<b>FY26 Projection - Margin</b>		<b>(\$3.3)</b>

# KSC FY26 Capital Projection

## Recurring Only (\$ in millions)



	FY26 Budget			FY26 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
Morrison	\$0.0	\$2.5	\$2.5	\$0.0	\$0.4	\$0.4	\$2.1
Joslin Roof and HVAC/Renovation	\$1.1	\$0.0	\$1.1	\$0.9	\$0.0	\$0.9	\$0.2
Spaulding Gym HVAC	\$1.2	\$0.0	\$1.2	\$1.0	\$0.0	\$1.0	\$0.2
Renewal Program (Deferred Maintenance/Departmental Projects)	\$1.0	\$0.0	\$1.0	\$0.8	\$0.0	\$0.8	\$0.2
Redfern & Keddy – roof/windows	\$0.0	\$1.0	\$1.0	\$0.0	\$0.5	\$0.5	\$0.5
Mechanical/Infrastructure	\$0.7	\$0.0	\$0.7	\$0.8	\$0.0	\$0.8	(\$0.1)
Capital Equipment	\$0.3	\$0.2	\$0.5	\$0.3	\$0.2	\$0.5	\$0.0
<b>Total (including FY25 carryforward)</b>	<b>\$4.3</b>	<b>\$3.7</b>	<b>\$8.0</b>	<b>\$3.8</b>	<b>\$1.1</b>	<b>\$4.9</b>	<b>\$3.1</b>

# KSC FY26 Budgeted Strategic Investments & Other Non-Recurring Activities (\$ in millions)



	FY26 Budget			FY26 Projection			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Favorable/ (Unfavorable) vs Budget
Athletics Strategic Investments	\$0.0	\$0.8	\$0.8	\$0.0	\$0.8	\$0.8	\$0.0
Student Success Initiative	\$0.0	\$0.3	\$0.3	\$0.0	\$0.3	\$0.3	\$0.0
<b>Total BOT-Approved Strategic Invest.</b>	<b>\$0.0</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$0.0</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$0.0</b>
Separation Costs	\$0.0	\$3.4	\$3.4	\$0.0	\$4.0	\$4.0	(\$0.6)
Flooring, abatement	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	(\$0.2)
<b>Total Other Non-Recurring</b>	<b>\$0.0</b>	<b>\$3.4</b>	<b>\$3.4</b>	<b>\$0.0</b>	<b>\$4.2</b>	<b>\$4.2</b>	<b>(\$0.8)</b>
<b>Total Non-Recurring</b>	<b>\$0.0</b>	<b>\$4.5</b>	<b>\$4.5</b>	<b>\$0.0</b>	<b>\$5.3</b>	<b>\$5.3</b>	<b>(\$0.8)</b>



University System  
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## KSC - Placeholder FY27 Outlook Discussion



# Systemwide Shared Services

- Projection is materially at budget.
  - Anticipate an increase in short-term investment income to offset unbudgeted increases in temporary support and to offset a portion of the system-wide placeholder budget reductions not realized in FY26.
- Potential risk areas:
  - Consulting costs to related to Workday post go-live support for finance & HR as well temporary help where we have challenges filling positions out on medical leave.

# System-Wide Shared Services Operating Projections Summary

## Total Funds

(\$ In Millions)



University System  
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	FY26 Budget	FY26 Projection	Proj vs Bud \$ Favorable/ (Unfavorable)	Proj vs Bud % Favorable/ (Unfavorable)
Resident tuition	-	-	-	
Nonresident tuition	-	-	-	
Continuing education tuition	-	-	-	
Student Fee revenue	-	-	-	
<b>Gross Tuition Revenue &amp; Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Less: student financial aid	(0.0)	(0.0)	-	0.0%
<b>Financial Aid % of Total All Funds Gross Tuition Revenue &amp; Fees</b>				
<b>Net Tuition &amp; Fees</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>-</b>	<b>0.0%</b>
State of New Hampshire general appropriations	-	-	-	
Sales of auxiliary services	-	-	-	
Grants, Contracts, and Other Operating Revenue	16.0	16.0	(0.0)	0.0%
<b>Total Operating Revenue Excluding One-Time Impacts</b>	<b>16.0</b>	<b>16.0</b>	<b>(0.0)</b>	<b>0.0%</b>
Employee Compensation	58.1	54.1	4.0	6.8%
Other Operating Expense	(44.9)	(41.0)	(3.9)	8.7%
<b>Total Operating Expense Excluding One-Time Impacts</b>	<b>13.2</b>	<b>13.1</b>	<b>0.1</b>	<b>0.4%</b>
<b>Recurring Operating Margin Before One-Time Impacts</b>	<b>2.8</b>	<b>2.9</b>	<b>0.1</b>	<b>-1.9%</b>
Operating Margin %	17.6%	18.0%		
One-Time Operating Margin Impacts	(10.0)	(12.2)	(2.2)	-21.6%
<b>Operating Margin Including One-Time Impacts</b>	<b>(7.2)</b>	<b>(9.3)</b>	<b>(2.1)</b>	<b>-29.3%</b>
<b>Operating Margin %</b>	<b>-45.1%</b>	<b>-58.3%</b>		

# Systemwide Shared Services FY26 Capital Projection and Strategic Investments & Other Non-Recurring Activities (\$ in millions)



Recurring	FY26 Budget			FY26 Projection			
\$M	Internally Funded	Externally Funded	Total Capital	Internally Funded	Externally Funded	Total Capital	Favorable/ (Unfavorable) vs Budget
ET&S and Long-Range Technology Plan (LRTP) Equipment	\$0.6	\$0.0	\$0.6	\$0.6	\$0.0	\$0.6	\$0.0
<b>Total</b>	<b>\$0.6</b>	<b>\$0.0</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.0</b>	<b>\$0.6</b>	<b>\$0.0</b>

Non-Recurring	FY26 Budget			FY26 Projection			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Favorable/ (Unfavorable) vs Budget
SYS NHTI Design and Construction	\$2	\$0.0	\$2	\$1.1	\$0.0	\$1.1	(\$0.9)
ERP Project (Strategic Investment)	\$2.3	\$8.8	\$11.1	\$2.3	\$10.9	\$13.2	(\$2.1)
Consulting and Restructuring Support	\$0.0	\$1.2	\$1.2	\$0.0	\$1.3	\$1.3	(\$0.1)
<b>Total Non-Recurring</b>	<b>\$2.5</b>	<b>\$10.0</b>	<b>\$12.5</b>	<b>\$3.4</b>	<b>\$12.2</b>	<b>\$15.6</b>	<b>(\$3.1)</b>



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## Appendix

# FY27 Budget Assumptions and Parameters

*Operating Budget as Approved by FAC Oct'25*



- **Recurring Operating Expenses:** Systemwide operating expenses will be determined as a result of the combined revenue projections and the approved systemwide recurring operating margin parameters at the institutional level.
- **Targeted Recurring Operating Margin - Institutional and Total Systemwide:**
  - 1% of Recurring Operating Revenue.
  - If an institutional budget will not meet the above OM target established, the President will notify with the Chancellor who will then seek approval, if necessary, of the FAC Chair and ICPC Chair by April 30, 2026.
- **Non-Recurring Items:** To be provided by the Institutional Presidents and recommended by the Chancellor (operating and capital).
- If applicable, the Presidents and the Chancellor will fully disclose to the Board any material unidentified revenue or expense adjustments incorporated in the FY27 Budget.

# Edge Update

Board of Trustees  
March 19, 2026



# Purpose | Vision | Mission

## PURPOSE

- Support UNH enrollment, research and regional impact
- Tightly connect education, research and industry

## VISION

- Accelerate innovation and discovery to solve real world problems while creating more pathways from learning to careers.
- Turn UNH's strengths and assets into revenue.

## MISSION

- Attract and retain students by offering applied learning opportunities.
- Strengthen connection to industry and increase research and partnership revenue.



# Path to Enrollment Support

- Public private partnership (UNH + Industry) =
  - **Increased research funding and support for grad students**
- Applied learning + internships =
  - **Stronger undergrad enrollment and retention thru path to careers**
- Sector identity =
  - **Clarity in attracting prospective students and investors**
- Housing + amenities =
  - **Removes barriers to recruitment for students and professionals**



# Move to nonpublic session



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# Discussion



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 22, 2026 meeting, VCFA Benincasa reviewed the risks and mitigation strategies related to financial health. The risks outlined were similar to the prior governance year. The balance sheet has remained strong. The presented report is attached.

SUBMITTED AND APPROVED BY:

Catherine A. Provencher  
Chancellor

Date Prepared: March 5, 2026

For the Meeting of: March 19, 2026

*-- End of Summary Sheet --*



**ENTERPRISE RISK MANAGEMENT**

**Risk Monitoring Report to the  
Board of Trustees'**

*January 22, 2026*

**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.*):

<b>Risk Area</b>	<b>Accountable Office</b>	<b>Risk Description</b>	<b>ERM Champion</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Management/ Mitigation Plan</b>	<b>Presidents' Council Assessment Comments</b>
<b>Financial Health</b>	Presidents' Council, FINEC	<ul style="list-style-type: none"> <li>Declining and changing demographics, increased student financial need, fierce competition, changes in consumer expectations, inflation, etc. are putting extreme pressure on the bottom line.</li> </ul>	Karen Benincasa	High	High	<ul style="list-style-type: none"> <li>As of FY25, USNH has a strong balance sheet and experienced financial performance, which exceeded expectations. However, USNH has financial challenges it knows it will need to mitigate</li> </ul>	

		<ul style="list-style-type: none"> <li>• Annual cash burn continues, leaving USNH with less liquidity and potential compliance concerns about the USNH endowment pool where excess cash is currently invested.</li> <li>• Uncertainty about crucial external funding including federal funding changes can impact ongoing business operations.</li> <li>• Budget adjustments are needed to eliminate the structural deficit that could grow significantly by 2030.</li> <li>• Reduced state and federal funding, federal indirect cost recoveries may significantly impact continued operations.</li> <li>• Limited ability to raise prices or increase financial aid because of significant price sensitivity in the competitive higher education market and eligible students deciding not to go to college at all.</li> <li>• Unpredictable financial market which could result in low/negative investment returns and increased borrowing costs.</li> <li>• Strategic investments don't have the desired effect on mitigating demographic and other uncontrollable higher education trends or generating the financial returns expected.</li> </ul>				<p>and overcome in the future.</p> <ul style="list-style-type: none"> <li>• Budget parameters are adopted by the FAC to target a <u>minimum</u> system-wide and campus-specific 1% operating margin for FY27. This is an improvement over FY26 Budget but includes an additional \$10 million state cut in FY27. USNH is aware it needs to reduce expenses despite inflationary cost increases as raising tuition/fees/R&amp;B and/or significantly growing revenues in this competitive market is unlikely.</li> <li>• Campuses closely track actual performance during the year against budget and make adjustments when/if needed.</li> <li>• Financial Affairs Committee (FAC) receives updates at each of its meetings relating to financial performance at some level and Cash (usage/burn) is being evaluated and monitored closely by</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Fixed cost structure grows after significant cost reductions implemented; temporary expenses become permanent.</li> </ul>				<p>USNH leadership on a regular basis.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• VCFA and CFOs will meet with the chair of FAC and ICPC when needed.</li> <li>• Campuses track expected return on strategic investments that have been approved.</li> <li>• PC continues to work on initiatives that came out of the June 2025 Vision and Strategy work. This includes increasing and maximizing shared service opportunities, downsizing/rightsizing facilities, monetizing assets, etc. with the current goal of determining if each institutions is/can be independently financially sustainable in the long-term.</li> <li>• Enrollment management shared services opportunities and Advancement</li> </ul>	
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						<p>shared services opportunities are being evaluated for implementation along with others.</p> <ul style="list-style-type: none"> <li>• Voluntary employee separation programs have been approved for each campus to assist with bringing the cost structure down in the future.</li> <li>• Facilities assessments and refined master planning efforts are underway with a goal of downsizing USNH facilities to meet the future needs - which requires a smaller and potentially different footprint.</li> <li>• Campuses are prioritizing capital spending to ensure the limited USNH resources are spent on the highest priorities of the organization.</li> <li>• Employee headcount is being actively monitored by leadership.</li> <li>• Recent increase in employee medical costs and claims are being monitored on a monthly basis. Plan design changes (for unrepresented</li> </ul>	
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						<p>employees) and vendor changes were implemented in 2026.</p> <ul style="list-style-type: none"> <li>• 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 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 2026 and beyond.</li> <li>• USNH will continue to assess opportunities to refund existing debt for savings; currently Series 2015 is planned to be refunded in Mar/Apr 2026 for \$8M NPV savings and approx \$70M new money bonds will be issued primarily for 2 UNH residence halls.</li> </ul>	
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						<ul style="list-style-type: none"><li>• Advancement campaigns are closely tracked by campuses.</li></ul>	
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