



2026 June 25 Board Meeting - Session 1

June 25, 2026

UNH-Durham - Memorial Union Building - Strafford Room

<https://zoom.us/j/91035318785?pwd=mM7XOb1Pu6aMLb9yP2k3vLhodzwKWw.1>

Meeting ID: 910 3531 8785; Passcode: 954755



2026 June 25 Board Meeting - Session 1

Board of Trustees Agenda

I. Schedule of Events, Directions, Parking

- A. Schedule of Events - 4
- B. Directions and Parking Permit - 6

II. Zoom Meeting Information

Meeting URL: <https://zoom.us/j/91035318785?pwd=mM7XOb1Pu6aMLb9yP2k3vLhodzwKWw.1>

Or Telephone:

Dial: + 1 305 224 1968 (US Toll)

Meeting ID: 910 3531 8785

Passcode: 954755

III. Call to Order

- A. Determination of a quorum sufficient for the conduct of business
- B. Take attendance of all meeting participants

IV. Chair's Welcome & Remarks

V. Multi-Year Plan and FY27 Budget & Approve Systemwide FY27 Operating and Capital Budgets

- MOVED, on recommendation of the Presidents' Council (PC), that the BOT approve the operating and capital budgets, for the University System applicable to the fiscal year beginning July 1, 2026, and ending June 30, 2027 (FY27) as presented in the attachments;

- AND FURTHER, in the event revenues are lower than currently anticipated in the attachments, PC will make budget adjustments to reduce expenses to the lower revenue levels to meet the budgeted system-wide Operating Loss; if unable to do so, PC will seek amended approval from BOT for the revised FY27 Budgeted OM by August 2026.

- AND FURTHER, in the event material expense savings targets are incorporated into the proposed budgets (across the board reductions, planned initiatives, etc.), PC will provide updates to the Executive Committee of the BOT to include detailed plans for achieving the savings.

- AND FURTHER, available restricted and external funding will be used prior to the use of USNH funds with exceptions requiring the approval of the institutional EVPFA or EVPFA designee.

- AND FURTHER, that the Treasurer is authorized to liquidate a portion of the Long-Term Treasury Investments Quasi-Endowment fund pursuant to BOT.G.1, if needed, to support the approved FY27 capital and operating budgets,

- AND FURTHER, that the Long-Term Treasury Investments Quasi-Endowment Fund established by the Financial Affairs Committee in May

2008, as authorized in policy pursuant to BOT.G.1, be amended to incorporate guidelines for future withdrawals authorized beginning July 1, 2026, as outlined on the previous slides, to help preserve USNH long-term financial health.

A. Multi Year Financial Update FY26 - FY30

1. BOT Presentation MYP and FY27 Budget - 10

B. Nonpublic Session

MOVED, pursuant to RSA 91-A:2.I(a) and 91-A:3.II(j), that the Board enter nonpublic session for the purposes of considering matters related to collective bargaining strategy and/or considering confidential commercial or financial information.

VI. Discussion Items

A. USNH Future Leadership Recommendation

1. USNH Future Leadership Recommendation.pdf - 107

VII. Adjourned to be Reconvened June 26, 2026 at 8:30 am



**Committee & Business Meetings
University of New Hampshire
Memorial Union Building**

June 25-26, 2026

Hotel – Three Chimneys Inn, 17 Newmarket Road, Durham, NH;
Holiday Inn Express, 2 Main Street, Durham, NH (I have notified you if your reservation is here)

Parking – C Lot – Campus Crossing (Mill Road) – If you have a Trustee permit, please use that, if you do not, please print the attached permit to be clearly displayed on the upper portion of the driver’s side dashboard

WiFi – UNH-Events / Password: Welcome2UNH!

Staff workroom – MUB 237

Schedule of Events

Thursday, June 25

- 8:30 am – 9:00 am Breakfast - *Room 237*
- 9:00 am – 12:00 pm **Board Meeting – Session 1**
<https://zoom.us/j/91035318785?pwd=mM7XOb1Pu6aMLb9yP2k3vLhodzwKWw.1>
 Meeting ID: 910 3531 8785; Passcode: 954755
Strafford Room
- 12:00 pm – 12:45 pm Lunch – *Room 334/336*
- 12:45 pm – 1:00 pm Break
- 12:45 pm – 1:15 pm **Investments and Capital Planning Committee**
<https://zoom.us/j/98410681765?pwd=AbDnmeJzmfaVtaLebHDbJ1kUbbtzXu.1>
 Meeting ID: 984 1068 1765; Passcode: 585350
Strafford Room
- 1:00 pm – 2:30 pm **Audit Committee**
<https://zoom.us/j/99668865059?pwd=rh1JaMPZXHRSZw2MuSTbdEEV3EPFoa.1>
 Meeting ID: 996 6886 5059; Passcode: 819147
Room 338
- 1:00 pm – 2:30 pm **Governance Committee**
<https://teams.microsoft.com/meet/254048308120864?p=bvqoXCwoHFF9VDlrUO>
 Meeting ID: 254 048 308 120 864; Passcode: oM9uq6Gf
Room 330
- 2:30 pm – 2:45 pm Break
- 2:45 pm – 4:45 pm **Educational Excellence Committee**
<https://zoom.us/j/94346351328?pwd=CkQYYNXb5d0a6mgYV6oMhZMMrzbrdt.1>
 Meeting ID: 943 4635 1328; Passcode: 917310
Strafford Room
- 5:00 pm – 8:00 pm Reception/Dinner - Room 334/336

Friday, June 26

8:00 am – 8:30 am Breakfast – *Room 237*

8:30 am – 12:00 pm **Board Meeting**
<https://zoom.us/j/96597478660?pwd=kP8jNSzmkp1eZs8QAI7SPQDyeKUG6Z.1>
Meeting ID: 965 9747 8660; Passcode: 066568
Strafford Room

12:00 pm – 12:30 pm Lunch (box lunches available)



University of New Hampshire

Directions to Campus Crossing Visitor Lot & Holloway Commons: 3 Mill Road, Durham, NH 03824

From Boston, Massachusetts and points South: Take I-95 North to Exit 4 (NH Lakes & Mountains/Spaulding Turnpike-Routes 4 & 16). Continue North about 5 miles to Exit 6W for Route 4 West to Durham and Concord. Follow Route 4 West to exit for Route 155A. Turn left at end of exit ramp. This turns into Main Street at UNH. Go through one set of lights and down a small hill. Holloway Commons will be on your right as you proceed down the hill.

Campus Crossing Visitor Lot: Proceed past Holloway Commons and take the 2nd right onto Mill Road. Take the 2nd right into the entrance for the Campus Crossing Visitor Lot.

From Portland, Maine and points North: Take I-95 South, over the Maine-NH bridge and take Exit 5, which turns into Spaulding Turnpike Route 16 North. Continue North about 5 miles to Exit 6W for Route 4 West to Durham and Concord. Follow Route 4 West to exit for Route 155A. Turn left at end of exit ramp. This turns into Main Street at UNH. Go through one set of lights and down a small hill. Holloway Commons will be on your right as you proceed down the hill.

Campus Crossing Visitor Lot: Proceed past Holloway Commons and take the 2nd right onto Mill Road. Take the 2nd right into the entrance for the Campus Crossing Visitor Lot.

From Concord, NH and points West: Follow Route 4 East to exit for Route 155A. Turn right at end of exit ramp. This turns into Main Street at UNH. Go through one set of lights and down a small hill. . Holloway Commons will be on your right as you proceed down the hill.

Campus Crossing Visitor Lot: Proceed past Holloway Commons and take the 2nd right onto Mill Road. Take the 2nd right into the entrance for the Campus Crossing Visitor Lot.

From Manchester, NH and points Southwest: Take Route 101 East to Exit 7 for Route 125 North. Pick up Route 4 East at the Lee, NH traffic circle. Take Route 155A exit and turn right at the end of the exit ramp. This turns into Main Street at UNH. Go through one set of lights and down a small hill. Holloway Commons will be on your right as you proceed down the hill.

Campus Crossing Visitor Lot: Proceed past Holloway Commons and take the 2nd right onto Mill Road. Take the 2nd right into the entrance for the Campus Crossing Visitor Lot.

PARKING PERMIT INFORMATION

PARKING PERMIT INFORMATION

Your reservation has been made. Please print the parking permit or/ **if you have a Trustee permit, please use that instead.**

Please call UNH-Conferences and Catering at 603.862.1900 if you have questions.

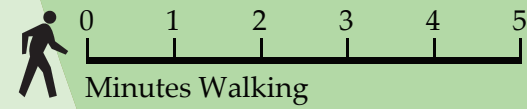
Campus Services – Parking Office
 Memorial Union Building Room 211, 603-862-1010
www.unh.edu/transportation/parking



University of New Hampshire

PARKING MAP

EFFECTIVE JANUARY 2023



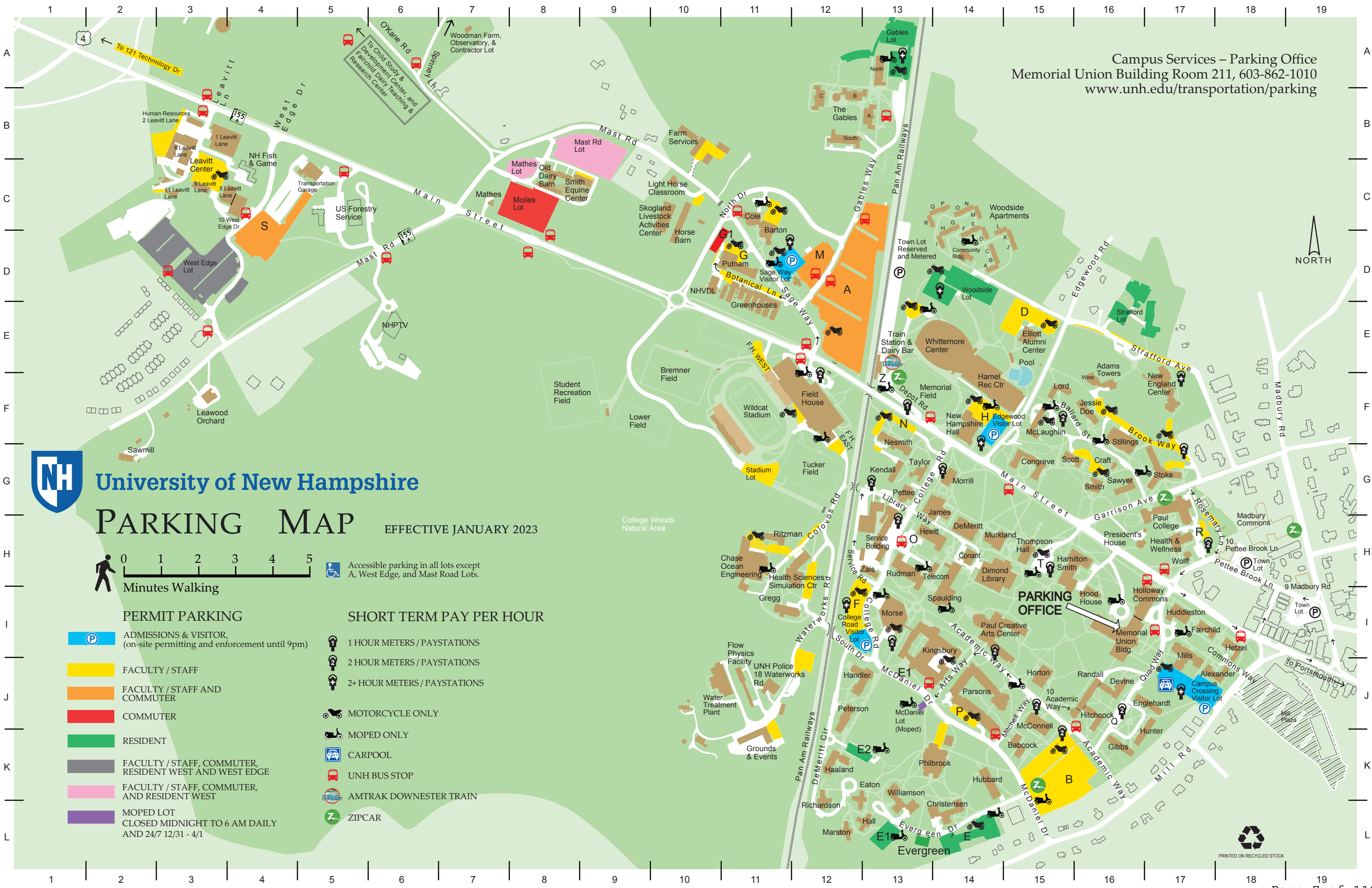
Accessible parking in all lots except A, West Edge, and Mast Road Lots.

PERMIT PARKING

- ADMISSIONS & VISITOR, (on-site permitting and enforcement until 9pm)
- FACULTY / STAFF
- FACULTY / STAFF AND COMMUTER
- COMMUTER
- RESIDENT
- FACULTY / STAFF, COMMUTER, RESIDENT WEST AND WEST EDGE
- FACULTY / STAFF, COMMUTER, AND RESIDENT WEST
- MOPED LOT CLOSED MIDNIGHT TO 6 AM DAILY AND 24/7 12/31 - 4/1

SHORT TERM PAY PER HOUR

- 1 HOUR METERS / PAYSTATIONS
- 2 HOUR METERS / PAYSTATIONS
- 2+ HOUR METERS / PAYSTATIONS
- MOTORCYCLE ONLY
- MOPED ONLY
- CARPOOL
- UNH BUS STOP
- AMTRAK DOWNESTER TRAIN
- ZIPCAR



PRINTED ON RECYCLED STOCK

KEY TO PARKING LOTS

Commuters Only Lots - Commuter permit required.

Commuter Permits are sold to qualified students who live a mile or more off campus.

G1 Lot	D10
Moiles Lot	C8

Faculty/Staff Lots - F/S Permit required.

Faculty/Staff permits are sold to qualified employees of UNH.

B Lot	K15	G Lot	D11
Barton	C11	H Lot	F14
Brook Way	F16	Leavitt Lane 1 & 2	C3
D Lot	E15	N Lot	F13
F Lot	I12	P Lot	J14
Field House East	G12		
Field House West	E11		

Resident Lots - Lot specific permits required.

resident permits are sold to qualified students living in campus Resident halls or campus apartment housing.

E Lot	L14	Gables Lot	A13
E1 Lot	L13	Strafford Lot	E16
E2 Lot	K12	Woodsides Lot	D14
Evergreen Lot	L13		

Mixed Use Lots - appropriate permit required.

These lots offer parking to multiple permit type holders, as indicated.

A Lot (commuters & fac/staff)	D12
M Lot (commuters & fac/staff)	D12
Mast Rd. & Mathes Lots (commuters, res west, fac/staff)	B9
S Lot (commuters & fac/staff)	D4
West Edge Lot (commuters, res west, fac/staff)	D3

Visitor, Meter, Short Term and Specialized Lots

These lots have special permit/meter requirements and/or limited use.

Congreve Lot	G15	Q Lot	J16
Depot Road	F13	Sage Way Visitor	D11
Edgewood Rd. Visitor	G14	T Lot	H15
Campus Crossing Vis.	J17	Z Lot	F13
College Rd Visitor	I13	McDaniel Lot (Moped)	J13

Some smaller lots, buildings and on-street meters not listed. See map on reverse side.

KEY TO BUILDINGS

Campus Service: Parking Office I16 Memorial Union Building Room 211, 603-862-1010

Adams Tower	F15	Farm Services	B10	Holloway Commons	I17	Memorial Union (MUB)	I16	Randall	J16
Admissions/Smith	G16	Field House	F12	Hood House	I16	Mills	I17	Richardson	L12
Alexander	J18	Figment	B2	Horse Barn	C10	Morrill	G14	Ritzman	H11
Alumni Center, Elliott	E15	Gables, The	B12	Horton	J15	Morse	I13	Rudman	H13
Amtrak Station	E13	Garage	C5	Hubbard	K14	Murkland	H14	Sawyer	G16
Babcock	K15	Gibbs	K16	Huddleston	I17	Nesmith	F13	Scott	G15
Barton	C11	Greenhouses	D11	Human Resources	B3	New England Center	F17	Service Bldg.	G13
Chistensen	L14	Gregg	I11	Hunter	K17	New Hampshire Hall	F14	Smith/Admissions	G16
Cole	C11	Grounds & Events	K11	James	G14	NHPTV	E6	Spaulding	I14
Conant	H14	Haaland Hall	K12	Jessie Doe	F16	Ocean Engineering	H11	Stillings	F16
Congreve	G15	Hall House	L13	Kendall	G13	Transit Center	D12	Stoke	G17
Craft	G16	Hamilton Smith	H16	Kingsbury	I14	Parsons	J14	Taylor	G13
Dairy Bar	F13	Handler Hall	J12	Leavitt Center	C3	Paul Creative Arts	I14	Telecom	H13
DeMeritt	H14	Health Sci. Simulation Ctr.	H11	Library, Dimond	H14	Paul College	G17	Thompson Hall	H15
Devine	J16	Health & Wellness	H17	Lord	F15	Peterson Hall	J12	Whittemore Center	E14
Eaton	L12	Heting Plant	H13	Marston	L12	Pettee Hall	G13	Williamson	L13
Englehardt	J17	Hetzel	I18	Mathes	C7	Philbrook	K13	Wolff	H17
Equine Center	C8	Hewitt	H13	McConnell	J15	President's House	H16	Woodside	D14
Fairchild	I17	Hitchcock	J16	McLaughlin	F15	Putnam	D11	Zais	H13

University of New Hampshire Transportation Services

**TEMPORARY VEHICLE PARKING PERMIT:
PRINT AND DISPLAY ON DRIVER'S SIDE DASHBOARD**

PERMIT TYPE: EVENT - GUEST

For temporary use on the following vehicle only:

USNH Board of Trustees

VALID: 06-25-26 through 06-26-26

VALID IN CAMPUS CROSSING VISITOR LOT

Fold here and display the upper portion clearly on driver's side dashboard.

**If you need an extension of this temporary alternate vehicle permit,
or if you wish to permanently switch your vehicle, contact the parking office.**

UNH Campus Services - Parking Division, 83 Main Street, MUB Room 211, Durham, NH 03824

(603) 862-1010, www.unh.edu/transportation/parking



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of New Hampshire

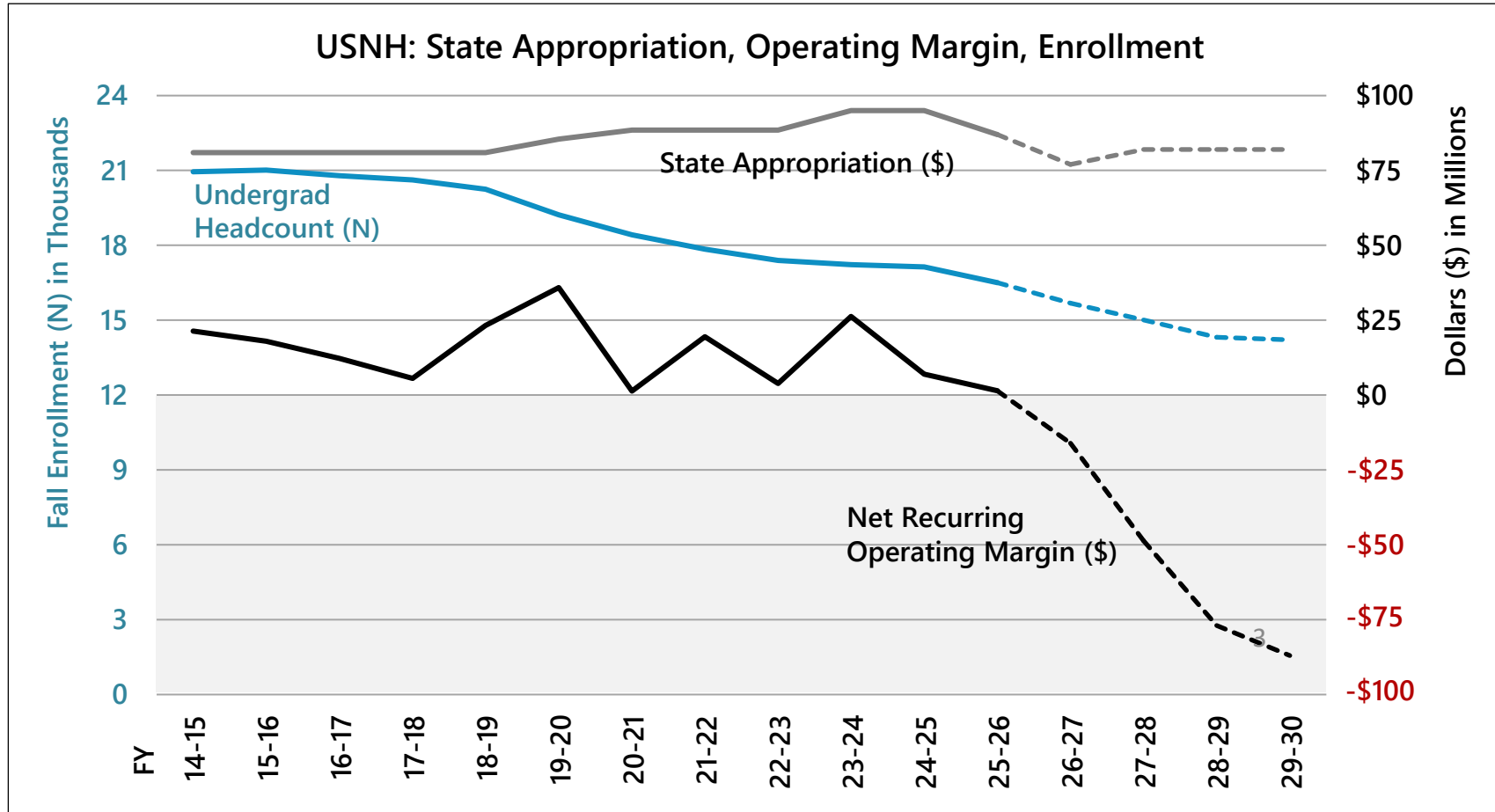
USNH Multi-Year Planning Update & FY27 Budget Presentation

Board of Trustees
June 25, 2026



Historical Trends & Near-Term Projections

USNH Financial Performance

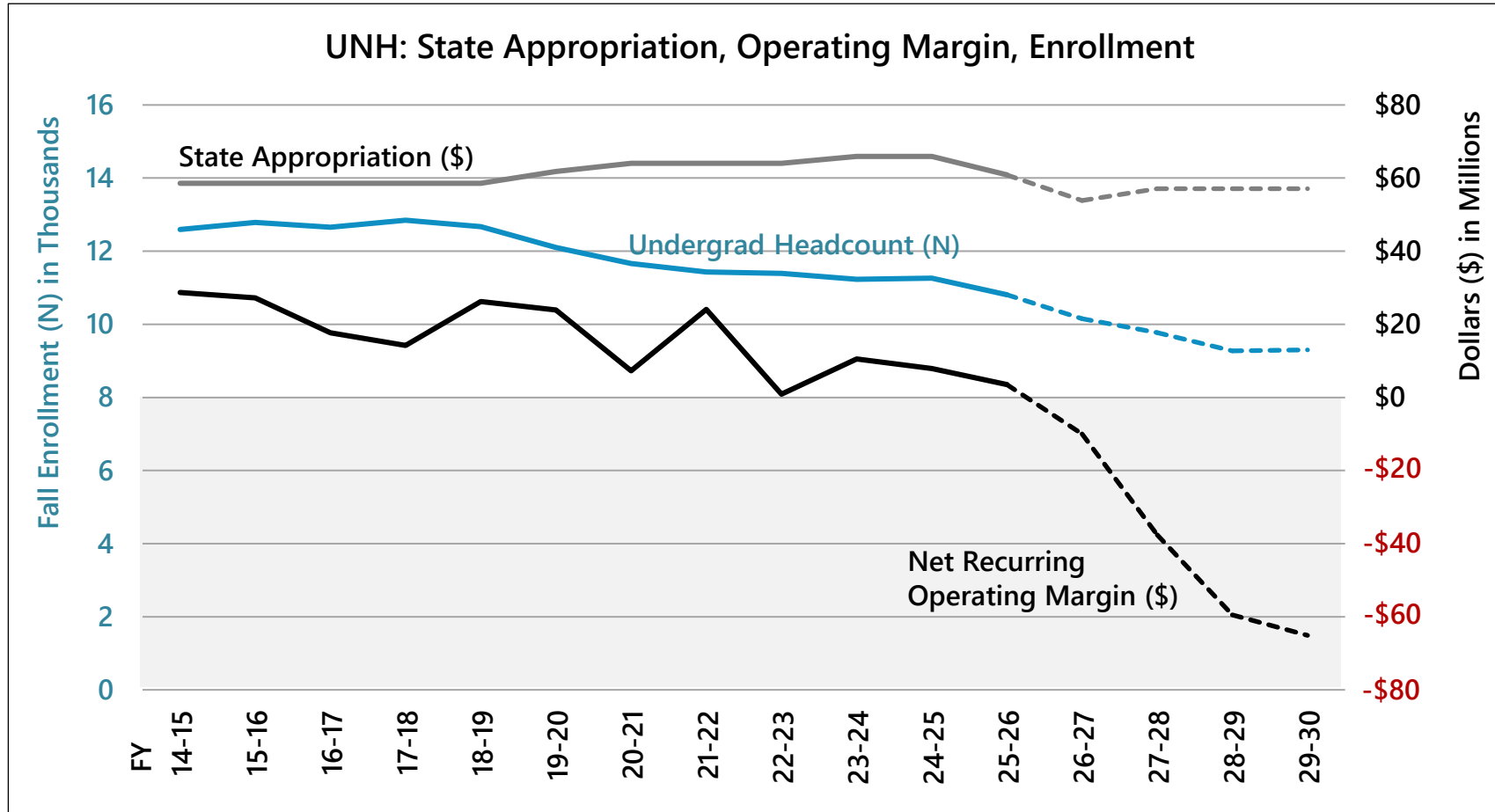


FY15-FY25 actual / FY26 projection March 2026 / FY27 budget / FY28-FY30 base case assumptions.

Financial trends reflect total USNH financial activity. Appropriations exclude one-time funding (Whittemore Center in FY24 and FY25 and \$1.5M each for PSU and KSC in FY24).

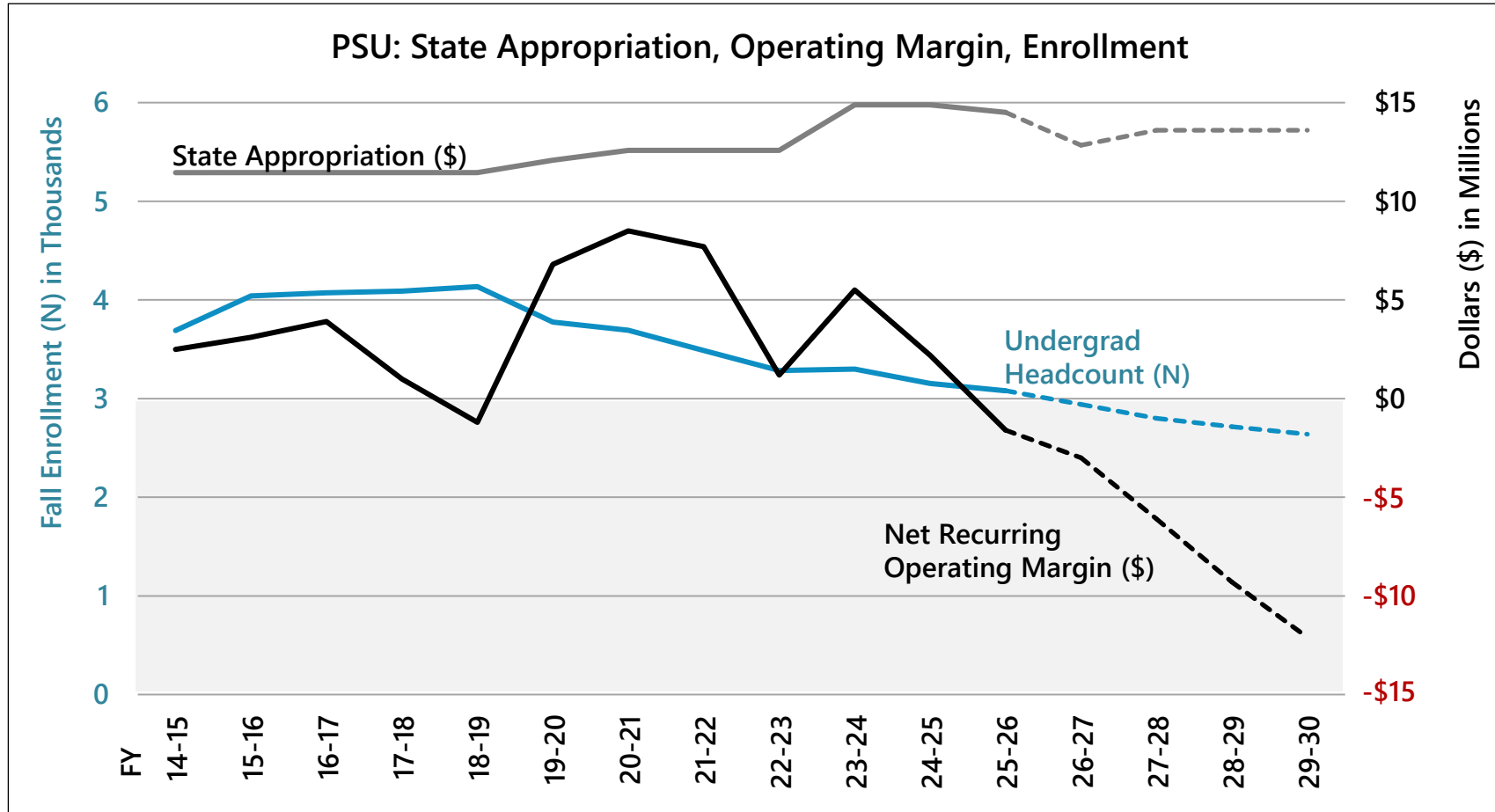
Fall enrollment reflects matriculated undergraduate headcount for residential campuses.

UNH Financial Performance



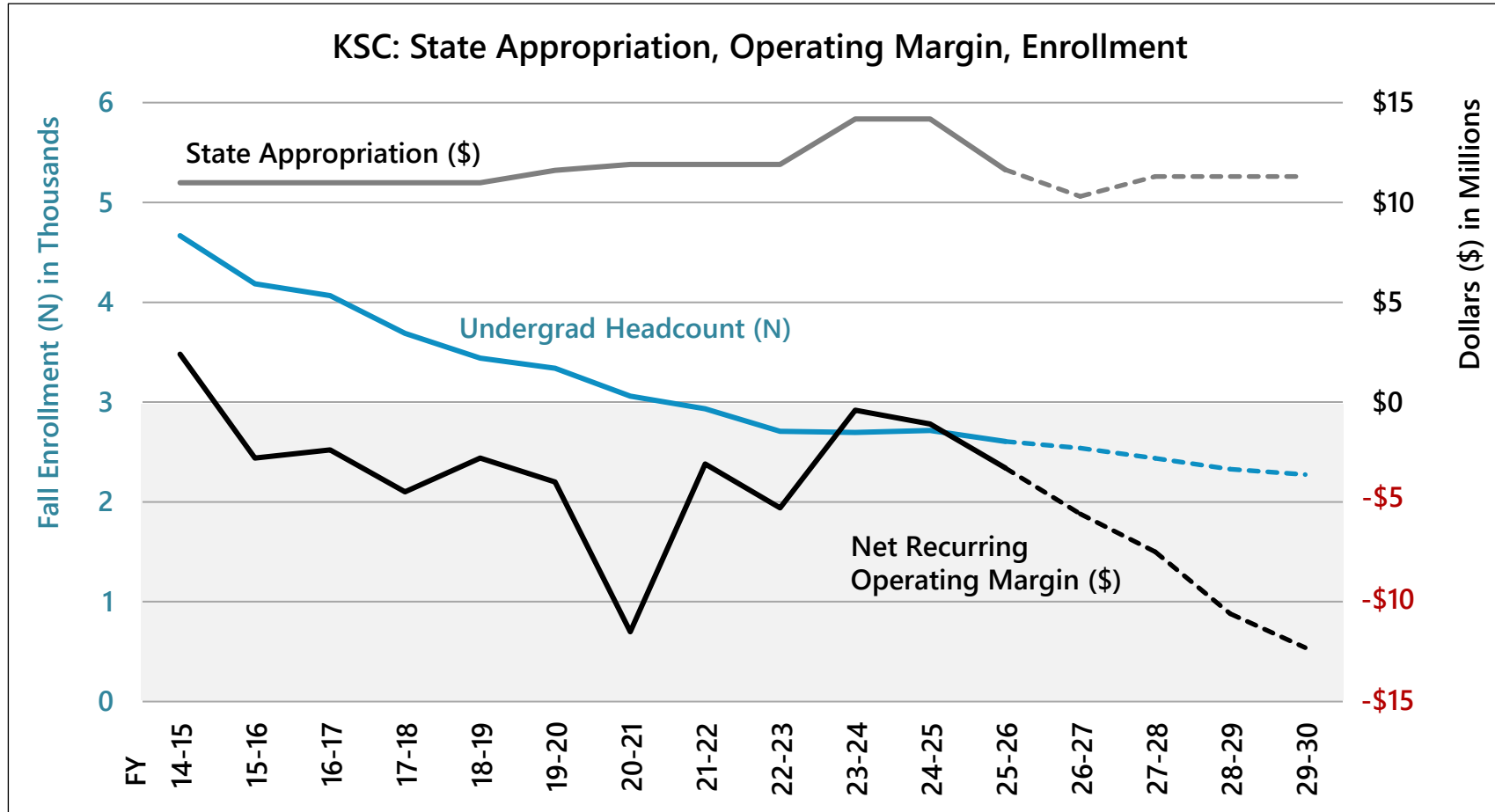
FY15-FY25 actual / FY26 projection March 2026 / FY27 budget / FY28-FY30 base case assumptions.
 Financial trends reflect UNH all campuses, including GSC/CPSO all years. Appropriations exclude one-time funding for Whittemore Center in FY24 and FY25.
 Fall enrollment reflects UNH Durham matriculated undergraduate headcount.

PSU Financial Performance



FY15-FY25 actual / FY26 projection March 2026 / FY27 budget / FY28-FY30 base case assumptions.
 Appropriation FY24 excludes one-time funding of \$1.5M. Fall enrollment reflects matriculated undergraduate headcount.

KSC Financial Performance



FY15-FY25 actual / FY26 projection March 2026 / FY27 budget / FY28-FY30 base case assumptions.
 Appropriation FY24 excludes one-time funding of \$1.5M. Fall enrollment reflects matriculated undergraduate headcount.



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Multi-Year Update

- Proposed FY27 Budget is based on incoming enrollment estimates as of June 1, 2026, and institutional estimates and assumptions prepared at a more detailed level than the FY28-FY30 estimates. The budget is what will be used to manage and control spending in FY27 once approved. Request for approval of the FY27 Budget will follow the Multi-Year Update.
- FY28-FY30 Multi-Year Update/Estimates:
 - Base for FY28-FY30 Estimates = FY27 Budget
 - 'Base Case' estimates:
 - incorporate demographic and college-going enrollment changes for first-year students (excludes changes in market share)
 - were developed using a consistent set of assumptions as outlined in the appendix
 - 'Downside Case' estimates the potential annual revenue loss associated with the historical annual average market share loss experienced between FY19-FY24 (most current data).
 - 'Initiatives' represent the changes and actions proposed for implementation at each institution and system-wide

Multi-Year Projections FY28-FY30 (Base Case)



USNH Summary - Recurring Operating Margin by Campus											
Fiscal Year	FY26	FY27	FY28	FY29	FY30	Fiscal Year	FY26	FY27	FY28	FY29	FY30
Projected Annual Revenues \$M						Projected Margin/(Loss) \$M					
UNH	\$710.0	\$695.6	\$693.1	\$684.1	\$691.7	UNH	\$ 3.5	-\$ 10.0	-\$ 37.6	-\$ 59.5	-\$ 65.1
PSU	\$ 94.0	\$ 91.4	\$ 89.9	\$ 88.4	\$ 87.4	PSU	-\$ 1.6	-\$ 3.0	-\$ 6.1	-\$ 9.3	-\$ 12.1
KSC	\$ 87.0	\$ 84.1	\$ 83.8	\$ 82.6	\$ 82.7	KSC	-\$ 3.3	-\$ 5.6	-\$ 7.5	-\$ 10.6	-\$ 12.3
System Office	\$ 14.8	\$ 16.6	\$ 16.6	\$ 16.6	\$ 16.6	System Office	\$ 2.8	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
Total USNH	\$905.8	\$887.7	\$883.5	\$871.6	\$878.3	Total USNH	\$ 1.4	-\$ 16.1	-\$ 48.7	-\$ 77.0	-\$ 87.0
Projected OM %						Targeted OM %					
UNH	0.5%	-1.4%	-5.4%	-8.7%	-9.4%	UNH	0.5%	1.0%	1.0%	1.0%	1.0%
PSU	-1.7%	-3.2%	-6.7%	-10.5%	-13.8%	PSU	0.0%	1.0%	1.0%	1.0%	1.0%
KSC	-3.8%	-6.7%	-9.0%	-12.8%	-14.9%	KSC	0.0%	1.0%	1.0%	1.0%	1.0%
System Office	N/A	N/A	N/A	N/A	N/A	System Office	N/A	N/A	N/A	N/A	N/A
Total USNH	0.2%	-1.8%	-5.5%	-8.8%	-9.9%	Total USNH	0.5%	1.0%	1.0%	1.0%	1.0%
Targeted OM \$M						Gap to Achieve OM Target \$M					
UNH	\$ 3.5	\$ 7.0	\$ 6.9	\$ 6.8	\$ 6.9	UNH	\$ -	-\$ 17.0	-\$ 44.5	-\$ 66.4	-\$ 72.0
PSU	-\$ 0.2	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	PSU	-\$ 1.4	-\$ 3.9	-\$ 7.0	-\$ 10.2	-\$ 13.0
KSC	-\$ 1.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	KSC	-\$ 1.6	-\$ 6.5	-\$ 8.4	-\$ 11.4	-\$ 13.1
System Office	\$ 2.8	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	System Office	\$ -	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.3
Total USNH	\$ 4.4	\$ 8.9	\$ 8.8	\$ 8.7	\$ 8.8	Total USNH	-\$ 3.0	-\$ 25.0	-\$ 57.5	-\$ 85.7	-\$ 95.8
						<i>Sept 2025 GAP to 1%</i>	-51.0	-62.0	-75.0	-84.0	
						<i>June 2024 GAP to 1%</i>	-26.0	-34.0	-44.0	-58.0	
						<i>Sept 2023 GAP to 1%</i>	0.0	0.0	-9.0	-16.0	

- Estimates reflect the potential outcome if USNH follows the enrollment and economic trends and does not take further action to change and offset the unfavorable trends.
- Updated annual gap to 1% OM by FY30, after improvements implemented through FY27 are incorporated, is **\$96 million**.
- Additional market share loss (downside case) would further reduce annual revenues as follows:
 - FY28 \$1.8 million
 - FY29 \$3.6 million
 - FY30 \$5.5 million
 - Cumulative \$10.9 million

Multi-Year Projections FY28-FY30 Summary



Baseline Model - Systemwide Assumptions & FY27 as Base Year for FY28-FY30 Projections	Fiscal Year	Fiscal Year Summary					
		FY26	FY27	FY28	FY29	FY30	
	Projected Annual Revenues \$M	\$906	\$888	\$883	\$872	\$878	
	Projected Margin/(Loss) \$M	\$1.4	-\$16.1	-\$48.7	-\$77.0	-\$87.0	
	Targeted OM %	.5%	1.0%	1.0%	1.0%	1.0%	
	Targeted OM \$M	\$4.4	\$8.9	\$8.8	\$8.7	\$8.8	
	Gap to Achieve OM Target \$M	\$3.0	\$25.0	\$57.5	\$85.7	\$95.8	
Category 1: Revenue and Enrollment Initiatives/Changes		--- in millions ---					
	Category 1 Total	\$0.0	\$16.1	\$27.9	\$42.6	43%	
Category 2: Facilities Restructuring, Down-sizing, Monetization		--- in millions ---					
	Category 2 Total	\$0.0	\$1.3	\$6.9	\$10.0	10%	
Category 3: Systemwide Shared Services and Administrative Restructuring		--- in millions ---					
	Category 3 Total	-\$0.1	\$3.4	\$5.8	\$6.4	6%	
Category 4: Institutional Administrative Restructuring		--- in millions ---					
	Category 4 Total	\$0.0	\$17.6	\$25.4	\$27.6	28%	
Category 5: Academic Delivery Transformation		--- in millions ---					
	Category 5 Total	\$0.0	\$9.1	\$11.1	\$13.1	13%	
Incremental Improvements	All Categories Total	-\$0.1	\$47.5	\$77.0	\$99.7		
Estimated OM Including Initiatives & Changes		\$1.4	-\$16.2	-\$1.2	\$0.0	\$12.7	
Operating Margin %		0.2%	-1.8%	-0.1%	0.0%	1.4%	



University of
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University System
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Enrollment

Public colleges nationally were **down overall**
Colleges in New England were **down** on
average 2.2%, some much more

UVM projects 15% drop in freshman class,

Published: May 13, 2026 at 6:47 PM EDT | Updated: 3 hours ago

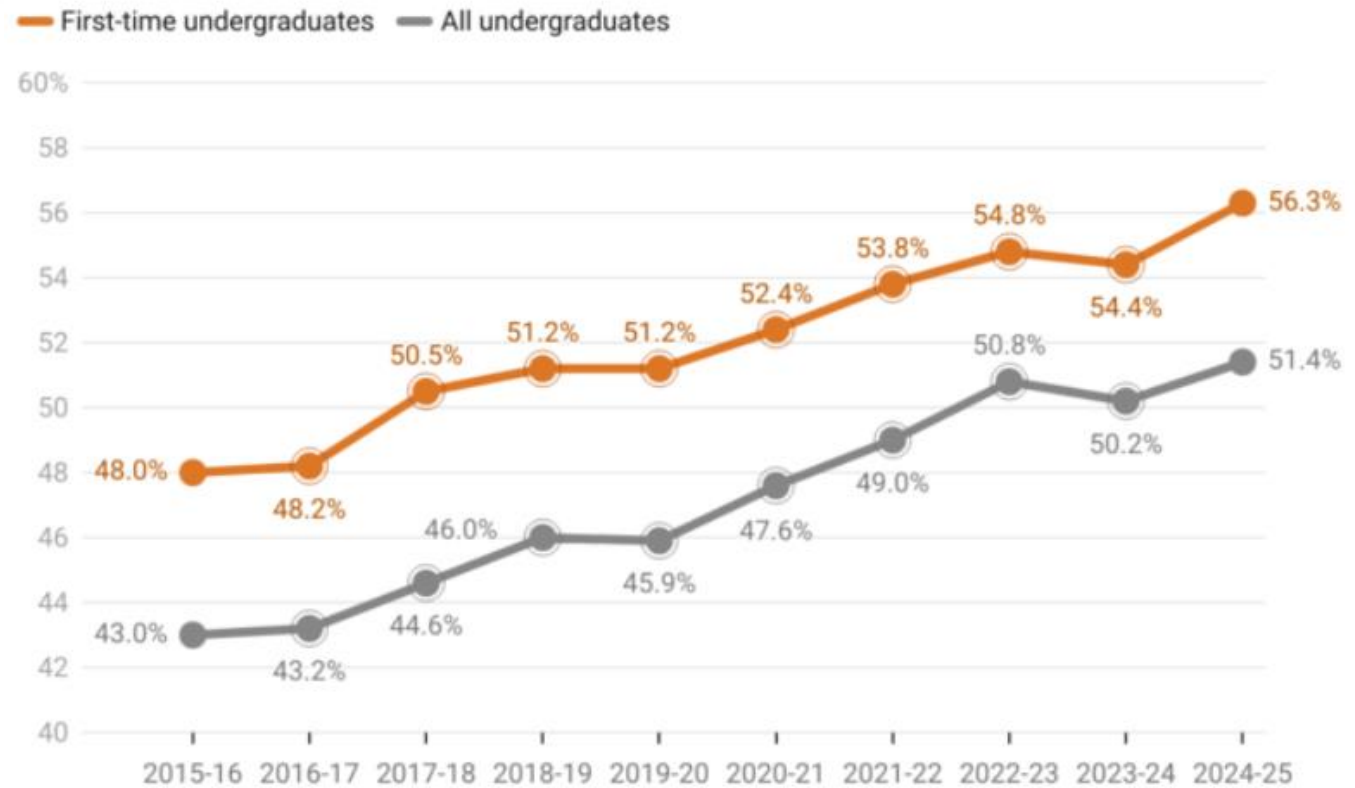
 Share  Add as a preferred source on Google



Nationwide average discount rate trends

The last decade has seen increased average discount-rates across higher ed

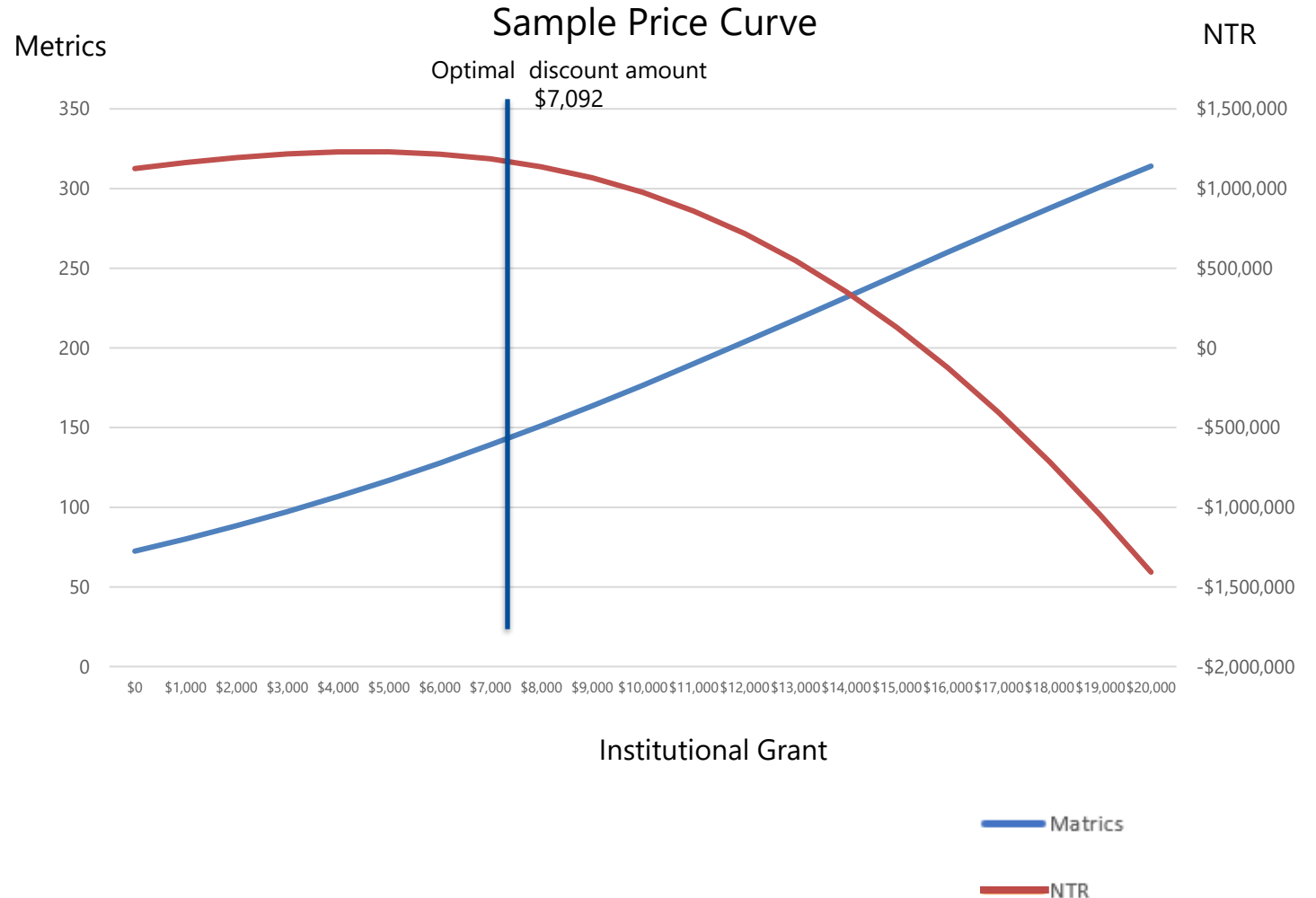
Figure 1- Average Tuition Discount Rate for First-Time, Full-Time Freshmen and All Undergraduates



Source: NACUBO Tuition Discounting Study, data as of May 2025. • Created with Datawrapper

The Price Curve

Universities set average discount rates by modeling student price sensitivity — the goal is to find the tuition price point for each student where enrollment and revenue combine to **maximize total enrollment and net revenue together.**



Financial aid leveraging in action: example

UNH sticker price (tuition/fees/room/board) \approx \$55,000 for out-of-state student. Each applicant sits on their own price curve — enrolling only when net price (sticker – aid) is at or below their willingness to pay.

Student A

Low price sensitivity

GPA
3.1

HH income
\$185K

Willingness to pay
\$52,000

Financial aid package
\$5,000

Net price (sticker – aid)
\$50,000

ENROLLS

Student B

On the fence

GPA
3.9

HH income
\$95K

Willingness to pay
\$33,000

Financial aid package
\$24,000

Net price (sticker – aid)
\$31,000

ENROLLS

Student C

Highly price-sensitive

GPA
3.7

HH income
\$150K

Willingness to pay
\$18,000

Financial aid package
\$20,000

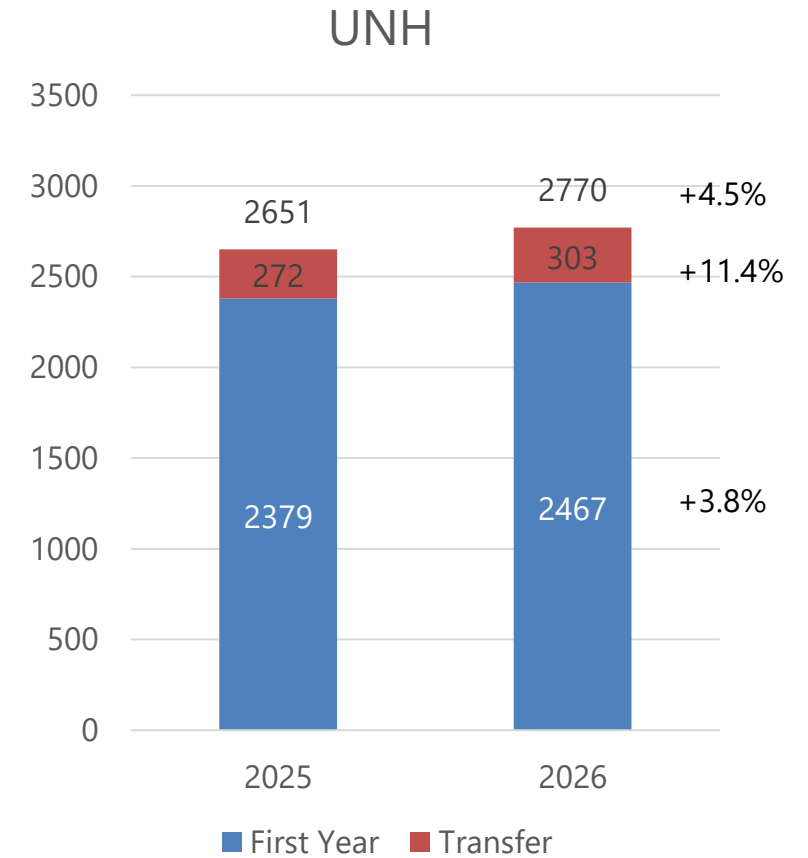
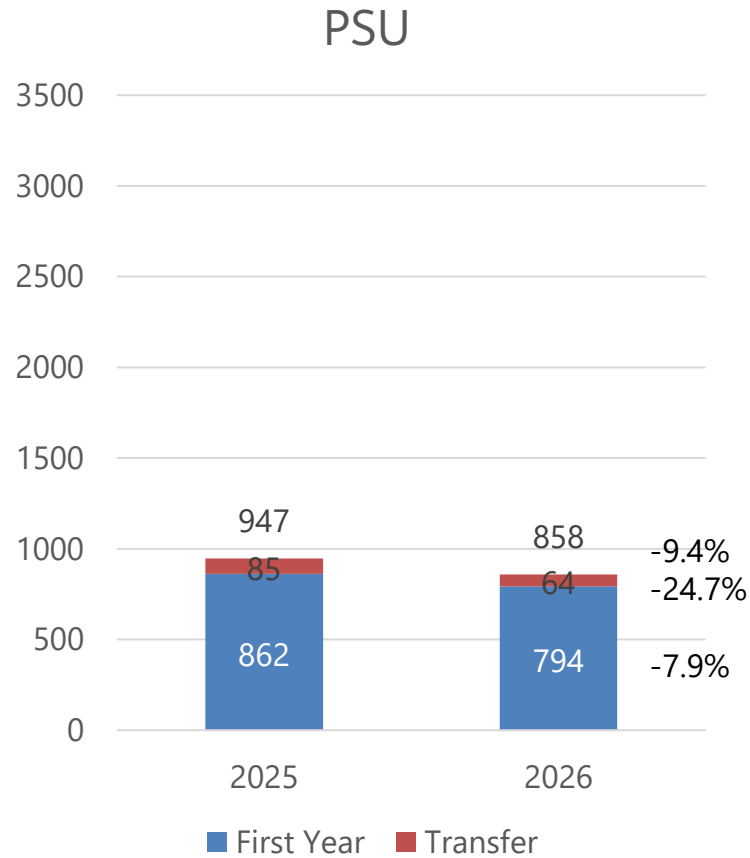
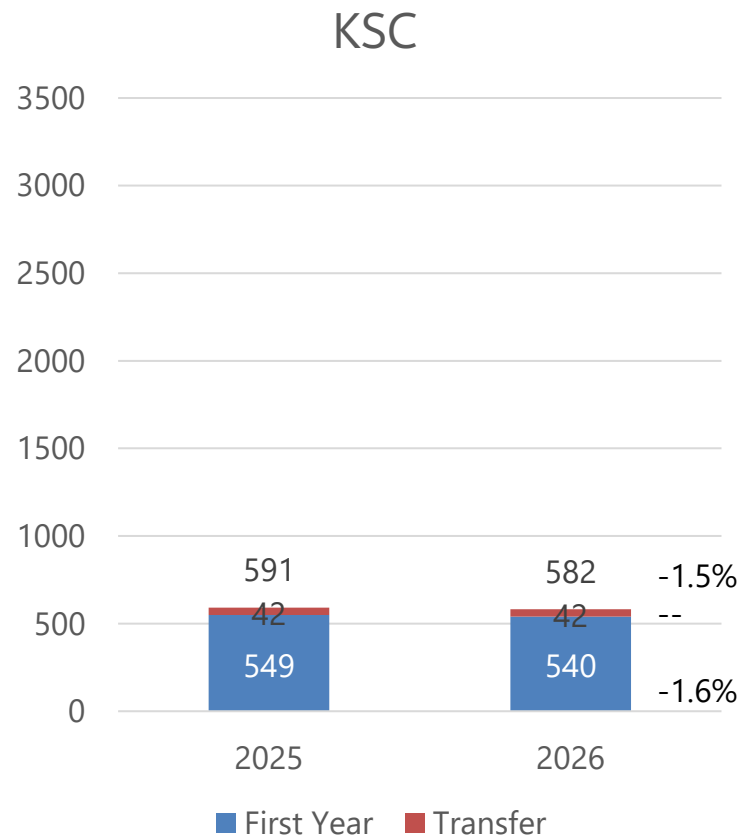
Net price (sticker – aid)
\$35,000

DOES NOT ENROLL

Illustrative profiles — lower-GPA students are often willing to pay a bit more, while higher household income raises ability, not necessarily willingness, to pay.

Leveraging directs aid to admits whose decision it changes — enough to convert price-sensitive students like Ben, without overspending on those who would enroll anyway (Ava) or chasing those too far out of reach (Maya). Scaled across thousands of applicants, these choices set the university's average discount rate.

New Undergraduate Student Deposits on May 1



Fall 2026 vs Fall 2025 (as of May 1)

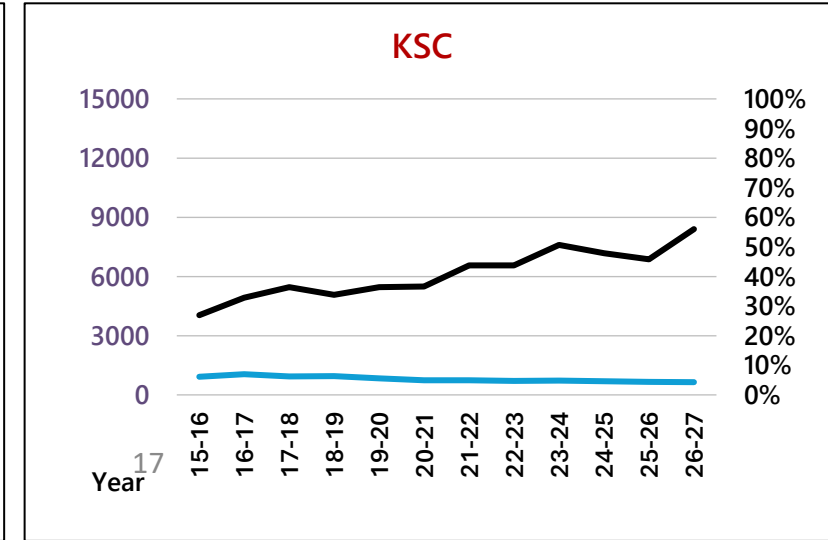
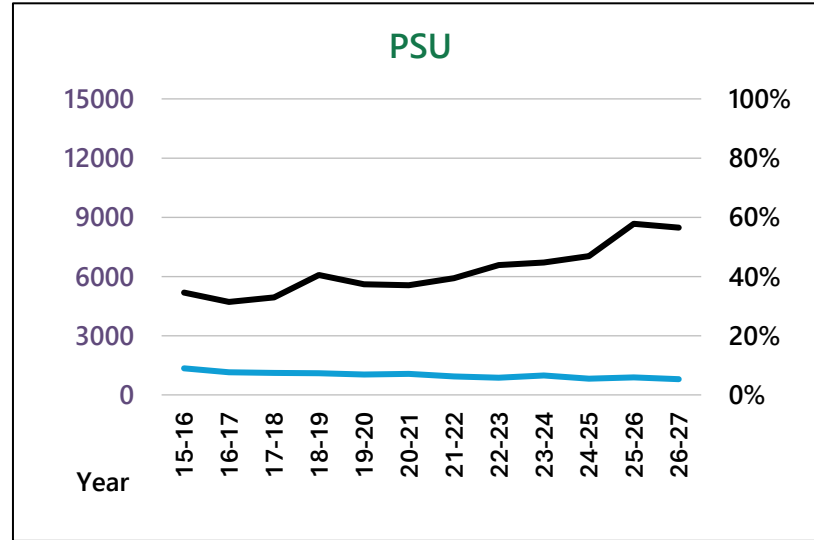
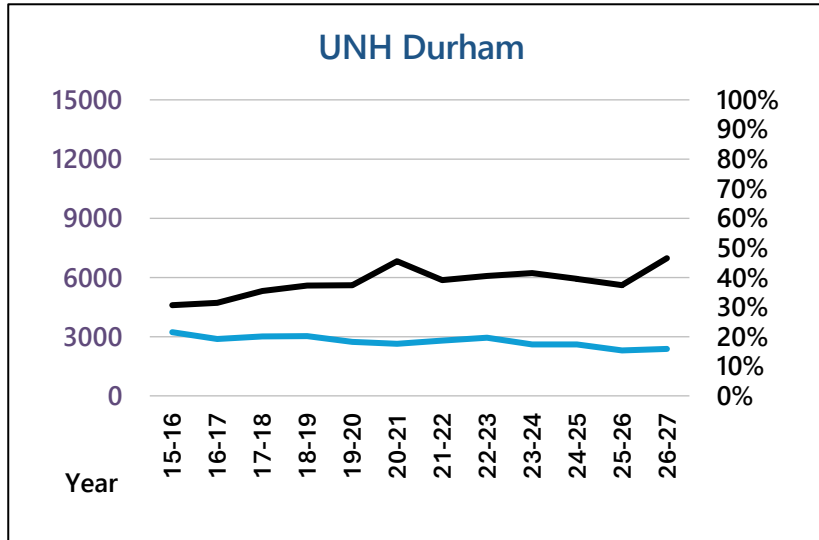
Enrollment & Discount Trends

First-Time First-Year Headcount



All three campuses saw first-year discount rates increase. While some of this increase was strategically planned, discounts were also pushed up by market changes in the make up of the class.

— Headcount — Discount



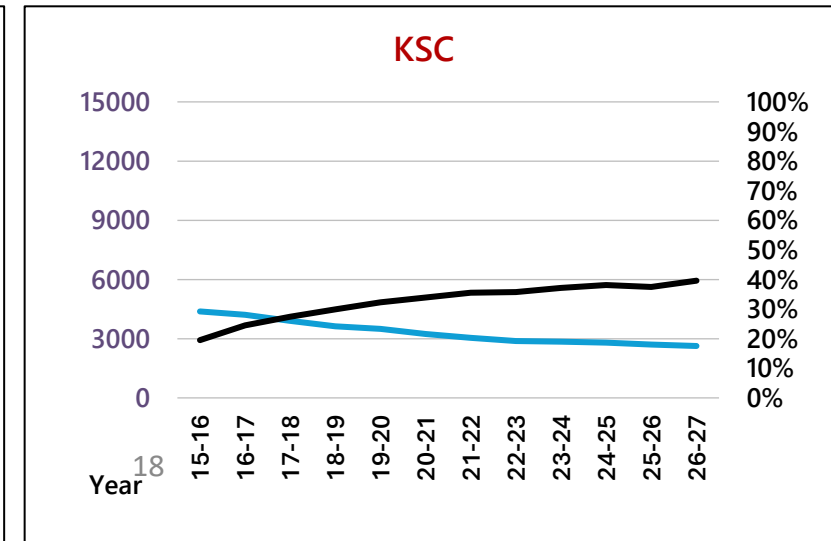
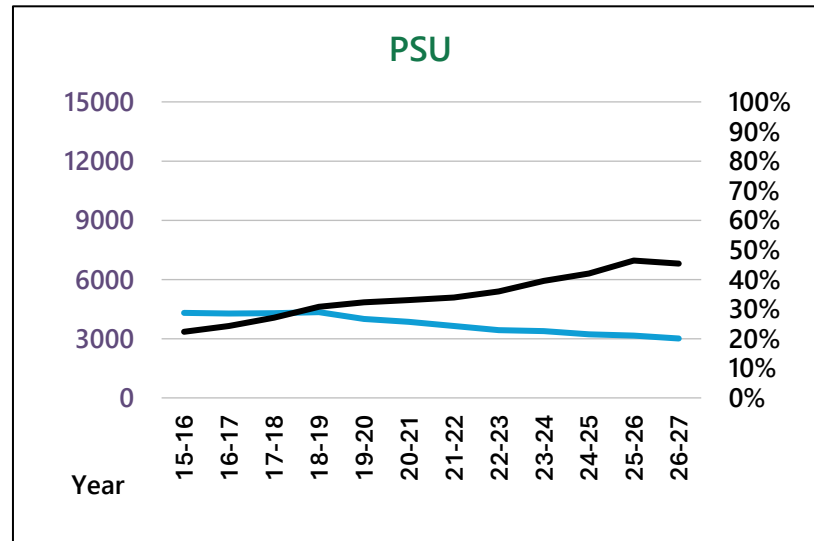
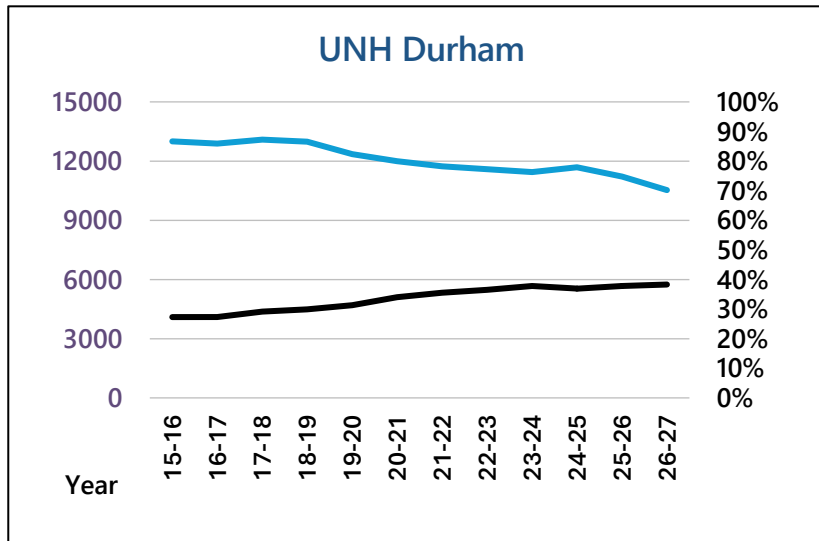
Discount rate = Institutional aid expense divided by gross tuition and mandatory fee revenue. Years 2015-16 to 2024-25 actual / 2025-26 projected / 2026-27 budget.

Enrollment & Discount Trends

Undergraduate Headcount

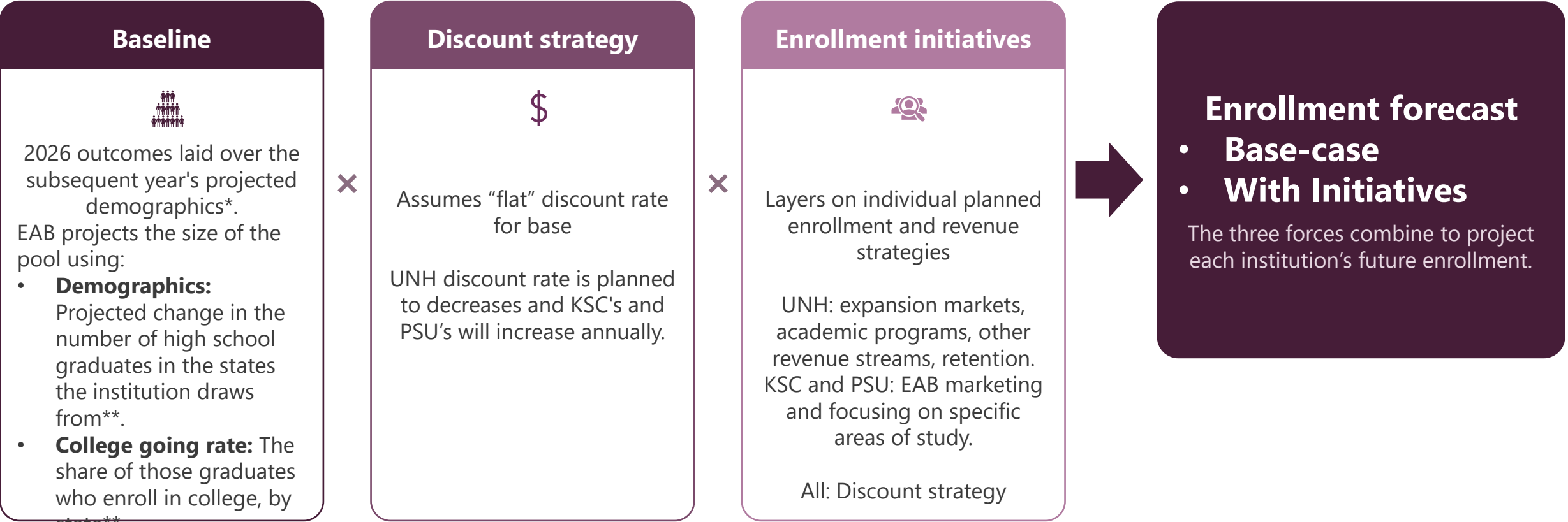
As discount rates increase nationwide, USNH institutions have seen overall student body discount rates increase over the last decade.

— Headcount — Discount



Discount rate = Institutional aid expense divided by gross tuition and mandatory fee revenue. Years 2015-16 to 2024-25 actual / 2025-26 projected / 2026-27 budget.

USNH Projection Methodology

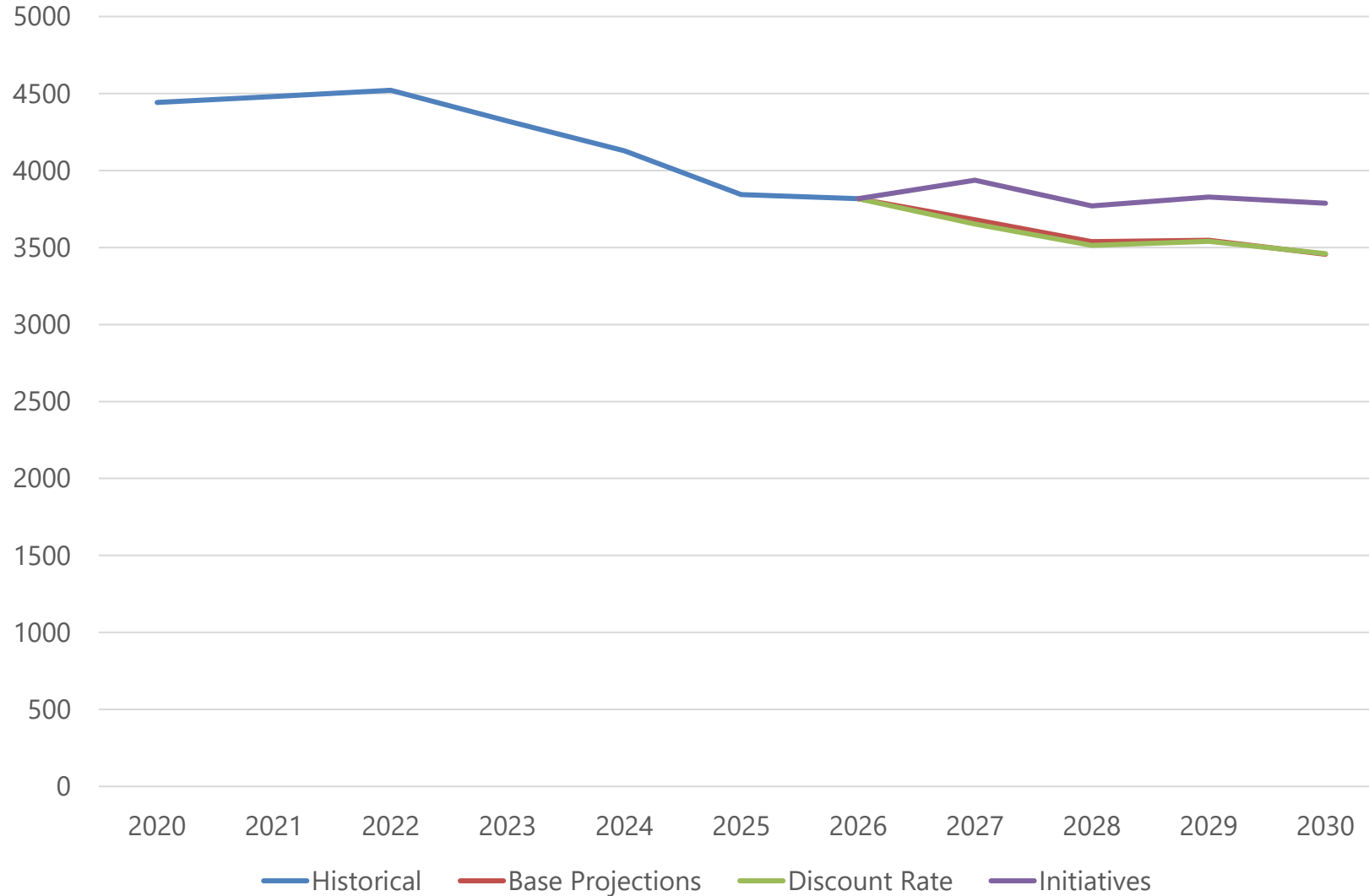


* Demographics projections provided by EAB Strategic Advisory Services

** **How states are weighted** — each force is blended by an institution's source-state mix (illustrative):



USNH Projections: First Year Students



BASE PROJECTIONS
-361 students
 in 2030 compared to 2026

POTENTIAL INITIATIVE IMPACT
+327 students
 in 2030 compared to baseline

USNH Projections: First Year Students



	Base	Decreased Discount	Enrollment Initiatives	Base w/ initiatives
2027	2,303	-38	125	2,388
2028	2,213	-36	125	2,299
2029	2,220	-37	125	2,306
2030	2,162	-38	125	2,249 ▼



	Base	Increased Discount	Enrollment Initiatives	Base w/ initiatives
2027	611	7	71	688
2028	587	6	65	658
2029	588	22	95	705
2030	573	29	106	708 ▲



	Base	Increased Discount	Enrollment Initiatives	Base w/ initiatives
2027	767	4	90	861
2028	739	7	67	813
2029	739	10	67	816
2030	721	13	67	801 ▼

UNH Enrollment & Revenue Initiatives




Expansion Markets. Extends enrollment marketing, alumni activation, and recruiting into new markets that have both a strong fit-profile student population and an established alumni base, but where UNH has not recently invested heavily.




Academic Program Review. Scale programs to demand and add seats in in-demand majors. Also add 3-year degrees which build on existing associates degrees in in-demand programs.



Retention. Targeted push to lift retention 1.5% by FY30, anchored by a student-success hub, expanded peer tutoring and mentoring, early-intervention tracking, experiential major maps, consistent first-year programming, and enhanced professional advising.



Online Growth. Expands fully online degree and certificate offerings to reach working-adult and out-of-state learners, scaling enrollment through UNH's existing online infrastructure with limited physical-campus constraints.



Diversified revenue sources: F&A, licensing and other IP growth, Professional Development, and Youth Programs. Grows non-degree certificates and youth/continuing-education programs, opening new revenue streams and pipelines into degree programs. Increasing F&A and IP revenue.

Initiative Detail


	Expansion Markets			Academic Program Review			Retention			Online Growth			Diversified Revenue		
	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029
Headcount Added	35	40	45	30	35	40	40	40	40	1,566*	1,937*	1,777*			
Market Type	New			Existing			Existing			Existing			New markets		
Projection Basis/ Rationale	Joint Marketing and Enrollment analysis examined market potential			Aligning resources to in-demand career pathways			Estimate based on improving retention by .5% each year			Continued gain of market share trend in out of state			Alternative revenue streams to broaden reach of UNH		

* Represents credit hours rather than headcount

PSU Enrollment Initiatives



EAB Marketing.
 Expands digital recruitment marketing to widen the funnel and reach more prospective students.



96 Credit Program. Offers a streamlined 96-credit pathway that lowers cost and time to degree for transfer and adult learners.



Nursing. Builds nursing and allied-health capacity to meet strong demand and regional workforce needs.



Business. Grows in-demand business programs with flexible formats for career-focused and working students.



Forensic Science. Develops a distinctive forensic science program that draws students into high-interest applied STEM.

Initiative Detail

	EAB Marketing			96 Credit Program			Nursing			Business			Forensic Science		
	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029
Headcount Added	23	-	-	10	10	10	40	40	40	10	10	10	7	7	7
Market Type	<i>Existing</i>			<i>Existing</i>			<i>Existing</i>			<i>Existing</i>			<i>Existing</i>		
Projection Basis/Rationale	EAB's normal growth seen for new clients			Launch and marketing of five new academic programs			Doubled nursing lab space & nursing demand grew 7% in 2026			Two new high-growth programs			History of enrollment growth		

KSC Enrollment Initiatives




EAB Marketing.
Expands digital recruitment marketing to widen the funnel and reach more prospective students.



Archives Lab.
Formally integrating technological training into the History and Archiving majors using 3-D scanning, AI, web archiving, and digitization and integrating business partnerships.



Applied Programs. Scales career-aligned programs tied to regional workforce demand and direct paths to employment, publicity around partnership and scholarships.



Nursing. Builds nursing and allied-health capacity to meet strong demand and regional workforce needs.



Sustainable Product Design
Expands incubator approach beyond current partnership with Sparkflow Energy, where students design, create, and market real-world products

Initiative Detail

	EAB Marketing			Archives Lab			Applied Programs			Nursing			SPDI		
	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029	2027	2028	2029
Headcount Added	30	-	-	5	10	15	15	25	35	15	20	25	5	10	20
Market Type	<i>Existing</i>			<i>Existing</i>			<i>Existing</i>			<i>Existing</i>			<i>Existing</i>		
Projection Basis/Rationale	EAB's normal growth seen for new clients			Lift from business partnership and career outcomes messaging			Building off 15% YoY history of enrollment growth			Nursing demand grew 7% in 2026			Lift from the first year of marketing this program		



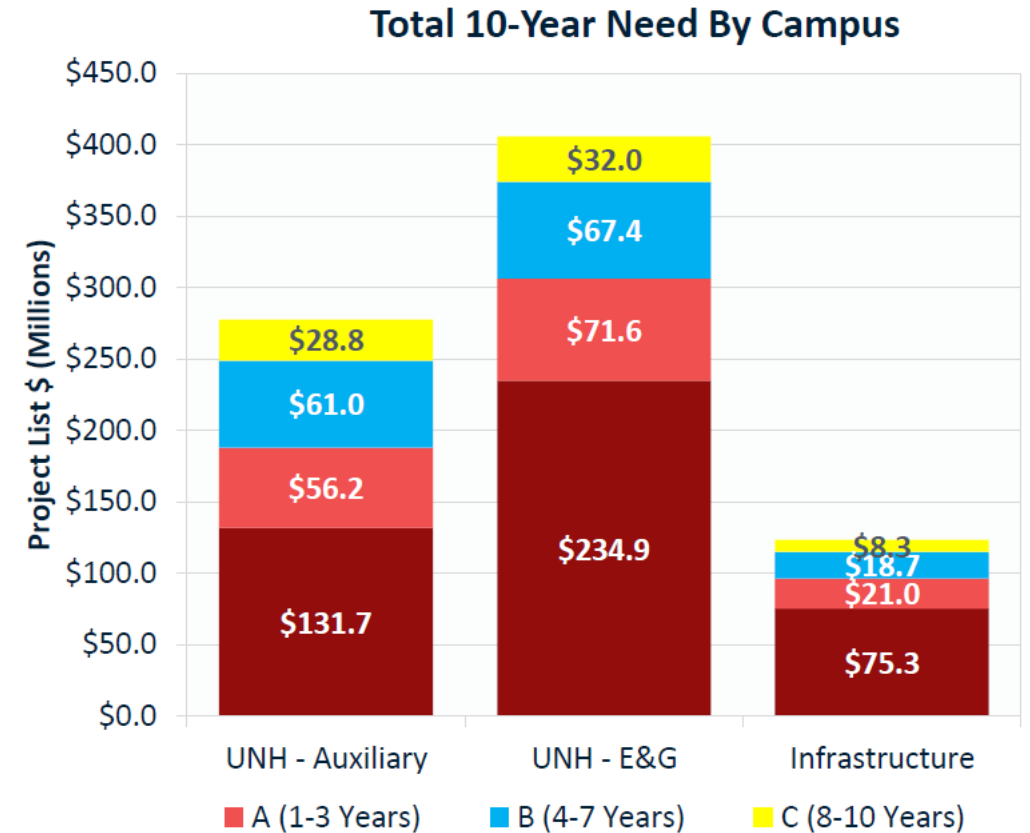
University System
of New Hampshire

Facilities Condition Assessment & 10-Year Need

FY25 Annual Facilities Condition Assessment Backlog and Future Need Estimates

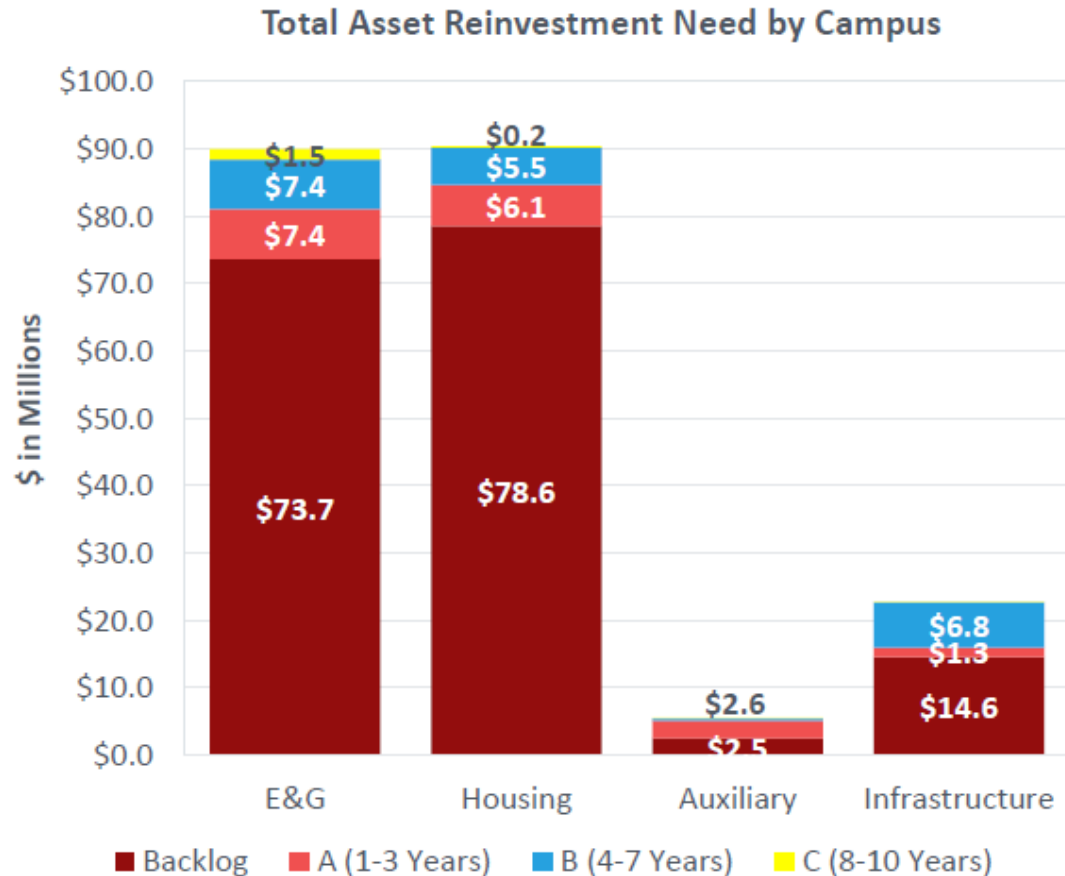
- The Multi-Year Plan capital expenditure assumption (USNH funded) assumes 75% of annual depreciation expense or approximately \$56 Million per year. The current facilities backlog for USNH was estimated to be over \$650 million as of June 30, 2025 (the most recent facilities assessment), with a total estimated 10-year need of over \$1.1 Billion:
 - UNH \$0.8 Billion
 - PSU \$0.2 Billion
 - KSC \$0.1 Billion
- USNH does not currently have the current/future funding capacity to maintain the current facilities infrastructure; deferred maintenance also results in annual repairs and maintenance (operating) expenses.
- Facilities restructuring & downsizing activities must continue to follow the enrollment trends, and any potential lease arrangements must incorporate funding to address the current backlog and maintain the leased facilities in the future.
- USNH will provide a multi-year capital update in September 2026 which will begin to incorporate deferred maintenance that may be eliminated via demolition or sale, a prioritization of the remaining capital needs as well as an updated estimate of the annual capital investment needed to maintain facilities that will be retained in the long-term.

UNH – Backlog of \$441M @ June 30, 2025

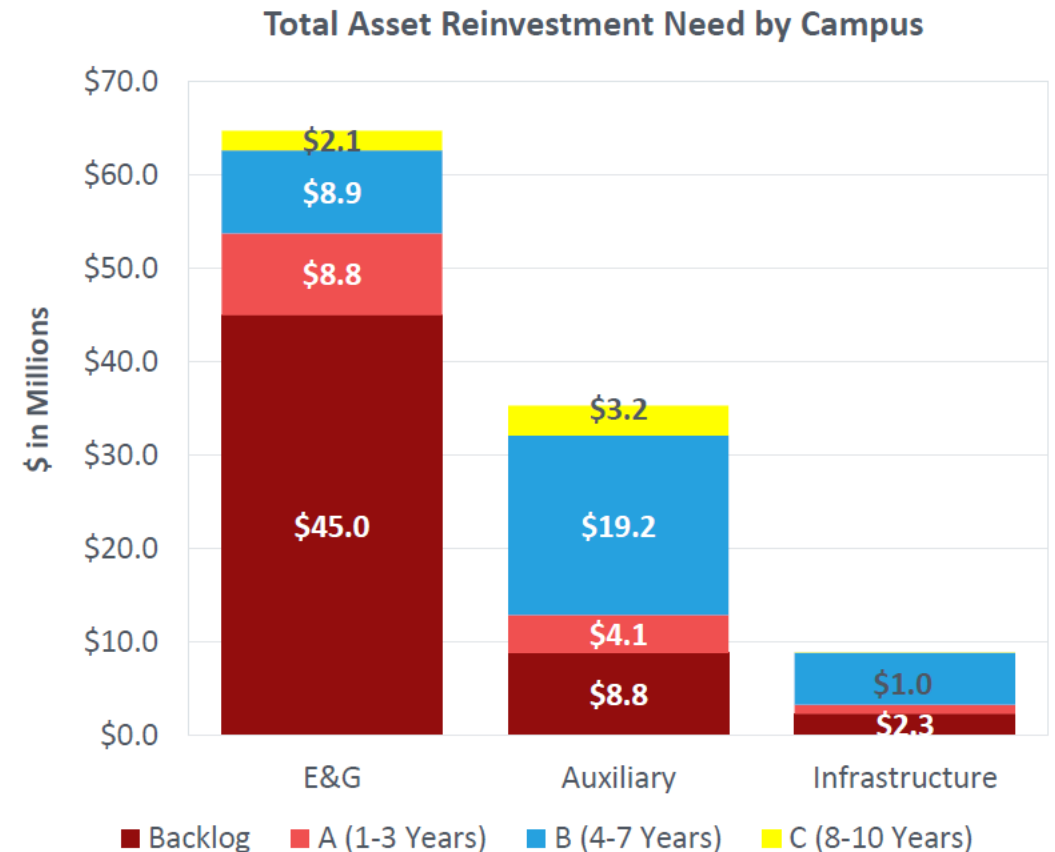


FY25 Annual Facilities Condition Assessment Backlog and Future Need Estimates

PSU – Backlog of \$169M @ June 30, 2025



KSC – Backlog of \$56M @ June 30, 2025



Nonpublic Session

MOVED, pursuant to RSA 91-A:2.I(a) and 91-A:3.II(j), that the Board enter nonpublic session for the purposes of considering matters related to collective bargaining strategy and/or considering confidential commercial or financial information.

Return to Public Session



University of
New Hampshire

University System
of New Hampshire

Multi-Year Update Cash and Investments

USNH Multi-Year Cash Flow

Base Case Estimates Through FY30



USNH — FY27 Budget | Board of Trustees View

(\$ in millions)

	FY26							
	FY24 Actual	FY25 Actual	Projections 2.0	FY27 Budget	FY28 MYP	FY29 MYP	FY30 MYP	
Recurring OM - All Funds	\$ 26	\$ 7	\$ 1	(16)	(49)	(77)	(87)	
Interest	\$ 13	\$ 15	\$ 14	13	12	11	10	
Depreciation and Amortization	\$ 67	\$ 69	\$ 73	74	74	74	74	
EBITDA	\$ 106	\$ 91	\$ 88	72	38	9	(2)	
Capital - Recurring	\$ (93)	\$ (64)	\$ (40)	(51)	(56)	(56)	(56)	
Debt Service:								
Debt - Principal	\$ (13)	\$ (15)	\$ (13)	\$ (11)	\$ (16)	\$ (20)	\$ (21)	
Debt - Interest	\$ (13)	\$ (15)	\$ (14)	\$ (13)	\$ (12)	\$ (11)	\$ (10)	
Total Debt Service	\$ (26)	\$ (30)	\$ (27)	(25)	(29)	(32)	(32)	
Other (changes in working capital, etc)	\$ (1)	\$ (8)	\$ (5)	-	-	-	-	
Annual Recurring Operating Activity & Debt Service	\$ (14)	\$ (11)	\$ 16	(4)	(46)	(79)	(90)	
Subtotal Strategic Investments/One-Time/Other	\$ (5)	\$ (24)	\$ (37)	(40)	(13)	(1)	-	
Total Annual Cash Inflow/(Outflow)	\$ (19)	\$ (35)	\$ (21)	(44)	(59)	(80)	(90)	

Total USNH Cash and Investments as of June 30, 2025*

(\$ in millions)



USNH Endowment Fund + Cash and Short Investments — Board of Trustees View

(\$ balances as shown)

USNH Endowment Fund + Cash and Short Investments	Total Balance	Cash & ST Investments All Other	Cash & ST Investments Specific Purpose	Endowment All Other	Endowment Specific Purpose	% Total Balance
True Endowment (Restricted)	\$ 242				\$ 242	28.8%
Restricted Gifts & Endowment Income Cash	\$ 62		\$ 62			7.3%
Restricted Grant deposits (unearned)	\$ 17		\$ 17			2.0%
Restricted State funds	\$ 5		\$ 5			0.6%
Quasi Restricted Endowment Funds	\$ 19				\$ 19	2.3%
Cash held by Bond Trustee for 7/1/25 Debt Service Obligations	\$ 22		\$ 22			2.6%
Quasi Unrestricted - Debt Mitigation (Ecoline Debt Principal)	\$ 34				\$ 34	4.0%
Quasi Unrestricted - Health Benefit Cost Containment (Medical Self Ins)	\$ 20				\$ 20	2.4%
Quasi Unrestricted - UNH Law Operations	\$ 11				\$ 11	1.3%
Quasi Unrestricted - PSU Ice Arena	\$ 6				\$ 6	0.7%
Quasi Unrestricted - Other Specific Purposes	\$ 18				\$ 18	2.2%
Research Principal Investigator Help Funds	\$ 18		\$ 18			2.1%
Other cash for specific purpose (medical claims, workers comp, student invest clubs, etc.)	\$ 10		\$ 10			1.2%
Unrestricted - Cash and ST investment	\$ 39	\$ 39				4.7%
Quasi Unrestricted - LTTI	\$ 317			\$ 317		37.7%
Total USNH	\$ 840	\$ 39	\$ 133	\$ 317	\$ 351	100.0%
Total by balance sheet classification (Cash & ST Investments and USNH Endowment Pool)		\$172		\$668		
Total estimated unrestricted and not internally/externally designated for specific purpose			\$356			

*Excludes funds held in trust (outside of pool), UNH Foundation Endowment Fund and Keene Endowment Fund which are significantly restricted funds.

Estimated Available Cash & Liquidity

Base Case and Base Case + 50% Initiatives

(\$ in millions)



Total estimated unrestricted and not internally/externally designated for specific purpose				\$356			
	FY26	FY27	FY28	FY29	FY30	FY26-FY30	% of Available
Base Case:							
Estimated Cash Needs Through FY30	-\$21	-\$44	-\$59	-\$80	-\$90	-\$298	
Estimated Decrease in Annual Operating Support From Investments @ 4%			-\$5	-\$8	-\$12	-\$25	
						-\$323	-91%
Base Case Plus 50% of Initiatives:							
Add OM/Cash for 50% of Estimated Annual Initiatives			\$23	\$39	\$50	\$119	
Add Increase Annual Operating Support From 50% Initiatives @ 4%			\$1	\$2	\$4	\$8	
						-\$196	-55%

- Assuming initiatives are not implemented to offset the enrollment declines (Base Case), USNH will spend approximately 91% of estimated available cash and investments by the end of FY30. Assuming 50% of the proposed initiatives are implemented, by FY30, USNH will spend approximately 55%.
- Including further erosion of market share ('downside case' FY19-FY24 average market share decline = 1% UNH, 5% PSU, 3% KSC on an annual basis), USNH available cash and investments will decrease further by an additional \$11 million by FY30.
- If the state does not restore USNH annual funding above \$77 million (FY27 appropriated) to the assumed \$82 million (FY28-FY30), cash and investments will further reduce by \$15 million by FY30.
- Without significant structural changes and investments in credible/evidence-based initiatives, it is likely that USNH's available cash and investments will be significantly depleted by FY30.***



University of
New Hampshire

University System
of New Hampshire

FY27 Budget

System-wide FY27 Budget

Key Takeaways



- **FY27 Budget Recurring Operating Loss of \$16.1M (-1.8% of Recurring Operating Revenue)**
 - **Compared to FY26 Projection: \$17.5M Unfavorable**
 - Total operating revenues unfavorable \$19M:
 - » Net tuition/fees unfavorable \$19.9M; Auxiliary unfavorable \$3.1M; Grants & Contracts favorable \$5.7M; State appropriations unfavorable \$10.0M; All other revenues favorable \$8.3M
 - Operating expenses favorable \$1.5M:
 - » Employee compensation favorable \$5.5M; Supplies & Services favorable \$2.1M; Depreciation and interest unfavorable \$5.8M; All other expenses unfavorable \$0.3M
- **FY27 Budget Non-Recurring/One-time Expenses of \$21.2M compared to FY26 Projection of \$37M**
- **FY27 Budget Total Operating Loss \$37.3M compared to FY26 Projection estimated Total Operating Loss of \$35.5M**
- **Capital Expenditures Budget of \$110M:** \$98.6M recurring annual budget (\$52.6M USNH funds and \$46.1M External funds) & \$11.4M strategic/One-time investments
- **Total projected cash outflow of \$44M** with the expectation that approximately \$25M of Long-Term Treasury Investments will need to be liquidated to maintain 60 days of cash operating expenses on hand pursuant to USNH Investment guidelines.

FY27 Budget Summary

Total University System of New Hampshire

(\$ in millions)



	Recurring Non-Grant OM				Recurring Grant OM				Total Recurring Fund OM			
	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj
Operating Revenues												
Undergraduate Net Tuition	241.9	237.4	221.6	(15.7)	(39.9)	(36.9)	(38.1)	(1.2)	202.1	200.5	183.6	(16.9)
Graduate Net Tuition	43.7	44.9	45.3	0.4	(3.6)	(3.8)	(3.9)	(0.1)	40.1	41.1	41.4	0.3
Continuing Education Net Tuition	8.2	8.6	7.5	(1.0)	(0.2)	(0.2)	(0.2)	-	8.0	8.4	7.3	(1.0)
Student Fees & Other Financial Aid	64.1	62.0	59.2	(2.9)	(1.0)	(1.2)	(0.6)	0.6	63.1	60.9	58.6	(2.2)
Net Tuition / Fees	357.9	352.9	333.6	(19.3)	(44.7)	(42.1)	(42.7)	(0.6)	313.3	310.8	290.9	(19.9)
Sales of Auxiliary Services	174.3	176.7	173.5	(3.1)	-	-	-	-	174.3	176.7	173.5	(3.1)
Total Primary Student Revenue	174.3	176.7	173.5	(3.1)	-	-	-	-	174.3	176.7	173.5	(3.1)
State General Appropriations	95.0	87.0	77.0	(10.0)	-	-	-	-	95.0	87.0	77.0	(10.0)
Grants & Contracts/F&A/Pell	37.3	36.2	36.9	0.7	201.7	196.7	201.7	5.0	239.0	233.0	238.6	5.7
Other Operating Revenue	110.3	96.8	105.2	8.3	0.3	2.5	2.5	-	110.6	99.3	107.6	8.3
Total Operating Revenues	774.8	749.6	726.2	(23.4)	157.3	157.1	161.5	4.3	932.2	906.7	887.7	(19.0)
Operating Expenses												
Total Employee Compensation	484.4	469.9	453.8	(16.0)	95.9	93.1	103.6	10.5	580.2	563.0	557.4	(5.5)
Other Operating Expense	282.4	279.5	290.8	11.3	62.9	62.8	55.5	(7.2)	345.3	342.3	346.3	4.0
Total Operating Expenses	766.7	749.4	744.6	(4.8)	158.8	155.8	159.1	3.3	925.5	905.3	903.7	(1.5)
Net Operating Revenues (Expenses)	8.1	0.2	(18.4)	(18.6)	(1.5)	1.3	2.3	1.1	6.6	1.4	(16.1)	(17.5)
Operating Margin	1.05%	0.0%	-2.5%		-0.9%	0.8%	1.4%		0.7%	0.2%	-1.8%	
Non-Recurring OM	(13.8)	(37.0)	(21.2)	15.8	0.0	-	-	-	(13.8)	(37.0)	(21.2)	15.8
Total Recurring and Nonrecurring Operating Margin	(5.7)	(36.8)	(39.6)	(2.8)	(1.4)	1.3	2.3	1.1	(7.2)	(35.5)	(37.3)	(1.7)

FY27 Summary by Institution Recurring Operating Margin Total Funds

(\$ in millions)



	FY26 BOT Projection	FY27 Budget	FY27 Budget OM %	Budget vs Projection \$ Favorable/ Unfavorable
UNH	3.5	(10.0)	-1.4%	(13.5)
PSU	(1.6)	(3.0)	-3.2%	(1.3)
KSC	(3.3)	(5.6)	-6.7%	(2.3)
Shared Services	2.9	2.5	N/A	(0.4)
Total Recurring OM	1.4	(16.1)		(17.5)
Total Recurring OM%	0.2%	-1.8%		-2.0%

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USNH Recurring Operating Margin/(Loss) Bridge From FY26 BOT Projection to FY27 Budget



	Non-Grant	Grant	Total
In \$M	Fav/(Unfav) OM	Fav/(Unfav) OM	Fav/(Unfav) OM
Operating Margin (FY26 BOT Projection)	0.2	1.3	1.4
Revenues			
Net Tuition and Fees	(19.3)	(0.6)	(19.9)
Auxiliary Revenue	(3.1)	-	(3.1)
Grants & Contract Revenue	0.7	5.0	5.7
State Appropriations	(10.0)	-	(10.0)
All Other Revenues	8.3	-	8.3
Total Revenue Changes	(23.4)	4.3	(19.0)
Expenses			
Employee Compensation	16.0	(10.5)	5.5
Supplies & Services	(5.3)	7.3	2.1
Depreciation	(4.6)	-	(4.6)
All Other Expenses	(1.3)	(0.1)	(1.5)
Total Expense Changes	4.8	(3.3)	1.5
FY27 Budget - Recurring Operating Margin	(18.4)	2.3	(16.1)

FY27 Capital Expenditures Budget



\$M	FY 27 Budgeted Annual Plan Plus Carryover from FY26					Strategic			FY27 Total
	USNH Funding	FY26 Carryover to FY27	Total USNH Funding	Non UFR/External Funding	Total Recurring Capital	USNH Funding	Non UFR/External Bond Funding	Total Strategic Capital	Total Capital Budget
UNH	33.4	6.0	39.4	35.6	75.0	4.6	-	4.6	79.6
KSC	5.7	-	5.7	6.4	12.1	-	-	-	12.1
PSU	6.9	-	6.9	4.1	10.9	3.5	-	3.5	14.4
Systemwide	0.6	-	0.6	-	0.6	3.3	-	3.3	3.9
FY27 Total	46.6	6.0	52.6	46.1	98.6	11.4	-	11.4	110.0
FY26 Projection	43.3	1.3	44.6	36.8	81.4	8.5	2.5	11.0	92.4
YoY Change	(3.3)	(4.7)	(8.0)	(9.3)	(17.2)	(2.9)	2.5	(0.4)	(17.6)

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- Annual Spending + FY26 Carryforward + Strategic Investments = \$110M
- USNH-funded capital budget proposed for FY27 of \$46.6M is approximately 63% of annual depreciation expense; reduced from historical investment of approximately 1 x annual depreciation expense.

FY27 Budgeted/Projected Cash Flow June 30, 2027

(\$ in millions)



USNH — FY27 Budget | Board of Trustees View

(\$ in millions)

	FY26			FY27 Budget
	FY24 Actual	FY25 Actual	Projections 2.0	
Recurring OM - All Funds	\$ 26	\$ 7	\$ 1	(16)
Interest	\$ 13	\$ 15	\$ 14	13
Depreciation and Amortization	\$ 67	\$ 69	\$ 73	74
EBITDA	\$ 106	\$ 91	\$ 88	72
Capital - Recurring	\$ (93)	\$ (64)	\$ (40)	(51)
Debt Service:				
Debt - Principal	\$ (13)	\$ (15)	\$ (13)	(11)
Debt - Interest	\$ (13)	\$ (15)	\$ (14)	(13)
Total Debt Service	\$ (26)	\$ (30)	\$ (27)	(25)
Other (changes in working capital, etc)	\$ (1)	\$ (8)	\$ (5)	-
Annual Recurring Operating Activity & Debt Service	\$ (14)	\$ (11)	\$ 16	(4)
Subtotal Strategic Investments/One-Time/Other	\$ (5)	\$ (24)	\$ (37)	(40)
Total Annual Cash Inflow/(Outflow)	\$ (19)	\$ (35)	\$ (21)	(44)
Summary of Ending Cash, Short Term Investments and Long Term Investments (Quasi Endowment)				
Ending Cash & ST Investments	\$ 208	\$ 172	\$ 151	\$ 107
Long-Term Investments	\$ 268	\$ 317	\$ 327	\$ 336
Total	\$ 476	\$ 489	\$ 478	\$ 443

Based on the projected ending cash and short-term Investments balance as of June 30, 2027, to maintain 60 days of operating expenses pursuant to current investment guidelines (liquidity target), USNH will need to liquidate approximately \$25 million of the Long-Term Treasury Quasi-Endowment Fund (LTTI) in FY27. The liquidation of LTTI must be approved by the BOT and is included in the motion presented on the slides that follow.

*EBITDA = 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.
- **Employee Collective Bargaining Agreements:** Several agreements are currently being negotiated.
- **Employee Medical Expenses:** An increase in claims and/or large claims could result in an overall increase in expenses; the current budget assumes all represented employees transition to the new medical plan effective Jan 1, 2027.
- **One-time costs** associated with facilities down-sizing and other restructuring activities could further impact FY27 reported results
- Reduced annual **capital investment** proposed (below the historical targeted investment level of 1 x annual depreciation) is increasing deferred maintenance and potentially increasing risk to the organization.

Opportunities

- **Investment Income Upside:** Short-term and operating investment returns may outperform conservative assumptions, providing incremental margin and cash flow benefit.
- Increase in **Federal employee-benefit (recovery) rate** just recently/tentatively approved



FY27 Institutional Budgets Key-Takeaways

UNH FY27 Budget

Key Takeaways



- FY27 recurring non-grant operating margin of \$(11.7M), or -2.2%, unfavorable to the FY26 BOT Projection by \$(13.4M). Enrollment-driven net tuition and fees and auxiliaries decline \$(19.2M) and the state appropriation reduction \$(7.2M) to FY26 BOT Projection are the primary drivers.
- Favorable offsets to the FY26 BOT Projection partially absorb the enrollment and state appropriation revenue pressure.
 - F&A revenues increase by \$1.0M
 - Other operating revenues increase by \$7.5M driven primarily by short-term investment and endowment income increases
 - Compensation decreases by \$9.3M (~3%), driven primarily by the faculty voluntary separation program and fringe benefits savings
- Other expenses increase by \$4.8M driven by a \$3.3M increase in debt interest for Christiansen & Williamson, as well as a \$2M increase in facilities contracts
- Principal risks center on continued undergraduate enrollment softness outpacing the timing of restructuring actions, execution on the 5% staff vacancy factor, and the exposure from collective bargaining outcomes and medical claims experience

PSU FY27 Budget

Key Takeaways



- FY27 recurring operating margin deficit (all funds) of (\$3.0MM) is unfavorable to FY26 projections of (\$1.6M) by (\$1.3M). Key variance drivers include the following:
 - Unfavorable decrease in non-grant net tuition/fees (\$1.0M) partially offset by favorable auxiliary income of \$.3M
 - Unfavorable decrease in state appropriations of (\$1.7M)
 - Favorable non-grant employee compensation due to employee reorganizations of \$2.1M initiated in FY26
 - Unfavorable increases in supplies and services due to contractual and inflationary increases of (\$1.1M)
- Risks to achieving FY27 recurring operating margin include lower enrollment, increased medical claims expense, and collective bargaining outcomes in addition to macro-economic impacts
- Other revenue enhancement initiatives are expected to increase operating margin in future years

KSC FY27 Budget

Key Takeaways



- FY27 recurring operating margin deficit (all funds) of (\$5.6M) is unfavorable to FY26 projection of (\$3.3M) by (\$2.3M). Key variance drivers include the following:
 - Unfavorable decrease in non-grant net tuition and fees of (\$1.9M) and auxiliary income of (\$0.5M) due to lower enrollment
 - Unfavorable reduction in state appropriations allocated to KSC of (\$1.1M)
 - Unfavorable Inflationary increases in contracts and utilities of (\$1.0M)
 - Unfavorable shift of expenses from non-recurring/Investments to recurring operating expenses (\$1.0M)
 - Favorable non-grant employee compensation savings of \$2.3M driven by faculty separation plan, staff separations, and eliminating selected vacant positions initiated in FY26
- Risks to achieving FY27 recurring operating margin include lower enrollment, increased medical claims expense, and collective bargaining outcomes, in addition to macro-economic impacts
- Transitioning to a 3-school model, enhanced marketing efforts, and other enrollment initiatives are anticipated to strengthen enrollment in future years



Long-Term Treasury Investments (LTTI) Quasi-Endowment Fund Guidelines Recommendation

Additional LTTI Guidelines Recommended Withdrawal Policy: Permitted & Prohibited



Permitted Circumstances for Withdrawal

A. Financial Emergency

- Unanticipated and material revenue disruption
- Natural disaster or force majeure event
- Governmental or regulatory action impairing operations without adequate notice to prepare for the change (less than one year)

B. Strategic One-time Investment

- Major restructuring or cost-reduction efforts which generate a return on the investment and contribute to future financial sustainability (i.e. CERP)
- Time-limited 'bridge financing' tied to approved long-term transformation plans to achieve long-term financial sustainability
- Mission-critical capital investments with defined ROI

C. Risk Mitigation

- Avoid debt covenant default
- Protect institutional accreditation
- Preserve solvency or liquidity thresholds

Prohibited Uses

Withdrawal shall not be used for:

- Ongoing operating deficits
- Recurring compensation or benefit expenses
- Routine maintenance or deferred upkeep of facilities and capital assets
- Activities fundable through operating budgets or fundraising
- Known changes that should have been anticipated and/or were known at least 1 year in advance (expense increases or revenue reductions)

Additional LTTI Guidelines Recommended Approval Process & Safeguards



Withdrawal Approval Requirements Recommended

1 Financial Affairs Approval and Full Board Approval Required

2 Written Analysis Required

- Amount requested and purpose/justification to include ROI, future impact on operating results, etc.
- One-time vs. recurring nature of the expense and timeline for spending
- Impact of withdrawal on future annual investment returns and annual operating support (payout)
- Alternatives considered and priority of investment
- Replenishment Expectations from future operating surpluses, targeted fundraising, etc.

Guidelines Review Reviewed at least every three years by the Financial Affairs Committee and amended as needed.



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FY27 Budget Motion

Motion to Approve System-wide FY27 Operating and Capital Budgets



- MOVED, on recommendation of the Presidents' Council (PC), that the BOT approve the operating and capital budgets, for the University System applicable to the fiscal year beginning July 1, 2026, and ending June 30, 2027 (FY27) as presented in the attachments;
- AND FURTHER, in the event revenues are lower than currently anticipated in the attachments, PC will make budget adjustments to reduce expenses to the lower revenue levels to meet the budgeted system-wide Operating Loss; if unable to do so, PC will seek amended approval from BOT for the revised FY27 Budgeted OM by August 2026.
- AND FURTHER, in the event material expense savings targets are incorporated into the proposed budgets (across the board reductions, planned initiatives, etc.), PC will provide updates to the Executive Committee of the BOT to include detailed plans for achieving the savings.
- AND FURTHER, available restricted and external funding will be used prior to the use of USNH funds with exceptions requiring the approval of the institutional EVPFA or EVPFA designee.

Motion to Approve System-wide FY27 Operating and Capital Budgets



- AND FURTHER, that the Treasurer is authorized to liquidate a portion of the Long-Term Treasury Investments Quasi-Endowment fund pursuant to BOT.G.1, if needed, to support the approved FY27 capital and operating budgets,
- AND FURTHER, that the Long-Term Treasury Investments Quasi-Endowment Fund established by the Financial Affairs Committee in May 2008, as authorized in policy pursuant to BOT.G.1, be amended to incorporate guidelines for future withdrawals authorized beginning July 1, 2026, as outlined on the previous slides, to help preserve USNH long-term financial health.



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Appendix



Multi-Year Plan

USNH Multi-Year Financial Estimates

Base Case Assumptions



FY28-FY30 Revenue Assumptions:

ENROLLMENT:

- **First year undergraduate enrollment:**
 - UNH: FY28 (3.5%), FY29 (3.9%), FY30 0.3%
 - PSU: FY28 (3.6%), FY29 (3.7%), FY30 0.0%
 - KSC: FY28 (3.8%), FY29 (3.9%), FY30 0.2%
- **Graduate FTE:** Flat (0%)
- **Total discount rate and retention rate:** Flat with FY27 Budget

STATE APPROPRIATION:

- **USNH = \$82M** (Average for FY26/27 Biennium)
 - **UNH \$57.1M, PSU \$13.6M, KSC \$11.3M** (Annual)

TUITION RATE CHANGES:

- Undergraduate and graduate tuition rates 2.5% annual increase for residents and nonresidents

OTHER REVENUE:

- Mandatory fees, auxiliary, and other revenue (gift, grant & contracts, F&A, endowment) increase 2.5% annually
- **Short-term investment income:** Flat with FY27 Budget (assume 3% return)

***Base for FY28-FY30 Estimates = FY27 Budget**

FY28-FY30 Expense Assumptions:

EMPLOYEE COMPENSATION:

- **Salary Rate Increases:** 2.0% (all years)
- **Campus Fringe Benefit Rate:** 41.0% (all years)
- **Full Benefited FTEs & PT/Adjunct Expenses:** To be assumed by campus

OPERATING EXPENSES:

- **Supplies, Services & Utilities Annual Increases:** 2.5%
- **Shared Services Annual Increase:** 2.5%

CAPITAL & DEBT:

- **Depreciation Expense:** Campus assumption based on planned activity
- **Interest Expense:** Includes 2026 Series
- **Capital Spending:** Assume 75% of annual depreciation. Adjusted based on OM projections
- **Debt:** Assumes no new debt

OPERATING MARGIN TARGET:

- **BOT Recurring OM Target:** 1% at campus and total system level

Multi-Year Projections FY28-FY30 (Post Initiatives)

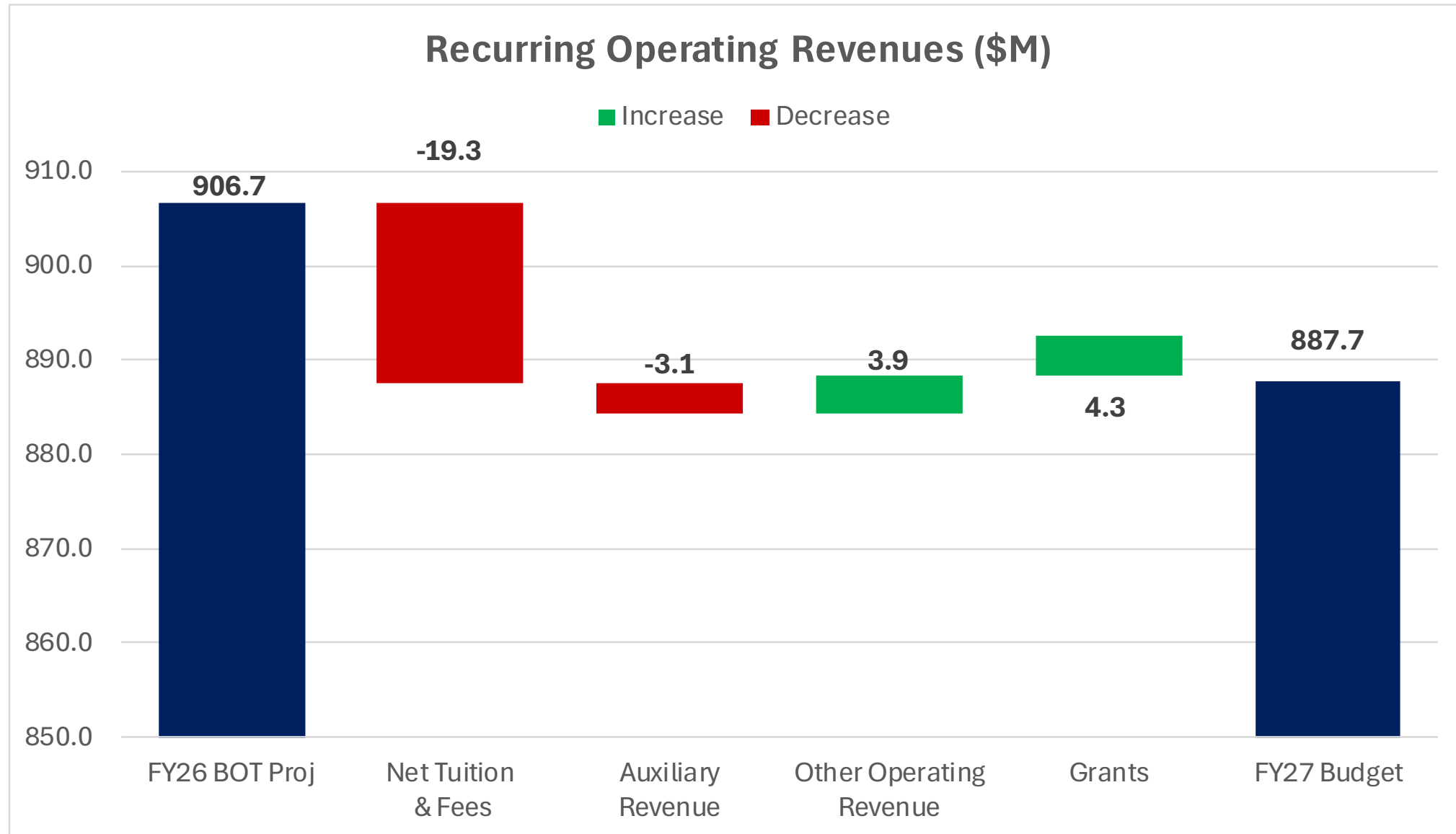


USNH Summary - Recurring Operating Margin by Campus											
Fiscal Year	FY26	FY27	FY28	FY29	FY30	Fiscal Year	FY26	FY27	FY28	FY29	FY30
Projected Annual Revenues \$M						Projected Margin/(Loss) \$M					
UNH	\$710.0	\$695.6	\$704.1	\$701.7	\$716.5	UNH	\$3.5	-\$ 10.0	\$ -	-\$ 0.0	\$ 6.9
PSU	\$ 94.0	\$ 91.4	\$ 92.5	\$ 94.6	\$ 97.3	PSU	-\$1.6	-\$ 3.0	-\$ 1.4	\$ 0.5	\$ 2.4
KSC	\$ 87.0	\$ 84.1	\$ 86.3	\$ 86.6	\$ 90.6	KSC	-\$3.3	-\$ 5.7	-\$ 2.3	-\$ 3.0	\$ 1.0
System Office	\$ 14.8	\$ 16.6	\$ 16.6	\$ 16.6	\$ 16.6	System Office	\$2.8	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
Total USNH	\$905.8	\$887.7	\$899.6	\$899.5	\$921.0	Total USNH	\$1.4	-\$ 16.2	-\$ 1.2	\$ 0.0	\$ 12.7
Projected OM %						Targeted OM %					
UNH	0.5%	-1.4%	0.0%	-0.0%	1.0%	UNH	0.5%	1.0%	1.0%	1.0%	1.0%
PSU	-1.7%	-3.2%	-1.5%	0.6%	2.4%	PSU	0.0%	1.0%	1.0%	1.0%	1.0%
KSC	-3.8%	-6.8%	-2.6%	-3.4%	1.1%	KSC	0.0%	1.0%	1.0%	1.0%	1.0%
System Office	N/A	N/A	N/A	N/A	N/A	System Office	N/A	N/A	N/A	N/A	N/A
Total USNH	0.2%	-1.8%	-0.1%	0.0%	1.4%	Total USNH	0.5%	1.0%	1.0%	1.0%	1.0%
Targeted OM \$M						Gap to Achieve OM Target \$M					
UNH	\$ 3.5	\$ 7.0	\$ 6.9	\$ 6.8	\$ 6.9	UNH	\$-	-\$ 17.0	-\$ 6.9	-\$ 6.8	-\$ 0.0
PSU	-\$ 0.2	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	PSU	-\$1.4	-\$ 3.9	-\$ 2.3	-\$ 0.4	\$ 1.5
KSC	-\$ 1.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	KSC	-\$1.6	-\$ 6.6	-\$ 3.1	-\$ 3.8	\$ 0.1
System Office	\$ 2.8	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	System Office	\$-	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.3
Total USNH	\$ 4.4	\$ 8.9	\$ 8.8	\$ 8.7	\$ 8.8	Total USNH	-\$3.0	-\$ 25.1	-\$10.0	-\$ 8.7	\$ 3.9

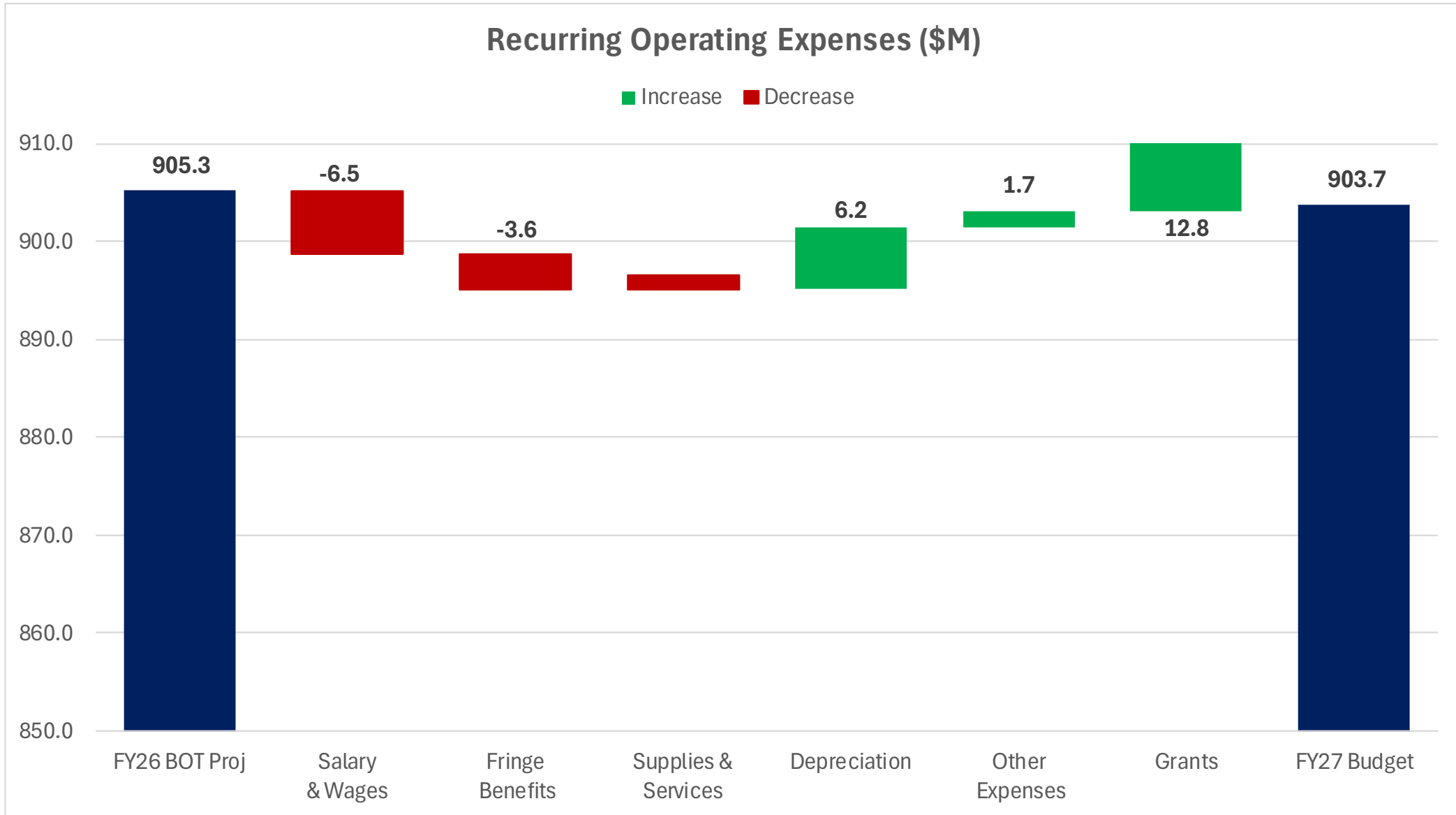


University System of New Hampshire FY27 Budget

USNH (Total Funds) Recurring Operating Revenues FY27 Budget vs. FY26 BOT Projection



USNH (Total Funds) Recurring Operating Expenses FY27 Budget vs. FY26 BOT Projection



Summary of Full-Time Employees (FTEs)



	FY26 Budget	FY27 Budget	FTE Excluding Grants	
	FTE Excl - Grants	FTE Excl - Grants	FY27 vs FY26 Fav/(Unfav)	FY27 vs FY26 Fav/(Unfav) %
Recurring FTEs - Total				
UNH	2,316	2,280	36	1.5%
PSU	408	370	39	9.5%
KSC	352	310	42	11.9%
Swss HR	23	22	1	4.4%
SWSS SYS Office	95	86	9	9.3%
SWSS ET&S	256	208	48	18.6%
Total	3,450	3,276	174	5.0%

	FY26 Budget	FY27 Budget	FTE Excluding Grants	
	FTE Excl - Grants	FTE Excl - Grants	FY27 vs FY26 Fav/(Unfav)	FY27 vs FY26 Fav/(Unfav) %
Recurring FTEs - Staff*				
UNH	1,505	1,515	(10)	-0.7%
PSU	246	235	11	4.6%
KSC	226	201	25	11.0%
Swss HR	23	22	1	4.4%
SWSS SYS Office	94	86	8	8.3%
SWSS ET&S	256	208	48	18.6%
Total	2,350	2,268	82	3.5%

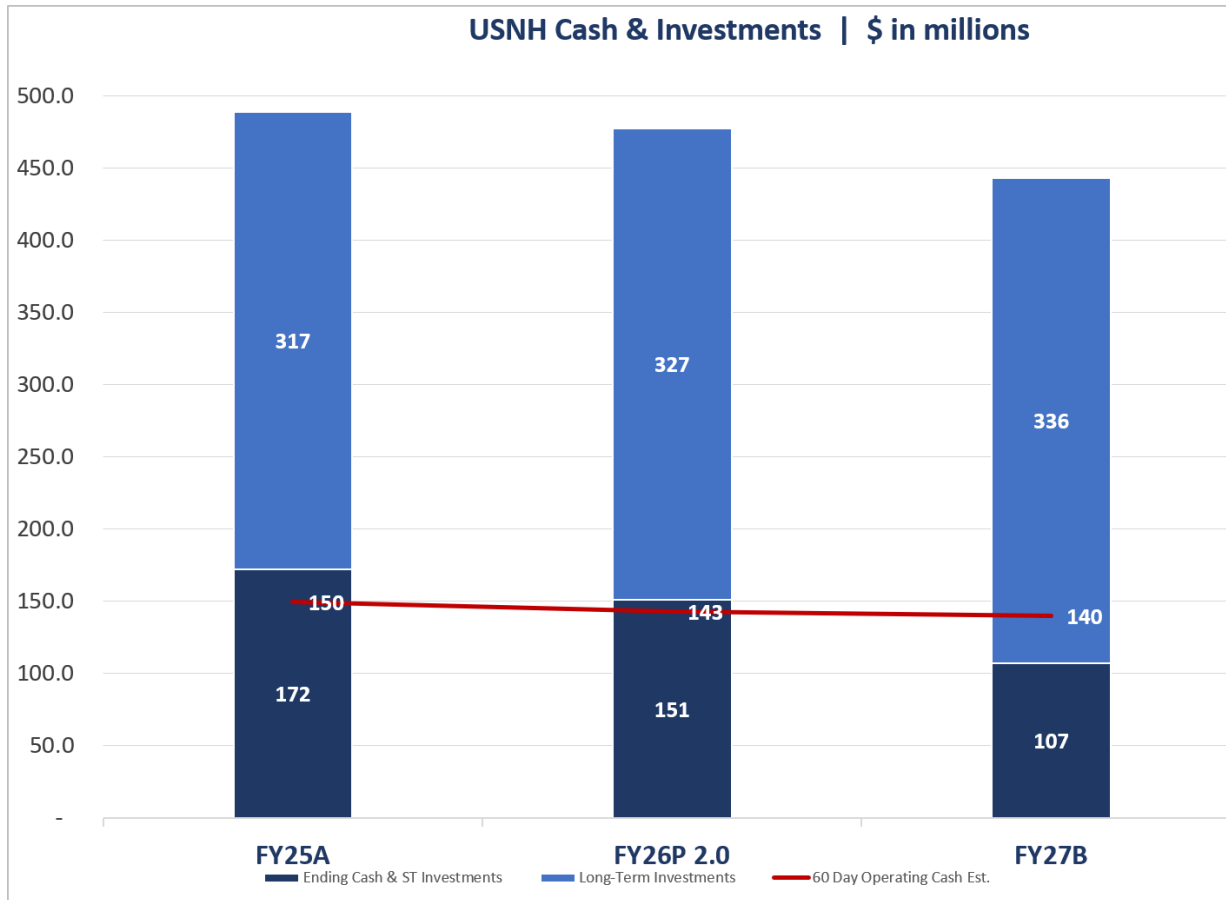
SWSS = System-wide Shared Services

***ET&S FTE (staff) shift to campuses**

- UNH ^ 27.0 FTE
- PSU ^ 7.9 FTE
- KSC ^ 6.5 FTE
- TOTAL ^ 41.4 FTE**

	FTE Excl - Grants	FTE Excl - Grants	FY27 vs FY26 Fav/(Unfav)	FY27 vs FY26 Fav/(Unfav) %
	Recurring FTEs - Faculty			
UNH	811	764	46	5.7%
PSU	162	134	28	17.0%
KSC	126	109	17	13.6%
SWSS Shared Services	1	-	1	100.0%
Total	1,100	1,008	92	8.4%

FY27 Projected Cash Flow and Projected Cash and short-term Investments June 30, 2027



- Total cash and short-term investments are projected to decrease by \$35M
 - Total operating/non-operating activity reduction of (\$44M)
 - Long-Term Treasury Investments Quasi-Endowment Fund, net of payout +\$9M



University of
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University of New Hampshire FY27 Budget

UNH FY27 Budget Summary

(\$ in millions)



	Recurring Non-Grant OM				Recurring Grant OM				Total Recurring Fund OM			
	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj
Operating Revenues												
Undergraduate Net Tuition	186.1	184.2	170.3	(14.0)	(25.3)	(23.0)	(22.9)	0.1	160.8	161.3	147.4	(13.9)
Graduate Net Tuition	36.6	37.5	37.8	0.4	(3.6)	(3.8)	(3.9)	(0.1)	33.0	33.6	33.9	0.3
Continuing Education Net Tuition	4.7	5.1	4.6	(0.5)	(0.2)	(0.2)	(0.2)	-	4.5	4.9	4.4	(0.5)
Student Fees & Other Financial Aid	48.6	47.9	45.6	(2.3)	-	-	-	-	48.6	47.9	45.6	(2.3)
Net Tuition / Fees	276.0	274.7	258.3	(16.3)	(29.1)	(27.0)	(26.9)	0.0	246.9	247.7	231.4	(16.3)
Sales of Auxiliary Services	119.2	121.8	118.9	(2.9)	-	-	-	-	119.2	121.8	118.9	(2.9)
Total Primary Student Revenue	119.2	121.8	118.9	(2.9)	-	-	-	-	119.2	121.8	118.9	(2.9)
State General Appropriations	65.9	60.9	53.7	(7.2)	-	-	-	-	65.9	60.9	53.7	(7.2)
Grants & Contracts/F&A/Pell	35.9	35.0	36.0	1.0	177.1	175.7	179.0	3.3	213.0	210.7	215.0	4.3
Other Operating Revenue	79.3	66.6	74.2	7.5	0.3	2.5	2.5	-	79.6	69.1	76.6	7.5
Total Operating Revenues	576.4	559.0	541.1	(17.9)	148.4	151.2	154.6	3.4	724.7	710.2	695.6	(14.5)
Operating Expenses												
Total Employee Compensation	340.5	327.2	317.9	(9.3)	90.2	88.1	98.6	10.6	430.8	415.3	416.5	1.2
Other Operating Expense	225.7	230.1	234.9	4.8	60.3	61.3	54.2	(7.1)	286.1	291.4	289.1	(2.3)
Total Operating Expenses	566.3	557.3	552.8	(4.5)	150.6	149.4	152.8	3.4	716.8	706.7	705.6	(1.1)
Net Operating Revenues (Expenses)	10.1	1.7	(11.7)	(13.4)	(2.2)	1.8	1.7	(0.1)	7.9	3.5	(10.0)	(13.5)
Operating Margin	1.75%	0.3%	-2.2%		-1.5%	1.2%	1.1%		1.1%	0.5%	-1.4%	
Non-Recurring OM	(6.2)	(15.4)	(11.8)	3.5	0.0	-	-	-	(6.2)	(15.4)	(11.8)	3.5
Total Recurring and Nonrecurring Operating Margin	3.9	(13.7)	(23.5)	(9.9)	(2.1)	1.8	1.7	(0.1)	1.7	(11.9)	(21.8)	(9.9)

UNH Recurring Operating Margin/(Loss) Bridge From FY26 BOT Projection to FY27 Budget



	Non-Grant	Grant	Total
In \$M	Fav/(Unfav) OM	Fav/(Unfav) OM	Fav/(Unfav) OM
Operating Margin (FY26 BOT Projection)	1.7	1.8	3.5
Revenues			
Net Tuition and Fees	(16.3)	0.0	(16.3)
Auxiliary Revenue	(2.9)	-	(2.9)
Grants & Contract Revenue	1.0	3.3	4.3
State Appropriations	(7.2)	-	(7.2)
All Other Revenues	7.5	-	7.5
Total Revenue Changes	(17.9)	3.4	(14.5)
Expenses			
Employee Compensation	9.3	(10.6)	(1.2)
Supplies & Services	(2.9)	7.2	4.3
Depreciation	(0.6)	-	(0.6)
All Other Expenses	(1.2)	(0.1)	(1.3)
Total Expense Changes	4.5	(3.4)	1.1
FY27 Budget - Recurring Operating Margin	(11.7)	1.7	(10.0)

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UNH FY27 Capital Budget



UNH FY27 Capital Budget

FY27 Spending + FY26 Carryforward + Strategic Investments

\$M	FY27 Budget + FY26 Carryforward					FY27 Strategic Investments			Total
	UNH Funding	FY26 Carryover	Total UNH Funding	Non-UFR External	Total Recurring Capital Budget	Strategic UNH Funding	Strategic Non-UFR External Funding	Total Strategic Capital Budget	
PCAC Life Safety Renovation	2.6	-	2.6	-	2.6	-	-	-	2.6
NOAA Ocean Mapping Center of Excellence	-	-	-	10.9	10.9	-	-	-	10.9
NOAA++	-	-	-	-	-	-	4.6	4.6	4.6
Field House Women and Ski Locker Room Renovation	0.2	-	0.2	0.5	0.7	-	-	-	0.7
Whittemore Center Expansion and Renovation	1.2	6.0	7.2	8.5	15.7	-	-	-	15.7
Jackson Lab Expansion and Renovation	-	-	-	1.8	1.8	-	-	-	1.8
Thermal Energy Storage Tank	0.1	-	0.1	-	0.1	-	-	-	0.1
Morse R1 Research Infrastructure	2.7	-	2.7	-	2.7	-	-	-	2.7
Tucker Field Reno	-	-	-	0.3	0.3	-	-	-	0.3
Parsons Iddles Auditorium	0.1	-	0.1	-	0.1	-	-	-	0.1
Pressure Turbine Replacement	0.1	-	0.1	-	0.1	-	-	-	0.1
Williamson/Christensen Renovation	-	-	-	2.7	2.7	-	-	-	2.7
Co-Gen Major Equipment Replacement	0.8	-	0.8	-	0.8	-	-	-	0.8
MacFarlane Greenhouse - Growth Chamber Replacement	-	-	-	0.5	0.5	-	-	-	0.5
Utility Distribution - Steam Line Handler to McDaniel Plant	1.8	-	1.8	-	1.8	-	-	-	1.8
Utility Distribution - Library Way DT Lines James to HVT005	0.5	-	0.5	-	0.5	-	-	-	0.5
On-Going/Recurring Investments	19.4	-	19.4	4.4	23.8	-	-	-	23.8
Capital Equipment	4.1	-	4.1	6.1	10.1	-	-	-	10.1
FY27 Total	33.4	6.0	39.4	35.6	75.0	-	4.6	4.6	79.6
FY26 Projection	33.0	-	33.0	33.5	66.5	-	2.5	2.5	69.0
Year over Year Change \$	0.4	6.0	6.4	2.1	8.5	-	2.1	2.1	10.6
Year over Year Change %	1%	N/A	19%	6%	13%	N/A	86%	86%	15%

UNH FY27 Strategic Investments & Other Non-Recurring Activities



UNH Non-Recurring	FY26 BOT Projection			FY27 Budget			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Fav/(Unfav) Vs FY26 BOT Proj
Gift Spend	-	5.0	5.0	-	10.0	10.0	(5.0)
Staff/Faculty reduction	-	8.7	8.7	-	0.9	0.9	7.8
NOAA++	2.5	0.4	2.9	4.6	-	4.6	(1.7)
Facilities Space Utilization	-	-	-	-	0.5	0.5	(0.5)
ECOLine Replacement	-	1.3	1.3	-	0.4	0.4	0.9
Total Non-Recurring	2.5	15.4	17.9	4.6	11.8	16.5	1.4



Plymouth State University FY27 Budget

PSU FY27 Budget Summary

(\$ in millions)



	Recurring Non-Grant OM				Recurring Grant OM				Total Recurring Fund OM			
	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj
Operating Revenues												
Undergraduate Net Tuition	29.2	27.3	26.6	(0.8)	(8.3)	(8.2)	(7.8)	0.4	20.9	19.1	18.8	(0.4)
Graduate Net Tuition	6.5	6.6	6.6	(0.1)	-	-	-	-	6.5	6.6	6.6	(0.1)
Continuing Education Net Tuition	0.6	0.5	0.4	(0.1)	-	-	-	-	0.6	0.5	0.4	(0.1)
Student Fees & Other Financial Aid	8.0	6.4	6.4	(0.1)	(0.3)	(0.2)	(0.3)	(0.1)	7.8	6.2	6.1	(0.2)
Net Tuition / Fees	44.3	40.9	39.9	(1.0)	(8.5)	(8.4)	(8.1)	0.3	35.8	32.5	31.8	(0.7)
Sales of Auxiliary Services	29.2	30.1	30.4	0.3	-	-	-	-	29.2	30.1	30.4	0.3
Total Primary Student Revenue	29.2	30.1	30.4	0.3	-	-	-	-	29.2	30.1	30.4	0.3
State General Appropriations	14.9	14.5	12.8	(1.7)	-	-	-	-	14.9	14.5	12.8	(1.7)
Grants & Contracts/F&A/Pell	0.3	0.3	-	(0.3)	11.0	10.0	10.5	0.5	11.4	10.3	10.5	0.2
Other Operating Revenue	7.4	6.3	6.0	(0.3)	-	-	-	-	7.4	6.3	6.0	(0.3)
Total Operating Revenues	96.1	92.1	89.0	(3.1)	2.5	1.6	2.4	0.8	98.6	93.7	91.4	(2.3)
Operating Expenses												
Total Employee Compensation	48.1	46.6	44.4	(2.1)	1.7	1.6	1.2	(0.4)	49.8	48.1	45.6	(2.5)
Other Operating Expense	45.9	46.7	47.9	1.3	0.8	0.5	0.8	0.3	46.7	47.2	48.7	1.6
Total Operating Expenses	94.0	93.2	92.4	(0.9)	2.5	2.1	2.0	(0.1)	96.5	95.3	94.3	(1.0)
Net Operating Revenues (Expenses)	2.1	(1.1)	(3.4)	(2.2)	0.0	(0.5)	0.4	0.9	2.2	(1.6)	(3.0)	(1.3)
Operating Margin	2.21%	-1.2%	-3.8%		1.6%	-29.8%	17.5%		2.2%	-1.7%	-3.2%	
Non-Recurring OM	(3.2)	(4.0)	(2.1)	2.0	(0.0)	-	-	-	(3.2)	(4.0)	(2.1)	2.0
Total Recurring and Nonrecurring Operating Margin	(1.1)	(5.2)	(5.4)	(0.3)	0.0	(0.5)	0.4	0.9	(1.1)	(5.6)	(5.0)	0.6

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PSU Recurring Operating Margin/(Loss)

Bridge From FY26 BOT Projection to FY27 Budget



	Non-Grant	Grant	Total
In \$M	Fav/(Unfav) OM	Fav/(Unfav) OM	Fav/(Unfav) OM
Operating Margin (FY26 BOT Projection)	(1.1)	(0.5)	(1.6)
Revenues			
Net Tuition and Fees	(1.0)	0.3	(0.7)
Auxiliary Revenue	0.3	-	0.3
Grants & Contract Revenue	(0.3)	0.5	0.2
State Appropriations	(1.7)	-	(1.7)
All Other Revenues	(0.3)	-	(0.3)
Total Revenue Changes	(3.1)	0.8	(2.3)
Expenses			
Employee Compensation	2.1	0.4	2.5
Supplies & Services	(0.8)	(0.2)	(1.1)
Depreciation	(0.4)	-	(0.4)
All Other Expenses	(0.1)	(0.1)	(0.1)
Total Expense Changes	0.9	0.1	1.0
FY27 Budget - Recurring Operating Margin	(3.4)	0.4	(3.0)

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PSU FY27 Capital Budget



PSU FY27 Capital Budget

FY27 Spending + FY26 Carryforward + Strategic Investments

\$M Project	FY27 Budget + FY26 Carryforward					FY27 Strategic Investments			FY27 Total
	PSU Funding	FY26 Carryover	Total PSU Funding	Non-UFR External	Total Recurring Capital Budget	Strategic PSU Funding	Strategic Non-UFR External Funding	Total Strategic Capital Budget	Total Capital Budget
PE Center Energy Conservation*	2.7	-	2.7	3.6	6.3	2.7	-	2.7	9.0
Auxiliary-Related Mechanicals*	-	-	-	-	-	0.8	-	0.8	0.8
Auxiliary-Related Res Halls*	-	-	-	-	-	-	-	-	-
Prospect Chiller	0.4	-	0.4	-	0.4	-	-	-	0.4
Cogen Skids	0.6	-	0.6	-	0.6	-	-	-	0.6
Speare Fire Alarms	0.3	-	0.3	-	0.3	-	-	-	0.3
D&M Cybersecurity	-	-	-	0.4	0.4	-	-	-	0.4
Aux & E&G-Related Mechanicals/Infrastructure	2.3	-	2.3	0.1	2.4	-	-	-	2.4
Capital Equipment	0.6	-	0.6	-	0.6	-	-	-	0.6
FY27 Total	6.9	-	6.9	4.1	10.9	3.5	-	3.5	14.4
FY26 Projection	6.7	-	6.7	2.3	8.9	5.5	-	5.5	14.4
Year over Year Change	0.2	-	0.2	1.8	2.0	(2.1)	-	(2.1)	(0.1)
Year over Year Change %	3%	N/A	3%	81%	23%	-37%	N/A	-37%	0%

PSU FY27 Strategic Investments & Other Non-Recurring Activities



PSU Non-Recurring	FY26 BOT Projection			FY27 Budget			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Fav/(Unfav) Vs FY26 BOT Proj
Resident Hall Upgrades	-	0.9	0.9	-	0.8	0.8	0.1
Resident Hall Mechanical	0.8	-	0.8	-	-	-	0.8
WMAC Mechanical Rooms	0.8	-	0.8	0.5	-	0.5	0.3
PE Center Upgrade	1.0	-	1.0	2.7	1.3	4.0	(3.0)
Sam Read Hall Nursing Renovations	1.8	-	1.8	-	-	-	1.8
White Mountain Apartment Complex	1.2	-	1.2	-	-	-	1.2
Rounds Mechanical Room	-	-	-	0.3	-	0.3	(0.3)
Total BOT-Approved Strategic Invest.	5.6	0.9	6.5	3.5	2.1	5.6	0.9
Separation Costs (excl ABUD adj)	-	3.1	3.1	-	-	-	3.1
Total Other Non-Recurring	-	3.1	3.1	-	-	-	3.1
Total Non-Recurring	5.6	4.0	9.6	3.5	2.1	5.6	4.0



University of
New Hampshire

University System
of New Hampshire

Keene State College FY27 Budget

KSC FY27 Budget Summary

(\$ in millions)



University System
of New Hampshire

	Recurring Non-Grant OM				Recurring Grant OM				Total Recurring Fund OM			
	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj
Operating Revenues												
Undergraduate Net Tuition	26.7	25.8	24.8	(1.0)	(6.3)	(5.7)	(7.4)	(1.7)	20.3	20.1	17.4	(2.7)
Graduate Net Tuition	0.6	0.8	0.9	0.1	-	-	-	-	0.6	0.8	0.9	0.1
Continuing Education Net Tuition	2.9	3.0	2.5	(0.4)	-	-	-	-	2.9	3.0	2.5	(0.4)
Student Fees & Other Financial Aid	7.5	7.7	7.2	(0.5)	(0.7)	(0.9)	(0.2)	0.7	6.7	6.8	6.9	0.2
Net Tuition / Fees	37.6	37.3	35.4	(1.9)	(7.1)	(6.7)	(7.7)	(1.0)	30.6	30.6	27.8	(2.9)
Sales of Auxiliary Services	25.8	24.7	24.2	(0.5)	-	-	-	-	25.8	24.7	24.2	(0.5)
Total Primary Student Revenue	25.8	24.7	24.2	(0.5)	-	-	-	-	25.8	24.7	24.2	(0.5)
State General Appropriations	14.2	11.6	10.6	(1.1)	-	-	-	-	14.2	11.6	10.6	(1.1)
Grants & Contracts/F&A/Pell	1.1	1.0	0.9	(0.0)	13.4	11.0	12.2	1.2	14.4	12.0	13.1	1.1
Other Operating Revenue	8.9	7.9	8.5	0.6	-	-	-	-	8.9	7.9	8.5	0.6
Total Operating Revenues	87.6	82.5	79.6	(2.9)	6.3	4.3	4.5	0.2	93.9	86.8	84.1	(2.7)
Operating Expenses												
Total Employee Compensation	44.6	42.0	39.7	(2.3)	4.0	3.5	3.8	0.3	48.6	45.4	43.5	(1.9)
Other Operating Expense	44.8	43.7	45.7	1.9	1.6	0.9	0.5	(0.4)	46.4	44.7	46.2	1.5
Total Operating Expenses	89.4	85.7	85.4	(0.3)	5.6	4.4	4.3	(0.1)	95.0	90.1	89.7	(0.4)
Net Operating Revenues (Expenses)	(1.8)	(3.3)	(5.8)	(2.6)	0.7	(0.0)	0.2	0.2	(1.1)	(3.3)	(5.6)	(2.3)
Operating Margin	-2.10%	-4.0%	-7.3%		11.1%	-1.2%	4.2%		-1.2%	-3.8%	-6.7%	
Non-Recurring OM	(2.6)	(5.4)	(0.1)	5.3	(0.0)	-	-	-	(2.6)	(5.4)	(0.1)	5.3
Total Recurring and Nonrecurring Operating Margin	(4.5)	(8.6)	(5.9)	2.8	0.7	(0.0)	0.2	0.2	(3.8)	(8.7)	(5.7)	3.0

KSC Recurring Operating Margin/(Loss) Bridge From FY26 BOT Projection to FY27 Budget



	Non-Grant	Grant	Total
In \$M	Fav/(Unfav) OM	Fav/(Unfav) OM	Fav/(Unfav) OM
Operating Margin (FY26 BOT Projection)	(3.3)	(0.0)	(3.3)
Revenues			
Net Tuition and Fees	(1.9)	(1.0)	(2.9)
Auxiliary Revenue	(0.5)	-	(0.5)
Grants & Contract Revenue	(0.0)	1.2	1.1
State Appropriations	(1.1)	-	(1.1)
All Other Revenues	0.6	-	0.6
Total Revenue Changes	(2.9)	0.2	(2.7)
Expenses			
Employee Compensation	2.3	(0.3)	1.9
Supplies & Services	(1.6)	0.4	(1.2)
Depreciation	0.1	-	0.1
All Other Expenses	(0.5)	0.0	(0.4)
Total Expense Changes	0.3	0.1	0.4
FY27 Budget - Recurring Operating Margin	(5.8)	0.2	(5.6)

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KSC FY27 Capital Budget



KSC FY27 Capital Budget

FY27 Spending + FY26 Carryforward + Strategic Investments

\$M	FY27 Budget + FY26 Carryforward					FY27 Strategic Investments			FY27 Total	
	Project	KSC Funding	FY26 Carryover	Total KSC Funding	Non-UFR External*	Total Recurring Capital Budget	Strategic KSC Funding	Strategic Non-UFR External Funding	Total Strategic Capital Budget	Total Capital Budget
Morrison	-	-	-	-	4.6	4.6	-	-	-	4.6
Redfern & Keddy – roof/windows	-	-	-	-	1.5	1.5	-	-	-	1.5
Mabel Brown Room (Student Center)	1.5	-	1.5	-	-	1.5	-	-	-	1.5
Deferred Maintenance/Departmental Projects	1.4	-	1.4	-	-	1.4	-	-	-	1.4
Mechanical/Infrastructure	1.1	-	1.1	-	-	1.1	-	-	-	1.1
Ongoing/Recurring	1.5	-	1.5	-	-	1.5	-	-	-	1.5
Capital Equipment	0.3	-	0.3	0.3	0.3	0.6	-	-	-	0.6
FY27 Total	5.7	-	5.7	6.4	12.1	-	-	-	12.1	
FY26 Projection	3.8	-	3.8	1.1	4.9	-	-	-	4.9	
Year over Year Change	1.9	-	1.9	5.3	7.2	-	-	-	7.2	
Year over Year Change %	49%	N/A	49%	477%	146%	N/A	N/A	N/A	146%	

*Estimated \$2.6M is carryover non-UFR external funding

KSC FY27 Strategic Investments & Other Non-Recurring Activities



KSC Non-Recurring \$M	FY26 BOT Projection			FY27 Budget			Fav/(Unfav) Vs FY26 BOT Proj
	Capital	Non-Capital	Total	Capital	Non-Capital	Total	
Athletics Strategic Investments	-	0.8	0.8	-	-	-	0.8
Student Success Initiative	-	0.3	0.3	-	-	-	0.3
Total BOT-Approved Strategic Invest.	-	1.1	1.1	-	-	-	1.1
Separation Costs	-	4.0	4.0	-	-	-	4.0
Flooring, abatement	-	0.2	0.2	-	0.1	0.1	0.2
Total Other Non-Recurring	-	4.2	4.2	-	0.1	0.1	4.2
Total Non-Recurring	-	5.3	5.3	-	0.1	0.1	5.3



University of
New Hampshire

University System
of New Hampshire

Shared Services FY27 Budget

Shared Services FY27 Budget

Key Takeaways



- The system-wide shared services budget is made up of the following major activities:
 - Chancellor's Office, which includes HR, Finance, Procurement, Legal, Internal Audit, etc. (\$16 million annual operating expense budget)
 - HR shared services delivered by UNH (\$2.5 million annual operating expense budget)
 - Enterprise Technology & Systems (\$37 million annual operating expense budget)
 - Employee fringe benefit pool (\$135 million annual operating expense budget)
 - Short-term Investment Pool (\$20 million annual revenue & allocation budget)
 - And, other operating activities such as insurance, debt management, etc.
- FY27 annual charges to the institutions for the Chancellor's Office, ET&S, and HR were reduced by 3%
- The employee benefit rates remained consistent with FY26 as a result of plan design changes, claims administrator change, and some improvement in recent claim history. USNH's proposed increase in the federal employee benefit recovery rate (for grant-funded positions) is still pending approval at the federal level.

Shared Services Operating Budget Summary

Total Funds

(\$ in millions)



	Recurring Non-Grant OM				Recurring Grant OM				Total Recurring Fund OM			
	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT Proj	FY27 Budget	FY27 vs FY26 Proj	FY25 Final	FY26 BOT P1	FY27 Budget	FY27 vs FY26 Proj
Operating Revenues												
Other Operating Revenue	14.8	16.0	16.6	0.6	-	-	-	-	14.8	16.0	16.6	0.6
Total Operating Revenues	14.8	16.0	16.6	0.6	-	-	-	-	14.8	16.0	16.6	0.6
Operating Expenses												
Total Employee Compensation	51.0	54.1	51.8	(2.3)	-	-	-	-	51.0	54.1	51.8	(2.3)
Other Operating Expense	(34.3)	(41.0)	(37.7)	3.2	-	-	-	-	(34.3)	(41.0)	(37.7)	3.2
Total Operating Expenses	16.7	13.1	14.1	0.9	-	-	-	-	16.7	13.1	14.1	0.9
Net Operating Revenues (Expenses)	(1.9)	2.9	2.5	(0.4)	-	-	-	-	(1.9)	2.9	2.5	(0.4)
Operating Margin	-12.87%	18.0%	15.1%						-12.9%	18.0%	15.1%	
Non-Recurring OM	(1.8)	(12.2)	(7.3)	4.9	-	-	-	-	(1.8)	(12.2)	(7.3)	4.9
Total Recurring and Nonrecurring Operating Margin	(3.7)	(9.3)	(4.8)	4.6	-	-	-	-	(3.7)	(9.3)	(4.8)	4.6

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Shared Services Recurring Operating Margin/(Loss) Bridge From FY26 BOT Projection to FY27 Budget



	Non-Grant	Grant	Total
In \$M	Fav/(Unfav) OM	Fav/(Unfav) OM	Fav/(Unfav) OM
Operating Margin (FY26 BOT Projection)	2.9	-	2.9
Revenues			
Endowment Income	2.0	-	2.0
Operating Investment Income	(1.8)	-	(1.8)
All Other Revenues	0.4	-	0.4
Total Revenue Changes	0.6	-	0.6
Expenses			
Employee Compensation	2.3	-	2.3
Supplies & Services	0.1	-	0.1
Depreciation	(3.8)	-	(3.8)
All Other Expenses	0.5	-	0.5
Total Expense Changes	(0.9)	-	(0.9)
FY27 Budget - Recurring Operating Margin	2.5	-	2.5

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Shared Services Summary



University System
of New Hampshire

FY26 USNH Shared Services Allocations*							
	Chancellor's Office (including HR @ SYS)	ET&S Shared Services	HR Shared Services	Total SWSS	Insurance	STII	State Appropriations
UNH	12,749,231	30,098,973	2,082,831	44,931,035	3,081,393	10,870,403	60,850,361
KSC	1,666,807	3,935,075	272,305	5,874,187	533,608	779,353	11,642,495
PSU	1,666,072	3,933,339	272,185	5,871,596	530,216	1,877,243	14,507,144
Total	16,082,110	37,967,387	2,627,321	56,676,818	4,145,217	13,526,999	87,000,000

FY27 USNH Shared Services Allocations							
	Chancellor's Office (including HR @ SYS)	ET&S Shared Services*	HR Shared Services	Total SWSS	Insurance	STII	State Appropriations
UNH	12,273,248	28,975,252	2,005,070	43,253,570	3,235,235	12,503,955	53,660,761
KSC	1,625,174	3,836,785	265,503	5,727,462	548,573	835,037	10,572,026
PSU	1,701,224	4,016,329	277,928	5,995,481	555,230	1,941,810	12,767,213
Total	15,599,646	36,828,366	2,548,501	54,976,513	4,339,038	15,280,802	77,000,000

Change in USNH Shared Services Allocations							
	Chancellor's Office (including HR @ SYS)	ET&S Shared Services	HR Shared Services	Total SWSS	Insurance	STII	State Appropriations
UNH	(475,983)	(1,123,721)	(77,761)	(1,677,465)	153,842	1,633,552	(7,189,600)
KSC	(41,633)	(98,290)	(6,802)	(146,725)	14,965	55,684	(1,070,469)
PSU	35,152	82,990	5,743	123,885	25,014	64,567	(1,739,931)
Change \$	(482,464)	(1,139,021)	(78,820)	(1,700,305)	193,821	1,753,803	(10,000,000)
Change %	-3.0%	-3.0%	-3.0%	-3.0%	4.7%	13.0%	-11.5%

*Beginning FY26 Tech Fees were reverted back to campus

**Operational only, does not include capital

Shared Services FY27 Capital Budget



System FY27 Capital Budget

FY27 Spending + FY26 Carryforward + Strategic Investments

\$M	FY27 Budget + FY26 Carryforward					FY27 Strategic Investments			FY27 Total
Project	SYS Funding	FY26 Carryover	Total SYS Funding	Non-UFR External	Total Recurring Capital Budget	Strategic SYS Funding	Strategic Non-UFR External Funding	Total Strategic Capital	Total Capital Budget
ERP Project	-	-	-	-	-	3.3	-	3.3	3.3
Capital Equipment	0.6	-	0.6	-	0.6	-	-	-	0.6
FY27 Total	0.6	-	0.6	-	0.6	3.3	-	3.3	3.9
FY26 Projection	0.6	-	0.6	-	0.6	3.4	-	3.4	4.0
Year over Year Change	0.0	-	0.0	-	0.0	(0.1)	-	(0.1)	(0.1)
Year over Year Change %	1%	N/A	1%	N/A	1%	-3%	N/A	-3%	-2%

Shared Services FY27 Strategic Investments & Other Non-Recurring Activities



System Office Non-Recurring	FY26 BOT Projection			FY27 Budget			
\$M	Capital	Non-Capital	Total	Capital	Non-Capital	Total	Fav/(Unfav) Vs FY26 BOT Proj
SYS NHTI Design and Construction	1.1	-	1.1	-	-	-	1.1
ERP Project (Strategic Investment)	2.3	10.9	13.2	-	6.8	6.8	6.4
Consulting and Restructuring support	-	1.3	1.3	-	0.5	0.5	0.8
Total Non-Recurring	3.4	12.2	15.6	-	7.3	7.3	8.3



Cash, Investments and LTII

USNH Cash and Investments as of June 30, 2025

Excerpts from USNH Financial Statements

(\$ in millions)



University System of New Hampshire Statements of Net Position

(\$ in thousands)

	Balance at June 30,	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 29,548	\$ 52,178
Short-term investments	142,709	155,353

\$172 million total

(USNH 2025 Annual Report page 17)

	Campuses	
	2025	2024
Pooled endowments:		
Campuses	\$668,159	\$623,124
UNH Foundation	-	-
Keene Endowment Association	-	-
Life income and annuity funds	86	83
Funds held in trust	21,328	19,623
Total	<u>\$689,573</u>	<u>\$642,830</u>

\$668 million total

(USNH 2025 Annual Report Investments page 22)

Of the \$668 million, the Long-Term Treasury Investments Quasi-Endowment fund represents \$317 million or 47% of the endowment pool. This is where USNH cash, which was not expected to be needed for operations in the short-term or near-term, has been invested beginning in 2008 pursuant to USNH policy. A proposal to provide some additional spending guidelines on this quasi-endowment fund will be presented in the slides to follow.

USNH Endowment Pool Liquidity and Asset Allocations As of June 30, 2025

(\$ in millions)



Cash and short-term Investments: \$172 million - Highly liquid; easily liquidated for operations and investments

Endowment Fund: \$668 million - Asset allocation determined by Investment and Capital Planning Committee – June 30, 2025, asset allocation is included below with approximately 22% of the endowment fund illiquid and an additional \$43m of unfunded commitments still to be called (not included in the below). Note: In March 2025, ICPC paused any further private equity investments until the future financial outlook is known to avoid additional increases to illiquid investments.

Liquidity Terms as of June 30, 2025								
	Daily	Monthly	Quarterly	Semi-Annually	Annually	illiquid	Total	Redemption Notice Period
Endowment and similar Investments – campuses								
Money market	\$ 10,405	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 10,405	Daily
Global fixed income	65,351	–	–	–	–	–	65,351	Daily
Inflation hedging assets	11,773	–	–	–	–	–	11,773	Daily
International equity	62,673	29,906	–	–	–	–	92,579	1-5 days
Domestic equity	80,142	–	104,923	–	–	–	185,065	1-60 days
Global equity	–	35,243	–	–	–	12,372	47,615	10 days, illiquid
Hedge funds:								
Equity Hedge	9,129	–	16,955	–	–	17,720	43,804	1-60 days, illiquid
Event-Driven	9,624	–	15,339	44,790	–	–	69,753	1-90 days
Distressed/Restructuring	–	–	13,694	–	10,237	10,256	34,187	75 days, illiquid
Fund of Funds	–	–	–	–	–	38	38	illiquid
Private equity & non-marketable real assets	–	–	–	–	–	107,674	107,674	illiquid
Funds held in trust	–	–	–	–	–	21,329	21,329	illiquid
Total endowment and similar investments – campuses	\$249,097	\$65,149	\$150,911	\$44,790	\$10,237	\$169,389	\$ 689,573	

Long-Term Treasury Quasi-Endowment Fund

Fund Overview & Recommended Guidelines for
Withdrawals

Board Presentation | June 2026

What Is a Quasi-Endowment Investment Fund?

General Quasi-Endowment Definition

Internally designated funds that the institution — not the donor — has determined should be retained and invested for the long-term.

Unlike true endowments, the governing body retains the right to alter or revoke the designation and access the principal.

Managed under the same investment policies as permanent endowment assets.



Principal Flexibility

Board may access principal with proper authorization



Long-Term Horizon

Principal investment not expected to be needed in short-term and near-term



Pooled Investment

Co-invested in consolidated investment pool to achieve higher long-term investment returns

Spending Rate

- Subject to general endowment spending policy (currently 5% of trailing 12-quarter average market value)

Governance

- BOT policy BOT.G.1 delegates to FAC responsibility and authority for Quasi-Endowment funds
- Managed under same investment policies as permanent endowments

Investment Approach

- Co-invested in consolidated investment pool
- Diversified allocation targeting real returns above distributions and inflation; all returns — interest, dividends, and gains — above approved distributions are reinvested. The fund targets long-term real returns net of fees and inflation.

What Is the Long-Term Treasury Quasi-Endowment Fund (LTTI)?

Created in 2008 by USNH Board of Trustees



Preserve Long-Term Purchasing Power and Risk Mitigation

Recognize long-term intention of the investments and generate returns that exceed distributions, fees, and inflation to maintain real value over time. Provide a cushion against financial hardship and help maintain long-term financial stability and sustainability.



Provide Stable Funding Source

Provide a continuing and predictable revenue stream to support institutional mission and operations (enhance management planning) and eliminate the variability in annual income available to the institutions (5% annual total payout)

As of June 30, 2025 (FY25), the LTTI balance was \$317 million or 47% of the USNH endowment pool. Without appropriate guidelines in place to control potential withdrawal and replenishment of the long-term funds, permanent unplanned withdrawals will result in changes to the endowment pool asset allocation which could have unfavorable/legal implications on the true endowment/restricted endowments included in the USNH pool.

LTTI History

Follows annual performance of the USNH Endowment Fund (Pooled Investments)

*Portfolio Performance
(% annual return net of fees) as of March 2026*

Fiscal YTD	1 YR	3 YRS	5 YRS	10 YRS	Return Since	Inception Date
5.9	13.4	11.2	7.1	8.6	7.9	Jan-09

Fund Activity	Amount
Cumulative Fund Investments Beginning FY08	\$280 million
Cumulative Market Gains FY08-FY25	\$204 million
Cumulative Payout for Operating Budget Support FY09-FY25 (17 Years)	(\$117 million)
Strategic Investment Funding FY22 Withdrawal	(\$50 million)
Fiscal Year 2025 Ending Balance	\$317 million

Operating Budget Support For Select Fiscal Years	Amount
FY09	\$0.8 million
FY15	\$8 million
FY20	\$9 million
FY25	\$13 million
FY27 Budget	\$14 million

Summary & Recommendations

- 1 Robust governance ensures prudent oversight of both the long-term cash reserves and the total USNH endowment pool
- 2 Withdrawals for operating activity will deplete the USNH 'savings account' and further reduce annual support provided by the investment returns
- 3 Guidelines and expectations need to be clearly defined and communicated

Recommended Action

BOT or Financial Affairs to amend the purpose of the LTTI Quasi-Endowment fund to incorporate withdrawal guidelines included on slides 43 & 44.

USNH Future Leadership Recommendation

Prepared by Chancellor Provencher, with the support of Presidents Birx and Chilton
For Board of Trustees Meeting of June 25, 2026

The current organizational and governance structure of USNH is neither financially sustainable nor strategically efficient. The board has been discussing this for years, understanding the reduced number of high school graduates, the lower percentage of high school graduates choosing to attend college and the competitive market challenges, which have only worsened and will continue to worsen in the coming years. The current structure is not strategically organized to align authority with responsibility and accountability and to meet this challenging moment in higher education in New Hampshire. Coupled with significant declines in state support and changes at the federal level, action is needed now. The proposal below is just one small step toward the changes needed for the future health of USNH.

I propose the integration of the Chancellor's Office and its shared Services into UNH. This requires seeking statutory amendment in the next legislative session for a future leadership structure, effective July 1, 2027, whereby the USNH chancellor and UNH president are combined into one position in order to align responsibility, authority and accountability for the health of USNH under the institution that represents 80% of the system; UNH currently leads shared services for research, some HR and finance functions, and soon to be both advancement and enrollment. This position would report directly to the board with the president(s) of PSU and KSC reporting into this position. All functions provided under the current Chancellor role would be delivered under the new USNH Chancellor/UNH President by July 1, 2027.

Benefits:

1. Reduce executive level layers and other administrative duplication, which can complicate timely decision making in our small system.
2. Reporting to the board, one position is responsible and accountable for the success of the entire system.
3. Result in more consistency in business process, reporting, data gathering and analysis and more.
4. Create greater alignment and consistency in shared services across the system.
5. Likely to save more than \$1 million in administrative system office costs annually with additional opportunity for incremental \$5 to \$7 million in savings annually from more shared services in areas such as marketing and communications, registrar,

human resources, accreditation, Title IX and other compliance, student affairs and more.

Risks/Challenges:

1. May not be successful with statutory amendment needed to make this a permanent change
2. Change is exceedingly difficult across USNH. There will be disruption in shared business processes and valued employees may exit as changed organizational structures and reporting lines are established.
3. Perceived concerns about any individual serving as UNH President putting the needs of UNH ahead of the System, including PSU and KSC.

There are several other examples of university systems that have shared leadership with the leader of the flagship also serving as leader of the system. Don, Elizabeth, and I met with the Chancellor/President of the University of Houston System and the President/Chancellor of Washington State University. Both individuals lead both the flagship and the system. Both leaders indicated that it works extremely well. They noted that they are able to support local leadership of each campus, while also providing efficient shared services and collaboration across the system. They both remarked on decision-making efficiency and being able to leverage system-wide strategy.

If the Board approves this proposal, immediate action will be taken to engage with elected officials to identify support for statutory change. Additionally, a roadmap and implementation plan to transition system-wide functions into UNH will begin. These functions include accounting, treasury, general counsel, human resources, procurement, accounts payable, enterprise technology, internal audit, board support, government relations and more. As part of this transition, I recommend the Board prioritize designating the UNH Executive Vice President of Finance and Administration (EVPFA) to be the System Treasurer as soon as possible. This will provide time for transitioning responsibilities for investments, debt, and contract signing from the Vice Chancellor of Financial Affairs to the UNH EVPFA. This only requires a change in Board policy as statute provides the Board with the authority to name the treasurer.

If the Board does not agree with this recommendation, the Board should start a nationwide search for a new Chancellor at the end of FY 27, as my contract ends on June 30, 2028, and I do not plan to seek renewal. Further, if the Board does not approve this recommendation, I recommend that we not continue to ask UNH to take on additional shared services responsibilities; doing so without also delegating authority and accountability provides more risks than returns.

This recommendation is not made lightly. It will be a meaningful, disruptive, but necessary shift in the way USNH does business and makes decisions. We must streamline and break

down administrative layers wherever possible to best serve the future needs of our students and our State.

How would this work?

In merging the roles of the USNH Chancellor and the UNH President, UNH would be charged with leading shared services for the system. This is not to say that all functions would be led by UNH. Because the system's three institutions are and will continue to be three separately accredited institutions, unless decided otherwise in the future, there are certain functions that must be led and maintained at the home campus, particularly academic affairs and student-facing support. Thus, this move should not affect the day-to-day life of our students, faculty, and staff since it will be focused on "back-office" functions. Ideally, the impact on our employees and students will be greater alignment, efficiency, and effectiveness in administrative and support services.

If we decide to merge the Chancellor role and, by extension, the system office functions, we would save costs on leasing space, better utilize campus space in Durham, and integrate functions into existing offices at UNH. There would need to be a thorough analysis of staff roles and responsibilities, updating of position descriptions, and evaluating areas of redundancy and gaps.

The following are the existing functions in the system office that would integrate with existing functions at UNH.

System Office:

- Board's Executive arm and voice (external and internal constituents)
- Human Resources: Retirement, Benefits, time and leave reporting, HR Information Systems
- Procurement and Contracts, Accounts Payable, Travel and Expense Reimbursements, P-card Reconciliation/Accounting
- Treasury (cash, investments, debt, tax)
- Payroll, General Accounting, and Financial Reporting
- Internal Audit and External Audit
- Communications
- Legal Services
- Executive/Staff to Board Committees
- Insurance/Risk Management
- Institutional Research
- Legislative Liaison
- Enterprise Technology & Services

Current Shared Services led by UNH and serving KSC and PSU:

- Research Administration and Compliance
- HR: recruiting and onboarding, HR operations, compensation, training and development, business operations
- Accounts Receivable
- Financial Planning and Analysis, finance administration
- Advancement (*just begun*)
- Enrollment Management (*just begun*)
- Civil Rights and Equal Opportunity, including Title IX (*pending*)

There is the potential under this new structure to add additional shared services:

- marketing and communications
- registrar and other back-office academic administration
- accreditation administration

We estimate that the financial savings will be in the order of \$5-7 million per year when implemented. However, the primary benefit of the elimination of the system office is greater efficiency in decision-making, aligning authority with responsibility, and the elimination of administrative costs and inefficiencies. As a reminder, the Governor's Commission on Government Efficiency recommended that USNH look at areas to improve administrative efficiency.

Implications for Leadership at Keene State and Plymouth State

The mission of USNH is to ensure the accessibility of higher education to all Granite Staters, while also enrolling a student body from diverse backgrounds and locations to provide a robust student experience. We also seek to conduct research that contributes to the welfare of humanity and provides professional expertise that drives the state and national economies forward. In order to meet both of these objectives, we need to maintain a strong presence at all of our campus locations in Keene, Plymouth, Durham, Manchester, Concord, and across the state through our extension locations. Each of our main campuses serves distinct constituencies in both their student bodies and their surrounding communities. USNH needs to continually identify and build on the strengths of each of our campuses in order to serve this mission.

This requires strong local leadership at each of our campuses. This would not change with the merging of the system office and UNH shared services, and with the merging of the Chancellor and UNH President role. KSC and PSU would need to continue to have Presidents, who in this case would continue to report to the system chancellor. And the

Chancellor would continue to be the primary liaison of the President’s Council to the Board.

Share Services and Implications for other system roles

If we move forward with this proposal, we will spend the coming year working through the implementation of such a change, both from the perspective of state statute, but also the nuts and bolts of organizational structure. As system functions are integrated into UNH and/or as we continue to lean into more shared services beyond what we have at present, it will be important to identify expectations for other executive leaders. For example, the EVPFA at UNH could become the system CFO, and essentially have a dual role as both a system CFO and UNH CFO. This does not necessitate dual titles for all executive leaders who take on expanded system roles. But it does mean updating position descriptions and performance criteria, as well as expectations for accountability for all executive leaders and their staff.

Mitigating Risk and Avoiding perceived or real conflict of interest

First, it is important to note that since the 2008 global financial crisis, as higher education has increasingly found itself under both financial and public pressure, public university systems have increasingly looked to leverage the power of systems. The National Association of Higher Education Systems (NASH), of which we are a member, has gained significantly more members and engagement since the pandemic, as public university systems have come together to share best practices for student success. In their words:

“Rather than seeing systems as collections of disparate actors, we believe that systems can be coordinated players that leverage their power to convene and facilitate, along with their governing and policy-making authority, to build collaborations to support students and campuses, rather than trying to mediate competitive actions.”

Since the pandemic, there has been a significant push in higher ed to maximize the efficiency and effectiveness of our systems. There have been major restructuring efforts, combining and closing of campuses, and reconfigurations of public systems.

Even before the pandemic, many systems of higher education either moved to combine the system office and flagship campus administrative functions—and thus the President & Chancellor roles—or they have been that way for some time. Examples of such systems include:

- University of Montana
- University of Houston
- Washington State University

- Rutgers University
- University of Hawaii
- University of Missouri

Others combined the roles at various points in their histories:

- University of Maine
- University of Alaska
- University of North Carolina
- UMass
- Louisiana State University

The key to either the perception or actual conflict of interest in a combined role lies in the Board holding the Chancellor accountable—as they do today—for serving the state-wide mission of USNH, and that includes serving all USNH institutions to the best of their ability. There is no organization that will guard against poor leadership, and the board needs to identify goals and strategies in close alignment with the system chancellor.

The Way Forward

In closing, moving forward with this organizational change will not solve all of the challenges of USNH or higher ed in the state. But it is a necessary step to ensure that we have an optimal structure to face the significant headwinds that we face today and will face over the next several years. The current structure of our system is not sustainable. And the Presidents and Chancellor, whom you have entrusted with leading the state's strongest institutions of higher education, unanimously recommend to you this streamlined leadership structure as a necessary first step in addressing the hard work that needs to be done.