University System of New Hampshire

BOARD OF TRUSTEES

FINANCIAL AFFAIRS COMMITTEE

OCTOBER 22, 2026

UNIVERSITY OF NEW HAMPSHIRE
DURHAM, NH

MEETING MINUTES
Draft for Approval

Committee members present: Kevin Knarr, chair; James Burnett, III, vice chair; Kassandra Ardinger; Maureen Beauregard (remote); George Hansel; Brian McCabe; Peter Paul

Other trustees present: Matthew Ash; Donald Birx; Ludmilla Cejka; Elizabeth Chilton; James Gray, designee for the president of the NH Senate; Patrick Griffin; Shawn Jasper; Rick Ladd, designee for the speaker of the NH House of Representatives; Tessa Lancaster; Michael Pilot; Jennifer Higgins Pitre; Catherine Provencher; Wayne Semprini; Gregg Tewksbury; Christiana Thornton; David Westover

Other participants: Karen Benincasa, Greg Benson, Thomas Cronin, Marc Eichenberger, Natalie Houder, Robert Watling, Ken Weston

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Call to Order

Committee Chair Knarr called the meeting to order at 1:05 p.m.

Consent Agenda

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

Consent Items

- Approval of Minutes March 19, 2026
- Suspend Enrollment Limitation of Out-of-State Undergraduates at UNH

  VOTED, on recommendation of Elizabeth Chilton, President of the University of New Hampshire, that the Financial Affairs Committee recommends that the Board of Trustees suspend for FY28 the limitation of 25 percent imposed by state statute RSA 187-A:10 on the number of undergraduate students enrolled at UNH from domiciles outside the state, it having been determined that such suspension benefits the state and UNH without impairing the opportunity for qualified students of the state of New Hampshire to attend UNH.

FY26 Year-End Financial Results

Vice Chancellor Benincasa reviewed the year-end financial results compared to budget. Despite lower enrollment, reduced state support, and other challenges, recurring operating margin exceeded budget by $22.6 million and was 3.0 percent of operating revenues, largely due to lower medical expenses, higher investment return, and reduced expenses from cost-containment and reduction measures. Additionally, nonrecurring expenses were lower than budget partially related to timing.

She further indicated that, although FY26 results were favorable, some variances were uncontrollable such as employee medical claims and financial market returns on investments. Looking forward and based on the final FY26 results, USNH expects that FY27 medical expense may be approximately $3 million lower than the current budget and expects a higher return on short-term investments based on current returns and market information. Those improvements would reduce the budgeted FY27 loss, if they materialize.

Vice Presidents Watling and Houder reviewed the institution-level year-end financials, and Vice Chancellor Benincasa noted cash flow was favorable to budget primarily related to the improved operating results and lower one-time costs.

Systemwide Balance Sheet Allocation

Vice Chancellor Benincasa reported that centrally held system balances have been fully allocated to the three institutions. Total assets of $309.8 million and total liabilities (debt, leases, and benefits obligations) of $123.4 million were allocated according to methodologies established by the USNH Finance Executive Council (FINEC). She stated that no material central assets, liabilities, or net position remain from FY26 forward, with the income statement and balance sheet activity to continue to be fully allocated to the institutions.

FY26 CFI / NECHE Financial Review

Nonpublic Session: At 1:55 p.m., on a motion duly moved and seconded, the committee voted by roll call, with no votes dissenting, to enter nonpublic session for the reason stated below.

> **VOTED**, *that the Committee enter nonpublic session for the purpose of considering confidential commercial or financial information as permitted by 91-A:3.II(j).*

Return to Public Session: At 2:26 p.m., on a motion duly moved and seconded, the committee voted to return to public session. No action was taken while in the nonpublic session.

Sealing of the Nonpublic Record: Upon returning to public session, the motion below was duly moved, seconded, and approved by roll call, with no votes dissenting.

> **VOTED**, *pursuant to RSA 91-A:3:III, that the minutes of the nonpublic session be sealed until such time as the Chancellor determines that the disclosure would no longer frustrate the purpose of the nonpublic session.*

Fall 2026 Enrollment and Primary Student Revenue for FY27

Vice Presidents Houder and Watling reported that fall 2026 enrollment levels resulted in unfavorable variances with budgeted FY27 primary student revenue (net tuition/fees and auxiliary services). Projected FY27 systemwide primary student revenue is now expected to be approximately $2.8 million (0.5 percent) below the FY27 budget approved by the Board in June 2026. Forecast details for each institution were reviewed, with UNH projecting a favorable variance and KSC and PSU projecting unfavorable variances. Vice President Houder discussed KSC and PSU enrollment assumption variances.

FY27–FY30 Long-Term Plan (LTP)

Vice Chancellor Benincasa provided an update on long-term planning to safeguard the financial sustainability of the three institutions. She reviewed the projected effect of phase 2 initiatives, noting that if all of the initiatives succeeded as planned, the phase 2 projections indicate there would still be a $30.6 million gap to achieving a 1 percent recurring operating margin by FY30, all other factors remaining constant. As the long-term planning work is not complete at this time, for the facilities and shared services categories, she identified current phase 3 activities that included increasing facilities operations capabilities, continuing to advance footprint reduction plans, and improving and identifying additional shared services opportunities. Campus-specific initiatives were discussed in the subsequent nonpublic session.

Nonpublic Session: At 2:58 p.m., on a motion duly moved and seconded, the committee voted by roll call, with no votes dissenting, to enter nonpublic session for the reason stated below.

> **VOTED**, *that the Committee enter nonpublic session for the purposes of discussing strategy or negotiations related to collective bargaining and considering confidential commercial or financial information as permitted RSA 91-A:2.I(a) and 91-A:3.II(j).*

Return to Public Session: At 3:35 p.m., on a motion duly moved and seconded, the committee voted to return to public session. No action was taken while in nonpublic session.

Sealing of the Nonpublic Record: Upon returning to public session, the motion below was duly moved, seconded, and approved by roll call, with no votes dissenting.

> **VOTED**, *pursuant to RSA 91-A:3:III, that the minutes of the nonpublic session be sealed until such time as the Chancellor determines that the disclosure would no longer frustrate the purpose of the nonpublic session.*

LTTI Quasi Endowment Risk Mitigation

Vice Chancellor Benincasa reported on the Investment Committee's recommendation to liquidate and move $150 million of assets over 18 months from the long-term treasury investment (LTTI) quasi-endowment fund to short-term investments as a risk mitigation measure, and she provided an overview of cash and short-term investment projections. She stated that the cash would be moved incrementally, if needed, to de-risk over time and to ensure adequate liquidity is available over the next several years during which time many financial and operational improvement initiatives will be implemented as part of the long-term plan. Chair Knarr noted that USNH should remain within its current asset allocation policy assuming the 7 percent return and other factors modeled by Prime Bucholz. A 2.5 percent return will be tested to determine the lower rate effect on asset allocation.

Following discussion, the motion below was duly moved, seconded, and approved by roll call vote, with no votes dissenting.

> **VOTED,** *on recommendation of the Financial Affairs Committee, that the following motion be presented for consideration to the Board of Trustees:*
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> > *(BOT): MOVED, pursuant to policy BOT.IV.G.1, amended in June 2026 (see Appendix section C Risk Mitigation) that $150 million of LTTI investments are authorized to be liquidated and transferred to the Cash and Short-Term investment pool on a pro-rata quarterly basis between January 2027 through June 2028, to support the potential liquidity needs of the system through fiscal year 2030.*

Maximum FY28 Tuition Rates, Mandatory Fees, and Room and Board Rates

Vice President Watling reviewed the proposed FY28 cost of attendance maximum rate increases, with comparison to regional market rates.

Maximum increases for resident and nonresident rates:

- Undergraduate Tuition +2.5%
- CPS Online Tuition +2.9%
- Graduate Tuition +2.5%
- Program Tuition Differential +2.5%
- Mandatory Fees +2.5%
- UNH housing +4.0% / dining +4.0%
- KSC housing +3.0% / dining +5.0%
- PSU housing +3.0% / dining +5.0%

The motion below was duly moved, seconded, and approved by roll call vote, with no votes dissenting.

> **VOTED**, *on recommendation of the Chancellor, that the following motion be recommended for consideration by the Board of Trustees.*
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> > *(BOT:) MOVED, on recommendation of the Financial Affairs Committee that, effective for academic year 2027-28, the maximum tuition rate, mandatory fees, room and board rate annual increases as presented on the attached schedule be adopted as the maximum amounts authorized.*

FY28 Budget Assumptions and Parameters

Following a review by Vice President Watling of the proposed assumptions and parameters for the FY28 operating budget, capital budget, debt, and cash, the motion below was duly moved, seconded, and approved by roll call vote, with no votes dissenting.

> **VOTED**, *that FY28 budget planning assumptions and parameters as outlined in the meeting materials be approved for use in developing the FY28 budget.*

UNH Financial Accountability Framework

Vice President Watling introduced a financial accountability framework designed to measure both recurring and nonrecurring financial activity combined in four areas: structural operating margin, sustainable margin (EBIDA), debt service coverage (EBIDA over principal and interest), and capital reinvestment. He stated that every metric for UNH closed FY26 inside or above its initial and internally set target band, as an example. As conceptualized, falling below a target band would trigger reporting to the Financial Affairs Committee. He noted that framework refinement, possibly including target band adjustment, and expanding the framework to all institutions, which is now facilitated by having a fully allocated balance sheet, is expected prior to the March committee meeting.

UNH Update on The Edge

Tom Cronin, chief of staff to President Chilton, introduced two guests, Greg Benson, a senior project manager for Brailsford and Dunlavey, and Marc Eichenberger, associate vice president and chief business development and innovation officer for UNH Innovation. President Chilton introduced the newly appointed vice president for research and innovation, Ramy Rahimi. Tom provided an update on the efforts to advance the proposed Edge project that would strengthen UNH connections to industry research partners. Information addressed the status of pre-development activities slated for completion by March 2027; status of town approvals; proposed governance framework; phased implementation design; and phase 1 scope. Further discussion of phase 1 was conducted in nonpublic session. Marc Eichenberger and Ken Weston, interim associate vice president for facilities at UNH, participated in the discussion.

Nonpublic Session: At 4:30 p.m., on a motion duly moved and seconded, the committee voted by roll call, with no votes dissenting, to enter nonpublic session for the reason stated below.

> **VOTED**, *that the Committee enter nonpublic session for the purposes of considering the acquisition, sale, or lease of real or personal property which, if discussed in public, would likely benefit a party or parties whose interests are adverse to those of the general community and consultation with legal counsel pursuant to RSA 91-A:3.II(d) and 91-A:2.I(b).*

Return to Public Session: At 5:06 p.m., on a motion duly moved and seconded, the committee voted to return to public session. No action was taken during the nonpublic discussion.

Upon returning to public session, Tom presented potential future steps and a draft timeline.

Adjournment

There being no further business or discussion, the meeting adjourned at 5:10 p.m.