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President Announces Strategies To Address Financial Challenges

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May 14, 2008

DURHAM, N.H. – Today, President Mark Huddleston announced a series of strategies to address the projected FY09 UNH budget deficit, as well as financial challenges beyond FY09. The four documents include:

A press release about today's announcement

A summary of the strategies

A copy of the letter sent to all faculty and staff today

A copy of a letter sent to faculty and staff in April, outlining the challenges that face UNH.

Below is the letter to faculty and staff. To read the other three documents, click on one of the links below:

- [President Announces Plans To Address Serious Financial Challenges](#)
- [Strategies to address the FY09 deficit](#)
- [UNH's Financial Status](#)

Memorandum

To: UNH Faculty and Staff

From: President Mark W. Huddleston

Date: May 14, 2008

Subject: Budget Improvement Plan for UNH

By now you will have received the memo from Dick Cannon and David Proulx describing the financial challenges facing UNH. I know that we have been through rough financial patches before and that faculty and staff have responded conscientiously and creatively, consolidating business services, offering separation incentive plans, finding ways to increase research funding, reorganizing athletics and COLSA, increasing undergraduate and graduate enrollment, and so on. As effective as these efforts have been, however, our revenues and expenditures are still not fully in balance, nor will they be without further deliberate and decisive action. We must consider new measures to ensure that we continue to accomplish

our core institutional missions with excellence and integrity.

We need to think about this problem on at least two levels. First, we have an immediate need to ameliorate the deficit for FY09, currently projected to be in excess of \$8 million. Second, we need to identify and implement longer term strategies to address the structural dimensions of our financial challenges. Arrayed below is a series of steps currently underway as well as those we anticipate taking in the near future. The Central Budget Committee has been helpful in providing guidance and advice on many of these steps.

Success with these strategies will require hard work, engagement, and patience from the entire campus community. It won't always be easy or fun, but I am confident that grappling with our financial challenges now in a serious and focused way will position us to become an even stronger institution in the years ahead.

Strategies to address the FY09 deficit

Expense reductions

Reduce the Central Strategic Investment Fund

UNH must make strategic investments for the future, even in times of financial stress. We had initially planned to allocate \$800,000 for such investments in FY09 but have decided to reduce that figure to \$400,000.

Lead Person: President Huddleston

Due Date: Complete

Institute a hiring freeze

As announced on May 8, UNH has invoked a hiring freeze for all non grant-funded, benefits-eligible faculty and staff positions. Though difficult, this step is essential given the size of the deficit projected in FY09 and beyond. A mechanism has been developed to consider case by case exceptions to the freeze, ensuring that vital operations will be maintained; we expect exceptions to be rare.

Lead People: Provost Mallory and VP Cannon

Due Date: Complete

Achieve targeted expense reductions

Staff members from the offices of VP Cannon and Provost Mallory are currently working with each unit to improve their FY09 budget positions. Each unit is being asked to commit to specific revenue enhancement and expense reduction strategies for FY09. All units (administrative, academic, research and auxiliary) are participating in this process.

Lead People: VP Cannon and Provost Mallory

Due Date: June 1, 2008

Work with USNH to reduce administrative costs

UNH has been working with the USNH Chancellor's office to reduce the scheduled increases in UNH central service payments and will continue to seek cost savings and efficiencies in System operations wherever possible.

Lead Person: President Huddleston

Due Date: July 1, 2008

Revenue goals

Ensure strong undergraduate enrollments for fall, 2008

The University's financial structure is based on strong, stable enrollments. VP Rubinstein is working with offices and departments across the University to monitor and optimize enrollment for both new and continuing students.

Lead Person: VP Rubinstein

Due Date: May 15, 2008

Develop a contingency plan to respond to a possible shortfall in state funding

Reports from the state indicate that a significant budgetary shortfall exists and may continue for several years. The state budget woes may have an impact on the funding UNH receives from the state. If funding to UNH is affected, we will need to consider a range of actions to bridge the gap, including additional tuition increases. We will work with USNH and the USNH Board of Trustees on appropriate contingency plans.

Lead Person: VP Cannon

Due Date: June 1, 2008

Strategies to address the ongoing "structural" deficit

Expense Reductions

Control medical costs

Medical insurance costs have grown by 14% or more annually over the past few years, a trend that threatens to continue. UNH cannot afford this level of increase on what is already a \$30 million expense item. VP Cannon will organize and lead a UNH Health Care Task Force comprised of faculty and staff to work with USNH to identify more effective cost containment strategies.

Lead Person: VP Cannon

Due Date: June 30, 2009

Achieve administrative cost reduction

We will conduct a thorough review of central administrative services and will seek to increase efficiency and consolidate operations where possible and appropriate. All units funded via the General Assessment will be reviewed. Opportunities to partner with USNH for services will be examined.

Lead Person: President Huddleston

Due Date: March 1, 2009

Targeted program/service reductions

UNH will look carefully at all programs and services to ensure that each one fits within the mission of UNH and that benefits justify costs. Academic units already undergo program reviews at the undergraduate and graduate levels. Similar reviews will be undertaken with administrative units. More generally, a process allowing inter-unit comparison and priority-setting will be developed.

Lead Person: President Huddleston

Due Date: December 31, 2008

Increase energy conservation efforts

UNH is a nationally recognized leader in sustainability and energy conservation. As the cost of energy continues to rise, however, we need to redouble our efforts. The UNH Energy Task Force (ETF) will focus on behavioral, cultural, and policy changes as well as capital investments to reduce energy costs. Payback periods will vary. Our initial target is a 5% cost

reduction per year.

Lead Person: Interim VP Eighmy

Due Date: Ongoing

Revenue Goals

Significantly increase institutional advancement efforts

It is essential that we position ourselves to increase private giving to UNH—for current use, endowment, and capital projects. This will involve major investments in our advancement infrastructure, particularly in the UNH Foundation and the Alumni Association, as well as significant changes in our expectations and in our institutional culture.

Lead Person: President Huddleston

Due Date: Ongoing

Maximize the use of our physical assets to generate additional revenue

UNH will form a workgroup in the fall of 2008 to begin discussions on maximizing revenue during periods of time when the campus is not fully utilized – winter break, spring break, summer, Fridays, weeknights, weekends, etc. This effort will require involvement of all areas of campus.

Lead People: Provost Mallory and VP Cannon, Faculty Senate

Due Date: June 30, 2009

Employ information technology solutions where possible to increase net revenue

The Steering Committee on Information Technology (SCIT) at UNH will work with the UNH community to identify how we can deploy information technology to conduct our core activities—academic and administrative—in ways that are more effective and cost-efficient.

Lead Person: VP Cannon

Due Date: June 30, 2009

Consider changing the academic calendar to increase enrollment capacity

The Faculty Senate, Deans' Council and Provost's Office will work to identify alternatives to the current academic calendar (two semesters with summer session) to increase teaching and learning opportunities, use our assets more productively, and expand our capacity to serve students.

Lead People: Provost Mallory, Faculty Senate

Due Date: December 31, 2009

Develop professional graduate programs

Provost Mallory will work with the Deans' Council to identify opportunities to develop new and enhance existing professional graduate programs, especially those that can generate additional net tuition revenue.

Lead Person: Provost Mallory

Due Date: December 31, 2008

Strategically increase sponsored research activity

The Blue Ribbon Panel on Research is currently developing recommendations to enhance the research enterprise at UNH. In the context of our financial challenges, we will pay particular attention to the Panel's proposals for facilitating the growth of extramurally sponsored research.

Lead person: President Huddleston

Due Date: December 31, 2008

Develop a strategic undergraduate enrollment plan

To achieve our mission of providing an outstanding undergraduate educational experience, we need to ensure that we attract the right students interested in enrolling in the right programs at the right price. This, in turn, requires that we develop and follow a strategic enrollment plan that reflects a robust and integrated approach to recruitment, pricing, and financial aid management.

Lead Person: VP Rubinstein

Due Date: December 31, 2009

Increase intellectual property licensing revenue

UNH has entered the intellectual property marketplace, increasing its revenue from \$11,000 in FY97 to over \$200,000 in FY07. While a good start, this is significantly less than comparator institutions realize. UNH needs to increase this revenue stream considerably. The Interim VP for Research will develop and submit a plan to accomplish this objective, including any required investments and the likely return on those investments.

Lead Person: Interim VP Eighmy

Due Date: September 1, 2008

