A Positive Return on Investment

Request for State Appropriations
For Fiscal Years 2016 and 2017
The State, by creating in statute the University System of New Hampshire, acknowledges its responsibility for the educational needs of our citizenry and recognizes that **Education Is Key** to New Hampshire’s long-term welfare, economic prosperity, and quality of life. This well-coordinated system of public colleges and universities provides our State with tremendous benefits—directly to tens of thousands of students and alumni and indirectly to the hundreds of thousands of citizens, businesses, and nonprofits that call New Hampshire home.
USNH is committed to providing affordable access to higher education.

USNH commits to allocate the appropriation increase above the fiscal year 2015 level of $84 million to

- Meet the needs of NH families and students through increased affordability and access by freezing in-state tuition for an additional two years,
- Provide critical support for STEM students to meet the needs of the NH economy, and
- Provide scholarships to equalize tuition on defined workforce partnership programs with the Community College System.

Despite the reduction in state appropriation in 2012 and 2013, USNH continued to fund financial aid at 2011 levels to minimize the direct impact on NH students.

Of the total State appropriation, USNH funds more than $12M in direct State services and mandates, including $6M to the Cooperative Extension, $4M to the NH Agricultural Experiment Station, and $1.5M for tuition benefits to our National Guard members. The balance of the State support provides direct need-based financial aid to NH students and helps to offset the difference between resident and nonresident tuition.

State funding at $100M will restore USNH funding to the FY 2009 level.

NH State support for public higher education remains the lowest in the US by nearly any measure. At the $105M funding level, State support for USNH would amount to less than 2% of the total State budget (FY 2015).

USNH + CCSNH Partnerships = Win: Win For NH Students and Economy

USNH continues to seek partnership opportunities with NH’s Community College System (CCSNH) to best serve the residents of our state. More than 130 program articulation agreements and “2+2” pathways are in place, with more in progress—and colocating of Granite State College and CCSNH in Manchester, Nashua, and Portsmouth (to date) drives efficiency through coordinated programming and advising.

USNH is working with CCSNH to target workforce needs through innovative partnership programs, such as a new RN to BSN program, announced this year, which will enable CCSNH’s nursing students (approximately 300 annually) to go on to earn a bachelor’s degree at a USNH institution at the prevailing CCSNH tuition rate. More such programs are expected in the future.

Data from Illinois State University, Center for the Study of Education Policy, Grapevine; US Census Bureau 2013 population estimates, most recent available. State appropriations for two- and four-year institutions.
USNH leads New England public higher education in operating efficiency.

“Despite an extremely steep cut in state funding in the last biennium, USNH maintained strong operating performance with another year of positive operations projected for FY 2014. The System is focused on cost containment and increased efficiencies, and educational expenses per student have declined.”

USNH institutions continuously find ways to operate efficiently and effectively to provide an affordable education while maintaining high levels of quality both regionally and nationally. USNH leads New England in operating efficiency—despite the fact that the second-most efficient system receives four times the amount of State support per capita age 18 to 24. Administrative overhead is one of the smallest components of USNH expense due to its organizational design that promotes collaboration, shared services, and cost sharing, along with innovative operating practices and cost-containment measures.

USNH expenses are about 25% lower than the regional average and about half as much as NH private nonprofit colleges.

When comparing overall education and general expenditures to its New England counterparts and NH private nonprofit four-year colleges, USNH expense per student is the lowest.

Numerous cost-containment actions, such as separation incentive programs, employee benefits changes, and a move to self-insured health benefits have helped to suppress the rate of expenditure growth. Many of the savings initiatives are designed to permanently reduce costs.

USNH is actively working to minimize the reliance on tuition and student fees as a primary revenue stream. All campuses have ramped up fundraising efforts, are working to generate revenues from facilities usage over the full year, and are expanding online as well as summer session courses to increase capacity for additional enrollments without adding significant costs.

Data from USNH unaudited financial statements. Revenues reflect gross tuition/fees, not netted for student financial aid. Capital additions excluded.
USNH provides high quality education benefitting NH’s students and economy.

The following pages present impressive outcomes information supporting the themes of quality, access, and return on investment by our state’s University System.

While we are proud of our operating efficiencies, the real achievement for USNH is the quality educational outcomes our students experience. Our students complete degrees in a timely manner and go on to successfully repay student loans, an indication that our graduates are gainfully employed.

At the state level, the 78% degree attainment rate of USNH bachelor’s students ranks #1 in New England and #3 in the country among public four-year institutions.

The quality of USNH education is evident in our students’ graduation rates which exceed all other New England public bachelor’s completion averages. USNH even exceeds the average six-year rate of NH private nonprofits. Similar to the graduation rate, the attainment rate measures degree completion by students who start at one institution and complete at the same or another institution within six years.

USNH student loan default rate at 4.9% ranks 3rd lowest in the nation for public four-year institution state average.

High graduation and degree attainment rates directly relate to the low three-year student loan default rates of USNH students. High rates of degree completion indicate students are more likely to be employed and able to repay student loans.

Low default rates indicate students are well prepared for gainful employment and real world success. The USNH student loan default rate at 4.9% ranks third lowest in the nation for public four-year institution state average, behind Iowa and North Dakota, both at 4.6%. Nationally, across all sectors of postsecondary education, 15% of students entering repayment default on their student loans—three times the average rate of USNH students.
Providing access to higher education is critical to the University System’s mission. To this end, USNH has steadily increased NH student financial aid each year, notwithstanding cuts in appropriations. The State operating appropriation to USNH not only funds need-based financial aid for NH students, it provides a subsidy to all resident students. Whereas State support is not at a level to fund financial aid and the entire tuition subsidy, other revenue sources, such as nonresident tuition, are used to partially offset the gap.

Following nearly a decade of steady enrollment growth, NH resident enrollment dropped in FY 2013, coinciding with the 2012 decrease in State support and the related increase in tuition rates. In two years’ time, 2013 and 2014, resident degree enrollment dropped by nearly 1,400 students. Public response, from guidance counselors and parents in particular, suggests that the high visibility of the State funding decrease undercut the confidence of students and their families that USNH would be able to maintain quality and meet NH students’ needs.

USNH has instituted a number of initiatives to address the enrollment decline, among them, working with the State to secure increased appropriations in FY 2014 and 2015, which enabled an in-state tuition freeze in both years.

Pathways between public systems of higher education facilitate access and student success. Following implementation of NHTransfer.org and numerous partnership initiatives, transfers of CCSNH students to USNH institutions have increased by 65%.
USNH plays the lead role in educating NH’s current and future workforce.

USNH degree and certificate completions have grown steadily over the past 10 years, with a 55% increase in bachelor’s degrees awarded annually.

In FY 2013, USNH awarded more than half of NH’s bachelor’s degrees and certificates and graduated 23% more students at the bachelor’s level than did the 13 NH private baccalaureate institutions combined. The steady upward trend in awards coincides with improved graduation rates for first-time freshmen and reflects strategies adopted by USNH institutions to help students to optimize time to degree.

USNH continues to grow its number of graduate-level offerings to meet workforce needs, while moderating the number of associate’s programs in recognition of CCSNH’s role as the state’s accredited public community college system.

USNH is committed to increasing the number of STEM graduates to support NH’s growing high-tech industry and the state’s economy.

Workforce Responsive Programs
New or in development

- **Associate of Applied Science**
- Integrated Agricultural Mgmt
- Veterinary Technology
- **Bachelor of Science**
- Accounting and Finance
- Allied Health Sciences
- Bioengineering
- Communication Studies
- Digital and Social Media
- Health and Wellness Sciences
- Human Resources Administration
- Information Technology
- Marketing
- Operations Management
- Public Safety Management
- Social Science
- Technology Management
- **Master of Science**
- Applied Behavioral Analysis
- Leadership
- Management
- **Doctorate**
- Nurse Practice
- Statistics

USNH is NH’s primary supplier of bachelor’s degrees in STEM, awarding 61% of the State’s four-year STEM degrees in 2013.

According to labor market research, 52% of all entry-level jobs requiring a bachelor’s degree or higher in NH in 2013 were in STEM. Of the nearly 12,000 entry-level STEM jobs, 59% required a bachelor’s degree or higher. USNH STEM degree awards have increased steadily over the past 10 years, with notable gains in the past 5 years—achieving in FY 2013 a 50% increase over the decade. To help to meet continuing workforce needs, USNH has committed significant resources around STEM and has initiated numerous strategies and partnerships with K-12, CCSNH, and the business community to continue to expand STEM education attainment.
USNH provides students with higher earning potential, adding value to the NH economy.

Each USNH graduating class is estimated to earn an additional $30 million more annually and contribute more than $1 billion in economic activity over their working lifetime.

NH workers age 25 and older with a bachelor’s degree earn 59% more annually than do high school graduates without a degree. Using median earnings data for NH, in 2012 dollars, and adjusting a single year’s number of USNH bachelor’s graduates downwards by two-thirds to conservatively account for resident and nonresident students who leave the state after graduation—the remaining grads who live and work in NH contribute an estimated $30 million more annually to the State’s economy than they would have with only a high school diploma. Over the average working lifetime, this fraction of a single class of graduates can generate more than $1 billion in additional economic activity (not inflation adjusted).


In addition to the clear economic benefits of higher education during a degree-holder’s lifetime, educated citizens are more likely to be civically engaged and to volunteer their time, are less likely to require public assistance, and live healthier lives.

By education attainment level, the percentages of the NH population who ...


For more information, contact
Catherine Provencher, USNH Vice Chancellor and Treasurer
catherine.provencher@usnh.edu
(603) 862-1622