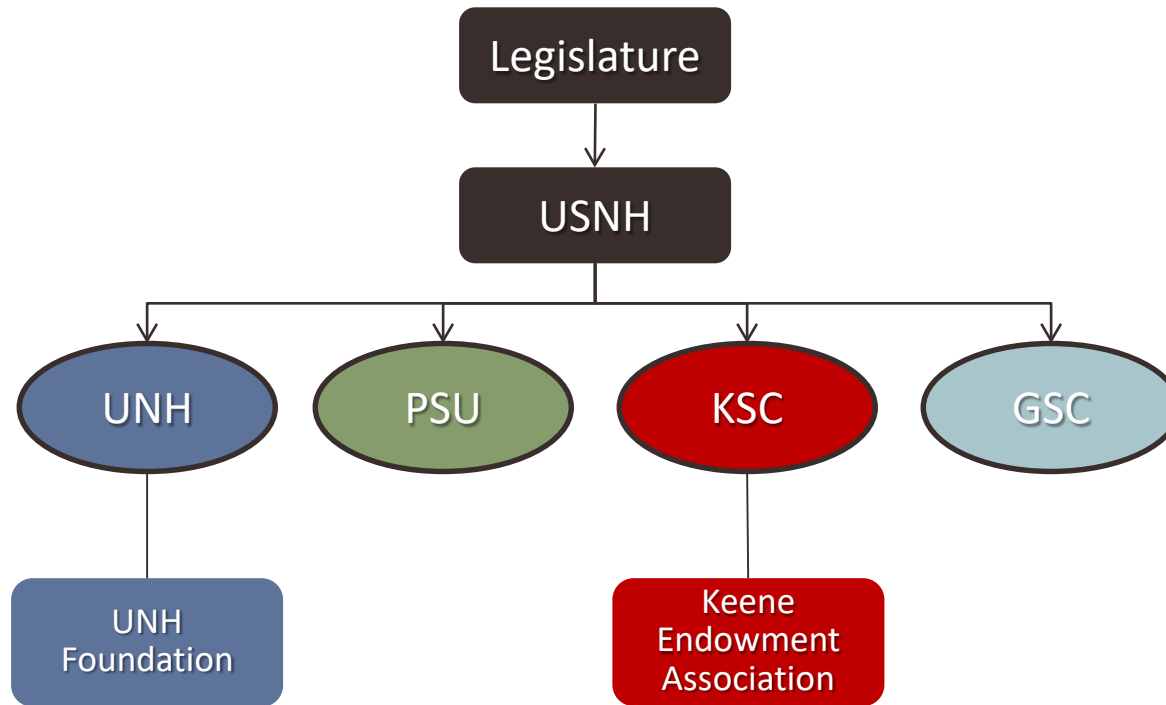


House Finance Committee  
USNH Orientation

January 22, 2019

## USNH Overview

# University System of New Hampshire



## **Public Institution**

Corporate Charter  
(RSA 187-A)

## **Board of Trustees**

29 Trustees

*Committees*

*Chancellor*

*Administrative Board*

“The university system shall be governed by a single board of trustees who shall be responsible for ensuring that its components, each having a unique character and educational mission, operate as a well coordinated system of public higher education”  
(RSA 187-A:2-a)

# USNH Uses of State Operating Support

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Appropriations to USNH are used for two purposes:

- **Buy down in-state tuition**

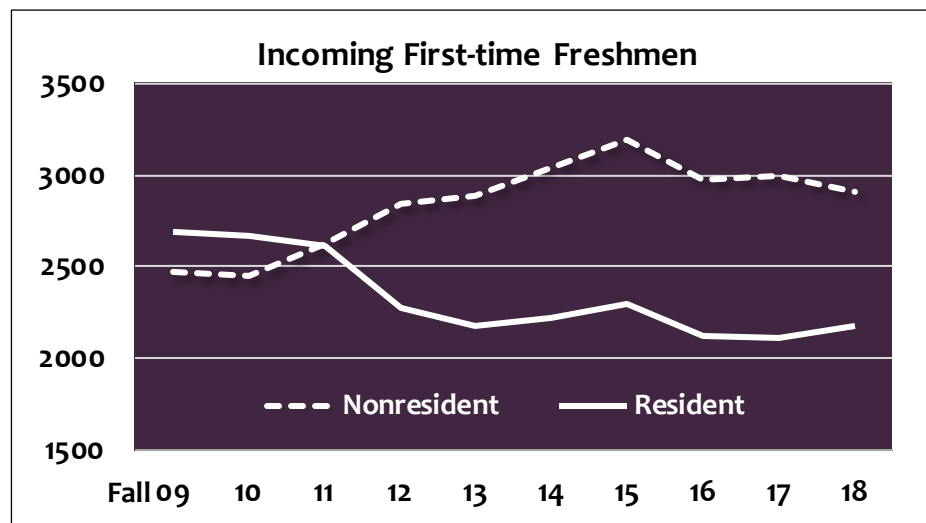
	<b>Undergraduate Tuition Academic Year 2018-19</b>	
	<b>NH Resident</b>	<b>Nonresident</b>
UNH Durham	\$15,140	\$30,520
Plymouth State	\$11,580	\$20,250
Keene State	\$11,468	\$20,432
Granite State	\$314/credit	\$355/credit

- **Fund statutory programs totaling approximately \$13 million annually:**

- Cooperative Extension Service
- Agricultural Experiment Station
- Center for Industrial Research Development
- Marine Research and Development

# Full-Time Equivalent Credit Enrollment Fall of Each FY And Trend of Incoming Freshmen Residency Mix

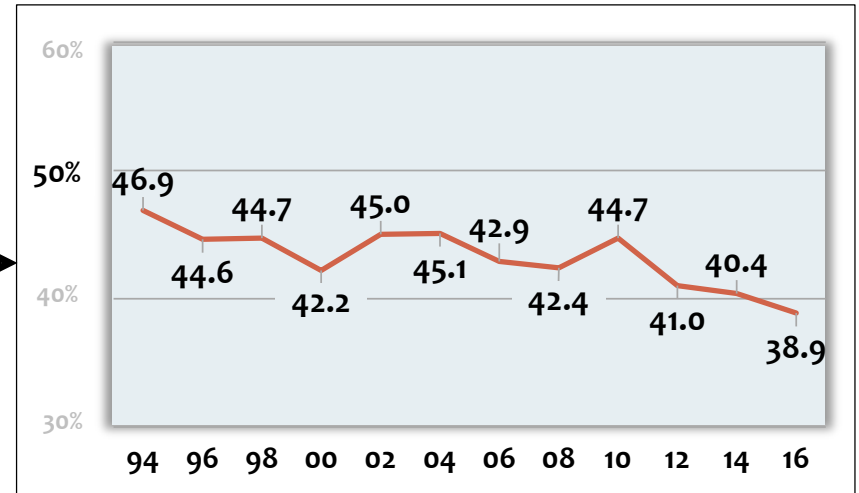
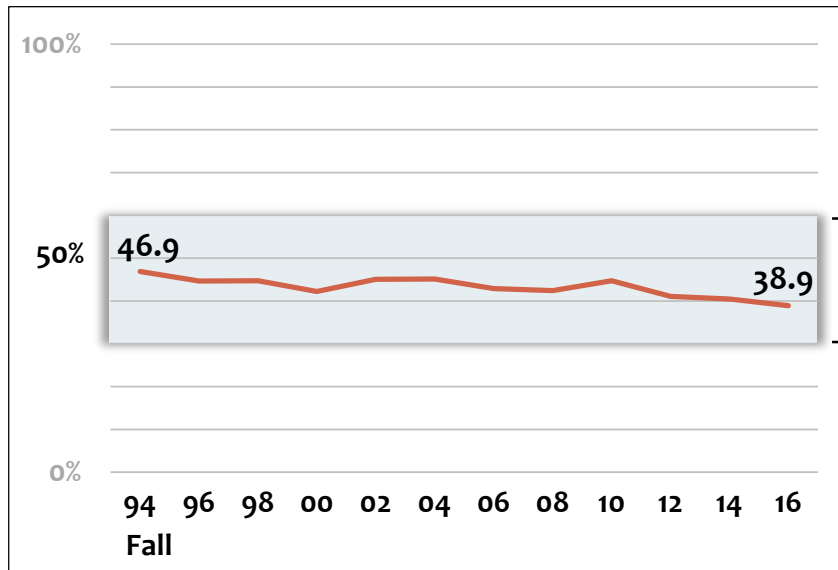
	<b>2017</b>	<b>2018</b>
UNH (all campuses)	15,473	15,669
PSU	4,641	4,694
KSC	4,160	3,758
GSC	1,584	1,446
Total USNH FTEs	<u>25,858</u>	<u>25,567</u>
NH Resident	13,240	12,940
Nonresident	12,618	12,627
Total USNH FTEs	<u>25,858</u>	<u>25,567</u>



*residential campuses*

# 4-Year College-Going NH High School Grads Enrolled in NH

*Percent of 4-year college-goers enrolled in state*



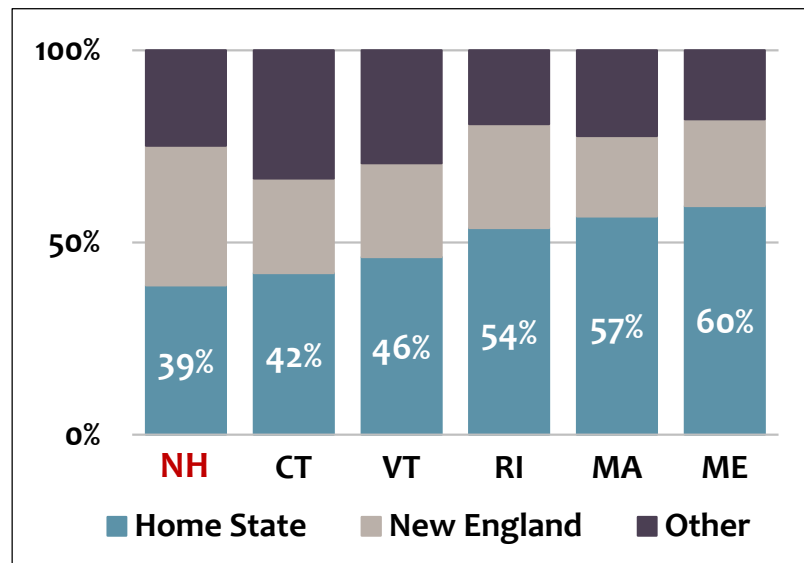
Current 4-year-college in-state enrollment of NH high school grads = 38.9%

A goal of 45% would mean keeping an additional 350 NH high school grads in state,  
beyond the ~3,000 actually retained each year (goal of 50%  $\approx$  additional 700)

Data from U.S. Department of Education, National Center for Education Statistics, IPEDS, biennial data collection. Fall 2016 provisional data, most recent publicly available for comparability. Students graduating from high school within 12 months prior to fall enrollment. Goal calculations based on fall 2014 final data.

# New England Enrollment 4-Year College-Going High School Grads

## State Share by Residency

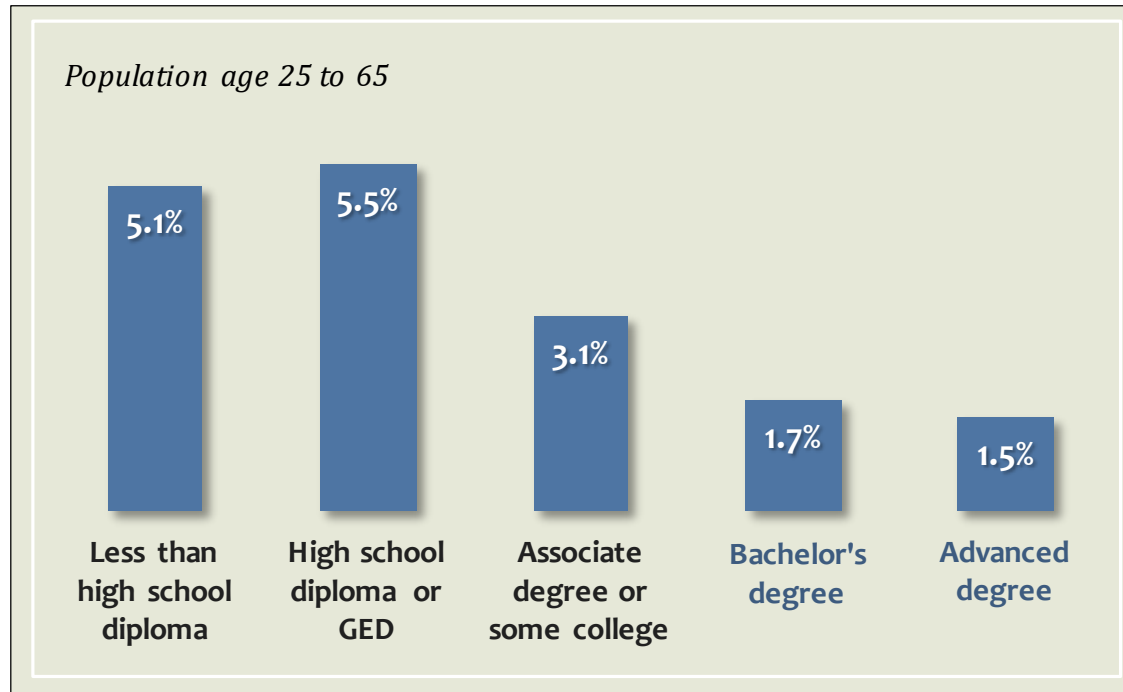


Data from U.S. Department of Education, National Center for Education Statistics, IPEDS, biennial data collection. Fall 2016 provisional data, most recent publicly available for comparability. Students graduating from high school within 12 months prior to fall enrollment. "Other" reflects high school grads coming from states outside of New England.

## New Hampshire's Workforce Challenge



# NH Unemployment by Level of Education



Data from U.S. Census Bureau, 2017 American Community Survey Public Use Microdata Sample

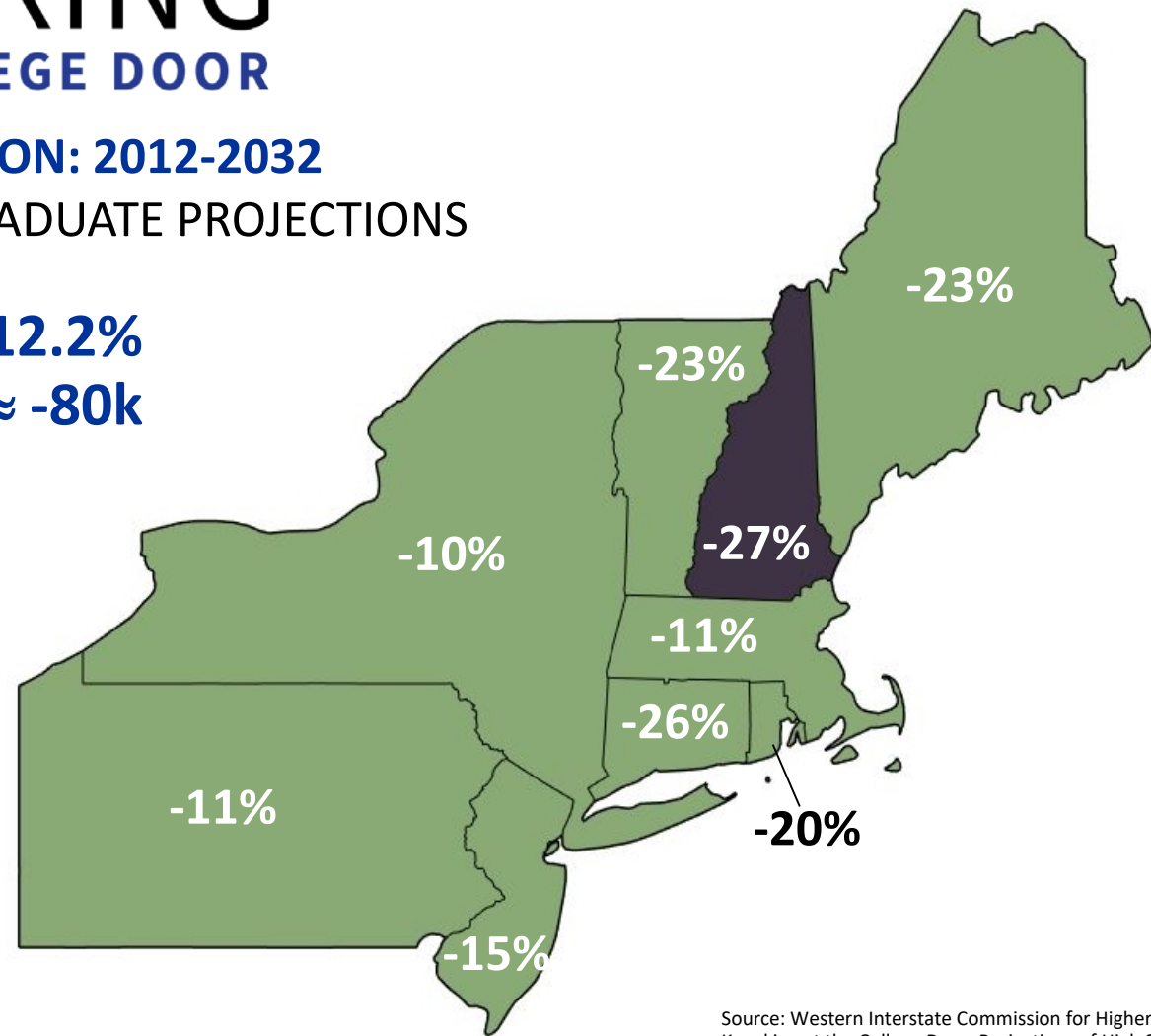
# KNOCKING

## AT THE COLLEGE DOOR

**NORTHEAST REGION: 2012-2032**

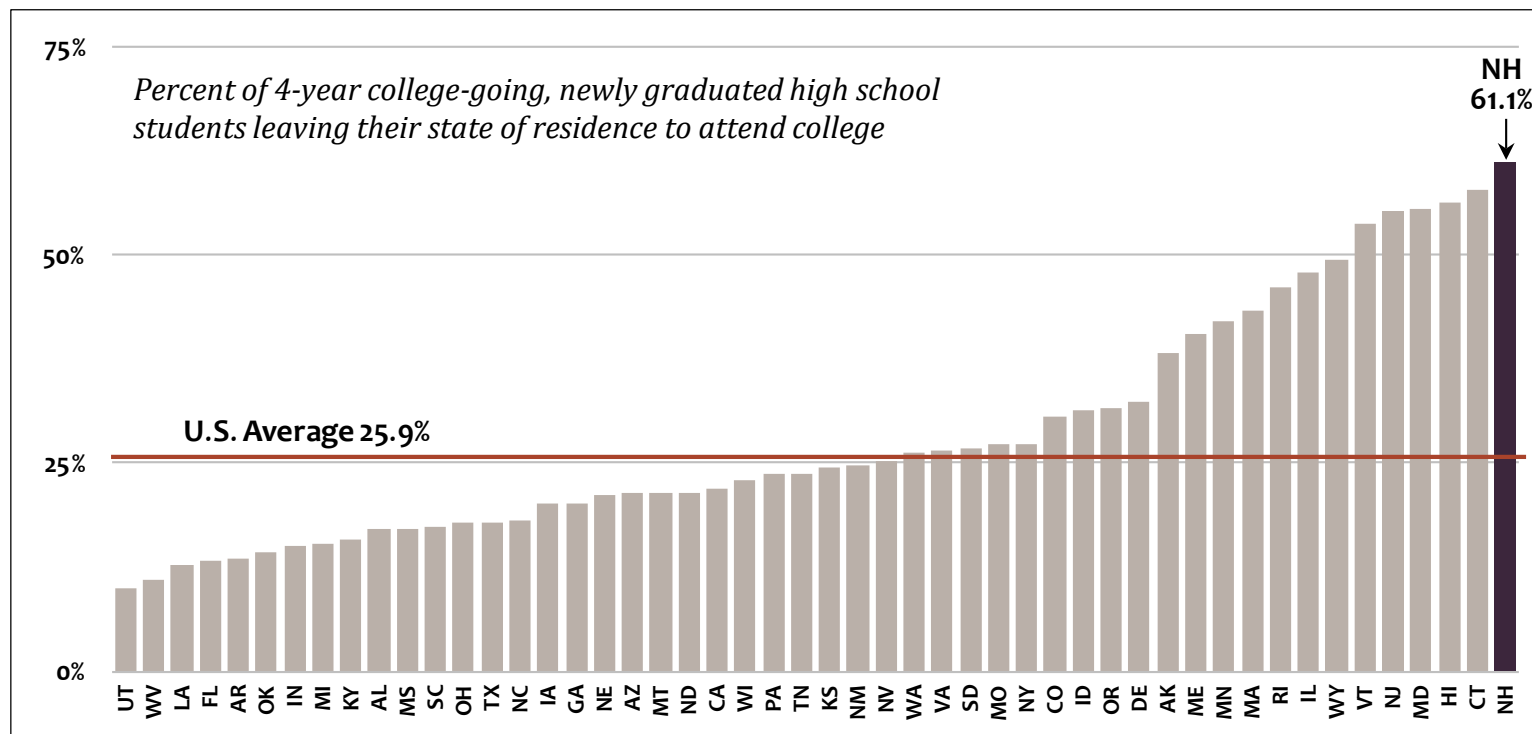
HIGH SCHOOL GRADUATE PROJECTIONS

**NORTHEAST -12.2%**  
**≈ -80k**



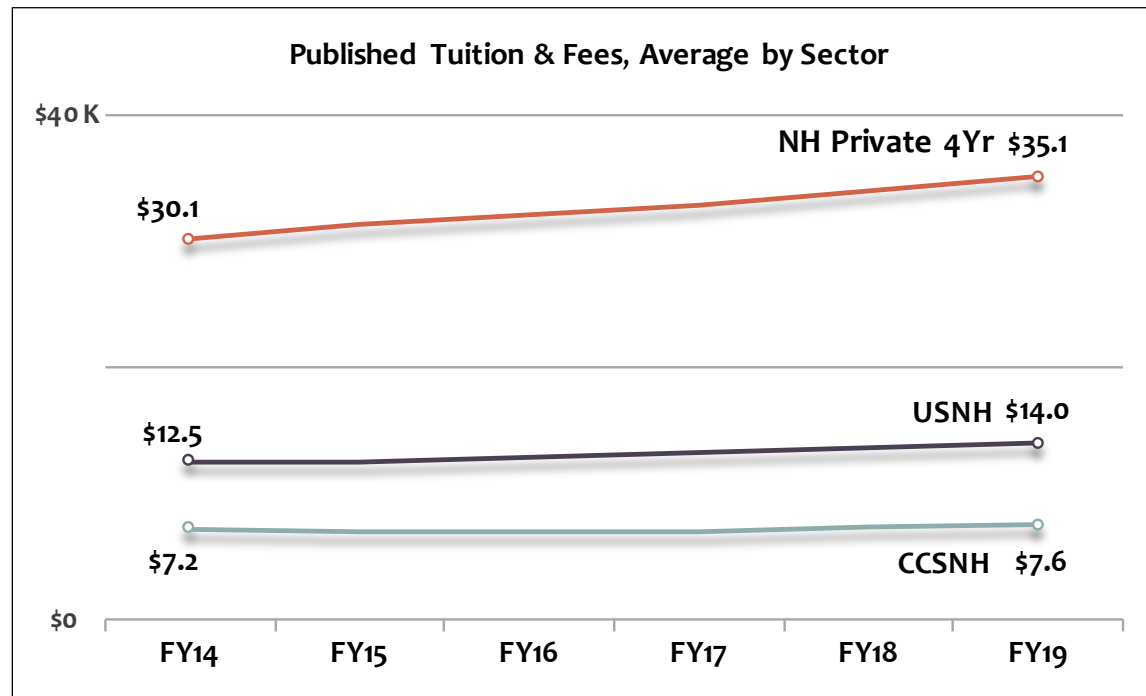
Source: Western Interstate Commission for Higher Education, Knocking at the College Door, Projections of High School Graduates Through 2032, <http://knocking.wiche.edu>.

# *NH is the highest exporter state of high school grads enrolling in 4-year college in the U.S.*



Data from U.S. Department of Education, National Center for Education Statistics, IPEDS, biennial data collection. Fall 2016 provisional data, most recent publicly available for comparability..

# Cost of NH Private Higher Ed is Outpacing Publics

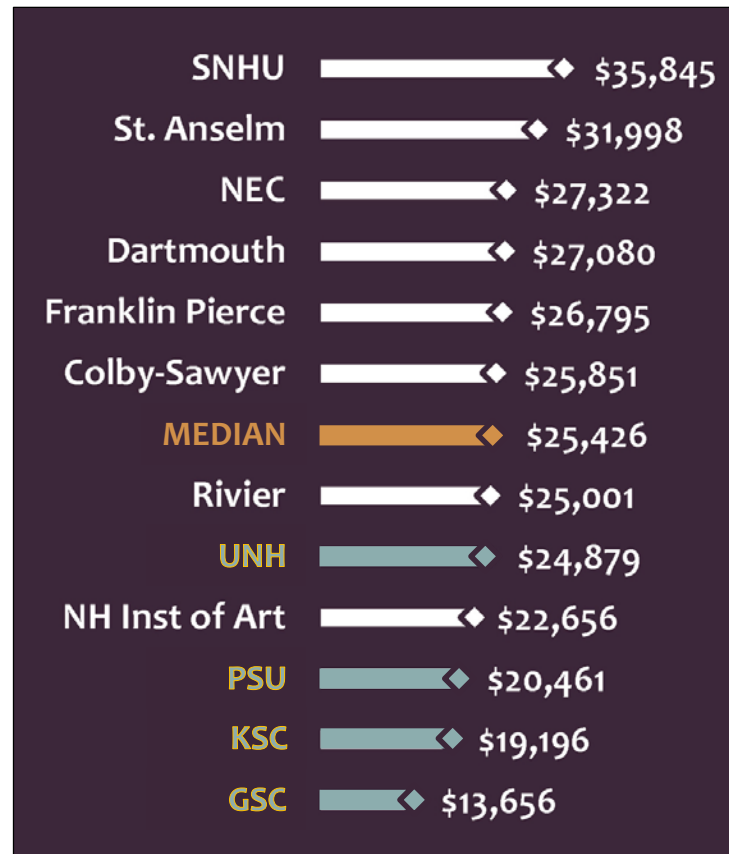


Data from U.S. Department of Education, National Center for Education Statistics, IPEDS. Excludes UNH School of Law and Antioch University New England.  
Dollar values not adjusted for inflation; averages not weighted by enrollment.

# Average Net Price of Attendance

## *U.S. College Scorecard*

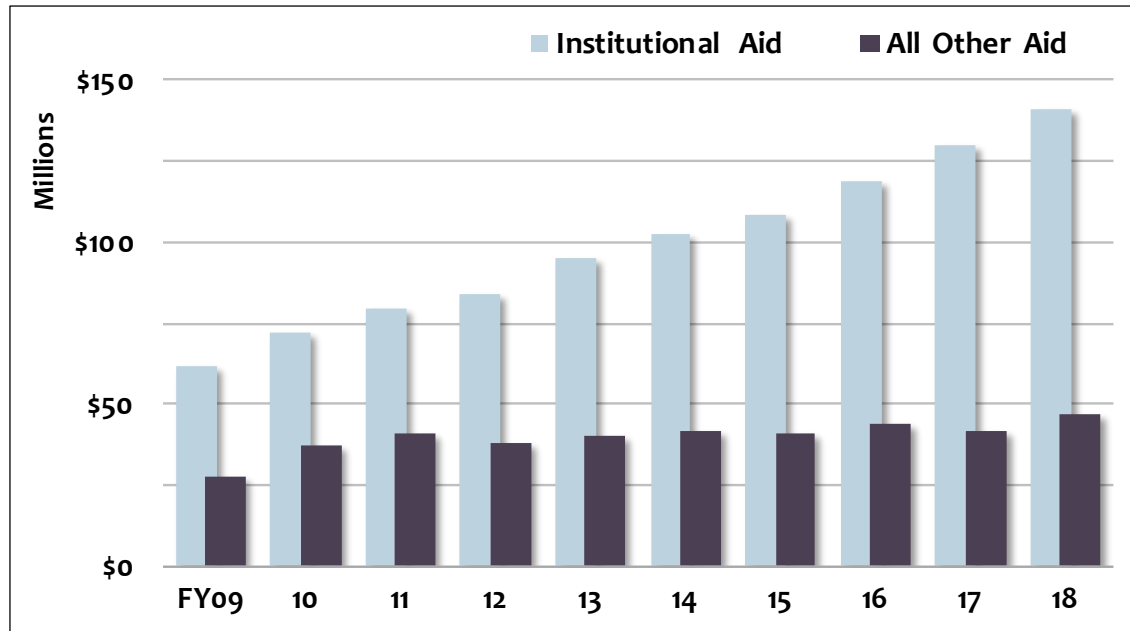
*Average annual net price for NH undergrads after financial aid. Price includes tuition, mandatory fees, books and supplies, room and board, and other living expenses as calculated for financial aid.*



Data from U.S. Department of Education, U.S. College Scorecard, retrieved 09/11/18. FY16 data, most recent available for comparability.

Average undergraduate net price for first-time full-time freshmen receiving federal aid, after all grant/scholarship aid. For public schools this is the average net price for in-state students.


# Holding Down Net Tuition



**Financial aid funded from unrestricted institutional resources in FY18 was more than double (x 2.3) the amount awarded at the start of the decade.**

Data from USNH Controller's Office. Financial aid for all student levels.

# Granite Guarantee



## Parents & Students

[Parents & Students](#) > [Granite Guarantee](#)

- USNH Institutions
- Transfer Resources
- Granite Guarantee**
- Tuition and Fees
- Clery Act Information

### Granite Guarantee

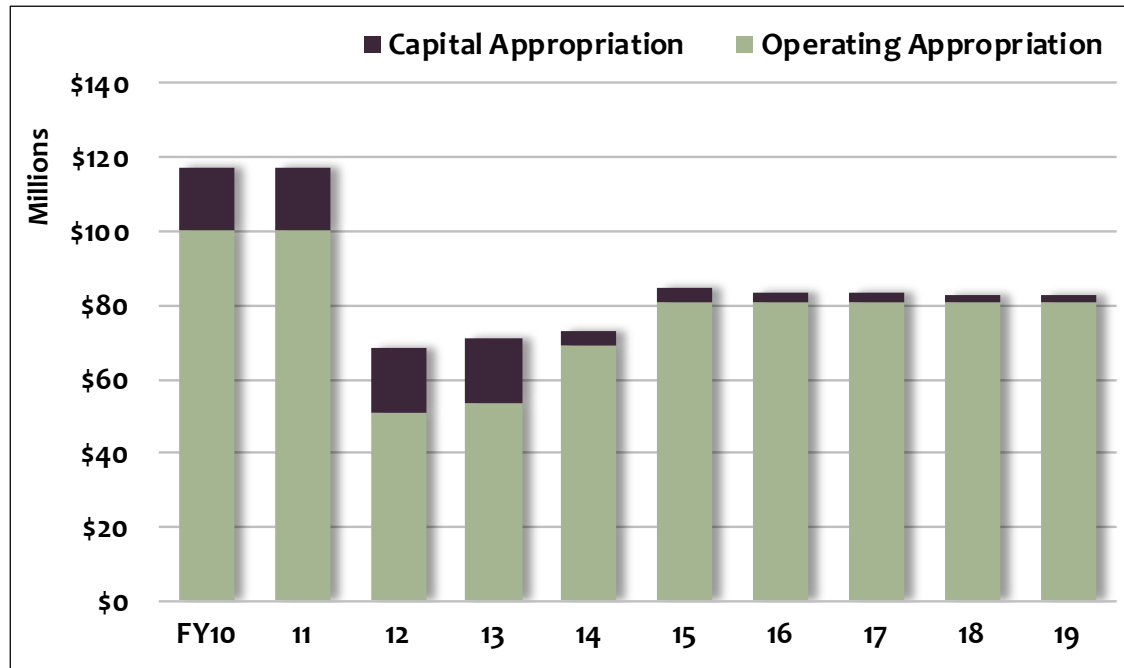
The Granite Guarantee is a financial aid program that makes college possible for qualified first-year New Hampshire students by covering the cost of tuition for four years. This program defines our commitment to providing a world-class education at the University of New Hampshire (Durham), Keene State College and Plymouth State University.

We're here to answer your questions!

- Call 844-309-3855
- Visit the college websites:
  - University of New Hampshire: <https://www.unh.edu/main/granite-guarantee>
  - Keene State College: <https://www.keene.edu/admissions/aid/grants/granite/>
  - Plymouth State University: <https://www.plymouth.edu/prospective/financial-assistance/financial-assistance/granite-guarantee/>

**Need Help?**  
CHAT LIVE NOW

# State Support for USNH NH Students



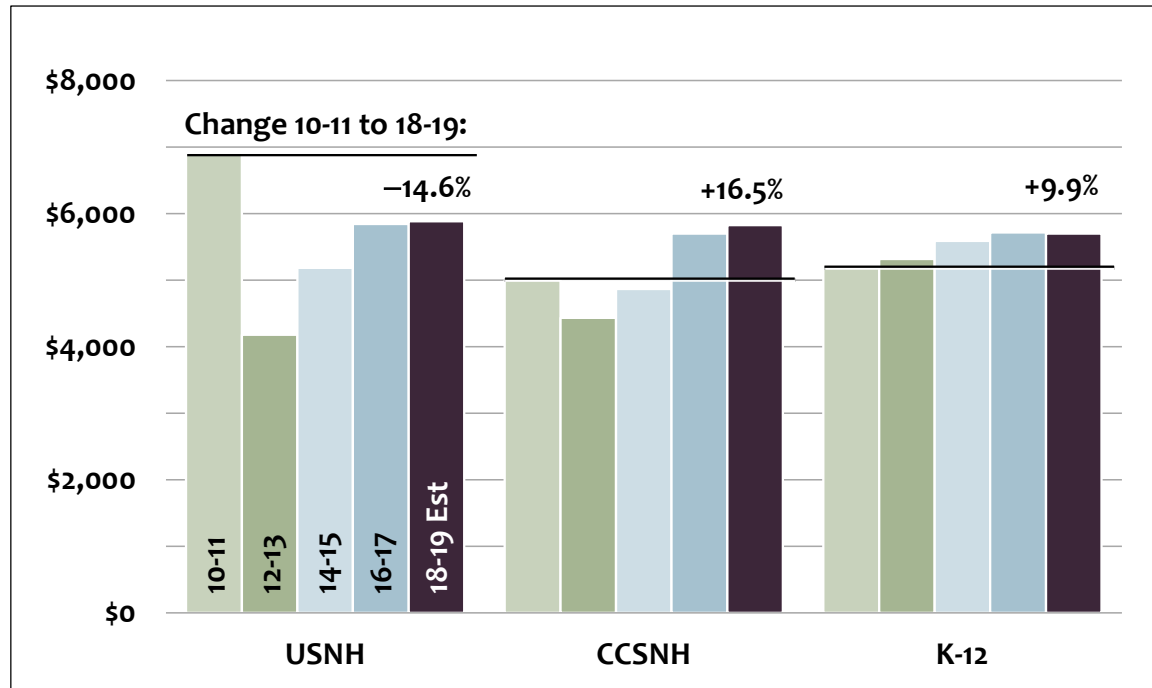
Capital appropriations as budgeted. Amounts displayed are divided equally between the two years of each biennium.



# Budgeted State Support per NH Student

## *Operating and Capital*

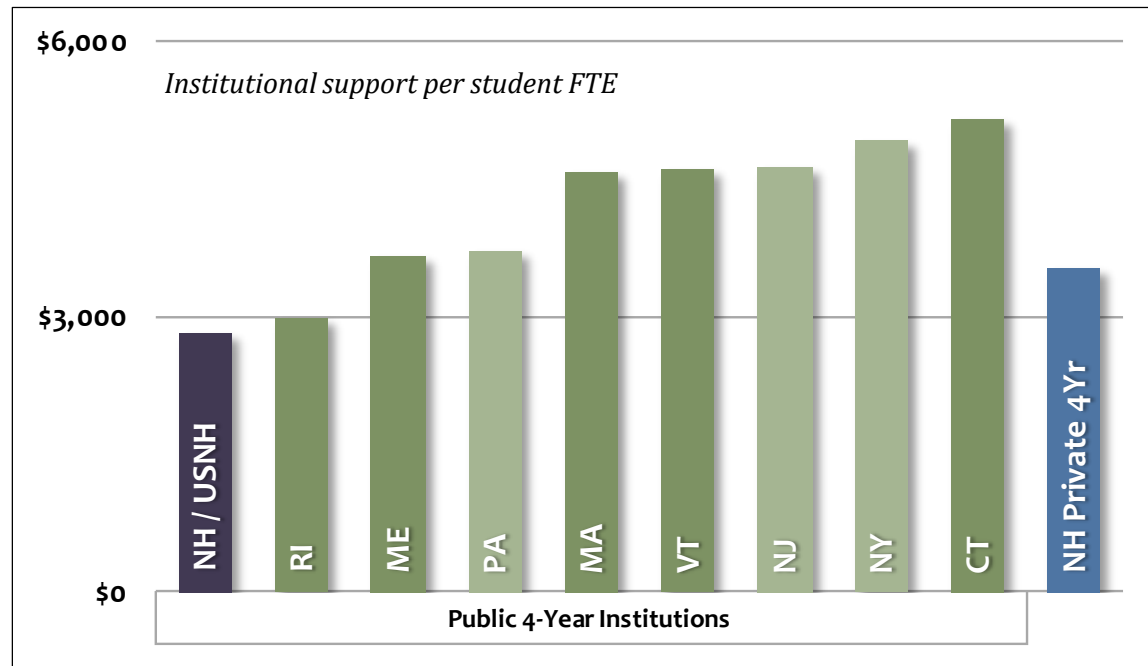
*by biennium*



Appropriations data from chaptered legislation. Student data from campus Institutional Research (USNH), U.S. Department of Education, IPEDS (CCSNH), and NH Department of Education (K-12).  
USNH and CCSNH student reflects full-time equivalence based on credit hour activity; K-12 student reflects average daily membership.  
FY16 student data used for FY17, FY18, FY19 for CCSNH and K-12; FY17 used for FY18, FY19 for USNH.

# Administrative Efficiency

**USNH is the most fiscally efficient public 4-year system in the Northeast and is more efficient than NH's private institutions.**

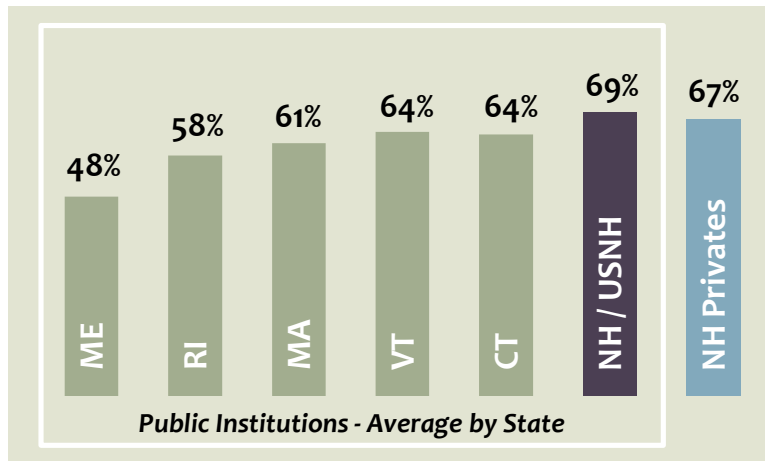


Data from U.S. Department of Education, National Center for Education Statistics, IPEDS. Three-year average: FY15 final data and FY16, FY17 preliminary data. Administrative efficiency reflects Institutional Support functional expense category. All states include central/system office expense as applicable. Student reflects reported 12-month full-time equivalent enrollment.

# Student Outcomes

## 6-Year Bachelor's Graduation Rates

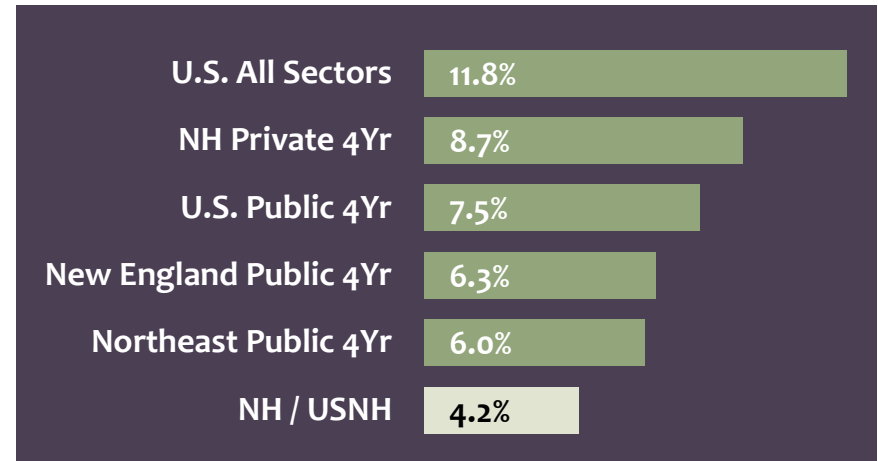
Average by State/Sector



**USNH leads New England in timely degree completion.**

## 3-Year Student Loan Default Rates

Average by State/U.S./Sector



**USNH is consistently among the top 5 states in the U.S. for lowest student loan default.**

Graduation rates from U.S. Department of Education, National Center for Education Statistics, IPEDS. 2015-16 data, most recent available for comparability.  
Default rates from U.S. Department of Education, National Student Loan Data System. 2015 data, most recent available.

# USNH Economic Impact = \$2.4 Billion

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IMPACT DRIVER	ADDED ECONOMIC INCOME IN MILLIONS
Operations	\$ 569.9
Research	117.2
Business Dev'l & Attraction	11.0
Student Spending	128.6
Visitor Spending	21.5
Alumni	1,524.5
	<hr/>
	\$ 2,372.8

---

USNH annual impact on state economic income is equivalent to...

- 3.4% of NH GSP
- More than the combined impact of NH's *Arts, Entertainment, & Recreation* -and- *Accommodations & Food Services* sectors

For every **\$1.00** spent on higher education...

- Students realize **\$2.80** return in lifetime earnings differential
- State gov't realizes **\$5.70** return in added revenues and public sector savings

USNH economic impact study conducted by Economic Modeling Specialists Int'l (Emsi), 2016. Reflects economic activity of FY 2015.

## USNH Finances

# Board of Trustee Financial Oversight Structure

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The Board of Trustees carries out its financial responsibilities and oversight primarily through the work of three standing committees which meet four times a year. Each Committee has a detailed work plan to guide their efforts for the year.

- **Financial Affairs Committee:** policy and planning for financial matters, operating and capital budgets, all expenditures, revenues, fiscal commitments, property sales and acquisitions, and transactions that affect the financial resources of USNH
- **Audit Committee:** external audit, internal audit, conflict of interest and enterprise risk management
- **Finance Committee for Investment:** investment of USNH funds

# Budget Process

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- USNH has a robust process for developing its annual operating and capital budgets and monitoring overall financial condition.
- September Board retreat: discuss campus strategic and capital priorities and to review five multi-year financial plans, assumptions and parameters, and financial ratios and metrics.
- At quarterly meetings, decisions are made (tuition/fee rates, capital projects) consistent with these plans and the Board is provided updated financial projections.
- June: operating and capital budget for the next year are adopted.
- Each biennium the Board submits requests to the State for capital and operating appropriations consistent with its priorities and needs.

# Financial Reporting and Monitoring

Committees receive a number of reports to assist in monitoring performance and financial resources at each meeting including:

## **Annual and Periodic Reports:**

- Multi Year Financial Plans
- Annual Financial Statements
- Uniform Guidance Report on USNH federal expenditures
- Annual Debt Report
- Facilities Condition Assessment
- Environmental Health and Safety Report
- Enrollment Reports
- Investment Performance report (Quarterly)
- Performance Dashboard
- Interim financial results and projections
- Update on ongoing capital projects
- Internal and External Audit Reports
- Updates on system-wide initiatives
- Title IX compliance report
- Enterprise risk management report





# Evidence of Strong Financial Control

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- Bond Ratings: **Moody's Aa3 | S&P AA-**;

*“The system’s very good strategic positioning is supported by strong fiscal oversight demonstrated by solid liquidity, manageable leverage, good donor support, and consistently positive operations.” - Moody’s*

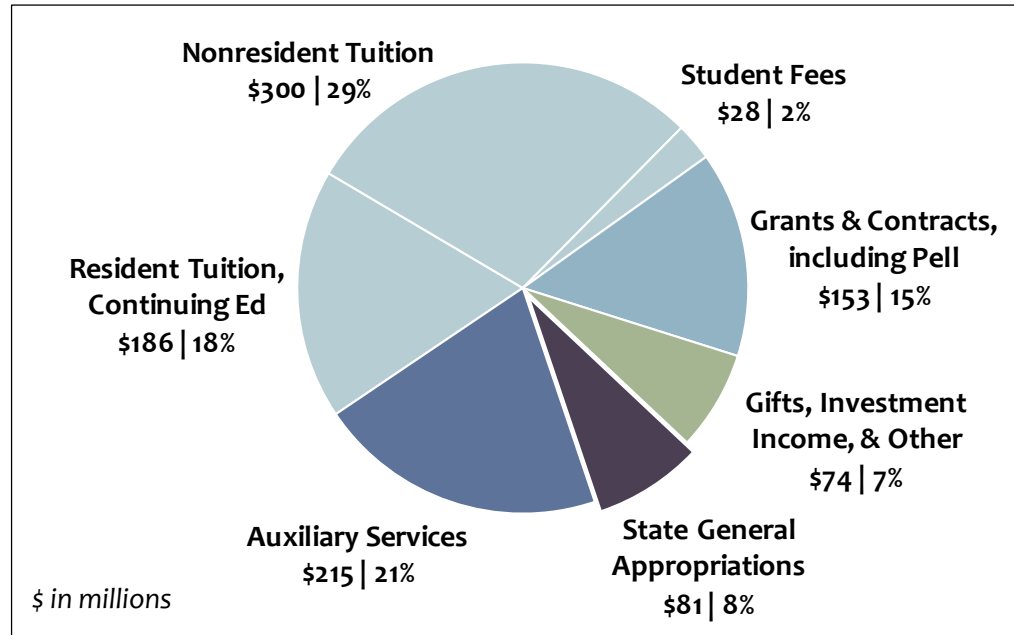
- Long history of “clean” unqualified audit opinions
- Facilities condition index relative to peers demonstrates careful investment in physical assets

# Statements of Revenues, Expenses and Changes in Net Position

(\$ in millions)		----- Historic Actual -----					P1
	Years ended June 30	2014	2015	2016	2017	2018	Projection
							2019
Tuition and fees		\$465	\$472	\$491	\$501	\$514	524
Less: student financial aid		(144)	(149)	(162)	(172)	(188)	(196)
Net tuition and fees		321	323	329	329	326	328
Sales of auxiliary services		203	206	211	216	215	216
Grants and contracts		152	149	149	146	153	157
State general appropriations		69	81	81	81	81	81
Noncapital gifts, investment income and other revenues		65	66	79	71	74	72
<b>Total Operating and Nonoperating Revenues</b>		<b>810</b>	<b>825</b>	<b>849</b>	<b>843</b>	<b>849</b>	<b>854</b>
Employee compensation		481	503	529	521	533	537
Supplies and services		195	203	203	210	208	208
Utilities, depreciation and interest		98	98	99	100	102	105
<b>Total Operating and Nonoperating Expenses</b>		<b>774</b>	<b>804</b>	<b>831</b>	<b>831</b>	<b>843</b>	<b>850</b>
<b>Increase in Net Position from Recurring Activities</b>		<b>36</b>	<b>21</b>	<b>18</b>	<b>12</b>	<b>6</b>	<b>4</b>
Endowment gifts and returns, net		83	6	(30)	70	45	25
State capital appropriations and other changes		10	5	3	11	5	5
<b>Total Other Changes in Net Position</b>		<b>93</b>	<b>11</b>	<b>(27)</b>	<b>81</b>	<b>50</b>	<b>30</b>
Effect of adoption of new accounting standard related to postemployment benefits other than pensions		-	-	-	-	(42)	-
<b>Total Increase (Decrease) in Net Position</b>		<b>\$129</b>	<b>\$ 32</b>	<b>\$ (9)</b>	<b>\$ 93</b>	<b>\$ 14</b>	<b>34</b>

# USNH Revenue Sources FY2018

*Total = \$1.04 Billion*



Data from USNH Controller's Office, audited financial statements. Gross tuition and fees, not netted for financial aid. Does not include capital additions.

## Operating Appropriations Request FY20-21

# USNH FY 20-21 State Operating Budget Request

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Unlike any previous appropriation requests, USNH is focusing its request for additional dollars on one-time strategic investments that align with targeted STEM related workforce needs and seeking an inflationary increase in its request for ongoing operating support.

<i>dollars in millions</i>	FY18	FY19	TOTAL	FY20	FY21	TOTAL
<b>Ongoing State Operating Support</b>	\$ 81	\$ 81	\$ 162	\$ 83	\$ 84	\$ 167
<b>Non-recurring Strategic Investment</b>				\$ 12	\$ 15	\$ 27
<b>Total Request</b>	\$ 81	\$ 81	\$ 162	\$ 95	\$ 99	\$ 194

# State Funding Requested for Priority Strategic Needs

<b>UNH</b>		
Significantly increasing nursing capacity		\$ 9,000
<b>PSU</b>		
Robotics and Electromechanical Technology Program	\$ 925	
Robotics Maker Spaces	950	
Retrofit learning spaces	600	
Strength and Conditioning Lab	500	
Health and Human Enrichment Cluster	1,500	
Career Center	850	
Center for Excellence in Health Sciences	1,475	
Expand cluster projects with No Country business & communities	500	
Integrate cluster approach into PSU education programs	650	
Scholarships for student internships	1,050	
		9,000
<b>KSC</b>		
Business Partnership Hub	7,500	
Launch workforce programs impacting Southwest region	1,500	
		9,000
Total Biennium Request One Time Strategic State Investments		<u>\$ 27,000</u>

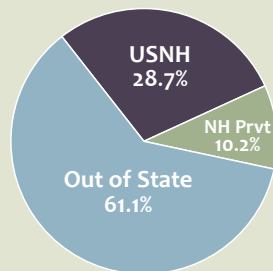
# University System of New Hampshire

## Quarterly Status Report for the State of New Hampshire

September 30, 2018

### PERFORMANCE

#### Enrollment of 4-Year College-Going NH Recent High School Grads



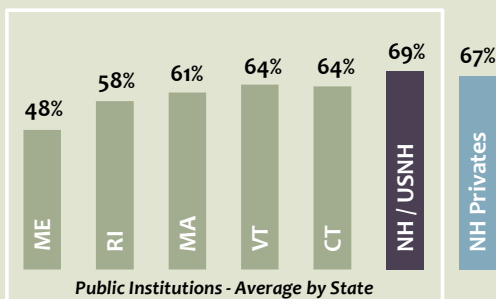
U.S. Department of Education, National Center for Education Statistics, IPEDS. Fall 2016, most recent data available 09/2018.

#### Enrollment

	Fall FTE		12-Month Headcount	
	2017	2018	FY17	FY18
NH Resident	12,940	12,807	17,927	17,362
Nonresident	12,627	12,502	14,353	14,384
<b>Total</b>	<b>25,567</b>	<b>25,309</b>	<b>32,280</b>	<b>31,746</b>
<b>NH % of Total</b>	<b>50.6%</b>	<b>50.6%</b>	<b>55.5%</b>	<b>54.7%</b>

Headcount unduplicated by campus

#### Bachelor's 6-Year Graduation Rate



NCES-IPEDS, FY16 most recent year of available peer data 09/2018.  
USNH FY17 = 69%

#### Student Loan Default Rate

U.S. All Sectors	11.8%
NH Private 4Yr	8.7%
U.S. Public 4Yr	7.1%
New England Public 4Yr	6.0%
Northeast Public 4Yr	5.8%
<b>NH / USNH</b>	<b>4.2%</b>

National Student Loan Data System, official 3-year default rates released 09/2018 on borrowers entering repayment in 2015.

### FINANCE

#### Operating Margin and UFR to Debt

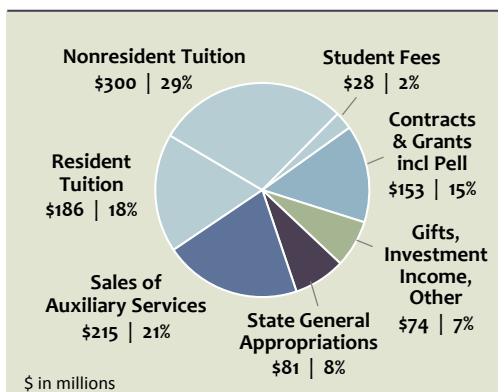
\$ in millions

	Actual FY18	Current Projection FY19
Total Operating Revenues	\$849.2	863.7
Total Operating Expenses	\$843.6	852.6
Total Operating Margin	\$5.6	11.1
Operating Margin	0.7%	1.3%
UFR:Debt	62%	56%

FY18 operating margin is reduced by one-time \$2 million asset write-off.  
UFR = unrestricted financial resources

#### Revenue Sources FY18

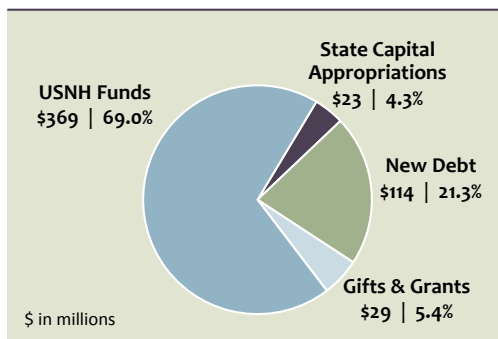
Total = \$1+ Billion



Operating and nonoperating revenues. Excludes capital additions. Gross tuition and fees, not netted for financial aid. Resident tuition includes continuing education.

#### Capital Funding Sources 2013-2018

Total = \$535 Million

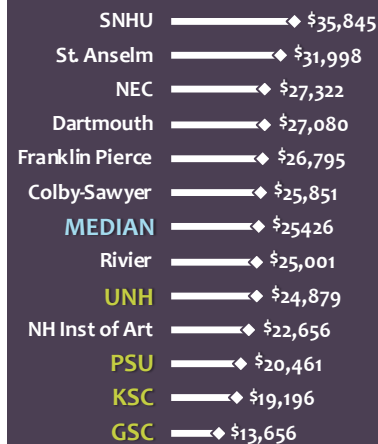


### KEY INITIATIVES

Granite Guarantee  
KSC Transition  
PSU "Cluster" Program Model  
UNH Biosciences Workforce Ecosystem  
GSC Business Partnership Development  
USNH Student Success Collaborative  
Systemwide Process Standardization

### Financial Statements

#### Average Net Price of Attendance NH Undergrads



U.S. Department of Education, College Scorecard, 9/2018. FY16 data, most recent available. Average total annual price for first-time, full-time, in-state freshmen receiving any federal assistance, net of all grant and scholarship aid.

#### Bond Ratings: Moody's Aa3 | S&P AA-

"The system's very good strategic positioning is supported by strong fiscal oversight demonstrated by solid liquidity, manageable leverage, good donor support, and consistently positive operations."

— Moody's

"Very strong with excellent financial management policies, ample financial performance with recurring positive operating margins, superior financial resources, and low to moderate debt and contingent liabilities."

— Standard & Poors

### RISK AREAS

Monitored by Board of Trustees

Enrollment  
Change Management  
Resource Maximization  
Governance  
Finances  
Compliance  
IT & Security  
Academic Programs  
Campus Safety  
Deferred Maintenance  
Talent Management