

USNH Request for State Operating Budget Support
In Fiscal Years 2020 and 2021

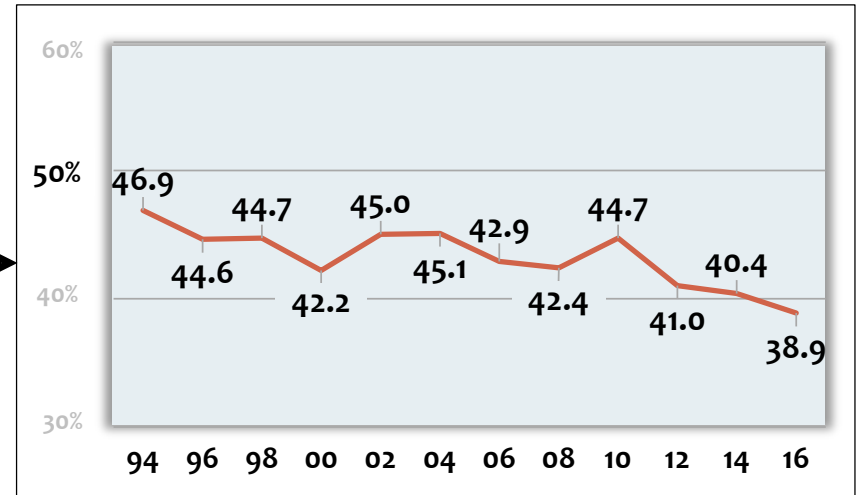
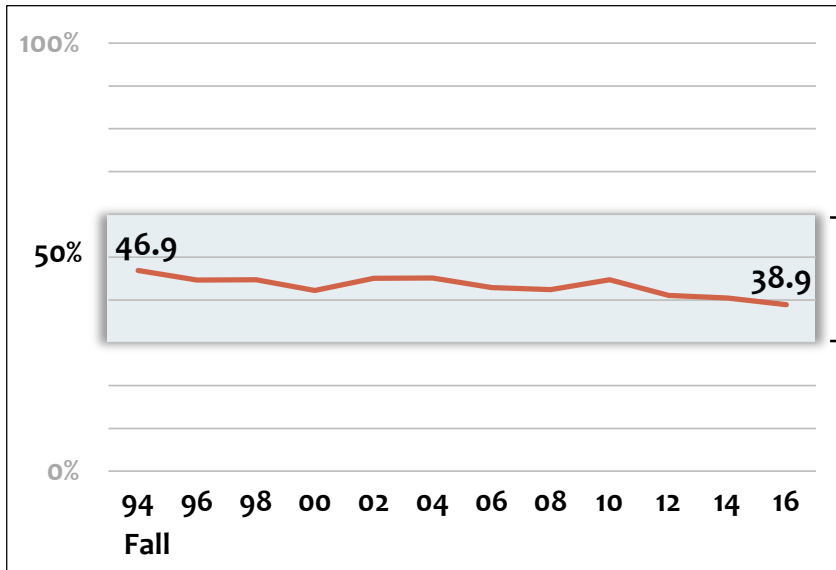
Presentation To
Senate Finance Committee
April 26, 2019

USNH Overview

- State's largest provider of an educated workforce.
- Annual economic impact of over \$2b.
- Tuition waiver for National Guard students.
- Most affordable bachelor degree options in the State.
- Provide critical research and support for agriculture industry.
- The most efficient public system in New England.
- Overall one of the best return-on-investments in public higher education in the nation (amount of State support relative to graduation rates and student loan default rates).

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

Percent of 4-year college-goers enrolled in state



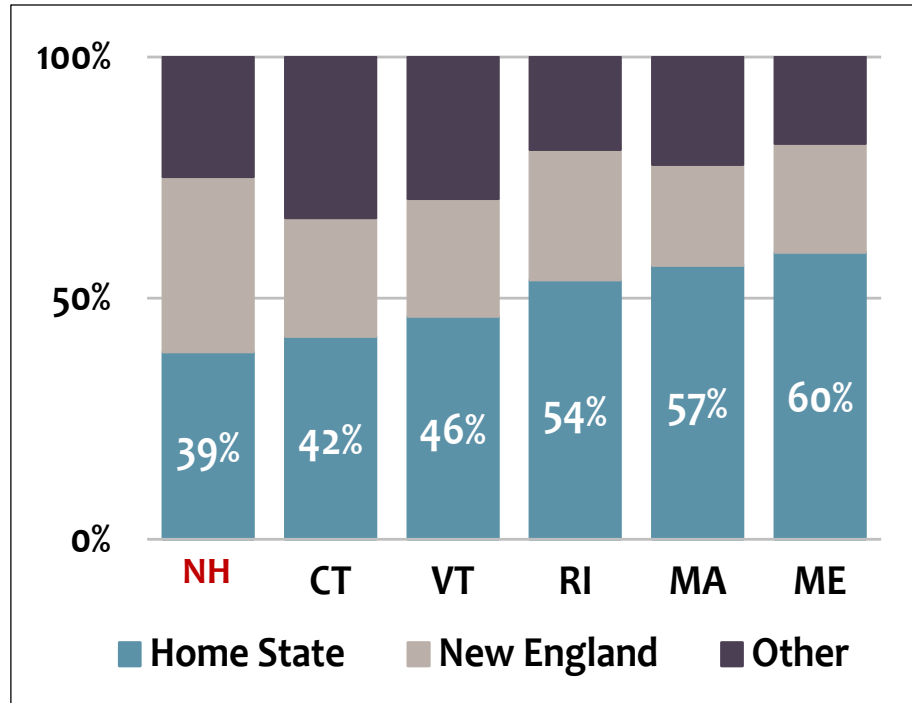
Current 4-year-college in-state enrollment of NH high school grads = 38.9%

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.

USNH Uses of State Operating Support

Appropriations to USNH are used for two purposes:

– **Buy down in-state tuition**

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

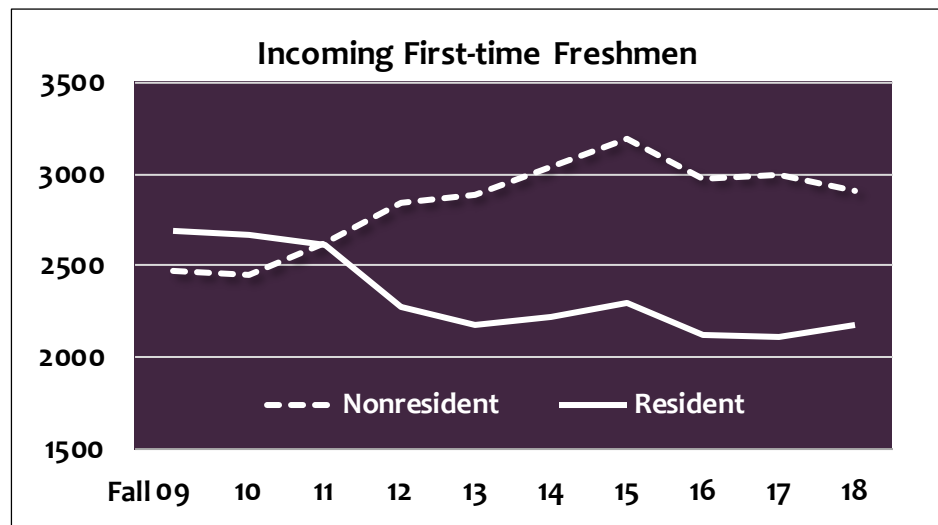
– **Fund statutory programs totaling approximately \$13 million annually:**

- 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

	<u>2017</u>	<u>2018</u>
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>

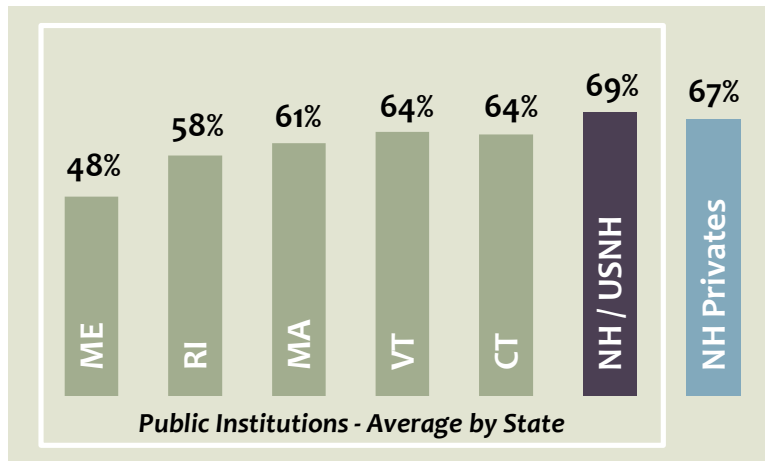


residential campuses

Student Outcomes

6-Year Bachelor's Graduation Rates

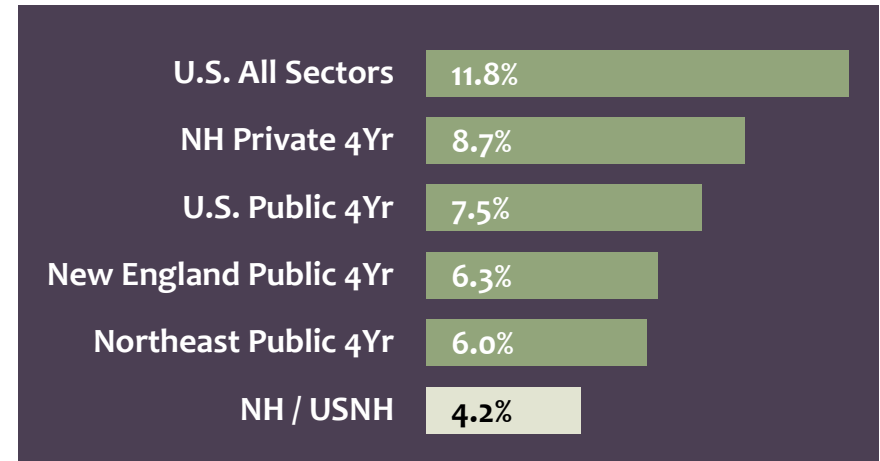
Average by State/Sector



USNH leads New England in timely degree completion.

3-Year Student Loan Default Rates

Average by State/U.S./Sector



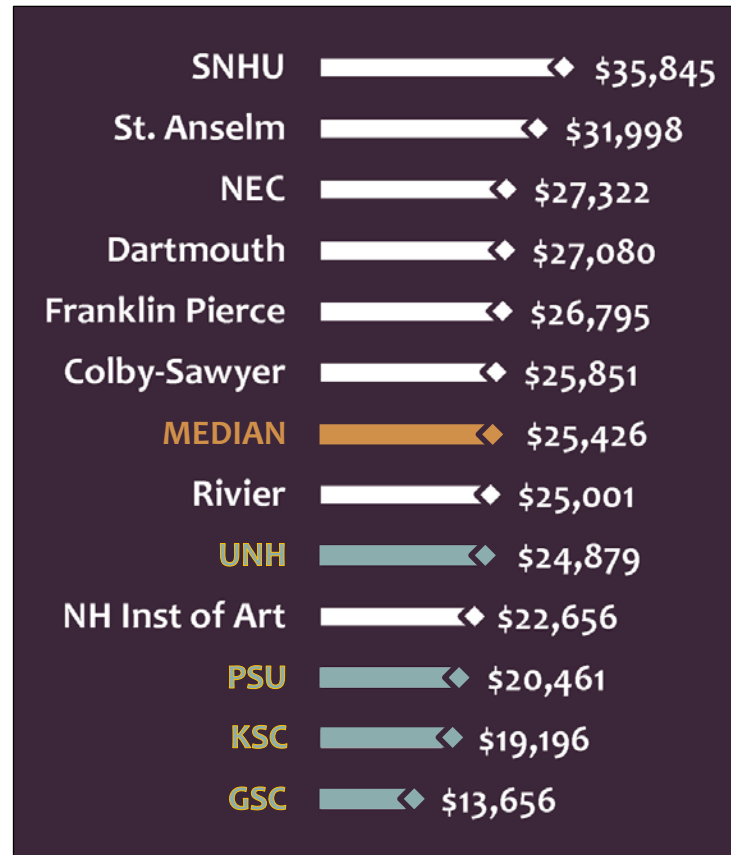
USNH is consistently among the top 5 states in the U.S. for lowest student loan default.

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.

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.

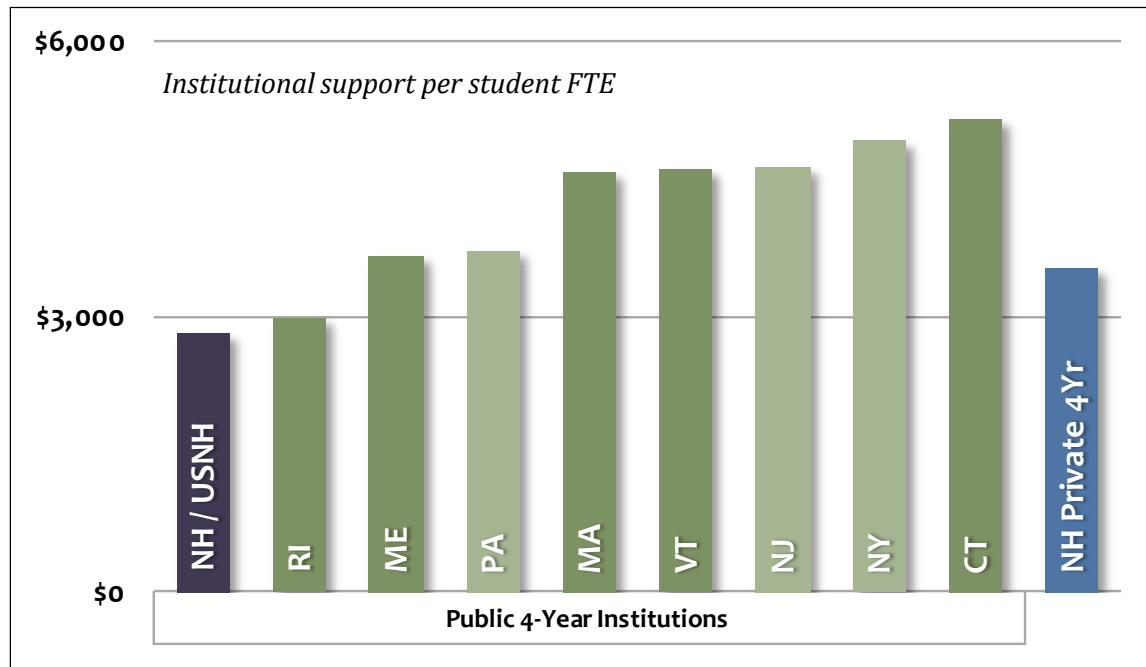


Data from U.S. Department of Education, U.S. College Scorecard, retrieved 09/11/18. FY16 data, most recent available for comparability.

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.

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.

Statements of Revenues, Expenses and Changes in Net Position

(\$ in Millions)

Years ended June 30	-----Historical Actual-----					P2
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<i>Projection</i> <u>2019</u>
Tuition and fees	\$465	\$472	\$491	\$501	\$514	\$521
Less: student financial aid	(144)	(149)	(162)	(172)	(188)	(196)
Net Tuition and fees	321	323	329	329	326	325
Sales of auxiliary services	203	206	211	216	215	214
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	73	73
Total Operating and Nonoperating Revenues	810	825	849	843	849	851
Employee compensation	481	503	529	521	533	535
Supplies and services	195	203	203	210	208	208
Utilities, depreciation and interest	98	98	99	100	102	105
Total Operating and Nonoperating Expenses	774	804	831	831	843	848
Increase in Net Position from Recurring Activities	36	21	18	12	6	3
Endowment gifts and returns, net	83	6	(30)	70	45	27
State capital appropriations and other changes	10	5	3	11	5	5
Total Other Changes in Net Position	93	11	(27)	81	50	32
Effect of adoption of new accounting standard related to postemployment benefits other than pensions	-	-	-	-	(42)	-
Total Increase (Decrease) in Net Position	\$129	\$32	(\$9)	\$93	\$14	\$35

USNH FY 20/21 State Operating Budget Request

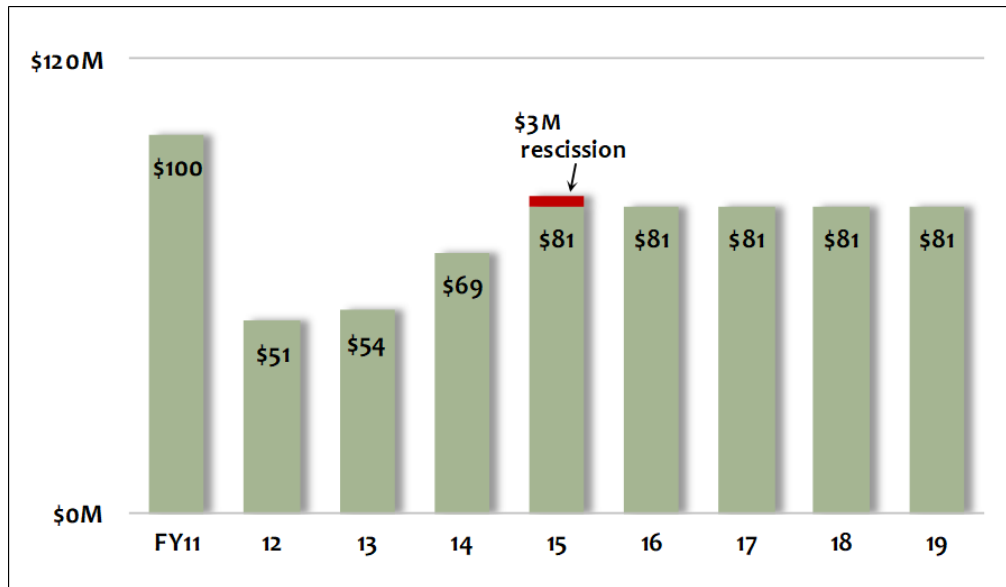
Unlike any previous appropriation requests, USNH focused its request for additional dollars on one-time strategic investments that align with targeted STEM-related workforce needs and sought an inflationary increase in its request for ongoing operating support.

<i>in millions</i>						
	FY 18	FY 19	Total	FY 20	FY 21	Total
Ongoing State Operating Support	\$ 81	\$ 81	\$ 162	\$ 83.0	\$ 84.0	\$ 167.0
Non-recurring Strategic Investment				\$ 12.0	\$ 15.0	\$ 27.0
Total Request				\$ 95.0	\$ 99.0	\$ 194.0

Ongoing State Operating Support

USNH FY 20/21 Ongoing State Operating Support

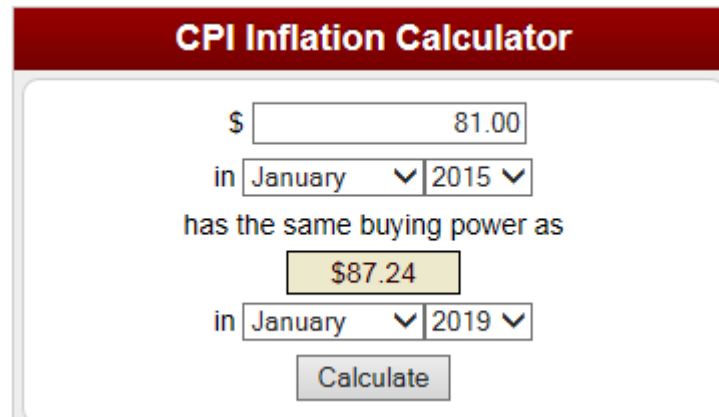
<i>in millions</i>	Actual FY 18	Adjusted Authorized FY 19	Total	FY 20	FY 21	Total	% biennium increase
Efficiency Budget							
USNH Requested	\$ 81.0	\$ 81.0	\$ 162.0	\$ 83.0	\$ 84.0	\$ 167.0	3.1%
Governor Recommended				\$ 81.0	\$ 81.0	\$ 162.0	0.0%
House Passed				\$ 85.5	\$ 88.5	\$ 174.0	7.4%



After five years of flat funding, USNH requested a \$5 million increase, or 3.1%, inflationary increase in funding of ongoing state operating support. The House provided funding for tuition freeze in FY 21.

State Support Increased By Inflation

- If State operating support had kept pace with inflation since fiscal year 2015 rather than being flat funded, State support would be more than \$87 million in FY 19.



CPI Inflation Calculator

\$

in

has the same buying power as

in

Bureau of Labor Statistics Inflation Calculator
https://www.bls.gov/data/inflation_calculator.htm

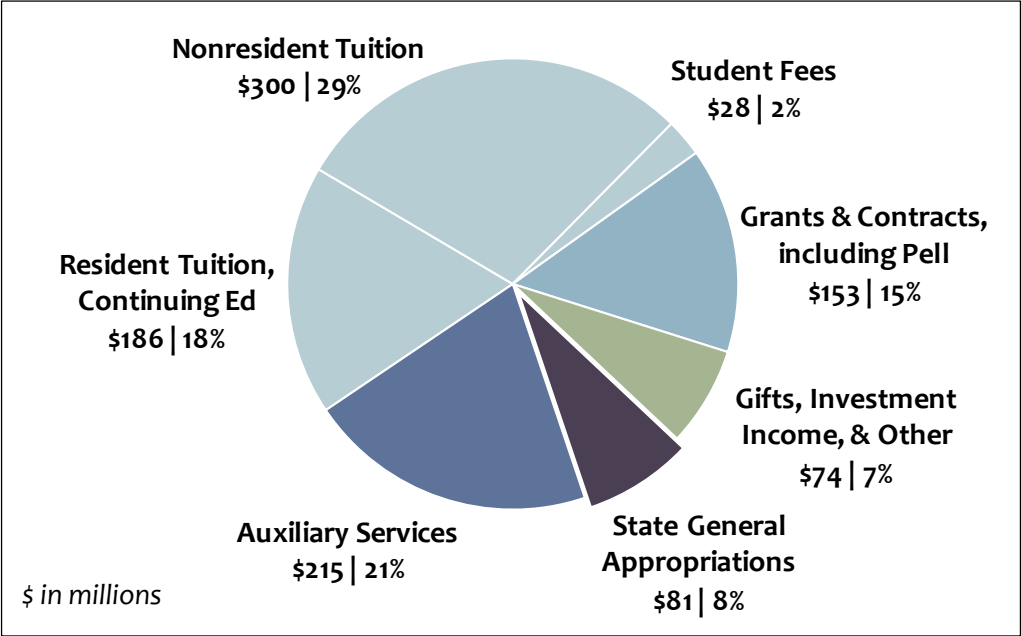
Response to Tuition Freeze Question

Increase in State Support Needed To Freeze Tuition

- USNH was asked what level of State support would be needed to freeze tuition. This should not be considered one time support. If the level of State support does not continue into future biennia, it is highly likely tuition would need to increase significantly to make up the State dollars.
- NH resident tuition increases are capped by the Board of Trustees at an assumed inflationary rate of 2.5%
- **Ongoing State operating support passed by the House provides sufficient funding for USNH to freeze resident tuition in fiscal year 2021.**

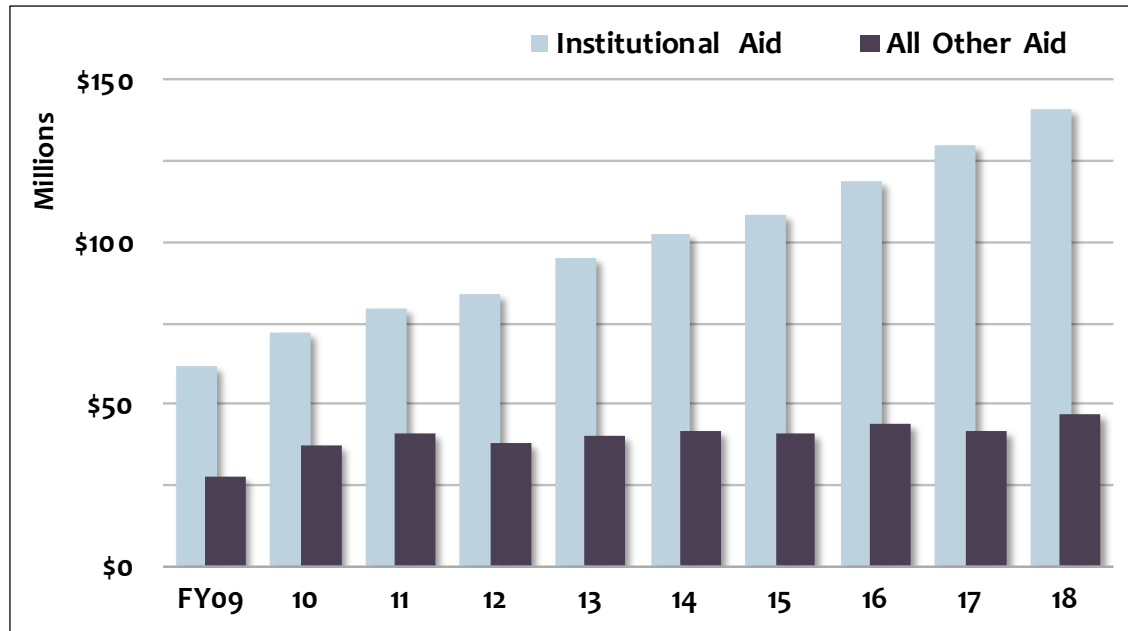
USNH Revenue Sources FY2018

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.

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.

Strategic One-Time Investments

State Funding Requested in Operating Budget for Priority Strategic Needs Not Included in House Budget

UNH		
Significantly increasing nursing capacity included in Governor's budget		\$ 9,000
PSU		
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	
Center for Excellence in Health Sciences	1,475	
Included in Governor's Recommended Budget		\$ 5,950
Career Center	850	
Expand cluster projects with No Country business & communities	500	
Integrate cluster approach into PSU education programs	650	
Funding for student internships	1,050	
Excluded from Governor's Recommended Budget		3,050
Total PSU Request for FY 20-21 Strategic State Investment		9,000
KSC		
Business Partnership Hub	\$ 7,500	
Launch workforce programs impacting Southwest region	1,500	
Total included in Governor's budget		\$ 9,000
Total Biennium Request One Time Strategic State Investments		\$ 27,000

Difference Between USNH Requested, Governor Recommended and House Adopted

<i>in millions</i>			FY 19	FY 20	FY 21	FY 22	Total
One time additional prioritized needs							
USNH Requested			\$ -	\$ 12	\$ 15	\$ -	\$ 27
Governor Recommended			\$ 24	\$ -	\$ 6	\$ 2	\$ 32
House Adopted			\$ -	\$ -	\$ -	\$ -	\$ -
Not requested in agency phase							
Requested in capital budget agency phase							

APPENDIX

One-Time Strategic State Support

**STEM Talent Pipeline
Initiative**

USNH Request for FY 20/21 Additional Prioritized Needs One-Time Strategic State Support

USNH requests \$12 million in FY 20 and \$15 million in FY 21 for one-time support to grow the pipeline of STEM talent so critically needed in NH. The funding would be allocated equally at \$9 million to each of the three residential campuses over the 20/21 biennium.

	Fiscal Years		
<i>in millions</i>	2020	2021	Total
UNH	\$ 4.0	\$ 5.0	\$ 9.0
PSU	4.0	5.0	9.0
KSC	4.0	5.0	9.0
Total One Time Strategic Investment	\$ 12.0	\$ 15.0	\$ 27.0

STEM Talent Pipeline Initiative

Several factors make the this initiative unique:

- The request is for **one-time strategic** investment.
- The investment is aligned with key State workforce needs as informed by regional employers and stakeholders.
- The requested amount is evenly distributed across the residential campuses to ensure state-wide workforce needs are being addressed, as well as support for regional economies.
- The investment will have continuing value to the State beyond the biennium.

One-Time Strategic State Support

UNH

UNH Priority Strategic Needs

State will fund \$9 million and UNH will fund \$3.3 million

UNH - Nursing and Health Sciences Initiative			
Renovate laboratory space for nursing and occupational therapy expansion		\$	9,000
Expand simulation labs for student training			1,500
Add occupational therapy assistant program			650
Expand B.S. Nursing, Direct Entry Master's in Nursing (DEMN) and nurse practitioner programs, including NH-based clinical placements			1,150
			<u>\$ 12,300</u>

In thousands

UNH Nursing and Health Sciences Initiative

UNH Nursing and Health Sciences Initiative: \$9 million in one-time State funding to support this \$12.3 million project

Expand nursing and health sciences facilities to accommodate 125 new students per year across health sciences programs, including renovating 20,000-30,000 square feet of space on or near the Durham campus.

- Add nurse practitioner programs with additional specializations in acute care and psychiatric mental health.
- Expand B.S. Nursing and Direct Entry Master's in Nursing programs while exploring addition of a second degree option in nursing.
- Add an occupational therapy assistant program with a 2021 targeted launch.

State Work Force Needs The Outlook

“The *Healthcare and social assistance* sector is expected to grow the fastest, with employment increasing by 15.7 percent (14,189 new jobs) by 2026; followed by the *Professional, Scientific, and technical services* sector, with an employment gain of 13.7 percent (4,634 new jobs)”.

Source: New Hampshire Employment Projections by Industry and Occupation 2016-2026

Growth Rate 2016-2026 for selected occupations

Biochemists and Biophysicists	16.5%	} UNH Biological Sciences Initiative
Registered Nurses	13.8%	
Nurse Practitioners	34.9%	} UNH Nursing Health Sciences Initiative
LPN/LVN	10.0%	
Substance Abuse and Behavioral		
Disorder Counselors	24.3%	

Source: New Hampshire Job Outlook and Locator by Industry and Occupation

UNH: Nursing and Health Sciences Initiative

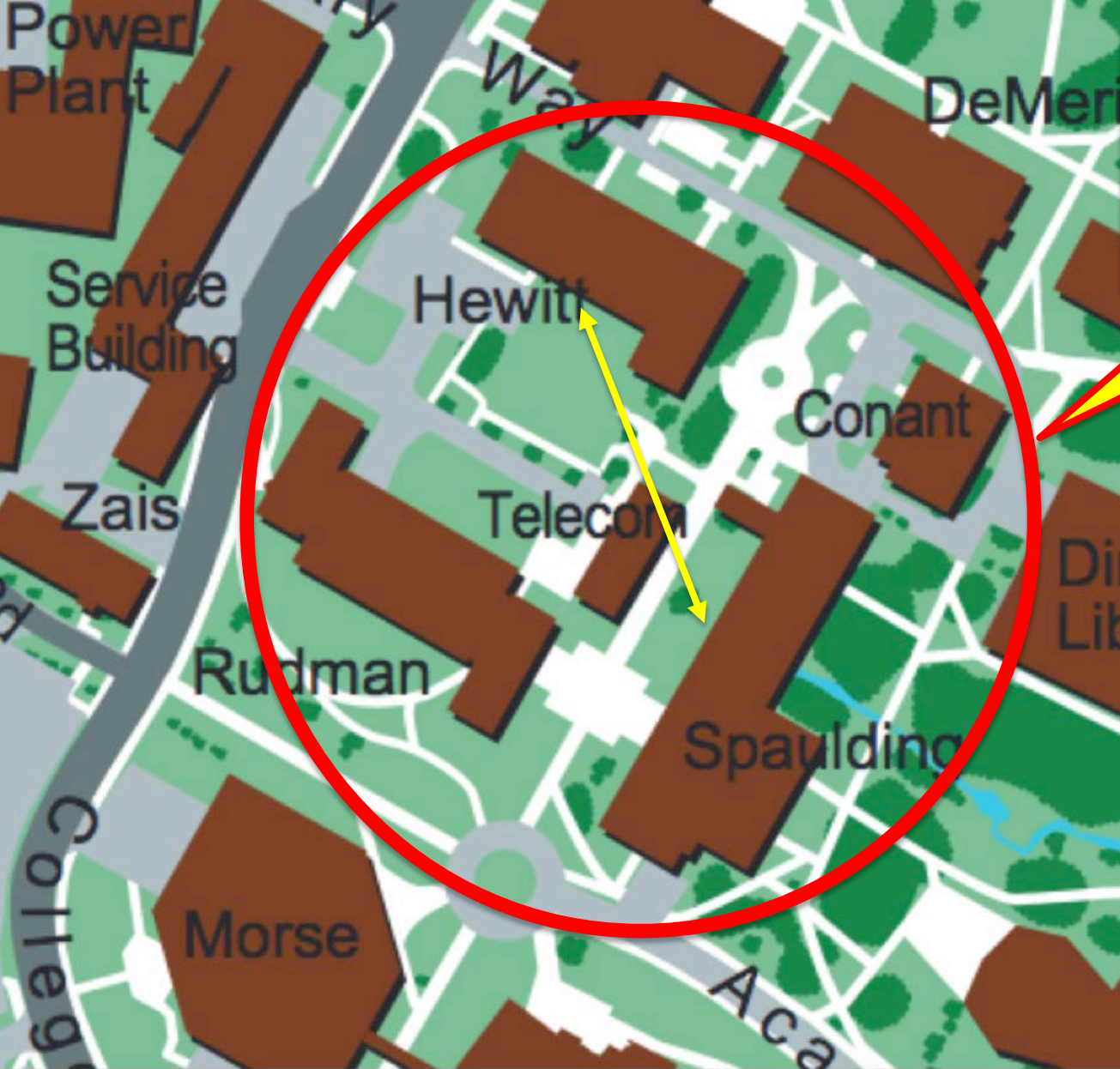
UNH Nursing and Health Sciences Initiative \$12.3 million

- | | |
|---|----------------|
| • Investment from State | \$9M |
| • Investment from UNH | \$3.3M |
| • Total Investment in Health Sciences Initiative | \$12.3M |

Return on Investment

- Expansion of Nursing facilities to accommodate a total of **125** new students per year across Health Sciences programs including renovation of 20,000-30,000 sq ft of space on or near the Durham campus.
 - Expand B.S. Nursing, Direct Entry Master's in Nursing (DEMN), and explore adding nursing as a 2nd degree.
 - Create 2 additional nurse practitioner(NP) programs in Psychiatric NP and Acute Care NP
 - Develop state-of-the-art nursing simulation laboratory

This initiative will double the number of students graduating in Health Sciences occupations including Nursing in 4 years.



Health and Biosciences Corridor

One-Time Strategic State Support
PSU

PSU: Building Capacity to Educate NH Students & Creating a 21st Century Workforce

PSU		
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	
Center for Excellence in Health Sciences	1,475	
Included in Governor's Recommended Budget		\$ 5,950
Career Center	850	
Expand cluster projects with No Country business & communities	500	
Integrate cluster approach into PSU education programs	650	
Funding for student internships	1,050	
Excluded from Governor's Recommended Budget		3,050
Total PSU Request for FY 20-21 Strategic State Investment		9,000

In thousands

PSU: Building Capacity to Educate NH Students & Creating a 21st Century Workforce

Build Robotics and Electromechanical Technology Program

One-of-a-kind program providing students with a career-focused technical application of robotics and electromechanical technology. Position PSU as a Robotics Gateway for the North Country. Target of 120 students as the program grows. Focus on working closely with North Country businesses, communities, and manufacturing companies that have suffered as the manufacturing employment base has eroded and must become more focused on technology and automation.

Build a Cluster-based curriculum and focused programs in Life Sciences, Innovation and Entrepreneurship, and Health and Human Enrichment (Allied Health)

Including a Center for Excellence in Health Sciences that will double the size of our undergraduate and graduate Nursing program while adding a track for a Nurse Practitioner program that will train medical professionals to work and stay in NH.

PSU: Building Capacity to Educate NH Students & Creating a 21st Century Workforce

Build a Cluster-based curriculum and focused programs in Life Sciences, Innovation and Entrepreneurship, and Health and Human Enrichment (Allied Health)

Including a Center for Excellence in Health Sciences that will double the size of our undergraduate and graduate Nursing program while adding a track for a Nurse Practitioner program that will train medical professionals to work and stay in NH.

Scholarships for Student Internships and Project-based Learning Environments

Integrate Cluster approach into PSU Education programs

Continue the innovative work going on in p-12 school districts and to support the Holmes Center for School Partnerships and Educator Preparation.

One-Time Strategic State Support
KSC

KSC Priority Strategic Needs

KSC		
Business Partnership Hub	\$ 7,500	
Launch workforce programs impacting Southwest region	1,500	
Total requested and included in Governor's budget		\$ 9,000

In thousands

KSC Business Partnership Hub \$7.5 million

Supporting the education of a regional talent pipeline

- Repurpose an existing residence hall to create a Business Partnership Hub for precision optics design, engineering and machining lab, technology-enhanced classrooms, and engagement/maker space for businesses and entrepreneurs.
- Built on history and new relationships—BAE Systems, Corning, Moore-Nanotechnology, and Omega. Programs will include multiple credentials in addition to bachelor's degree offering.
- Also leverage investment to build out new KSC/CCSNH programs in manufacturing.

KSC Program Expansion and Development \$1.5M

Building community educational pathways in technology and health

- Build on new co-location partnership between Keene State, River Valley Community College, and Nashua Community College to further expand nursing pathways and credentialing to both increase nursing graduates and upskill existing workforce.
- Create new programs to address LADAC, MLADAC, and other needed substance abuse counseling credentials to better meet community behavioral health demands.
- Increase number of RN and BSN graduates and create other nursing credentials in high demand (ARN, LNA, LPN) in the Southwest region of the state.

One-Time Strategic State Support **GSC**

GSC Continued STEM Workforce Development

- GSC has already introduced an MS in Nursing and an MS in Healthcare Management to provide affordable quality alternatives for working adult students.
- The College continues to support the RN->BSN Pathway Program in conjunction with CCSNH and is working to develop new CCSNH->USNH pathway options (particularly in healthcare).
- Expand the appropriate use of “open education resources” (OER), aligned with measurable learning outcomes, to lower the cost of textbooks and course materials.
- Leveraging institutional expertise in PLA—aligning workplace-based learning with college-level learning—the College seeks to expand the validation of New Hampshire employer-sponsored education and training programs for college credit to facilitate credentialing and degree completion.
- Expanding employer partnership programs and customized training programs tailored to workforce needs.