



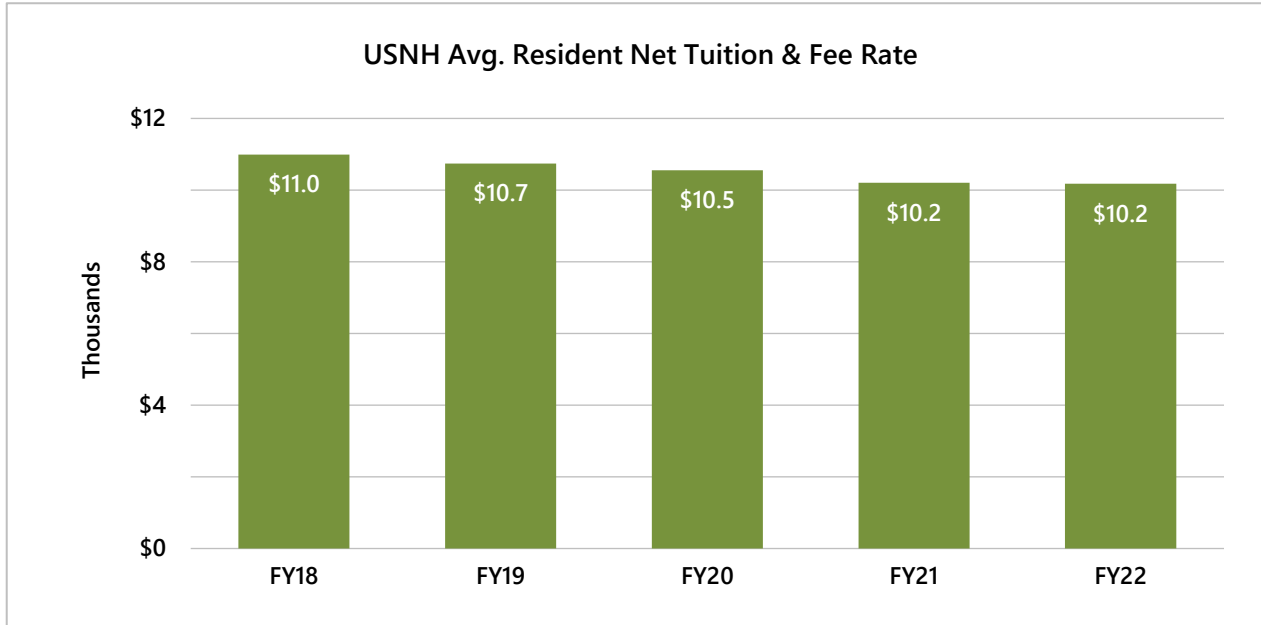
Supporting New Hampshire's Workforce

The Urgent Case for Public Higher Education Funding

House Finance Division 2 Budget Hearing

February 16, 2023

Supporting our students...



Five years of flat tuition and significant increases in financial aid have reduced net tuition to meet our mission of affordable, accessible high-quality education.

...by reducing costs...



\$50MM reduction

in total recurring operating expense, FY2019-2022

8.7% reduction
in employee compensation

3.5% reduction
in other operating expense

USNH spends about **\$3,100 annually per student** on day-to-day operational expenses, compared to the New England 4-year public average of **\$4,150**.

...despite rapid inflation.

\$15 million+

Anticipated inflationary impact on core operating expenses, **excluding personnel**, in FY2023

Yet USNH has reduced expenses,
held tuition flat and increased financial aid.

To address the workforce shortage



18,800

Class of 2012-2020 graduates working
in NH in 2021 (NH Emp. Security)

2,000+

NH employer partners, collaborating
on internships and hiring

2X

Higher likelihood of non-resident graduates
working in state if they complete a NH internship.

**Without additional state funding,
our ability to continue supporting our
economy will be compromised.**

Less aid to support and attract students

Fewer resources to partner with employers

Higher in-state tuition

BIA Policy Priority

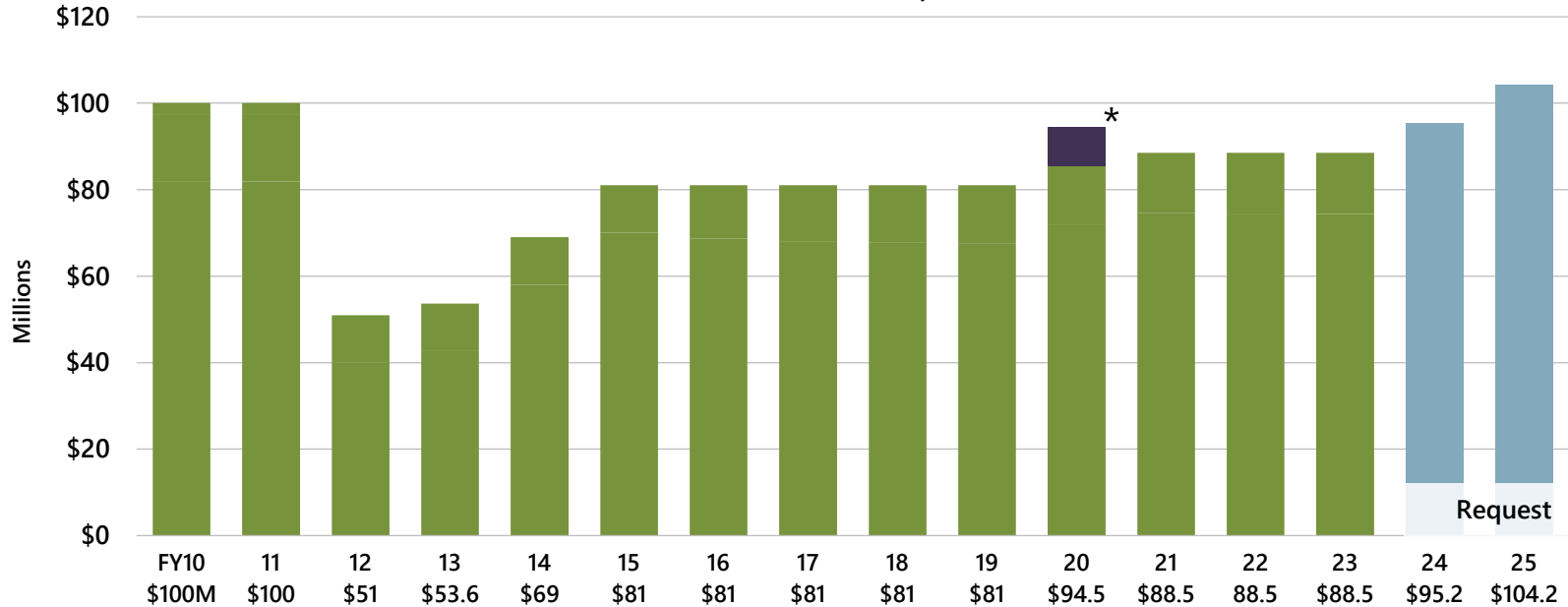


“Explore private and public incentives to **keep students in New Hampshire** including increased financial support for the state’s university and community college systems.”

USNH Seeks Funding at 2011 Levels



USNH State Appropriations
FY10-FY24/25 Request



*One-time, \$9 million for UNH Health Sciences Simulation Lab

USNH Operating Budget Request FY 24-25



<i>In Millions</i>	Actual			USNH Requested			Governor's Budget		
	FY 22	FY 23	Total	FY 24	FY 25	Total	FY 24	FY 25	Total
Efficiency Request	\$ 88.5	\$ 88.5	\$ 177.0	\$ 91.2	\$ 91.2	\$ 182.4	\$ 91.2	\$ 91.2	\$ 182.4
Additional Prioritized Needs									
<i>PSU and KSC: Strengthen Workforce Partnerships</i>				3.0	8.0	11.0	3.0	3.0	6.0
<i>PSU and KSC: Maintain NH undergrad financial aid</i>				1.0	2.0	3.0	1.0	2.0	3.0
<i>Coop Ext: Strengthen health/well-being of Granite Staters</i>				-	3.0	3.0	-	3.0	3.0
Total USNH operating appropriations	\$ 88.5	\$ 88.5	\$ 177.0	\$ 95.2	\$ 104.2	\$ 199.4	\$ 95.2	\$ 99.2	\$ 194.4

GOAL: Retain H.S. Grads



- 56% of college-going NH high school graduates leave NH.
- With fierce competition in the northeast, **USNH needs additional resources to compete on price.**

Funding will continue the tuition freeze and maintain financial aid for New Hampshire students.

GOAL: Retain USNH Grads



- USNH is the state's largest attractor of young talent.
 - » Over 11,000 students from around the country are learning in NH today because of our institutions.
- Investments made by UNH to **increase internships and show students what NH employers offer** are paying off.

Funding will build and strengthen workforce partnerships in the Monadnock, Lakes and North Country regions.

GOAL: Expand Extension's Reach



- Cooperative Extension is the state's leading outreach and engagement organization
 - » Over 20,000 Granite Staters benefit each year.
- Funding remains below 2011 levels, hampering Extension's ability to respond to state needs.

Funding will expand programming to address health, well-being, and aging challenges in partnership with local communities.

Additional funding for public higher education must be a top priority to support NH's workforce needs and quality of life.

- 1) Support for NH students through sustained increases in aid to retain H.S. graduates.
- 2) Support for business collaboration to train and retain all USNH graduates.
- 3) Support to address the health and well-being challenges of our residents.

Whittemore Center - \$8 million

- This project, begun in 2022, is the first facility upgrade since opening in 1995.
 - Lack of investment has hampered recruiting and program success at the regional and national levels.
- \$30MM renovation will upgrade the ice surface and equipment, HVAC systems, and student-athlete facilities.
- Improving one of the state's largest sports and entertainment venues will:
 - Bring more visitors and revenue to the state.
 - Attract and retain outstanding student-athletes.
 - Support admissions and build pride in our state and UNH.

Blockchain Quality Assurance Center - \$1.5 million

- Recommendation of the Commission on Cryptocurrencies and Digital Assets
- Utilizes existing expertise at the UNH Interoperability Lab (IOL) to:
 - rapidly expand testing and quality assurance services to meet industry demand.
 - establish NH as an attractive destination for Blockchain entrepreneurs and businesses.
- Funding would support staff salaries and benefits for three years, after which the Center would be fully funded by industry, the same model used by the IOL today.

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University System
of New Hampshire

Appendix A

Supporting Material

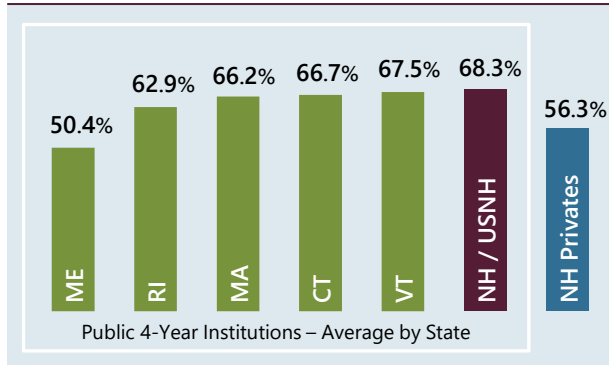
Strong Fiscal Management



“The system's financial discipline and successful execution of cost-cutting measures in the midst of challenged market conditions demonstrates strong management credibility... A moderately large research enterprise, good donor support and absence of defined benefit pension exposure are tempered by low state support[.]” - Moody's (11/18/22)

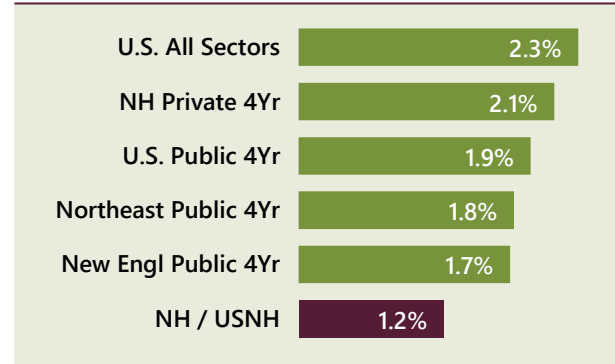
USNH Quality Metrics

Bachelor's 6-Year Graduation Rate



U.S. Dept. of Education, National Center for Education Statistics, IPEDS. FY21 provisional data, most recent available.

Student Loan Default Rate



National Student Loan Data System, official 3-year default rates released 10/2022 on borrowers entering repayment in 2019. New England and Northeast averages exclude NH/USNH. Universally low default rates reflect COVID-related moratorium on repayment.

NH Exports High School Grads



Resident High School Grad Enrollment **Out of State**

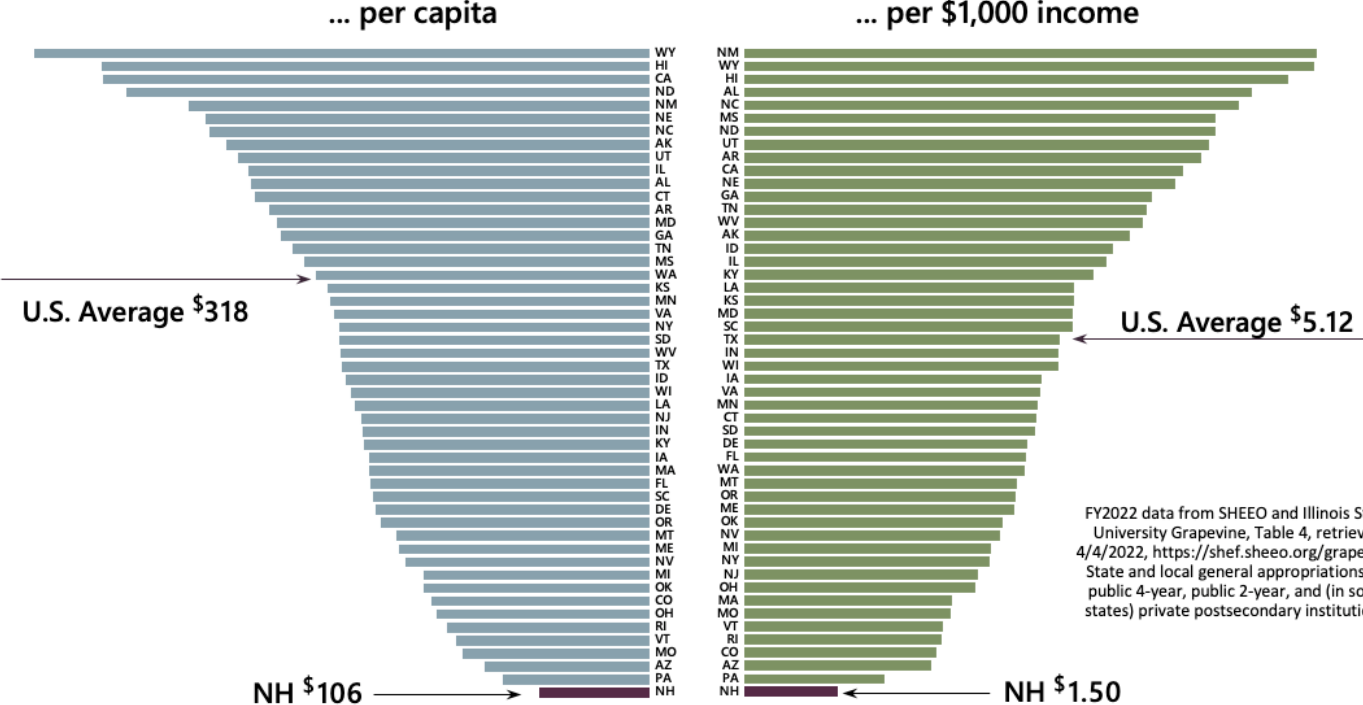
	4-Yr College Enrollment	"Exporter Rank"
VT	57.8%	1
NH	56.3%	2
New Engl Avg	46.2%	
US Avg	25.3%	

	2- and 4-Yr Enrollment	"Exporter Rank"
VT	52.5%	1
NH	48.0%	3
New Engl Avg	38.0%	
US Avg	20.0%	

New England and US averages of residents going out of state for college exclude NH.
 NH rank of 3rd highest in 2- and 4-year enrollment out-migration follows Alaska, 2nd at 50.6%.

Last in State Support

State Funding for Higher Education



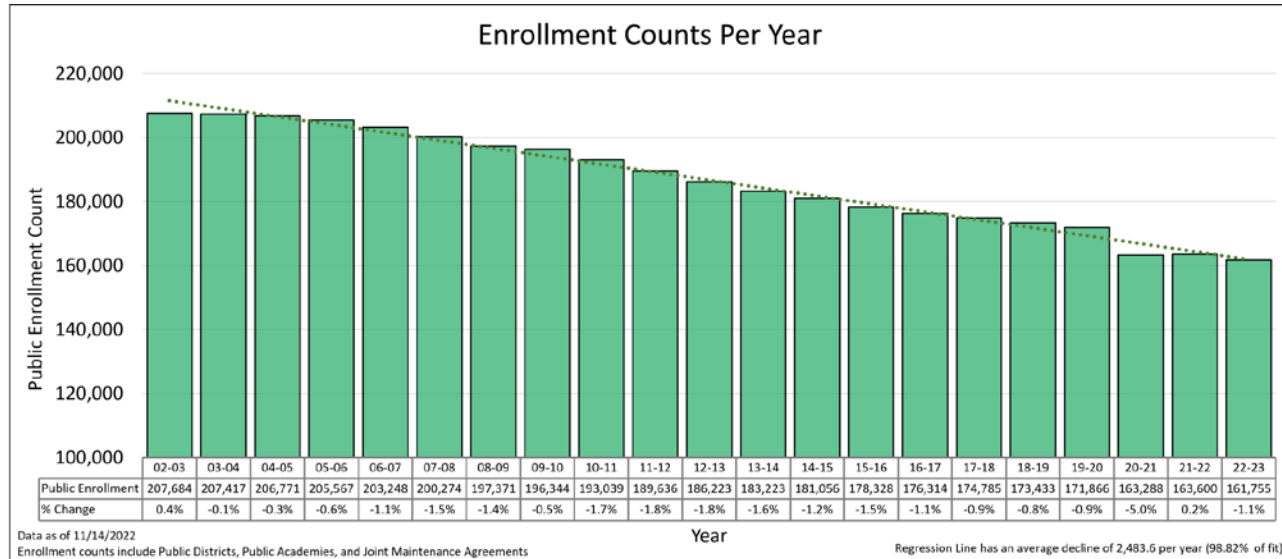
FY2022 data from SHEEO and Illinois State University Grapevine, Table 4, retrieved 4/4/2022, <https://shef.sheeo.org/grapevine>. State and local general appropriations for public 4-year, public 2-year, and (in some states) private postsecondary institutions.

Challenges

Demographics

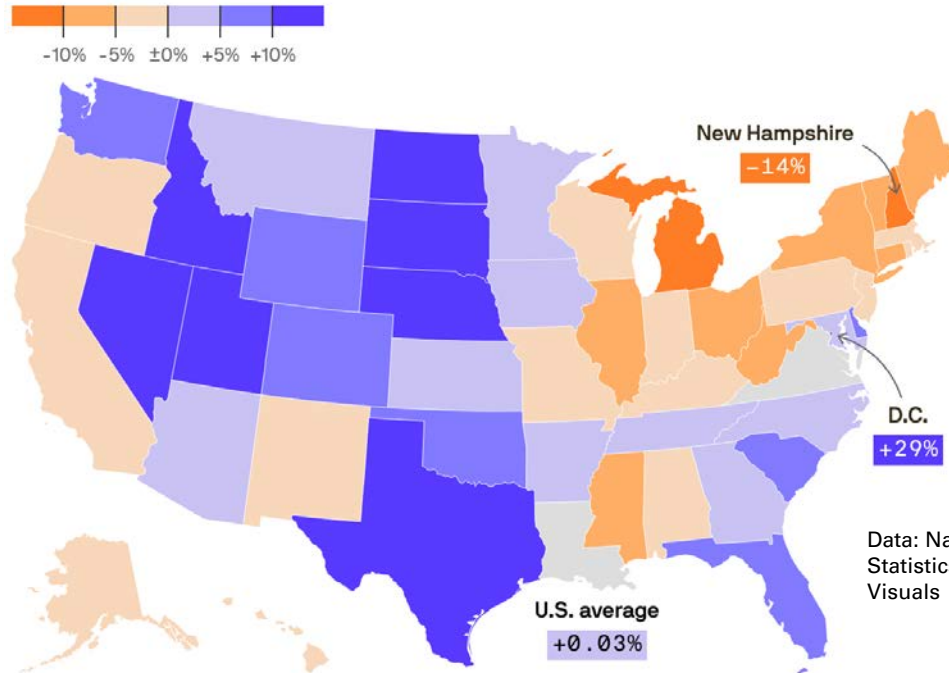
NH's student enrollment declines are occurring across the region.

NH K-12 Public School Enrollment, NHDOE



Demographics

Change in public school enrollment, 2009 to 2020



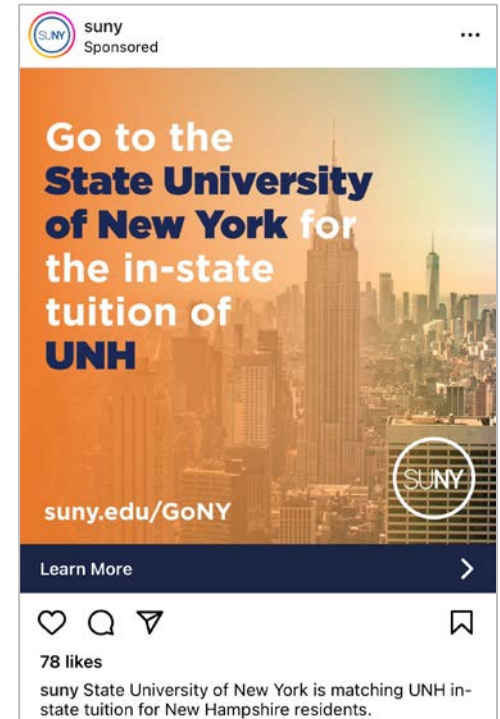
Data: National Center for Education Statistics; Map: Tory Lysik/Axios Visuals

Challenges

Regional Competition

Over 56% of recent NH HS grads enrolled out of state, compared to the national average 25%.

- Lower state support leads to higher in-state tuition.
- Higher in-state tuition makes it easier for other states to compete for NH students.
- Additionally, other states provide more support to their students.





University System
of New Hampshire

Appendix B

Follow-up from Division 2 Orientation

Endowment

**Table 3: Endowment and Similar Investments
Market Value Summary**

(\$ in millions)

	As of June 30,		
	2022	2021	2020
USNH Pool	\$557	\$ 663	\$534
UNHF Pool	266	297	236
KEA Pool	17	17	14
Funds held in trust	17	19	15
Life Income/Annuity Funds	<u>5</u>	<u>5</u>	<u>4</u>
	<u>\$862</u>	<u>\$1,001</u>	<u>\$803</u>

- The UNHF and KEA pools are primarily restricted
- The USNH pool includes both restricted and unrestricted endowment funds

Payout for Purpose by Category

	FY22
Unrestricted	16,441,709
Scholarships	6,157,496
Faculty Support	420,061
Program Support	314,124
Department Chair Positions and Professorships	205,660
Library Books & Special Collections	149,999
Public Programs	107,490
Awards, Prizes, Student Loans, Public Service, and Research	50,949
Plant Debt Service and Maintenance	<u>160,359</u>
	<u>\$ 24,007,848</u>

Note: Unrestricted Payout includes distributions of earnings on USNH cash invested in quasi-endowment funds of \$9.5 million (which is used for campus operations and USNH Long Term Technology Program) and debt service payments of \$4 million

Changes in FTE Employees



Excluding Grant Funded FTEs

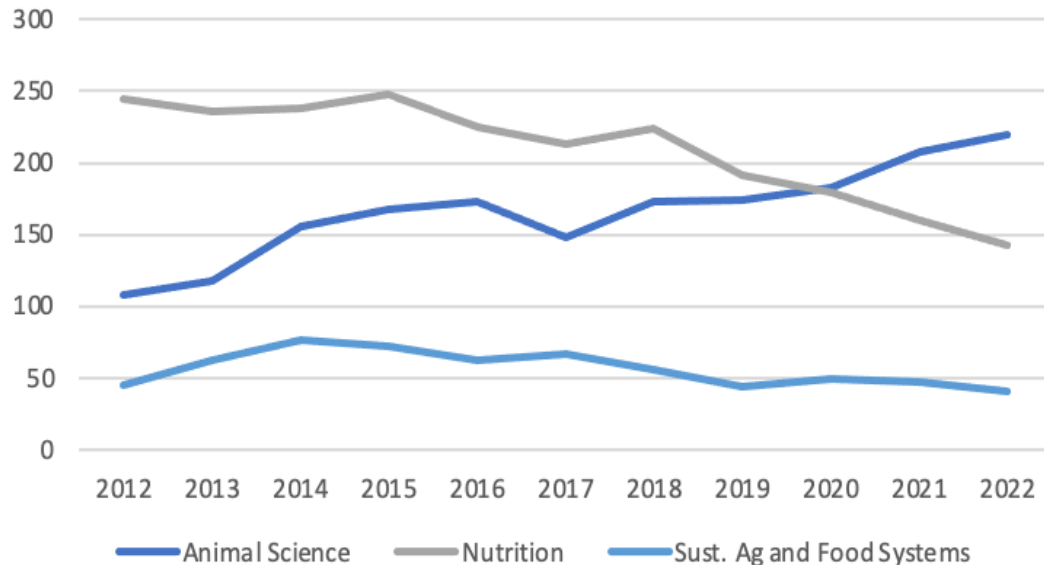
	Increase/(Decrease) Nov 2022 vs Sep 2019			September 2019			November 2022		
	Faculty	Staff	Total	Faculty	Staff	Total	Faculty	Staff	Total
Total FTEs Excluding Grant Positions	▼ (137)	▼ (124)	▼ (261)	1,251	2,512	3,763	1,114	2,388	3,502

- Compared to the September 2019 (pre-CERP baseline), full time positions as of November 2022 have decreased 261.

Agricultural Enrollment

College of Life Sciences and Agriculture

Agriculture, Nutrition, Food Systems enrollment



- Total bachelor's degree enrollments have been relatively stable over the last decade.
- Recently launched a campaign focused on NH high school students to help them see career opportunities.
 - thecolsaclassroom.com