

Introduction

The mission of the Community College System of New Hampshire (CCSNH) is to meet the changing needs of NH residents, businesses and communities across the state for education and training that aligns with the NH and global economy. As an institution designed to be responsive and accountable, CCSNH is pleased to share updates on our financial indicators and performance metrics, as well as on our recent successes, challenges, and risks.

Community college enrollment tends to be **counter-cyclical**; that is, during economic downturn, enrollment rises as more people seek education and re-tooling of professional skills. Conversely, during times of relative economic strength (including low unemployment), enrollment decreases. This has been the experience here in NH. After more than a decade of steady enrollment increases through 2011, beginning in 2012 CCSNH began to experience a downturn in enrollment as NH and the nation emerged from recession. NH's experience is similar to that of community colleges in other states, although our enrollment performance is relatively strong when considering a state unemployment rate that is nearly the lowest in the US. NH's current positive economic indicators belie a well-recognized **skills gap** in the economy, with many employers in high-demand, high-impact sectors experiencing a shortage of workers and qualified applicants. Clearly, there remains significant education and training needs that NH's community colleges are diligently working to address. CCSNH led the state in adopting the "65 by 25" goal to have 65 percent of NH's working-age population with a postsecondary credential of economic value by 2025, based on research showing attainment levels needed to sustain NH's positive economic indicators in upcoming years.

While CCSNH continues to serve students at historically high levels, the enrollment downturn of recent years and freeze in the rate of tuition have resulted in a decrease in operating revenue from tuition. CCSNH has made budget adjustments to keep expenditures in line with revenues. At the same time, CCSNH has made significant progress in mission-related performance. New Hampshire's community colleges **lead the New England region in graduation rate**, and, despite an enrollment dip, will be awarding nearly the same number of credentials to students as we did last year, thanks to retention efforts that keep more students working toward degree completion in a timely manner. CCSNH has become a national leader in student success efforts, such as ensuring that students take the courses they need to graduate in a timely fashion, earn a credential of value to our State's employers, and for those who desire it be well-positioned for transfer into four-year universities.

While we celebrate progress in student success metrics, we also recognize risks. Our number one risk is enrollment and the resulting revenue impacts. NH's demographic outlook of fewer high school graduates in the coming years is of concern. As noted above, we are aware of a skills gap in the current workforce and have begun to focus on "upskilling" **adults in the labor market**, more fully described in a subsequent section of this report. This is an enrollment strategy but, even more, represents CCSNH's efforts to help NH achieve 65 by 25 to ensure our state has the educational attainment levels needed for the highest level of economic vitality. Nonetheless, lower revenue from tuition makes CCSNH even more reliant on state funding. The risk associated with the pressure on public funds is of significant concern to us.

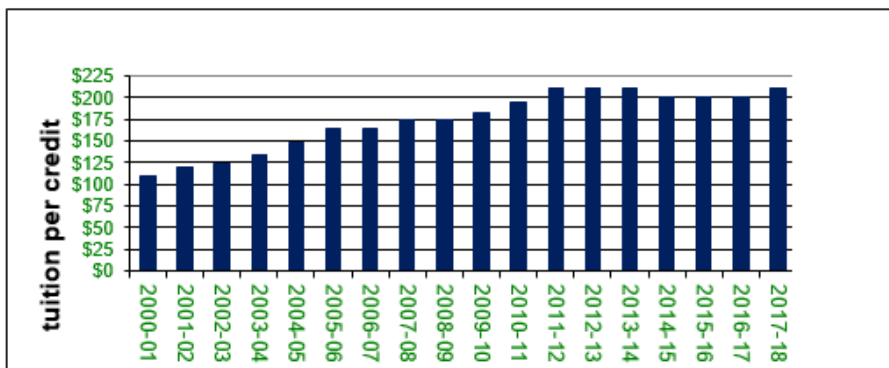
CCSNH also sees risks related to the need to **keep up with technology** demands needed to educate students in the most cutting-edge way possible to meet consumer expectations and prepare a highly-skilled workforce. Additionally, affordability is a risk, as CCSNH faces internal pressure to raise tuition in order to bolster resources – this in a state with already high public college tuition relative to nearly every other state in the nation. A trustee-led priority to keep tuition from escalating has placed significant pressure on our organization. And finally, as states increasingly invest in emerging best practices, we see a risk in falling behind if we fail to invest in such areas as co-requisite remediation (which allows students to take high school equivalency readiness material simultaneous to College credit), more strategic student advising, and other types of innovation.

Financial indicators

For FY18, CCSNH anticipates net tuition and fee revenue to account for just over half, 54 percent, of our total operating budget revenue. This represents minimal variance from last year. With respect to expenditures, 79 percent of our budget goes towards salaries and benefits, with the majority of that towards instructional costs. The remaining 21 percent of expenditures go towards investments in technology, maintenance, and other services within and shared across our seven Colleges. We expect to have net income of at least \$1M for the fiscal year, the majority of that going to paying down debt, with a slight contribution to our cash reserve (with maintenance of a reserve strongly urged by our accrediting agency). See below for the breakdown, with a forecast for FY18, which concludes shortly.

	FY18 forecast for end of year	FY17 Actuals
Revenue		
Net tuition and fees	\$60,424,670*	\$58,800,755
State appropriations	\$46,354,182	\$43,493,750
Other revenue	\$5,124,727	\$6,128,919
Total revenue	\$111,903,580	\$108,423,424
Expenditures		
Salaries	\$61,632,409	\$60,686,350
Benefits	\$25,498,116	\$23,836,596
Other operating	\$23,640,850	\$20,584,209
Total expenditures	\$110,771,376	\$105,107,155
Net income	\$1,132,204	\$3,316,268
Beginning net cash position	\$14,095,345	\$8,822,164
Ending net cash position	\$14,362,524	\$14,095,345
Available cash	\$5,658,895	\$4,187,124
Percent revenue from tuition / fees	54%	54%
Total outstanding debt	\$18,355,792	\$20,974,137
Ending net cash position / debt	67%	78%
Ending net cash position / expenditure	13%	13%

*Revenue increase results from tuition rate increase in 2017, the first since 2011. See below.



Tuition rate today is the same as in 2011-12.

Performance Metrics - Student Success

Our dual mission of educational access and student success guides our work, crystallized in our institutional vision of having 65 percent of New Hampshire residents holding credentials of economic value by 2025. Therefore, students graduating on time is of paramount importance, alongside alumni success which can be measured in wages, employment in areas of occupational training, and transfer rates to four-year institutions. CCSNH is pleased to share student success metrics. While there is much room for progress, CCSNH compares very favorably to other states in terms of student outcomes. In recent years CCSNH has been recognized as a leader in how we track and measure student success and use this data to guide and galvanize our work system-wide.

Below is the quarterly summary of CCSNH progress on key student success performance indicators.

Measure	As of May 2018	Same time last year
Post-graduation and graduation outcomes for AY 2016-2017 - will have 2017-2018 graduation numbers next quarter		
NH-based employment, one-year post-completion*	76.4%	79.4%
Median earnings, post-completion**	\$29,680	\$31,572
Transfer count to USNH	681	654
Total Degrees	1,777	1,792
Total Certificates	608	704
3-year graduation rate for full-time students***	25%	23%
6-year graduation rate for part-time students	21%	First-year tracking
Rolling registration and enrollment figures for AY 2018-2019 that will change quarterly		
Term-to-term retention - YTD: Spring-to-Fall****	29.3%	28.2%
Average credits attempted per semester*****	14.1	14.1
Total enrollment*****	7,524	7,626 (same date last year)

Notes: Employment, transfer and credential attainment numbers above are for fiscal year 2017 cohort, as we are presently concluding the current academic and fiscal years for 2018. Term-to-term retention, credits attempted, and enrollment measures above are for fiscal year 2019, tracking live performance against same time last year in registration for Fall 2018 semester.

* This number *does not include* students who transfer to attend a university full-time, nor those who are self-employed or employed out-of-state.

**This average includes part-time workers, with high variability across industry and including graduates pursuing a four-year credential at same time as employment.

*** CCSNH/NH leads the region in 3-year graduation rate (statistical tie with ME)

****This number represents progress towards an anticipated target of about 70 percent by close of registration cycle in November. Will be closer to target by next quarterly report.

*****Covers full-time students as part of goal to have full-time students attain thirty credits over course of academic year

*****This is a headcount figure that includes registrations for the 2018-19 academic year, which will continue to come in as the year progresses. CCSNH registers students on a semester-by-semester basis so current figure represents only those registered as of May 1, 2018 for AY2018-19, primarily representing summer and fall semester.

INITIATIVES RELATED TO STUDENT SUCCESS AND ACHIEVEMENT OF 65 BY 25

Industry Partnerships

The Community College System of New Hampshire is engaged in dozens of industry partnerships to ensure our students gain learning of value to local employers and to upskill individuals currently in the workforce. These can take many forms: customized training on-site within employer facilities; apprenticeship programs that combine workplace with classroom training; internships that complement certificate and degree programs and provide on-ramps to employment; and more. A few examples are listed below.



GE
Aviation

Customized program in aviation technology, with some semesters on-site at the company, some at Nashua Community College



EXETER HOSPITAL
an exeter health resource | The Art of Wellness

Accelerated Medical Assistant program, where students receive tuition assistance and pay while attending college in bootcamp six-week full-time program.



Internships as part of college culinary programs in partnership with the Common Man family of restaurants



WATTS
WATER TECHNOLOGIES

Training incumbent employees so company can incorporate new more productive equipment at its NH facility and "upskill" its workforce with LRCC's advanced manufacturing curriculum.



New Hampshire Automobile Dealers
NHADA
Association

Co-op programs for students, scholarships, curriculum infused by industry representatives and job placements for graduates

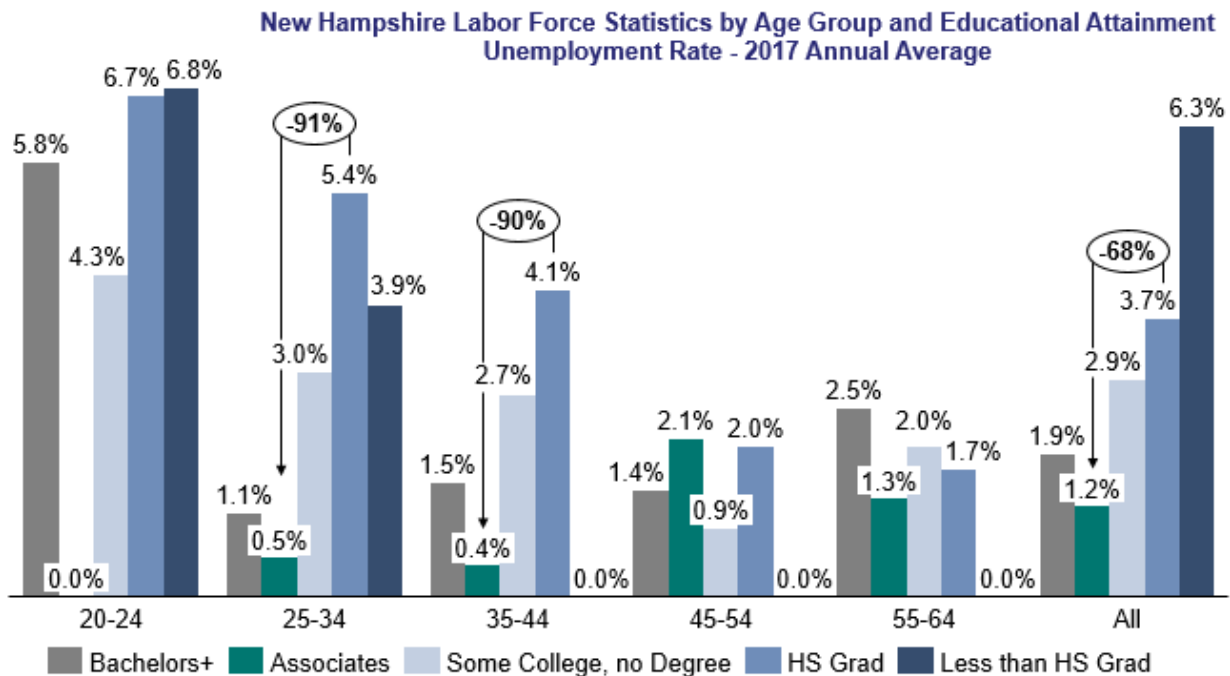
Guided Pathways

In the last year, to ensure more students attain credentials of economic and educational value, CCSNH adopted national best practices for student on-time graduation. Strategies include effective program mapping and advising to help students make the best choices to graduate on time, without paying for unneeded courses; career advising to help students understand labor market information for potential professions, and strengthening transfer pathways to enable seamless transition between community college and a baccalaureate program. Our successes, as demonstrated in our regionally leading graduation rates, have put CCSNH in a national spotlight. NH is now the only state in New England, and only one of four in the country, to be called out nationally by Complete College America (www.completecollege.org) for its community college student success work.

Strengthening NH’s Labor Force Through Re-Engaging Adult Learners

NH’s low unemployment rate not only belies a skills gap in the state’s workforce, it also masks regional disparities in economic opportunity and limits business expansion and the incorporation of new employers into our state. Demographic projections show smaller high school graduating classes through 2032. In this climate CCSNH is increasingly focused on upskilling adult learners in NH – which includes career-changers as well as those without any postsecondary education or college credential. Understanding labor market gaps and graduate performance helps CCSNH develop programs that best meet workforce needs and position students for professional success in New Hampshire.

CCSNH awards associate degrees and certificates, with a focus on credentials of economic value and/or transfer value. Such a focus not only supports NH’s economy but also individual economic advancement. Across all age groups, both the associate and bachelor’s degree correlate to lower unemployment rates and higher wages. As the next chart demonstrates, New Hampshire residents age 25 – 34 who have an associate degree have 91 percent less unemployment than those with only a high school diploma. The difference is 90 percent less in the age range of 35-44.¹

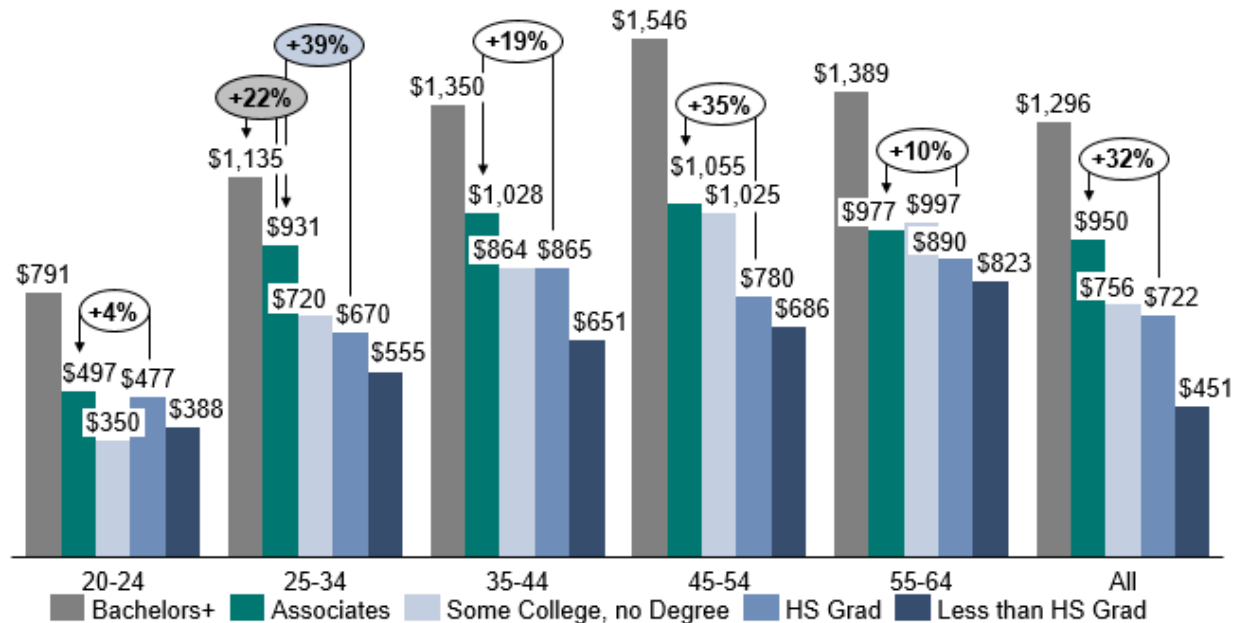


As for wage gaps, across all age groups, weekly wage follows educational attainment. In the 25-34 age group, associate degree attainment represents a 39 percent increase in wages from high school diploma, and baccalaureate attainment a 22 percent jump from there. Also depicted are gains at associate level relative to high school diploma across all age groups, and overall.²

¹ NHES: 2018-03-15 Labor Force and Wages by Age and Education

² NHES: 2018-03-15 Labor Force and Wages by Age and Education

New Hampshire Labor Force Statistics by Age Group and Educational Attainment Weekly Wages - 2017 Annual Average



Indeed, nearly all job growth nationally since the recession of 2007 – 2008 has come from jobs requiring at least some college. As for New Hampshire, according to the Department of Employment Security, “In broad terms, when comparing the occupational employment in 2004 with occupational employment in 2014, New Hampshire’s labor market has seen a net loss of approximately 30,000 jobs in occupations that do not require more than a high school diploma to enter.”³ CCSNH is better positioned than any other higher education institution in New England to seize the opportunity of re-engaging adult learners, by virtue of its high award attainment compared to other community college systems, high social mobility compared to the state and the region, deep partnership with business and philanthropic communities as well as with other state and higher education agencies and institutions, and the fact that we already enroll an increasingly non-traditional student body across an array of liberal arts, STEM and trade degree and certificate programs.

What CCSNH must do to engage more adult learners and ensure NH can meet its 65 by 25 goal includes four strategic aims:

- Assessment of prior and competency-based learning to honor skills gained in the workplace
- Improve outreach to and advising for incumbent workers
- Reconstruct schedules to be more friendly to learners managing multiple responsibilities
- Examine present policy on academic amnesty and debt forgiveness

³ <https://www.nhes.nh.gov/elmi/products/documents/middle-ed-publication.pdf>

Workforce Programs

Apprenticeship Grant

In 2016, CCSNH was awarded a \$1.2 million grant from US Department of Labor to expand and promote registered apprenticeship in the fields of healthcare, advanced manufacturing, and information technology. Since that time, CCSNH has worked with nearly 50 employers across the state of New Hampshire developing new apprenticeships. Businesses currently implementing apprenticeship programs through this effort include LRG Healthcare in Laconia, Core Physicians in Exeter, Eptam Plastics in Northfield, Teleflex Medical in Jaffrey and many more. With an “earn while you learn” model where apprentices can receive wages for on-the-job training and classroom instruction, apprenticeship has proven to be a viable way for CCSNH to work alongside businesses in the development of a highly-skilled NH workforce.



WorkReadyNH

CCSNH offers the WorkReadyNH program, which provides assessment, skill-building, and credentialing in key workplace skill areas. WorkReadyNH helps the un- and under-employed gain the skills to successfully seek employment and build careers, and helps NH businesses by fostering a skilled workforce and strong job applicant pool.



WorkReadyNH was created in response to concerns expressed by NH employers that job applicants lacked foundational workplace competence and “soft skills,” making it difficult to fill jobs and impeding the economic advancement of job applicants. The program focuses on those areas employers identified as most critical to successful employment across a range of industries, including critical thinking, problem-solving, applied mathematics, employer expectations, teamwork, communications and more. Since its inception in 2011, WorkReadyNH has registered more than 4,000 participants in its skill-building and certification program.

NH Job Training Grant Program

The community colleges continue to be the designated preferred training provider under the NH Job Training Grant Program, which provides matching grants to NH employers seeking to upgrade the skills of their incumbent workforce. Community colleges have worked with dozens of NH employers to strengthen the skill level of their incumbent workforce, help employees adapt to changing technology, support advancement, incorporate new skills and processes, and more.

Dual and Concurrent Enrollment Programs

Running Start

CCSNH offers dual and concurrent enrollment programs that enable students to earn college credit while still in high school. These programs can save families thousands of dollars on college costs and speed time to completion, as well as give high school juniors and seniors experience with college-level work and put them on a pathway toward a postsecondary credential.

Running Start, CCSNH's longest-standing early college program, enables NH high school students



to take community college courses in their high school for dual HS/college credit. Each course costs \$150, just a fraction of the cost for courses taken once in college. Running Start enrollment has grown nearly every year since CCSNH created it in 1999 with a pilot group of seven high schools. The program is

currently available in 100 NH high schools. New in 2018, students can be eligible for scholarships through the Governor's Dual and Concurrent STEM scholarship program, paying for two courses per year taken for dual credit in a STEM or STEM-related field.

eStart

CCSNH continues to offer courses through eStart, a program created in partnership with the Virtual Learning Academy Charter School (VLACS) in Exeter, NH. eStart is a dual credit program that affords NH high school students the opportunity to take 100% online college courses through the CCSNH, simultaneously earning both high school and college credit.



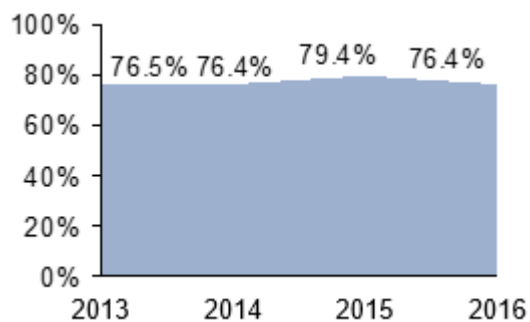
Early College

In 2016-17, CCSNH piloted a new way for high school students to earn concurrent college credit, through an "early college" model. Early college brings high school students directly onto a community college campus for courses taken at a discount. It confers many of the same benefits of Running Start and eStart – giving high school students a head start on college coursework, exposing them to college-level work and expectations, strengthening their postsecondary aspirations, and enabling them to earn college credits more affordably.

In subsequent quarterly reports we look forward to providing updates on these and other workforce development goals and strategic initiatives underway.

APPENDIX – Context to Post-completion and Completion Metrics in Quarterly Dashboard

Context: NH-based employment and median earnings, one-year post-completion



According to statistics furnished by New Hampshire Employment Security for CCSNH alumni, 76 percent of graduates in the Class of 2016 had a job in New Hampshire within one year, and, in 2015 the rate was even higher at 79.4 percent (left). This number *does not include* students who transfer to attend a university full-time, nor those who are self-employed or employed out-of-state.

Students who attend CCSNH also have the highest median earnings ten years later relative to other community college systems in New England. Further, in direct measures of social mobility, time and again community colleges in New Hampshire show relatively high levels of attainment across multiple measures. Nashua Community College, for example, ranks 26th out of 690 community colleges across the country in the share of students who came from the bottom fifth of incomes upon entry and move to the top fifth as alumni. As a system, CCSNH is in the top ten percent in the country on this metric. White Mountains and River Valley come in first and second respectively in New Hampshire across all higher education institutions in the state when placed in an overall mobility index that represents the likelihood that a student moves up two or more income quintiles, regardless of starting point.⁴

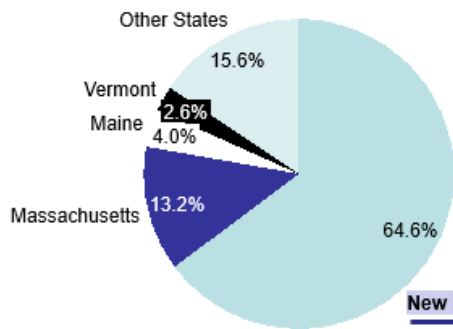
Indeed, not only does CCSNH have relatively high - and growing - credential attainment rates for the community college sector, our credentials have immediate economic value, whether viewed from state or student perspective. This is a critical fact as the Community College System sets its sights on expanding enrollment among prospective adult learners in the state as the path forward to achieving 65 by 25.

Context: Transfer Count to the University System of New Hampshire

Although CCSNH prepares students to transfer to any university across the country if baccalaureate attainment is their goal, we promote our partnerships with institutions in New Hampshire in particular in the ongoing aim of keeping students in the state and achieving 65 by 25. To date, our most robust transfer count data comes from the University System, with whom we have the most active partnership programs – from a 3+1 in nursing, to dual admissions arrangements and robust transfer agreements in STEM programs, humanities and social sciences programs. Below is a graphical depiction of where our students go after CCSNH if they continue their education. USNH transfers represent 60 percent of intra-state transfer activity from CCSNH.

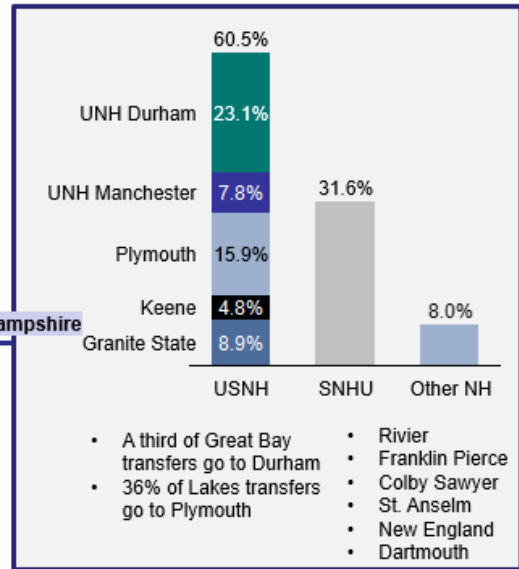
⁴ “Some Colleges have more Students from the Top 1 Percent Than the Bottom 60. Find Yours,” *New York Times*, Upshot Series. Jan. 18, 2017

Most CCSNH students who transfer do so within New Hampshire



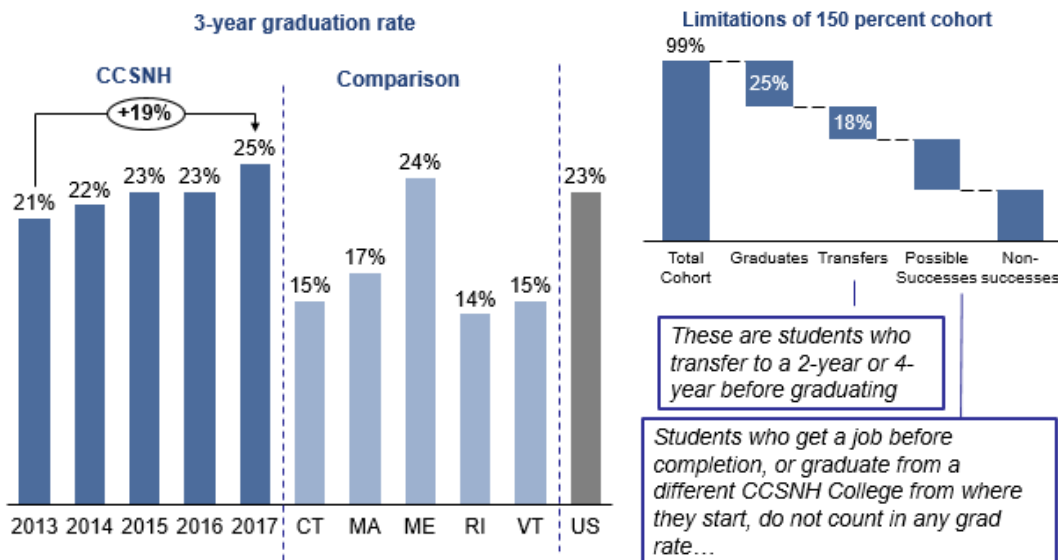
Out-of-state destinations

- Most popular Massachusetts destination is Lowell, at 2.7% percent of all CCSNH transfers
- Most popular Maine destination is USM, at 1.0% of all CCSNH transfers
- Prestige destinations include MIT, Dartmouth, Middlebury and others, with great diversity in originating NH community college



Context: Graduation Rates

CCSNH strives to improve its graduation rates while recognizing its limitations. Despite having a growing three-year graduation rate that leads the New England region, for example, within three years many students still have more coursework to pursue, have transferred to a four-year university, switched Colleges within CCSNH, or received employment prior to graduation based on the value of the classroom experience. CCSNH cannot count these other successes in official graduation rates.



Note in the above the graduation rates for other New England states are 2016 – these will not become publicly available until November.

For students who start part-time, they often take six years to complete. Like the full-time rate for three-years, CCSNH leads the region in part-time graduation rate, though in a near virtual-tie with Maine.

Receiving any award in six years – first-time, part-time

