

## **Focus Area 1: Restoring financial sustainability through increased tuition revenues, management of expenditures, and restoration of reserve funds**

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Granite State College has implemented many initiatives to ensure proper and prudent management of College expenditures. In spring of 2007 the President put forth a plan to reorganize the physical locations around the state into four Regional Centers. These Regional Centers are now in robustly staffed full service facilities for the College. At the remaining five sites, classes are delivered and advisors, as well as tutors, are available to assist students by appointment and during scheduled office hours. This reorganization has resulted in annual savings in facilities costs of approximately \$200,000.

Exhibit 1.1            President's Consolidation Plan  
Exhibit 1.2            Five-Year Comparison of Facility Costs

To a much lesser extent, the use of technology to facilitate meetings via conference call or web-based applications has reduced travel expenses. Additional savings have been achieved through prudent purchasing now utilizing University System of New Hampshire negotiated contracts for optimal pricing.

Late in fiscal year 2008, the College offered a voluntary Separation Incentive Plan (SIP). Eligible staff members were offered a financial incentive to separate from the institution on or before the end of the 2008 calendar year. While only a few eligible employees took advantage of this plan, the College expects to recognize savings of approximately \$100,000 in annual salary and fringe benefit costs.

Exhibit 1.3            2008 GSC Staff SIP Communication

In 2008 the College implemented a process to review all position vacancies during the weekly President's Cabinet meetings. When a vacancy occurs, members of the Cabinet review the need for the position and whether it is necessary to fill with the same grade level or full time equivalent of staff. In many cases, the process has resulted in reallocation and/or realignment of positions throughout the College that better serve the students and faculty.

Over the past three years, the College has achieved the undergraduate credit goals set forth in the business plan approved by the USNH Board of Trustees in 2006. As expected, undergraduate credit enrollments dipped to 26,445 in fiscal year 2008 from 27,721 in fiscal year 2007, but due to Trustee approved credit hour tuition increases tuition and fee revenue grew by 4.1%. Year-to-date in fiscal year 2009, undergraduate credit hour goals for both the summer and fall term were surpassed and the trend is expected to continue for the winter term. The increase in undergraduate credits is the direct result of an investment in four regional Outreach Coordinators (recruiters) coupled with the implementation of a comprehensive strategic marketing plan.

Exhibit 1.4            Education and General Operating Funds Board of Trustees Approved Plan

The Strategic Marketing Plan launched in the summer of 2008 is aimed to increase tuition revenues by focusing on the three key messages that represent the experience the College offers: flexible, affordable, and rewarding. Media advertisements for television and radio have been scheduled at key registration times throughout the year branding the College and targeting the adult population. Remerchandising of facilities is underway to give the same 'look and feel' that is warm and inviting resulting in a consistent image at all College locations throughout the state. This marketing plan was funded in part by the \$1.6 million of support pledged to the College from the Board of Trustees in 2006.

Exhibit 1.5            Strategic Marketing Plan

In early fiscal year 2009 the last \$55,000 of the \$1.6 million Board of Trustees' commitment of USNH financial resources was transferred to the College. A balanced budget was developed for the fiscal year. Given the year-to-date trend in increased enrollments, the College is projecting a small surplus for the education and general funds for the year.

In fiscal year 2007 the College received \$1.5 million of State of New Hampshire capital appropriations for the purchase of a 14,000 square foot condominium at the Technology Village in Conway, NH. This new facility houses the Conway Regional Center for the North Country of New Hampshire and also provides the opportunity for White Mountains Community College to offer non-duplicative associate programs from the same location. The College is now exploring the possibility of using State of New Hampshire capital appropriations to purchase another facility to house the Rochester Regional Center in the eastern part of the state.

In addition to managing expenditures, the College has renewed fundraising efforts through the Alumni Learner Association (ALA). A part-time Assistant Director was appointed to be the liaison and support staff to the ALA Board in the spring of 2008. This fall a number of receptions honoring our alumni were held throughout the state. As a result of these and other efforts, the ALA has been able to achieve their fundraising goal of over \$10,000 that supports annually awarded merit-based scholarships.

By the end of fiscal year 2008, the College was able to establish the net asset balance back to the level that was held at the end of 2002. Ending the fiscal year with a net asset balance of over \$2.3 million the College now has an unrestricted reserves balance of over \$400,000 compared to the prior year balance of negative \$560,000. This change of almost \$1 million was not only a result of current year operations, but was also partially funded from \$500,000 of proceeds from the sale of real estate held by the College.

Exhibit 1.6	Statement of Net Assets FY 2008
Exhibit 1.7	Statement of Revenues, Expenses and Changes in Net Assets FY 2008

To measure long term financial stability, the USNH Board of Trustees uses four financial strategic indicators in examining the health of each USNH institution: operating margin; unrestricted net assets to operations; unrestricted net assets to debt; and total financial resources per Full-Time Enrolled (FTE) student. The College's operating margin improved dramatically to 0.5% in 2007 from -7.6% in 2006, but dipped again in 2008 to -1.5%. The drop in 2008 is due to funding from USNH financial resources as approved by the Board of Trustees in 2006. These funds were recognized as transfers, not revenue, which precludes them from being included in the operating margin calculation thus driving the result negative. Beginning in 2009, the College's operating margin is projected to turn positive and begin to grow over the next five years. Unrestricted financial resources to operations increased from 0.6% in 2007 to 10.3% in 2008. This is a direct result of the increase in unrestricted net assets mentioned previously. An unrestricted financial resource to debt indicator is not applicable since the College does not hold long term debt. Total financial resources per FTE student increased significantly from 158 in 2007 to 1,251 in 2008 showing the growing financial resources of the College.

Exhibit 1.8	Strategic Indicator 10: Operating Margin
Exhibit 1.9	Strategic Indicator 11: Unrestricted Financial Resources to Operations
Exhibit 1.10	Strategic Indicator 13: Total Financial Resources per FTE Student

Early in fiscal year 2009, the College received its first \$1 million endowment from the Bernard Osher Foundation to support operations of the Osher Lifelong Institute (OLLI) at Granite State College. OLLI, established at the College in 2004, provides adults over the age of fifty with the opportunity to learn for the fun of it. With over 500 members, classes are developed in response to their interests and are offered at multiple locations around the state.