

Senate Finance Committee

Deb Martone 271-4980

SB 407-FN-A, making an appropriation for each full-time student eligible for the in-state tuition rate enrolled in the university system of New Hampshire.

Hearing Date: February 3, 2026

Time Opened: 1:20 p.m.

Time Closed: 1:41 p.m.

Members of the Committee Present: Senators Gray, Innis, Birdsell, Pearl, Lang, Rosenwald and Watters

Members of the Committee Absent: Senator Carson

Bill Analysis: This bill makes an appropriation for each full-time student eligible for the in-state tuition rate enrolled in the university system of New Hampshire.

Sponsors:

Sen. Gray

Who supports the bill: Senator Gray; Catherine Provencher; Lauren Banker; Michelle DellaVita; Katie McLaughlin; Shirley Montgomery; Claudia Gibson; Sharon Racusin; Letitia Ufford; Mary Burton; Janet Hurd; Jacob Favolise; Julie Schoelzel; Nancy Kelley; Joan Lang; Karen Chase; Margaret Bowles; Lisabeth Gross; Priscilla Benson; Nancy Miles; Susan Holcombe; William Faulkner; Peter Hansel; Barbara Callaway; Sarah Young; Sandra Scheidt;

Who opposes the bill: Julie Smith; Russell Hodgkins; Arnold Scott; Bradley Louth; Daniel Richardson; Priscilla Dube; Mary Lannon;

Summary of testimony presented in support:

Senator Gray, Prime Sponsor:

- SB 407-FN-A seeks to make an appropriation to each full-time student eligible for in-state tuition enrolled in the University System of New Hampshire. This bill is probably not feasible for this year, but we need to start having the discussion about how we are going to fund USNH, and the Community Colleges.
- What Senator Gray would like to see happen maybe next year in a real budget is an appropriation for capital items. There would be an appropriation for mandatory education that the Legislature has prescribed. There are individuals who receive free tuition at the University System. There should also be a dollar figure per semester per student or some other formula that would reduce the tuition for New Hampshire students, which would be the in-state tuition.

- Senator Gray is concerned with the \$10 million cut between this year and next year in the University System. It went from a \$97 million appropriation with approximately \$5-\$6 million of that amount for some reconstruction. The appropriation then went down to \$87 million for this year and then \$77 million for the year after. That is putting a lot of strain on the University System to make those cuts and actually survive.
- As a member of the University System's Board of Trustees, Senator Gray made similar comments to the Board and the Finance Committee. Several Board members agreed we need to do something, and this seems like the best thing they've heard so far. However, the University System's Board of Trustees has not endorsed this proposal.
- Senator Watters remarked this proposal sends a good signal to families that are thinking about coming to UNH and those who are there that we care about them and want to do something for them. The issue here is where is the money. Senator Watters wondered if Senator Gray had given any thought to actually designating the source of these funds from the extra funding that the Department of Revenue Administration is bringing in with the tax amnesty program. Senator Gray agreed the tax amnesty program is doing well. But there are other funds that aren't doing well. He was unsure if those funds are actually available. Senator Gray reiterated he is willing to discuss any potential source of funding.
- We do need to look into the future. How do we get stable funding to the University System and the Community College System that they can depend on, which will be supported by both the House and Senate?
- Senator Innis inquired as to how Senator Gray came to choose \$300. "I picked it out of a warm, dark place".
- Senator Lang asked why we are not addressing the Community College System as well in this bill. Senator Gray explained he has no expectations that the proposal will get funded the way it is currently written. If it does get funded, it will probably be pushed into next year. The next Senate Finance Committee will have to deal with it. The \$300 right now wouldn't help the University System itself because the money would go directly to the students. That's not exactly the way Senator Gray would like to see it happen. He did speak with Chancellor Rubinstein of the Community College System. Chancellor Rubinstein stated they were not experiencing the same kind of problems the University System is experiencing. Funding for both systems needs to be treated similarly. Exactly what that is is yet to be determined.
- Senator Rosenwald inquired if Senator Gray had given any thought to our fee agreement with Fidelity Investments, which probably hasn't been renegotiated since we launched the 529 Plans, She was wondering if Senator Gray thought there is room to look at what that fee is. It brings in significant money that we could dedicate to higher education. Senator Gray suggested meeting with the LBA to discuss such action.
- Senator Pearl sought to confirm the \$300 is going to reduce students' tuition. Senator Gray agreed that is the way the bill is written currently. But again that doesn't help the University System because it doesn't reduce that \$10 million

difference between this year and next year. The \$300 would be for the student and the University would still get the same amount of tuition. To reiterate, Senator Gray is not suggesting SB 407-FN-A get passed the way it is currently proposed. This is merely a way of starting the conversation and developing a way to fund the University System and the Community College System in a way that makes sense, and helps to retain our youngest and brightest students here in New Hampshire. Certainly, a student who goes to school out of state is much less likely to live here in the future, as opposed to a student that goes to the University System, the Community College System, or one of our other fine institutions of higher education.

Catherine Provencher, Chancellor, University System of New Hampshire:

- The University System is eager to partner with anyone who has solutions on how we can continue to attract, retrain, and retain the talent in our state.
- It's really about workforce. New Hampshire has the oldest workforce in the country. Over 27 percent of our workforce is over the age of 55. Having a pipeline of young talent is critical to the economy and employers across the state.
- State support for the University System does result in a tuition differential. It's about half. Another portion of the state appropriation is allocated to state-mandated programs, primarily the Cooperative Extension. About \$14 million of the appropriation is allocated to such programs. They also incur over \$4.5 million a year in tuition waivers, primarily to the National Guard. That's statutorily mandated, and it is funded out of their budget.
- The state support drops to \$77 million in FY 2027. They have had to take tens of millions of dollars out of the cost structure over the next five years because of changes in higher education as enrollment is declining. That was before the reduction in state support.
- Next year is going to be extremely difficult for the University System.
- They have done a number of things to reduce costs, including reducing faculty headcount, staff headcount, and the number of executive officers. They have reduced medical benefits, increased premiums and reduced retirement contributions. They've reduced their footprint because it is necessary. And despite all of that, it is quite possible they will be in the red in FY 2027. But they are working on solutions.
- This situation is starting to impact enrollment for this fall. They survey UNH students who are accepted but don't join them. Approximately 13 percent said the reason they didn't attend USNH was due to the uncertainty around the reduction in state support.
- The University System is also hearing concerns from employers. Can they continue to deliver on employers' workforce needs?
- There is a partnership between employers, public higher education and the government in developing our workforce and our economy for the future of New Hampshire. Any initiatives to help bolster that partnership, the University System is on board with.

- Additional state support signals to our students, their families and employers that this partnership is valued, and that the University System has a place with the state and employers in growing the economy of the future.
- Senator Innis described the situation as sort of a demographic cliff. We've known for a decade plus this was coming. What's the University doing to try to grow enrollment? UNH President Chilton informed legislators the states around us saw an increase in enrollment this year, but UNH saw a decrease. State funding could be part of it, but it's not all of it. Where are you growing? How are you trying to improve to attract students? Are you consolidating programs, focusing resources? What really should encourage us to make an investment of this sort? Chancellor Provencher explained they are consolidating programs and services, and they're leaning into those programs that are growing. More than half the students at UNH focus on four program areas. These include business, health care, biotech and engineering. Those program areas are the key to New Hampshire's needs right now. They are doing the same thing over at Keene State College. President Birx is leaning into the needs of employers in a 50-mile radius of Keene State College for the future of their workforce. He's done the same at Plymouth State University.
- The University System of New Hampshire is changing. They are not the same University System of even 25 years ago. They have partnerships with thousands of employers around the state to help with curriculum. Unlike the Community College System, they are not going to change a program on a dime. We are working with employers on what their needs will be four years from now, six years from now, so the faculty can work on a curriculum that meets those needs.
- Senator Rosenwald asked Chancellor Provencher if she would agree if you can't write a coherent, grammatical paragraph, you're not going to be good at any of those four areas either. Chancellor Provencher agreed 100 percent. There is survey data from around the country from employers confirming students need to be able to effectively communicate, not just write a sentence, but speak, work on a team, and interact with people who are different from themselves. That is why they have a general education program that connects those skill sets with the skills that their students need to succeed. And not just in their first job. Hopefully, they will gain a love of learning for the rest of their life. That's the key to helping any student succeed in today's workforce. You have to be adaptable as well. We don't know what skills folks are going to need even a half-dozen years from now.
- Senator Innis remarked he was not sure \$300 is enough to move that many families or students. One thousand would be a little better, and would get their attention a little more. But these funds would essentially lower the cost for a student. Price elasticity of demand is fairly tight. Chancellor Provencher agreed it is tight. We really don't have wiggle room to increase tuition, not in this market. If we did we'd lose even more enrollment and that's not going to benefit our state in the future for workforce. She stated, "\$300 is \$300." They are not going to sneeze at \$300. And it's a message to students and families that we're working on a solution. We might not have the final solution, but we're working on a solution.

- Senator Birdsell inquired as a university, are they finding that some of the students coming into freshman year are lacking some of the skills required for a freshman in college. Chancellor Provencher responded anecdotally, yes. But she requested Senator Birdsell give her a bit more time to consult with the Provost later in the week. Chancellor Provencher will get back to Senator Birdsell.
- Senator Lang asked about the cost per credit at the university system. Chancellor Provencher stated full-time tuition at UNH is \$15,900, which is what she calls the sticker price. That includes no financial aid, although 90 percent of their students receive financial aid. Senator Gray stated there are 16 credits a year, 4 4-hour courses. The approximate cost would be \$500 per credit.
- Chancellor Provencher added New Hampshire no longer has the distinction of having the highest in-state tuition. UConn and UVM are higher than New Hampshire.

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Date Hearing Report completed: February 5, 2026