



University of
New Hampshire

University System
of New Hampshire

Partnering for the Future

Investing in Public Higher Education

Division II House Finance Committee

March 3, 2025

USNH Enabling Legislation



- **187-A:1 The University System of New Hampshire.** – The university system of New Hampshire is established and made a body politic and corporate, the main purpose of which shall be to provide a well coordinated system of public higher education offering liberal undergraduate education encompassing the major branches of learning, emphasizing our cultural heritage, and cultivating the skills of reasoning and communication. The university system shall provide for professional and technical 2-year, 4-year and graduate programs which serve the needs of the state and the nation; for research which contributes to the welfare of mankind, to the development of the faculty, and to the educational experience of students; and for its faculty and staff to bring educational resources and professional experience to the benefit of the state and its people. The university system of New Hampshire is authorized to grant and confer in the name of the university system of New Hampshire all such degrees, literary titles, honors and distinctions as other universities may of right do.

FY 26-27 Governor's Recommended Budget



	FY 2024 ACTUAL EXPENSE	FY 2025 ADJUSTED AUTH	FY 2026 GOVERNOR'S RECOMMENDED	FY 2027 GOVERNOR'S RECOMMENDED
06 EDUCATION				
50 UNIVERSITY SYSTEM OF NH				
50 UNIVERSITY SYSTEM OF NH				
506010 UNIVERSITY SYSTEM OF NH				
1855 UNIVERSITY SYSTEM OF NH				
084 University System of NH Fundin	104,000,000	95,000,000	91,240,582	91,240,582
TOTAL	104,000,000	95,000,000	91,240,582	91,240,582
ESTIMATED SOURCE OF FUNDS FOR UNIVERSITY SYSTEM OF NH				
GENERAL FUND	104,000,000	95,000,000	91,240,582	91,240,582
TOTAL SOURCE OF FUNDS	104,000,000	95,000,000	91,240,582	91,240,582

Including one time funding, the Governor recommends a \$16.5 million (8.3%) reduction in USNH funding for the FY 26/27 biennium. This reduction will certainly be felt by USNH as we continue to reduce the cost structure for the future. USNH respectfully requests State funding not be further reduced and be held at the Governor's recommended levels.

Division II Orientation Recap



- Total enrollment in fall 2024 was 23,000, 19,000 (83%) is undergraduate. UNH made up 69% of total enrollment, KSC 14% and PSU 17%.
- Significant driver of the educated workforce pipeline in NH with over 3000 graduates (bachelors and advanced) entering the NH workforce each year.
- Relationships with thousands of businesses, providing a close connection between NH employers and our students, graduates and research.
- UNH is one of only 187 universities (7%) in the country classified as R1. R1 is the highest level of research activity in the Carnegie Classification of Institutions of Higher Education.
- PSU and KSC are deeply embedded in the regions of our State where they are located.

USNH Income Statement 5 Year Compare



\$ in millions

	2019	2024	Five Year Change	
			\$	%
Tuition and fees	\$ 522	\$ 509	\$ (13)	-2%
Less: student financial aid	(197)	(233)	(36)	18%
Net tuition and fees	325	276	\$ (49)	-15%
Sales of auxiliary services	214	220	6	3%
Grants and contracts	155	247	92	59%
State general appropriations*	81	98	17	21%
Noncapital gifts, investment income and other revenues	88	113	25	28%
Total Operating and Nonoperating Revenues	863	954	91	11%
Employee compensation	534	568	34	6%
Supplies and services	204	263	59	29%
Utilities, depreciation and interest	102	111	9	9%
Total Operating and Nonoperating Expenses	840	942	\$ 102	12%
Increase(Decrease) in Net Position before other changes**	23	12	(11)	-48%
Endowment gifts and returns, net	27	75	48	178%
State capital appropriations and other changes	2	21	19	950%
Total Other Changes in Net Position	29	96	\$ 67	231%
Effect of adoption of new accounting	(2)	-	2	-100%
Total Increase (Decrease) in Net	\$ 50	\$ 108	\$ 58	116%

* FY 24 includes \$3 million in one-time State funding. At \$95 million, the increase is 17% over the five years

** also referred to as Operating Margin

Inflation over this period was more than 23%

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

For the first time since 2013, NH student enrollment increased this academic year (FY 25) by 2.8% in part because the State’s increased investment has allowed USNH to hold NH tuition flat for 6 years.

Surrounding states are doubling down to retain and attract young talent to grow their workforce. Further reduction in State support will hinder the ability to retain students and strengthen the NH workforce.

USNH is Investing in New Hampshire



- USNH embraces its public mission and is committed to strengthening NH's future economy and quality of life for Granite Staters.
- In order to continue innovating in a fast-paced changing environment, the future requires a workforce with variety of skills and education levels from certificates to doctoral researchers.
- According to the Dept of Business and Economic Affairs, life sciences and advanced manufacturing are real growth areas for NH. USNH is closely collaborating with these industries and others to innovate and drive workforce to meet the needs of the future.

Examples of USNH Investments



- UNH Spaulding Life Sciences: With capital budget support from the State, USNH invested an additional **\$60 million** in this project to better compete for students, conduct cutting edge research, and provide a pipeline to the life sciences industry in NH.
- PSU Hyde Hall: With capital budget support from the State, USNH invested an additional **\$22 million** in this project to create the home for PSU’s Innovation and Entrepreneurship Cluster key to economic and entrepreneurial workforce development in the North Country and Lakes Region of New Hampshire.
- UNH NOAA+ +: **\$9 million investment in** advanced manufacturing space to co-locate industry partners providing real life student experiences and workforce development, industry-sponsored research, revenue from use of core facilities, access to state-of-the-art equipment, licensing opportunities, economic development for region.

Headwinds for Higher Ed and Workforce Needs



- Since 2019, total enrollment across USNH has dropped 11%. With continued projected decline in the number of high school students, enrollment will likely drop further. This will have real impacts on the future workforce needs of NH employers.
- With declining enrollment, USNH has and will continue to make difficult choices to reduce its cost structure. Across the university system, plans are being developed to further consolidate services to leverage scale and to identify work that will cease.
- USNH does not seek State support to avoid making difficult decisions.

- USNH is closely monitoring actions at the federal level and will, of course, fully comply with the law.
 - DEI related: General counsel is working with all campuses to evaluate campus web sites and programs to ensure USNH is compliant with law. Additionally, over 1200 federal grants across the system are being evaluated to determine if any contain language that may be contrary to current legal guidance.
 - Federal grants: In FY 24, USNH received \$222 million in direct and indirect grant dollars, and an additional \$22 million in federal Pell grants. As of 2/28/25, UNH has had stop work orders issued on four federal grants totaling \$700,000, but the situation remains fluid.

DEI-Related Spending



- Each campus maintains an office responsible for performing compliance functions related to Title IX, ADA, equal employment laws, and more.
- These offices provide support for many different students, including disabled students, first generation college goers, veterans and underrepresented student populations. All programming is available to all students.
- Combined, these office budgets are less than \$3 million annually. This represents about .3% of the total \$950 million USNH budget. Some of this work is supported by private philanthropy.

Partnering for the Future



- Higher education is changing and USNH is adapting. It will make difficult choices in the immediate future to ensure a financially sustainable public higher education system for our State.
- USNH is committed to its public mission and will continue to invest in NH's future, but it must have a strong partnership with the State to do so.
- **USNH respectfully requests State funding not be further reduced and be held at the Governor's recommended levels.**

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Appendix

Follow-up from Division II Orientation Previously Submitted to Committee

Summary FY 25 Budget

	A	D	E	F	G	H
1	USNH Summary - FY25 Budget					
2	All Funds, \$ in Millions					
3						
4		FY25 Budget				
5		Shared Services	PSU	KSC	UNH	USNH
6	Resident tuition	0.0	22.1	17.1	114.2	153.4
7	Nonresident tuition	0.0	37.7	30.1	266.1	333.9
8	Continuing education tuition	0.0	0.8	3.4	6.0	10.2
9	Student Fee revenue	0.0	4.1	4.2	12.6	20.9
10	Gross Tuition Revenue & Fees	0.0	64.8	54.8	398.9	518.4
11	Less: student financial aid	(0.0)	(32.5)	(27.9)	(180.4)	(240.8)
12	Financial Aid % of Total All Funds Gross Tuition Revenue & Fees		50.2%	50.8%	45.2%	46.4%
13	Net Tuition & Fees	(0.0)	32.2	26.9	218.5	277.7
14	State of New Hampshire general appropriations	0.0	14.9	14.2	65.9	95.0
15	Sales of auxiliary services (2)	0.0	34.4	29.9	155.1	219.5
16	Grants, Contracts, and Other Operating Revenue (3)	14.4	16.0	23.5	296.3	350.1
17	Total Operating Revenue Excluding One-Time Impacts	14.4	97.6	94.5	735.8	942.3
18						
19	Employee Compensation	48.6	50.7	46.9	424.2	570.4
20	Other Operating Expense (1)	(36.5)	47.8	48.0	316.9	376.1
21	Total Operating Expense Excluding One-Time Impacts	12.1	98.5	94.9	741.0	946.5
22						
23	Recurring Operating Margin Before One-Time Impacts (5)	2.2	(0.9)	(0.3)	(5.2)	(4.2)
24	Operating Margin %	15.6%	-1.0%	-0.3%	-0.7%	-0.4%
25						
26	One-Time Operating Margin Impacts (Non-Capital) (4)	(12.3)	(2.7)	(3.5)	(4.2)	(22.8)
27						
28	Operating Margin Including One-Time Impacts	(10.1)	(3.7)	(3.8)	(9.4)	(27.0)
29	Operating Margin %	-70.0%	-3.8%	-4.0%	-1.3%	-2.9%
30						
32	(1) Negative expense is an allocation to campuses from central shared services; includes Information Technology, Finance, HR, Legal, etc.					
33	(2) Includes dining, housing, select mandatory fees, etc.					
34	(3) Direct reimbursable grant revenue is approx \$190M and directly offsets operating expenses; federal pell grant revenue \$24M (offset to financial aid), etc.					
35	(4) One-time impacts include non-recurring expenses and revenues such as COVID-related items, one-time strategic investments such as new ERP, etc.					
36	(5) FY25 budget includes purposeful spend-down of approximately \$12M of accumulate UNH gifts (timing difference of revenue receipts and expenses)					

Ten Year History of NH Tuition Offset



State General Appropriation	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Actual FY23	Actual FY24	Budget FY25
Tuition Offset	\$ 68,660,170	\$ 67,935,277	\$ 67,688,492	\$ 67,474,096	\$ 71,747,703	\$ 74,541,575	\$ 74,463,080	\$ 74,440,413	\$ 81,306,844	\$ 80,940,413
Agricultural Experiment Station	\$ 4,597,575	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996	\$ 4,852,996
Center for Industrial Research Development	149,353	157,651	157,651	157,651	157,651	157,651	157,651	157,651	157,651	157,651
Cooperative Extension Service	4,332,522	4,505,600	4,505,600	4,505,600	4,505,600	4,505,600	4,505,600	4,505,600	4,505,600	4,505,600
Cooperative Extension Service Counties	2,320,391	2,556,266	2,803,051	3,017,447	3,243,841	3,449,968	3,528,463	3,551,130	3,184,699	3,551,130
Marine Research and Development	939,989	992,210	992,210	992,210	992,210	992,210	992,210	992,210	992,210	992,210
Subtotal, Research & Public Service	\$ 12,339,830	\$ 13,064,723	\$ 13,311,508	\$ 13,525,904	\$ 13,752,298	\$ 13,958,425	\$ 14,036,920	\$ 14,059,587	\$ 13,693,156	\$ 14,059,587
Total	\$ 81,000,000	\$ 81,000,000	\$ 81,000,000	\$ 81,000,000	\$ 85,500,000	\$ 88,500,000	\$ 88,500,000	\$ 88,500,000	\$ 95,000,000	\$ 95,000,000

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 Est
Resident FTE Enrollment	14,470	13,938	13,666	13,510	13,191	12,549	11,917	11,253	10,884	11,154
Tuition Offset per Resident FTE	\$ 4,745	\$ 4,874	\$ 4,953	\$ 4,994	\$ 5,439	\$ 5,940	\$ 6,248	\$ 6,615	\$ 7,470	\$ 7,257

Excludes one-time State funding

FY 25 Price of Attendance



Undergraduate Direct Price of Attendance 2024-25					
	UNH Durham	UNHM	UNH-CPSO*	KSC	PSU
NH Resident tuition	\$15,520	\$15,150**	\$7,536	\$11,754	\$11,870
Nonresident tuition	\$36,170	\$35,730**	\$9,096	\$23,810	\$22,810
Mandatory Fees	\$3,682	\$688	\$188	\$3,030	\$2,756
Double Room Rate	\$8,546	-	-	\$8,600	\$8,340
Representative Meal Plan Rate	\$5,104	-	-	\$4,400	\$3,616
* CPSO per credit hour rates annualized at 24 cr hrs/yr					
** 12-20 credits					
Graduate Direct Price of Attendance 2024-25					
	UNH Durham*	UNHM	UNH-CPSO	KSC	PSU
NH Resident tuition	\$14,520	\$800-820/credit hour	\$10,260	\$569/credit	\$584-681/credit
Nonresident tuition	\$28,500	\$880-1010/credit hour	\$11,520	\$658/credit	\$782-866/credit
Mandatory Fees	\$2,412	\$628*	\$188	\$122.90	\$43

Sources of Research Funding



USNH Research Funding Sources			
As a % of External Funding Expenditures (FY24)			
	<u>Total</u>	<u>Direct Cost</u>	<u>F&A</u>
<u>Federal</u>			
Federal -Prime	61.01%	61.39%	59.17%
State - Flow Down	6.61%	6.72%	6.07%
All Other Sponsors - Flow Down	<u>16.91%</u>	<u>15.72%</u>	<u>22.74%</u>
Total	84.54%	83.83%	87.98%
<u>Non-Federal</u>			
State- Direct	0.84%	0.95%	0.34%
All Other Sponsors	<u>14.62%</u>	<u>15.22%</u>	<u>11.68%</u>
Total	15.46%	16.17%	12.02%
Total	100.00%	100.00%	100.00%

March 3, 2025

NH Hampshire House of Representatives
Division II Finance Committee
107 North Main Street
Concord, NH 03301

Dear Members of House Division II Finance Committee,

As you prepare for the upcoming budget discussions, the Business and Industry Association (BIA) of New Hampshire asks that you to consider the significant impact that state funding for the University System of New Hampshire (USNH) has on the strength and vitality of our state's respective businesses, workforce, communities, and the future of New Hampshire.

USNH institutions consistently attract 13,000 students to our state each year earning them the title of the largest in migrator of future leaders and workforce talent. They partner with our businesses and respond with programming that equips graduates with skills to fill workforce gaps and provide internships that make graduates two times more likely to remain in our state and build careers. Innovation and cutting-edge research at USNH are critical elements for the expansion of our biotech, advanced manufacturing, and their partnership with NH Life Sciences secures our state's ability to win the competition with our New England peers for the talent at the undergraduate, graduate and doctoral levels. Investment in USNH's proven ability to attract, equip, and retain graduates ensures the continued success and retention of over 3,000 graduates (bachelor's and advanced) entering the NH workforce each year. NH relies heavily on these graduates to join its workforce and contribute to the success of our business community.

The workforce of tomorrow includes skillsets across all levels and sectors of employment including advanced professionals in fields such as nursing, manufacturing, biological and life sciences, engineering, management, among many others. These graduates are not only contributing to the firms represented by the BIA, but are also becoming integral leaders and volunteers in our business communities. In fact, because of continued state support, after 12 consecutive years of NH undergrad enrollment decline (fall 2012-2023, -37.3%), the number enrolling at USNH institutions increased this past fall by a margin of 2.8%. This is in large part due to the public-private ecosystem across the University System and their emphasis on collaborative partnerships that work with business to inform curriculum, coursework and certificates. State support over these past six years

**PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE
ECONOMY**



BUSINESS & INDUSTRY ASSOCIATION
New Hampshire's Statewide
Chamber of Commerce

has allowed USNH to freeze tuition levels. On average after aid has been applied, it is now less expensive to attend UNH, Keene State College and Plymouth State University than it was in 2019. A decrease in state support will force the university system to raise the cost for students to become equipped for a future in the NH workforce and will work against the efforts of all of us to retain more of the 60% of high school graduates who leave the state. Businesses and associations from across New Hampshire value what a highly skilled and educated workforce brings to the success the business community and on the future of our state's economy.

We recognize that investing in public higher education is an investment in the future of New Hampshire. With your support, USNH can continue to meet our business recruitment and retention goals by providing exceptional educational and research opportunities, driving innovation, and contributing to the economic vitality of our state.

Thank you for your time and consideration. We hope you will continue to support the growing demands of the NH workforce through a continued investment in the state's institutions of public higher education.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Skelton', written in a cursive style.

Michael Skelton
President & CEO

**PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE
ECONOMY**

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New Hampshire Life Sciences

March 3, 2025

NH Hampshire House of Representatives
Division II Finance Committee
107 North Main Street
Concord, NH 03301

Dear Members of House Division II Finance Committee,

As the CEO and President of New Hampshire Life Sciences (NHLS), I am writing to underscore the critical importance of the University System of New Hampshire (USNH) to our state's growing life sciences industry. A well-resourced and competitive public higher education system is crucial in attracting life sciences talent and companies. This is essential for meeting our industry's demand for a highly skilled workforce and positioning NH's life sciences companies for success in the future.

“Building career pathways for future Biosciences talent is crucial. Attracting and retaining a continuing flow of educated (Ph.D., MS, BS, AA) and technically proficient workers is essential to a state aspiring to enhance a Biosciences industry presence. In this global economy, nearly every competitor has access to breakthroughs in technology and to the equipment and capital to produce standardized products. It is the regions that possess the human capital, with its insights and competencies, that experience an enormous competitive advantage.”¹

NH Life Sciences, established in 2023, is the statewide association for the life sciences industry and one of four priority growth sectors in the state. To ensure development and support of our approximately \$3 billion sector, the State's Department of Business and Economic Affairs (BEA) recently conducted a first-of-its-kind comprehensive assessment of New Hampshire's life sciences industry in 2023. That analysis found an industry that is diverse, vibrant and ready to be unleashed with 600+ companies, supporting 11,000+ jobs across five major industry groups (medical device, medical equipment/supplies, research and development, pharmaceutical and medicine manufacturing, and medical and diagnostic laboratories).

The workforce demand that our industry heavily relies on begins with the talent pipeline flowing from every institution across the University System. USNH institutions consistently attract 13,000 students to our state each year earning them the title of the largest in migrator of future leaders and workforce talent. They partner with our businesses and respond with programming and curriculum that equips graduates with skills to fill our industry's workforce gaps and provide internships that make graduates two times more likely to remain in our state and build careers. Innovation and cutting-edge research at USNH are critical elements for the expansion of our biotech, medical device manufacturing, pharmaceutical manufacturing, diagnostics, research and development, and advanced manufacturing

¹ [The U.S. Biosciences Industry in the States: Best Practices in Innovation, Partnerships, and Job Creation](#)

sectors. The partnership between academia and our life sciences industry positions our state to win the competition with our New England peers for the talent at the undergraduate, graduate and doctoral levels. Our industry competes with Boston and the Greater Boston area for life sciences talent. Investment in USNH's proven ability to attract, equip, and retain graduates ensures the continued success and retention of over 3,000 graduates (bachelor's and advanced) entering the NH workforce each year. The life sciences industry relies heavily on these graduates to join our workforce and contribute to its future success.

The life sciences workforce includes skillsets that cross industries, such as advanced manufacturing, biological and life sciences, engineering, management, marketing, among many others. USNH graduates are not only contributing to the firms represented by NHLS but are also becoming integral leaders and volunteers in our NH communities.

NH has been named 1 of 4 regions on the rise for life sciences growth. BIO, the world's largest advocacy association representing biotechnology companies, academic and research institutions, released a report just this past December noting that **“with rapid employment growth of 27.9 percent since 2019, NH's bioscience industry has grown significantly faster than the nation.”**²

As the life sciences in the Greater Boston region continues to expand, NH is uniquely positioned to recruit and capture the interest of talented workforce and companies looking to invest and grow here. A robust career and talent pathway that attracts students from within NH, and outside the state will be essential to meet this opportunity. We must work in partnership and strategically invest in the state's institutions of public higher education to develop this talent and workforce. This will position our state as a magnet for pioneering businesses in medical device manufacturing, healthcare, biotech, pharmaceuticals and diagnostics – bringing enormous economic growth and opportunity for our state.

Sincerely,



Andrea Hechavarria
President and CEO
New Hampshire Life Sciences

² [The U.S. Bioscience Economy: Driving Economic Growth and Opportunity in States and Regions - New Hampshire](#)