



September 20, 2017

Senator John Reagan
53 Mt. Delight Road
Deerfield, NH 03037

Dear Senator Reagan:

The Business & Industry Association, New Hampshire's statewide chamber of commerce and leading business advocate, wishes to add our voice to those articulating the University System of New Hampshire's critical role in developing top-caliber talent for New Hampshire employers. As you know, there is a serious labor shortage in the state. Many employers are reporting significant difficulty in filling open positions. This is especially pronounced in manufacturing, healthcare, technology and other key sectors of New Hampshire's economy. Demographic factors exacerbate this situation. The state's existing workforce is older than most other states and many workers are retiring or close to retirement.

The University System has been an active partner with the business community working to understand and meet the needs of employers. Importantly, it serves as a pipeline of young, work-ready individuals for employment. In fact, graduates of the System's four campuses are the largest source of new labor for New Hampshire employers among all post-secondary institutions in the state. And New Hampshire students are more than three times as likely to stay in New Hampshire upon graduation as non-New Hampshire students. But, for the University System to continue to fill its pipeline with new talent for New Hampshire employers, state financial support is critical.

Right now too many college age students are choosing to complete their education outside New Hampshire. As you know, the state currently exports the highest percentage of college-going students in the country. Once these individuals have left New Hampshire, most never return. There are many reasons that contribute to this, but the high cost of tuition at our state universities is an undeniable factor.

For the first time in decades, BIA made increased funding for the University System and Community College System a priority budget request. The legislature did what it could for the Community College System, but the University System was essentially level-funded. New Hampshire's support for the University System is the lowest, per-capita, in the country. This has a direct result on tuition costs, making UNH more unaffordable for many New Hampshire students. It also contributes to student loan rates here being the highest in the nation.

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Those who argue the University System's inefficiency contributes to high tuition are simply wrong. The System spends less on operations and administration, and has the lowest administrative costs per student, than any other public university system in New England. Furthermore, as a result of sound fiscal stewardship, USNH continues to see bond ratings upgrades, producing additional savings to the State and its students. Innovations, such as self-insurance and high-deductible health plans have helped contain costs as well.

In summary, New Hampshire has a serious worker shortage. Our demographics are working against us and too many students choose to further their education out of state. The University System is a principle source of young talent for New Hampshire employers; it has an impressive record working directly with businesses to place students in internships that introduce them to career opportunities in the state; and it supports business growth through research and business incubation. But the System needs sufficient support from the state. Current state funding is untenable and will result in ever higher tuition costs. Investing in the University System of New Hampshire is a sound investment in the state's economic future.

Thank you for your interest in education and workforce development. Please feel free to contact me with questions.

Best regards,

Jim Roche
President

c: Senator Morse
Representative Jasper
Senator Lou D'Allesandro
Senator Ruth Ward
Representative Terry Wolf
Representative Ken Weyler
Representative Rick Ladd
Representative James Grenier
Representative Mary Gile