



**Finance Committee**  
CCSNH BOARD OF TRUSTEES  
Meeting of June 20, 2019

**Present:** Trustee Alison Stebbins (Chair), Trustee Paul Holloway, Trustee Edwin Smith, Trustee Tricia Lucas, MCC President Susan Huard, WMCC President Charles Lloyd, COO Charles Ansell, CCSNH Controller John Harrington (teleconference), CCSNH Director of Facilities Matt Moore, Kim Brent (System Office)

**Others in Attendance:** NCC President Lucille Jordan, RVCC President Alfred Williams, GBCC President Pelema Morrice (teleconference), LRCC CFO Marsha Bourdon, RVCC CFO Andrea Allbee, MCC CFO Kelly Chapman, NHTI BOO Stephanie Milender, NHTI Budget Officer Melanie Kirby, WMCC CBAO Scott Fields, GBCC AVP of Strategy and Operations Monique Jordan, CCSNH Chief Development Officer Tim Allison, CCSNH Legal Counsel Jeanne Herrick

Chair Stebbins called the meeting to order at 3:00 pm in 136 MacRury Hall, NHTI, Concord, NH.

Approval of March 21, 2019 Minutes

**VOTE:** The Committee, on motion of Mr. Holloway and seconded by Mr. Smith, voted unanimously to approve the minutes of the March 21, 2019 meeting as written.

Financial Summary Updates

Mr. Ansell provided a brief update on key financial performance indicators for FY19, highlighting increasing reserves, reserves to expense budget ratio, and debt coverage ratio. A projected two percent enrollment decline, in-line with the national average and above the regional average, will impact operating revenue, which is also down two percent for the year and was offset by the five-dollar tuition increase implemented last year.

The committee decided to incorporate the former investment subcommittee into future finance committee meetings.

FY20 Budgets

As a decision on the state appropriation for FY20 and FY21 has not yet been made, the colleges each prepared four different budget proposals to prepare for the most likely outcomes. The budgets that Mr. Ansell presented for committee approval anticipate the most likely scenario, based on the Senate appropriation that is slightly lower than the one put forward by the House. A request to amend the budgets will be presented at the next Finance Committee meeting if the actual appropriation level does not match the budgets as presented to the committee today.

In consideration of the state's strong economic and decreasing demographic positions as well as recent enrollment history, the colleges did not budget for increased enrollment next year. The budgets also call for tuition to be frozen during a potential veto period using reserves, a \$6.4 million revenue increase due to the anticipated state appropriation, and expenses that are in-line with anticipated revenue.



The committee reviewed auxiliary funds, which represent 5% of all expenses at CCSNH and netted about \$268k overall, after paying down \$1.4M in debt. CCSNH closed problematic auxiliaries, including day care operations at two of the colleges, in FY19, and the colleges continue to examine remaining areas with ongoing deficits.

Mr. Ansell presented the consolidated operating funds budget, which projects a net income of \$3m for FY19 and \$2m for FY20. In the consolidated auxiliary funds budget, a net income is forecasted to be close to \$1m for FY19 and \$1.3m for FY20. Regarding the proposed consolidated all campus budget, Mr. Ansell highlighted CCSNH's ability to continue to draw down debt to 178 percent in the proposed FY20 budget.

Mr. Fields presented a fiscally conservative operating budget for White Mountains CC, noting that operation of the childcare center has been transferred to an external company. The college has budgeted for a decrease in credits sold, an increase in salaries, and an increase in benefits, totaling a change of \$28,000 in the total campus cash position. Discussion followed regarding the Littleton project, Twitchell House, and the shifting of one salary to the wellness center budget.

Great Bay CC President Morrice discussed the need for the college to address and make in-depth plans regarding the financial viability of Rochester following the end of the grant, which impacts the FY20 budget. The college will submit an amended budget following an upcoming discussion on Rochester. Ms. Jordan presented the college's FY20 budget, which includes a two percent decrease for credits sold, flat Running Start enrollment, and an increase in salaries due to an interim position that will likely be filled. Ms. Jordan reviewed trends for Rochester, including headcount and credits sold that are trending down, and noted that the college is currently researching the needs of the community and outreach.

President Williams presented the FY20 budget for River Valley CC, projecting a four percent decrease in tuition but a seven percent overall increase in total revenue, resulting in a ten percent increase in the ending net position. In FY19, the college had higher enrollment than anticipated, along with positions that were not filled. The college will use operating funds to begin work on critical maintenance projects. River Valley CC students will start taking classes at Keene State, and the college is focusing on maintaining connections with these students.

Ms. Milender noted that NHTI started FY19 in difficult position, requiring the college take many steps to balance the budget, including building a conservative FY20 budget. The college reconfigured many auxiliary funds and researched additional ways to increase revenue, including raising rental fees. NHTI will not fill a few key positions and is also researching options for additional cost savings and revenue to support the childcare center.

Mr. Ansell presented Lakes Region CC budget for FY19, which projects a decrease in credits sold that will likely improve. Ms. Bourdain reported that the college has budgeted for a decrease in credits sold, an increase in workforce development, restructuring of a learning center position, and changes to the culinary and fire programs. The college's auxiliary housing fund occupancy rates are encouraging, and discussion followed regarding a draft proposal that will allow the developers to rent out unoccupied apartments.



President Huard reported that Manchester CC's enrollment in FY19 significantly benefitted from a 30 percent increase in Running Start enrollment. Privatization of the college's childcare center removed a major auxiliary expense, and Ms. Chapman noted a projected one percent increase in FY20 ending net cash position. The college is also researching the option to decrease student center fees.

President Jordan presented a conservative budget for Nashua CC, having planned for a two percent decrease in enrollment and an increase in expenditures due to the filling of much-needed positions. While the college anticipates a significant spike in the bond, the spike will drop shortly thereafter. The college switched to a private dining service to improve auxiliary expenses, and President Jordan noted that workforce development at the college is robust.

Mr. Ansell presented the System Office operating budget, noting that the FY20 budget does not differ dramatically from the FY19 budget, with total expenses at less than the amount that the system pays the campuses in shared revenue. Ms. Stebbins requested Mr. Ansell present a breakdown of expenses for the System Office that are not salary and benefits at the next committee meeting.

**VOTE:** The Committee, on motion of Mr. Smith and seconded by Ms. Lucas, voted unanimously to recommend the FY20 college budgets as presented to the CCSNH Board of Trustees.

#### Shared Services Update

CCSNH has made progress on shared services in the area of data and research by eliminating a position at the system office, in an effort to decrease payroll expenses while increasing the consistency of system-wide data and reporting and providing better data and institutional research services to the rural colleges.

#### Other Business

NECHE recently stated that boards must be better informed about their organizations' finances. Chair Stebbins proposed including board education on CCSNH finances as an additional goal for the committee.

#### Follow-Up Items

- Add finance education for all board members as a fourth committee goal
- Mr. Ansell to re-label consolidated budgets in budget document and insert page numbering
- Mr. Ansell will provide a breakdown of Chancellor's Office expenses that are not salary and benefits and will present the full budget at the September meeting.
- Auxiliary salary to be added to auxiliary budgets as appropriate
- Add executive commentary under the financials for each CC on key areas of focus
- Schedule a separate meeting within the next month for a subgroup to discuss Rochester (President Morrice, Chair Stebbins, Mr. Holloway, Chancellor Gittell, Mr. Ansell). If the committee needs to be convened, consider using August meeting hold date for this discussion.
- Next meeting: Review \$100k capital projects, review shared service activities, scheduling and space utilization, USNH meeting discussion, workforce development centers (revenue generators), status update on NHTI childcare center strategy, an update on the Stratham property.
- Add an hour to the meeting in September for an update on bank accounts and receivables



No further business was stated. The meeting adjourned at 5:08 pm.

Respectfully Submitted,

Meghan Eckner  
Executive Assistant to the Chancellor and Board of Trustees