



Finance Committee
CCSNH BOARD OF TRUSTEES
Meeting of June 17, 2021

Present (teleconference): Trustee Alison Stebbins (Chair), Trustee Edwin Smith, Trustee Paul Holloway, Trustee Tricia Lucas, Trustee Robert Baines, MCC President Brian Bicknell, WMCC President Charles Lloyd, CCSNH Chief Operating Officer Scott Fields, CCSNH Controller John Harrington, CCSNH Director of Facilities Matt Moore

Others in Attendance (teleconference): NCC President Lucille Jordan, RVCC President Alfred Williams, NHTI President Gretchen Mullin-Sawicki, LRCC President Larissa Baia, LRCC CFO Marsha Bourdon, NHTI Budget Officer Melanie Kirby, RVCC CFO Michelle Lockwood, NCC BAO Laurie Berna, GBCC Chief Accounting Officer Tom Andruskevich; CCSNH Chief Advancement Officer Tim Allison, Interim Chancellor Susan Huard, Steve Fader (CCSNH), CCSNH Interim CHRO Monica Bradley, MCC Business Affairs Officer Kelly Marr

Chair Stebbins called the meeting to order at 12:02 pm in the Chancellor's Office Conference Room, NHTI, Concord, NH. With respect to (1) the sudden expiration of the prolonged state of emergency last week, (2) the expectation that the upcoming board committee meetings would be held as remote meetings, (3) the inability of most trustees to attend in-person for reasons related to travel and other scheduling conflicts, and (4) the need to conduct committee business that cannot be further delayed by rescheduling to a later date when all members are available to attend in-person, the Chair declares an emergency meeting, pursuant to RSA 91-A:2, III, to allow the conduct of a telephonic meeting counting all members toward the quorum requirement whether or not physically present in the meeting location.

Approval of March 18, 2021 Minutes

VOTE: The Committee, on motion of Ms. Lucas and seconded by Mr. Smith, voted unanimously by roll call to approve the minutes of the March 18, 2021 meeting as revised.

FY21 Forecast Review

Mr. Fields presented the year-end forecast for FY21. CCSNH has minimized the impact of COVID-19 on enrollment, currently down 14%, by controlling expenditures—a strategy that has resulted in a positive bottom line with net tuition and fees at 2.22% above budget.

Mr. Fields reported on current strengths, challenges, and opportunities across the colleges. Challenges include conservative enrollment projections that are stronger than FY20 but still behind FY19, the need to identify and hire construction managers to provide oversight on multiple critical projects across the colleges, the level of preparedness of the incoming class of students, uncertain room and board revenue, the wellbeing of faculty and staff during this period of transition, and declining FAFSA applications across the state. Strengths include significant federal support, investment in infrastructure using federal funds, the increase of student access and success through new technology that supports hybrid class formats, the impact that federal funding has had on operating budgets with respect to freeing funds for other projects, the gift of a free community college course to all graduating 2021 seniors, the opportunity to better address food insecurity for students, and the development of a credentialing system (Badgr) aimed at providing verifiable credentials to those already in the workforce.



College Budgets & FY22 Budget Proposal

Each college presented its budget for board approval. The committee expressed understanding that the pandemic has caused budget deficits that need to be addressed, and college budgets will be reviewed again at the next committee meeting in September.

- President Addy and Mr. Andruskevich reported that enrollment at Great Bay CC was down 12%, with 6% decrease in credit revenue projected, the largest losses in the system. In the next fiscal year, the college will place emphasis on local strategic planning, with a renewed focus on program development and sustainability and a goal to return to a balanced budget within the next two years. Discussion followed regarding reporting out separate financials on Rochester.
- President Baia presented the proposed FY22 budget for Lakes Region CC and a projected deficit of \$190,000, which includes renovations and projects that the college was not able to complete in FY21. The college will end FY21 in the black due to one-time pandemic related funding. FY22 opportunities include the completion of hospitality renovations, enhanced workforce development focus, and a forecasted enrollment increase that should contribute to a more balanced budget in September. The college requested \$700,000 for repairs that must be made to the health and science building before winter 2021.

VOTE: The Committee, on motion of Mr. Baines and seconded by Ms. Lucas, voted unanimously by roll call to approve LRCC's proposal to utilize \$700,000 from the college's reserves to repair the exterior of the health and science building.

- Manchester CC President Bicknell reported an increase of 7% in net credits sold and a decline in rental revenue due to the closed campus. The college has budgeted for a deficit of \$247,0000 but is anticipating enrollment will improve in response to the college's renewed focus on retention and high school students. MCC distributed \$2.6m in scholarships to maintain enrollment and will continue this practice.
- President Jordan and Ms. Berna presented the budget for Nashua CC. Federal funding allowed the college to maintain program staffing levels. The budget projects a decline of 4% and a small increase in the state appropriation. The lost revenue claim enabled the college to look towards the future and fund academic programs more stringently to attract more students.
- President Mullin-Sawicki and Ms. Kirby presented the proposed budget for NHTI, which includes anticipated growth in housing revenue and pathways for international students. The FY22 budget revenue is projected to be flat, and the \$330,000 deficit will likely be cut in the next fiscal year.
- River Valley CC President Williams reported a significant increase in summer enrollment last year and a projected decline in the fall. A significant number of vacant positions will not be filled until later in the new fiscal year. Reserves are projected to increase in FY21, lost revenue will likely increase, and payroll and benefits will increase. President Williams requested approval by the committee for \$690,000 to renovate labs spaces at the college—a project that was previously approved by the committee but was not able to be started in the last fiscal year due to the pandemic.

VOTE: The Committee, on motion of Mr. Baines and seconded by Mr. Smith, voted unanimously by roll call to approve RVCC's request for \$690,000 to renovate labs space.

- White Mountains CC President Lloyd reported that FY21 will close in a net positive position, with lost revenue totaling \$906,000. The college's FY22 budget is conservative but realistic, projecting an increase of 4% in anticipation of the sale of the Twitchell and other properties, the end of a \$130k lease, and the removal of childcare and other auxiliaries. President Lloyd presented a proposal requesting \$1 million out of reserves to repave the crumbling parking lot at the Berlin campus.



VOTE: The Committee, on motion of Mr. Smith and seconded by Mr. Holloway, voted unanimously by roll call to approve WMCC's request to utilize up to \$1 million from the college's reserves to pave the parking lot at the Berlin campus.

- Mr. Harrington presented the budget for the system office. In light of the financial impact on the College budgets the System Office made the decision to hold the shared services flat with the allocation used in FY21; this will lead to a negative budget in FY22.

VOTE: The Committee, on motion of Mr. Holloway and seconded by Mr. Smith, voted unanimously by roll call to approve the college budgets as presented, with further review of the budgets at the next committee meeting in September.

VOTE: The Committee, on motion of Mr. Baines and seconded by Mr. Smith, voted unanimously by roll call to approve the system office budget as presented.

The committee accepts the challenges that the previous year presented but stressed that CCSNH needs to develop a sustainable model and solid position going forward. The committee commended CCSNH for their work on the budget with the legislature.

Federal and State Stimulus Funding Update

Over the last 16 months, CCSNH has been the recipient of three federal stimulus packages totaling nearly \$44m for student aid and institutional support. The latest round, the American Rescue Plan (ARP) provides \$24.1m and contains four specific spending criteria that all institutions must follow:

1. Student support: direct emergency aid or student grants
2. Institutional support including PPE, training, technology, and lost revenue
3. Implement best practices aimed at mitigating the spread of COVID-19
4. Direct outreach to students around possible changes in their financial aid packages

CCSNH is mandated to track and report the individual grants (CARES, CRRSA, ARP) that have been received since the start of the pandemic to the federal government. Mr. Fields provided an accounting of the funds spent, which includes all of the CARES Act student aid funds and nearly all the CRRSA Act's funding. The institutional funding contains an encumbered amount of, no less than, \$1.75m in HVAC work that was approved at the committee meeting in March, leaving approximately \$11.8m that can be used toward supporting the colleges in various ways. At the close of FY21, CCSNH will process requests to receive over \$8.4mm in lost revenue from the federal government. Lost revenue is considered a grant and is sent directly into each college's cash reserve account.

In terms of additional funding, the State of New Hampshire is expecting that Governor will receive approximately \$1bn from the federal government through the ARP Act. CCSNH will provide an update at the next meeting on the slate of projects that were submitted for consideration and/ or approved for this federal funding.

Fidelity Investment Update

CCSNH is working with Fidelity on reinvigorating the investment portfolio, due to poor performance of investments last year.

Follow-Up Items for Future Meetings

- Badgr overview



- All college budgets to be revisited in September; with a report from GBCC on the college's plan to return to a balanced budget that includes separate financials on Rochester.

Other Business

No further business was stated. The committee meeting adjourned at 1:57 pm.

Respectfully Submitted,

Meghan Eckner
Executive Assistant to the Chancellor and Board of Trustees