



Finance Committee

CCSNH BOARD OF TRUSTEES

Meeting of August 25, 2022

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

Regrets: Trustee Todd Emmons

Others in Attendance: CCSNH Chancellor Mark Rubinstein, President Alfred Williams (*videoconference*), GBCC President Cheryl Lesser (*videoconference*), NCC President Lucille Jordan (*videoconference*), RVCC CFO Michelle Lockwood (*videoconference*), GBCC Chief Accounting Officer Tom Andruskevich (*videoconference*), CCSNH Chief Advancement Officer Tim Allison (*videoconference*), MCC Business Affairs Officer Kelly Marr (*videoconference*), CCSNH Consultant Steve Fader (*videoconference*), NHTI CFO Marsha Bourdon (*videoconference*), NCC BAO Laurie Berna (*videoconference*),

Chair Stebbins called the meeting to order at 8:05 am in room 301 Grappone Hall, NHTI, Concord, NH. As a quorum was not present, no votes were taken at the meeting.

Budget & Enrollment Updates

Mr. Fields provided an update on enrollment. FY23 enrollment for fall is down by almost 9%. The colleges are continuing efforts to increase fall enrollment in both full-term and 8-week courses that start in October.

Regarding federal funding, CCSNH has spent 98.8% of the funds received for direct student aid and institutional aid. Lost revenue claims for FY22 total approximately \$3.5m across the colleges. \$1.75m has been allocated to additional HVAC work that was approved in July 2021.

CCSNH has begun to share initial insights with the colleges related to FY24 budget guidance, and the system office is currently working to create the biennium budget request by considering increases to inflationary pressures and energy cost assumptions.

Unfunded Liabilities

CCSNH will invite the Segal Group to present at a joint meeting of the Finance and Assets & Resources committees on the findings of their study and recommended investment strategy.

Mr. Fields reviewed the current status of total unfunded liability at CCSNH. The study that Segal is conducting will provide the information that CCSNH needs to confirm or adjust the current valuation that is being used to calculate the baseline payment structure for the next 20 years, which will inform CCSNH's investment options. Segal expects to complete the study in mid-October, at which point CCSNH will engage Fidelity Investments to create investment vehicles that will align with Segal's findings.

Strategic Procurement Update



Since his start, CCSNH Procurement Administrator Sean Fitzpatrick has coordinated strategic investments across the system through coordinated, effective, and more proactive contract management. Mr. Fitzpatrick has managed 15 RFP processes across the system, negotiated more than 25 individual purchases under an RFP threshold of \$50,000, and co-authored a new system-wide information purchasing policy. The committee commended the progress that Mr. Fitzpatrick and the colleges have made in this area.

Balance Sheet

Mr. Harrington presented the unaudited FY22 consolidated balance sheet to the committee, including total current assets, total non-current assets, total assets and deferred outflows, total liabilities, total liabilities and deferred inflows, fund balance, and total liabilities, deferred inflows, and fund balance. Discussion followed regarding the overall good health of the CCSNH balance sheet, as CCSNH's current assets exceed its total liabilities.

WMCC Littleton ATL Building Project Update

President Lloyd provided an update on the WMCC Littleton ATL Building Project. As the property's owners, WMCC is able to pursue federal funding and grant opportunities for this project. Mr. Fader noted that the college's strong reserves position and its success in identifying outside funding sources had enabled WMCC to pursue this project. The college is considering opportunities to expand, as there is additional space that can be used for non-credit program delivery and other areas of growth potential. Discussion followed regarding WMCC's strategy on using reserves as a backup plan, in the case that the other sources of funding do not materialize.

President Lloyd invited the board to the project's groundbreaking ceremony on September 15.

Accounts Receivable Metrics

Mr. Fields reported that current accounts in collection are down 19% across the system, as a result of the work that the colleges have done to improve this area. FY22 collections revenue is down 18%, which is related to the decrease in current accounts in collection.

Sponsored Programs Update

As a strategic investment in the grants area, CCSNH hired Ms. Kate O'Connor as the new Director of Sponsored Programs. Ms. O'Connor's short-term plans include documenting the status of each grant within the system, determining the compliance and fiscal status of each grant, revising system policies directly related to sponsored programs, and aligning the user manual with updated policy work. CCSNH will continue to provide updates to the Finance Committee on this area, with an annual report to be delivered at the meeting in December.

Keene Property Update

An engineer will complete an assessment of the retaining wall at the property this week. The results of the assessment will determine how the sale of the property proceeds.

Strategic Priorities

Regarding the current finance committee goals, Ms. Stebbins proposed replacing the current committee goals with the strategic priorities that were developed at the board retreat. The committee supported the chair's proposal and will vote to approve these goals at the next committee meeting, when a quorum is present.

Reserve Policy



The committee will finalize an amended reserve policy by the end of the calendar year. Amendments will include consideration of long-term unfunded liabilities and the implementation of four categories of reserve funds—rainy day, unfunded liabilities, deferred maintenance, and strategic investments. Discussion followed regarding the need for more information on the industry standard for management of reserves, and it was suggested that BerryDunn provide this information for the committee at a future meeting. The chancellor noted that the state appropriation, in addition to the strength or fragility of other significant sources of funding, are also significant factors to be considering with respect to managing reserves.

Other Business

No further business was stated. The committee meeting adjourned at 11:01 am.

Respectfully Submitted,

Meghan Eckner
Chief of Staff, Executive Assistant to the Chancellor and Board of
Trustees