



**DRAFT**

**FINANCIAL AFFAIRS COMMITTEE**  
**October 19, 2023**

The Financial Affairs Committee met at Plymouth State University on October 19, 2023.

Financial Affairs Committee members participating at the meeting location: Mike Pilot (FAC Chair), Kass Ardinger, Jamie Burnett, Morgan Rutman, George Hansel, Kevin Knarr, Peter Paul, Greg Tewksbury, Joel Nkounkou and Wayne Semprini; Other trustees participating at the meeting location: Jacqueline Eastwood, Alex Walker, Representative Rick Ladd, Frank Edelblut, Shawn Jasper, Senator James Gray; Christina Thornton, McKenzie Murphy, David Westover; Emily Coutermarsh, Patrick Moore; President Donald Birx, President James Dean, and President Melinda Treadwell; Other Trustees participating by video conference: Cathy Green; USSB members: Avery Ellis, Tim Hoheneder, Zachery Christie, Emily Coutermarsh, Dominic Lynch and Tom Lynch

Staff present at meeting location, (UNH) Wayne Jones:(KSC) Nathalie Houder, James Beeby and MB Luftkin; (PSU) Tracy Claybaugh and Nicole Connolly; (USNH) Catherine Provencher, Chad Pimentel, Karen Benincasa, Tia Miller, and Lorna Jacobsen (scribe).

Additional Faculty, Staff, and students participated by video conference.

**I. Call to Order:**

At 2:35 pm Chairman Pilot called the meeting to order and reviewed the items on the agenda. He noted a need for a non-public session.

**II. Approve Consent Agenda (Moved and duly seconded)**

**MOVED**, that the consent agenda of the October 19, 2023, meeting of the Financial Affairs Committee be approved.

{The Committees voted unanimously, by roll call vote, in favor of this motions}

Items on the Consent Agenda:

- 1) Approve minutes of the Financial Affairs Committee meeting of June 22, 2023.
- 2) Suspend Enrollment Limitation of Out-of-State Undergraduates at UNH

End of Consent Agenda

### **III. Presentation of FY23 Financial Results**

Vice Chancellor Provencher reported that the Audit Committee had received a detailed presentation on the FY23 financial results earlier in the day. She noted that USNH received an unqualified opinion and shared highlights including a positive operating margin of \$30 million, largely due to one-time FEMA/COVID relief grants of \$50M in current year (recovery of prior year's expenses.)

### **IV. Update on Fall 2023 Enrollment and Impact on Primary Student Revenue for FY24**

Assistant Vice Chancellor Benincasa said that based on Fall 2023 R+30 enrollment, the systemwide FY24 primary student revenue budgets are projected to be slightly lower than what was approved by the BOT in June by approximately \$4 million. She said UNH is under budget by \$9 million, PSU is over budget by \$3 million and KSC is over budget by \$2 million. Campus CFOs shared details about their respective results. UNH Interim CFO Bob Brown attributed UNH's lower revenues primarily to fewer non-resident students, higher than budgeted financial aid and other budget variances.

### **V. Keene State College Presentation on Past and Future Strategy to Sustainability**

Chairman Pilot said that he and Vice Chancellor Provencher had recently spent a day at KSC gaining an understanding of KSC's recent history and financial challenges and the strategy they have set for the future. He asked President Treadwell and her team to provide the same information to the Committee and noted that a non-public session would be necessary.

President Treadwell introduced members of her leadership team and provided some historical context for Keene's current challenges. She said her executive team is focused on meeting KSC's mission and serving its students and the State of NH.

#### **Nonpublic Session**

At 3:04 p.m. the following motion to enter nonpublic session was made by Trustee Pilot and seconded by Trustee Rutman. The motion was approved by roll call vote. In addition to trustees, system and campus administrators attended the non-public session.

**VOTED**, that the Financial Affairs Committee go into non-public session for the purpose of discussing the dismissal, promotion, or compensation of any public employee, and/or confidential, commercial, and/or financial information; as authorized by RSA 91-A:3, II(a) and (j).

#### **Return to Public Session**

A motion was made to exit nonpublic session duly seconded, and approved, Chairman Pilot reconvened the public meeting at 3:20 p.m. No action was taken in non-public session.

KSC Vice President Luftkin reviewed historical enrollment noting that enrollment in FY24 is

consistent with what was projected for FY24 back in FY21. She described strategic work that KSC is doing to meet enrollment goals, focusing not only on the first-year students but all students. She shared examples of the initiatives the cross functional teams are implementing. She responded to questions regarding the demographic decline between now and 2029 and shared KSC's plans for mitigating the impact of the decline.

Provost Beeby discussed KSC's goal of maintaining program quality and increasing efficiency in running the academic enterprise. He reported on the very positive ranking of KSC in the recent US News and World Report rankings and discussed faculty efficiency ratios. He noted a drop in faculty of 67 since 2018 and a goal for the future of a 16 to 1 faculty student ratio, with a realignment of faculty to high demand areas. He reviewed section utilization and class size.

Vice President Houder reviewed staffing and said KSC continues to focus on maintaining efficiency ratios.

Chairman Pilot acknowledged KSC for their execution of cost cutting initiatives.

At 3:54 p.m. the following motion to enter nonpublic session was made by Trustee Pilot and seconded by Trustee Rutman. The motion was approved by roll call vote. In addition to trustees, system and campus administrators attended the non-public session.

**VOTED**, that the Financial Affairs Committee go into non-public session for the purpose of discussing the dismissal, promotion, or compensation of any public employee, and/or confidential, commercial, and/or financial information; as authorized by RSA 91-A:3, II(a) and (j).

### **Return to Public Session**

A motion was made to exit nonpublic session duly seconded, and approved, Chairman Pilot reconvened the public meeting at 4:45 p.m. He noted that KSC and UNH had presented information on their financial sustainability plans and took the following action:

**VOTED**, pursuant to RSA 91-A:3.III, to seal the minutes of the two prior non-public sessions because disclosure at this time would render discussed proposed actions ineffective.

{The Committees voted unanimously in favor by roll call vote of this motions}

Interim UNH CFO, Bob Brown, made brief comments about UNH financial sustainability plan currently being implemented.

### **VI. Plymouth State University's presentation Opportunities, challenges and expected outcomes**

President Birx discussed initiatives PSU is planning on deploying to close a \$5 million gap projected in FY 29. These included: improvements in retention and undergraduate admissions;

rebuilding the graduate programs; expanded summer and winter programs; evolve Ascent program and partner with Community Colleges; develop skill-based modules to appear to non-traditional students; and expanded shared services.

Chairman Pilot thanked all the campus leadership saying he is encouraged by the plans.

## **VII. Action Items**

### **A. Approve Maximum Tuition Rates, Mandatory Fees and Room and Board Rates**

**VOTED**, on recommendation of the Presidents' Council, that the following motion be recommended for consideration by the Board of Trustees.

**MOVED**, on recommendation of the Financial Affairs Committee that, effective for academic year 2024-25, the maximum tuition rate, mandatory fees, room and board rate annual increases as presented. on the attached schedule be adopted as the maximum amounts authorized.

{The Committees voted unanimously, by roll call vote, in favor of this motions}

Vice Chancellor Provencher reviewed the proposed tuition increases for FY25 noting that it is the sixth year in a row that USNH has held undergraduate resident tuition flat. She noted that non-resident undergraduate tuition would increase a maximum of 2.5% for UNH and KSC; however, PSU was holding non-resident tuition rates flat. She noted that all differential tuition rates were held to a 2.5% increase except for the PSU nursing program. In response to questions on differential tuition rates, campus leadership said the programs that cost more are generally lab intensive like engineering and nursing. Assistant Vice Chancellor said that there are about 7 programs systemwide that have differential tuition.

Trustee Rutman suggested calculating what in-state tuition revenue would be if the rate had increased by CPI each year instead of remaining flat.

Vice Chancellor Provencher suggested revisiting the topic of pricing strategy at a future meeting as previously discussed. Chairman Pilot and others agreed.

### **B. Approve FY25 Budget Assumptions and Parameters**

**VOTED**, that FY25 budget planning assumptions and parameters as outlined on the attached be approved for use in developing the FY25 budget.

{The Committees voted unanimously, by roll call vote, in favor of this motions}

Assistant Vice Chancellor Benincasa reviewed the proposed assumptions and parameters to be used in developing the FY25 budget. She reported that the Investment and Capital Planning Committee recommended a long-term investment return assumption of 7% and a short-term investment return assumption of 4%. She said the proposed assumption for state appropriation is \$95 million, down by \$3 million over the current year because of the one-time \$3 million investment and reviewed campus level and system wide operating margin targets. She said the target for Operating Margin is consistent with the campus financial stability plans as currently outlined for FY25.

## **VIII. Informational Items**

- A. FY24 Follow-up Full-Time Employee Employment Costs vs Expectations after CERP

Report accepted without discussion.

## **IX. Other Business**

- A. Chair or Committee Comments
- B. The next meeting date is March 7, 2024.
- C. The Committee adjourned at 5:25 p.m.