



Conversations with Colleagues

**with
President
M. Sue Collins**

October, 2010

Agenda

- Great Start to New Year
- Financial Planning Activities
- Business Services Plan
- Information Technology Plan Update
- College News – What’s Happening Here?
- Q & A

Great Start to FY 11

- Enrollment Growth at all Colleges
 - Enrollment up 3.8 percent across district
 - Colleges combined grew by more than 200 students
- *Washington Monthly's* 2010 ranking
 - ICC & VCC ranked in the top 50 community colleges in nation
- Iron Range Engineering – 23 students
 - 4 entries in MN Cup Competition – 3 semifinalists
 - Curriculum Innovation Award
 - Multiple Industry Partners (i.e., GE-Mankato, Medtronic)
 - Nat'l Advisory Board:
Stanford/Texas A&M/Penn State/Washington State/Iowa State

Great Start (Cont.)

- Chancellor Search Initiated
- K-12 Dialogue with Superintendents
- Minnesota Chamber Presentation
 - Education and Workforce Development Committee
 - Invited to present to full Board on November 4, 2010
- Plan for Business Services Completed & Delivered

Financial Planning Activities

- To date, District cut spending \$3.1 Million since 2008
- Karen Kedrowski assigned to:
 - Implement Business Services Plan
 - Lead Audit resolution activity
 - Create a five-year Master Financial Management Plan
- Modeling & Simulations for FY 12 and FY 13
 - Assumptions
 - 10% reduction each year
 - Tuition: 5% rate increase each year
 - Enrollment: flat
 - Inflation: CPI 1.5% each year, adjusted for local conditions

Budget Gap Information

Scenario #2

College	2012	2013
HCC	(1,094,055)	(806,121)
ICC	(523,739)	(475,371)
MRTC	(550,255)	(619,652)
RRCC	(241,862)	(231,479)
VCC	(109,626)	(298,803)
NHED Total	(2,519,537)	(2,431,427)

Scenario #4

College	2012	2013
HCC	(1,395,589)	(1,019,718)
ICC	(696,137)	(597,598)
MRTC	(792,027)	(791,090)
RRCC	(334,487)	(297,322)
VCC	(109,626)	(381,987)
NHED Total	(3,327,866)	(3,087,714)

Business Services Plan

- Bernadine Bryant, Consultant
 - Interviewed business staff, CFFOs, Provosts, and NESU
 - Conducted visits at three colleges
 - Bemidji State, Minnesota West, and Minnesota State
 - Reviewed data about transaction volumes, audit findings, etc.

Business Service Plan

Findings/Recommendations

	Findings	Recommendations
#1	A lack of unified, overall leadership in the finance area of NHED.	Reopen the search for a NHED Vice President of Finance and Operations .
#2	The NESU is important to NHED as a focal point for centralized services.	Retain the Northeast Services Unit as an operational unit for the VP of Finance and Operations, Institutional Research, & Human Resources.
#3	Duplication of college CFO efforts at the largest colleges in NHED can be better addressed.	Implement a shared services concept within NHED by assigning the CFOs at each of the three largest colleges to manage a Center of Excellence.
#4	RRCC and VCC staff work as a team to decrease duplication of effort & help each other in critical areas.	Create a shared business office pilot project at RRCC and VCC.

Pilot Project at Rainy River/Vermilion

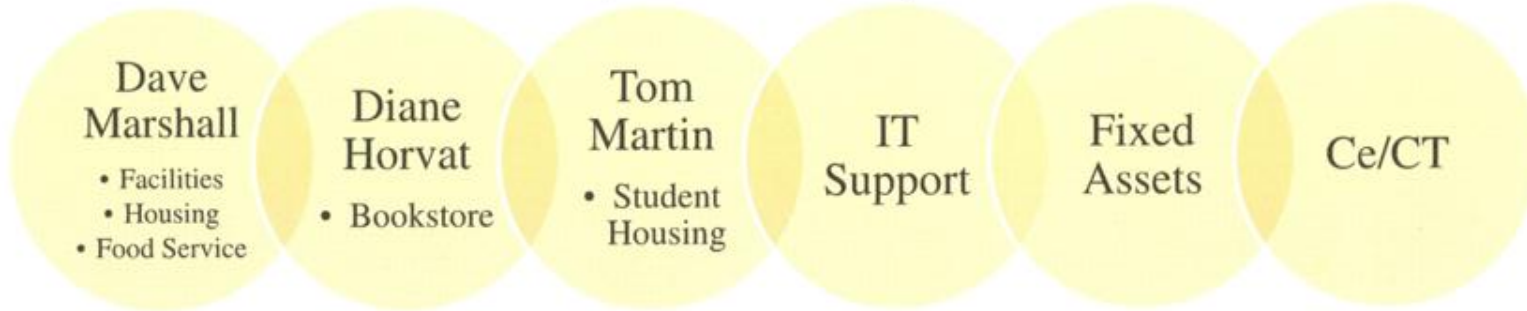
Key Team Leaders

Emily Ahrens
Rainy River

- ♦ .80 FTE
- ♦ Business Manager

Nicole Squires
Vermilion

- ♦ 1.0 FTE
- ♦ Accounting Supervisor Sr.



Emily Ahrens
Duties for both colleges

- ♦ Bank Reconciliations
- ♦ Contracts
- ♦ Tuition table set-up

Nicole Squires
Duties for both colleges

- ♦ Financial Statements
- ♦ Mitigating controls
- ♦ Accounts payable

Business Service Plan

Findings/Recommendations (Cont.)

	Findings	Recommendations
#5	NESU services can be provided by existent college personnel at a proposed Center of Excellence.	Distribute and assign the current NESU duties to the Itasca business services department.
#6	The NHED employs many talented and knowledgeable staff in the business services area.	Provide outstanding business services employees with opportunities for career advancement.
#7	Duplication of duties currently exists at the Eveleth and Virginia campuses of MRTC.	Transfer an employee & merge existing bookstore and business office functions from the Eveleth to Virginia campus.
#8	NHED is behind other MnSCU colleges and needs to implement existing technology to ease the work load and provide effective work efforts.	Systems & procedures available within MnSCU should be implemented and shared throughout NHED.

Proposed Centers of Excellence Shared Services

VP Finance & Operations

<u>Itasca</u>	<u>Hibbing</u>	<u>Mesabi</u>	<u>Vermilion/Rainy River Pilot Shared Services</u>
<ul style="list-style-type: none"> • Grants • MAPS • Implement purchasing online – PCI module 	<ul style="list-style-type: none"> • Banking RFP • Bank rates • All expense reports • Collaborative sourcing, paper supplies copiers, etc • Implement Image Now software at each college, includes training 	<ul style="list-style-type: none"> • Facilities construction • HEAPR • Project Management • Master plans • RFP's • Contracts (construction) • Facilities maintenance • Collaborative sourcing for residential housing • Implement Unifer software • Fixed assets inventory 	<p style="text-align: center;">Team =</p> <ul style="list-style-type: none"> • Emily Ahrens • Nicole Squires • Dave Marshall • Student housing • Bookstores • Maintenance • IT support • Accounts payable • Bank reconciliation • Financial statement • Tuition table set-up • Forms/procedures • Mitigating controls
<p style="text-align: center;">• Pat Leistikow & Team</p>	<p style="text-align: center;">• Bill Manney & Team</p>	<p style="text-align: center;">• Keith Harvey & Team</p>	<p style="text-align: center;">• Ahrens, Marshall, Squires & Team</p>

Business Service Plan

Findings/Recommendations (Cont.)

	Findings	Recommendations
#9	NHED needs to implement other technologies throughout the district in addition to the business services area of operation.	NHED to expand its shared services beyond the business services areas of operation.
#10	A strong partnership with the NHED IT departments at each college and the district-wide HR department should be established to help implement & share duties.	Some functions that the business services area handles can be transferred to other college areas of operation.
#11	NHED needs to continue a systematic effort to drive out duplication of effort.	The new VP of Finance & Operations will provide leadership to continue to expand the shared services concept.

Future Shared Services to Implement at all Colleges

- Parking Fee – auto deduction from payroll, all staff
- Student Payroll – direct deposit at each college
- Mitigating Controls – one person monitors 5 colleges
(web-based security application available presently)
- Tuition Payment – similar to other MnSCU colleges
- Online Textbook Ordering – use one POS system at 5 colleges
- Bookstore Voucher System Online
- Business Office Forms - updated & available online

The Goal for NHED Shared Services should focus on...

- A significant involvement of all staff
- A systematic effort to drive out duplication of effort
- A shared way of thinking to improve work flow activities
- A focus on staff development opportunities
- A systematic effort to unify processes and procedures

Information Technology Update

- VoIP (voice-over internet protocol) implemented at all five colleges
- Data Center Development
 - We currently have necessary hardware
 - ICC and HCC will be sites
 - Centers will manage:
 - Web Services
 - Network Management
 - Training & Development
 - D2L Centralized Services

College News

What's happening here?



Q & A

