

Three colleges.
Thousands of opportunities.



BOARD OF TRUSTEES

MEETING NOTICE

In compliance with the provisions of Neb. Rev. Stat. Section 84-1411, printed notice is hereby given that a Regular Meeting of the Board of Trustees of the Nebraska State Colleges will convene at Hillcrest Country Club, Lincoln, Nebraska on January 17, 2017

Executive Session	January 17 –	10:00 a.m.
Business Meeting	January 17 –	1:30 p.m.

This notice and accompanying agenda are being distributed to members of the Board of Trustees, the presidents of the state colleges, the Associated Press and selected Nebraska newspapers.

BOARD OF TRUSTEES MEETING**JANUARY 17, 2017***HILLCREST COUNTRY CLUB – 9401 E ‘O’ STREET
LINCOLN, NEBRASKA*

TUESDAY, JANUARY 17

- 9:00 – 10:00 Board of Trustees
Fundamentals of Finance Follow-Up
(Board members, Chancellor, Vice Chancellor for
Finance and Admin and General Counsel) Ballroom Section A**
- 10:00 – 11:30 Board of Trustees
Executive Session
Litigation, Personnel & Liability Issues Ballroom Section A**
- 10:00 – 11:30 Student Affairs, Marketing and Enrollment Officers President’s Room**
- 11:30 – 12:30 BOARD COMMITTEE MEETINGS**
Academic and Personnel Committee Ballroom Section A
Student Affairs, Marketing & Enrollment
Committee President’s Room
Fiscal, Facilities & Audit Committee Ballroom Section B
- 12:30 – 1:15 Lunch Ballroom Section C-D**
- 1:30 – 3:00 BOARD OF TRUSTEES BUSINESS MEETING Ballroom Section A**

Call to Order

Approval of Meeting Agenda

Public Comments

Minutes Approval

- 1 Board of Trustees of the Nebraska State Colleges - Regular Meeting - Nov 10, 2016 10:30 AM

1. Items for Consent Agenda

- 1.1 Approve Authorization for Chancellor to Sign Construction Contracts for Wayne State College
- 1.2 Approve LB 309 Allocations and Retrievals

Items for Discussion and Action

2. Academic and Personnel

- 2.1 Approve 2017-2019 Agreements Between the Board of Trustees of the Nebraska State Colleges and the SCEA, NSCPA and NAPE/AFSCME Bargaining Units
- 2.2 Approve Memorandums of Understanding Between ESU 13 and Chadron State College and ESU 16 and Chadron State College
- 2.3 Approve Addition of ESL Supplemental Endorsement Programs (PK-12, PK-6, 4-9, 7-12) for Peru State College
- 2.4 Approve Addition of Public Administration Option in the Business Administration Degree for Peru State College
- 2.5 Approve Elimination of K-6 Vocal Music Endorsement Program for Peru State College
- 2.6 Approve the Master of Science in Education-Special Education Program for Wayne State College
- 2.7 First and Final Round Approval of Revisions to Board Policy 2550; Nebraska State College System Organizational Chart
- 2.8 First and Final Round Approval of Revisions to Board Policy 5030; Salary Payment
- 2.9 Approve the Ecuador Study Abroad Agreement with Trek Ecuador for Wayne State College

3. Student Affairs, Marketing, and Enrollment

4. Fiscal, Facilities and Audit

- 4.1 Approve Acceptance of Basic Financial Audit Report for Fiscal Years Ending June 30, 2016 and 2015
- 4.2 Approve Acceptance of the Single Audit for Year Ended June 30, 2016
- 4.3 Approve Continuation of Bookstore Contracts
- 4.4 Approve Revised Write-Off of Uncollectible Accounts for Peru State College
- 4.5 Approve Artists and Art Designs for 1% Art Projects for Carhart Science and US Conn Library for Wayne State College
- 4.6 Approve Use of Sports Facility Cash Funds for October 1, 2018 and 2019
- 4.7 First and Final Round Approval of Revisions to Board Policy 3400; Tuition Remission

Items for Information and Discussion

5. Academic and Personnel

- 5.1 Reports of Personnel Actions
- 5.2 Foundation Employee Compensation Report for Peru State College

6. Student Affairs, Marketing, and Enrollment

- 6.1 Senator's Reception Reminder
- 6.2 Scholarship Luncheon
- 6.3 Student Trustees' Selection
- 6.4 Fall Enrollment Reports
- 6.5 Chancellor's Summary Report

7. Fiscal, Facilities, and Audit

- 7.1 Grant Applications and Awards for Information
- 7.2 Contracts and Change Orders for Information

8. Miscellaneous Action and Information Items

i. Chancellor's Report

- 8.1.1 Chancellor's Report

ii. Presidents' Report

- 8.2.1 President's Reports

iii. Student Trustees' Report

Adjournment

Three colleges.
Thousands of opportunities.



Executive Session - November 10, 2016

Call to Order - Executive Session

The meeting was called to order at 8:03 AM by Chair Bieganski.

Motion was made by Trustee Chaney and seconded by Trustee Peterson to go into executive session as authorized by Neb. Rev. Stat. §84-1410 for the protection of the public interest, and to prevent needless injury to the reputation of persons who have not requested a public hearing for the purpose of holding a discussion limited to the following subjects:

- Litigation
- Personnel matters
- Liability issues

Chair Bieganski declared that the executive session would be strictly limited to a discussion of:

- Litigation
- Personnel matters
- Liability issues

Motion was adopted. Voting **AYES**: Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

The Board went into executive session at 8:04 AM. The Board reconvened the open meeting at 9:35 AM.

Adjournment - Executive Session

There being no further business, the meeting was adjourned by Chair Bieganski at 9:35 AM.

November 10, 2016

Call to Order

The business meeting was called to order at 10:30 AM by Chairman Gary Bieganski

Attendee Name	Title	Status	Arrived
Michelle Suarez	Trustee	Present	
Gary Bieganski	Chairman	Present	
John Chaney	Trustee	Present	
Bob Engles	Trustee	Present	
Carter Peterson	Trustee	Present	
Matt Blomstedt	Trustee	Present	
Jess Zeiss	Vice Chairman	Present	

Approval of Meeting Agenda

A motion was made by Trustee Peterson and seconded by Vice Chairman Zeiss to approve the Meeting Agenda. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

Public Comments

Minutes Approval

Board of Trustees of the Nebraska State Colleges - Regular Meeting - Sep 9, 2016 8:00 AM

A motion was made by Vice Chairman Zeiss and seconded by Trustee Engles to approve the minutes of the September 9, 2016 meeting. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

1. Items for Consent Agenda

A motion was made by Trustee Chaney and seconded by Trustee Peterson to approve the Consent Agenda Items. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

1.1 Approve Authorization for Chancellor to Sign Employee Assistance Program Contract

1.2 LB 309 Allocations and Retrievals

Peru

1. Retrieval of \$882.50 for Wheeler Center Pedestrian Bridge replacement
- | | | |
|------------------------|---------|---------------|
| Allocation Date/Amount | 5/11/15 | \$218,000.00 |
| Retrieval Date/Amount | 10/4/16 | <u>882.50</u> |
| Estimated Project Cost | | \$217,117.50 |

2.	Acceptance of \$75,000 for campus tunnel and geothermal study		
	Allocation Date/Amount	9/27/16	\$75,000.00
	College Contribution		<u>00.00</u>
	Estimated Project Cost		\$75,000.00

Wayne

1.	Acceptance of \$42,000 for tuckpointing in Studio Arts Building		
	Allocation Date/Amount	9/2/16	\$42,000.00
	College Contribution		<u>00.00</u>
	Estimated Project Cost		\$42,000.00
2.	Acceptance of \$45,000 for balcony egress in Rice Auditorium		
	Allocation Date/Amount	9/2/16	\$45,000.00
	College Contribution		<u>00.00</u>
	Estimated Project Cost		\$45,000.00
3.	Acceptance of \$275,000 for window replacement in Humanities Building		
	Allocation Date/Amount	9/2/16	\$275,000.00
	College Contribution		<u>00.00</u>
	Estimated Project Cost		\$275,000.00
4.	Acceptance of \$190,000 for exterior molding replacement in Connell Hall		
	Allocation Date/Amount	9/2/16	\$190,000.00
	College Contribution		<u>00.00</u>
	Estimated Project Cost		\$190,000.00

- 1.3 Approve Authorization for Chancellor to Sign Construction Contracts for Theatre Project at Peru State College

Items for Discussion and Action

2. Academic and Personnel

- 2.1 Approve Affiliation Agreements with St. Luke's College - UnityPoint Health and Nebraska Methodist Hospital for Medical Laboratory Science Program at Wayne State College

A motion to approve the Affiliation Agreements with St. Luke's College - UnityPoint Health and Nebraska Methodist Hospital for Medical Laboratory Science Program at Wayne State College was recommended by the committee to the full Board, which approved the motion. Voting **AYES**: Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

- 2.2 First and Final Round Approval of Revisions to Board Policy 4420; Dual Enrollment Courses Delivered to High School Students

A motion to approve the First and Final Round Approval of Revisions to Board Policy 4420; Dual Enrollment Courses Delivered to High School Students was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

- 2.3 First and Final Round Approval of Revisions to Board Policy 5015; Adjunct Faculty

A motion to approve the First and Final Round Approval of Revisions to Board Policy 5015; Adjunct Faculty was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

3. Student Affairs, Marketing and Enrollment

No action items

4. Fiscal, Facilities and Audit

- 4.1 Approve Resolution Authorizing Refunding of 2011 (PSC) Revenue Bond Issue

A motion to approve the Resolution Authorizing Refunding of 2011 (PSC) Revenue Bond Issue was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

- 4.2 Approve the Acceptance of Revenue Bond Audit Report for Fiscal Years Ending June 30, 2016, and June 30, 2015

BKD had completed the audit report for the revenue bond programs at the Colleges for years ending June 30, 2016 and June 30, 2015. The 2002 Master Resolution called for an annual audit of the records of the revenue bond program to show revenues, fees, and earnings credited to the program, the financial condition at the close of the fiscal year, transactions during the year, a review of insurance carried on the facilities and other buildings, the percentage of occupancy and use of the facilities, and any other matters deemed relevant and necessary to make the audit informative. The audit was a systemwide report, with information for each of the Colleges provided, along with system summaries. The audit incorporated information for the 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2016B supplemental issues.

The audit was completed on an accrual basis for the third time, the first being the audit for the fiscal year ending June 30, 2014. With three years

of audits on an accrual basis, auditing standards allow for the inclusion of a Management Discussion and Analysis (MD&A) section, which could be found on pages 3-7 of the report. Audits for the fiscal year ending June 30, 2013 and prior audits were performed on a cash basis.

Board Policy 9005 requires that CSC and WSC maintain a minimum 125% debt service coverage and PSC a 135% debt service coverage ratio. This policy helps make NSCS bonds attractive in the market. Historical and current ratios were included below.

DEBT SERVICE COVERAGE

	FY 2014	FY 2015	FY 2016
CSC	331%	875%	206%
PSC	292%	332%	320%
WSC	272%	371%	364%

BKD indicated that the financial statements “present fairly, in all material respects, the financial position of the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program as of June 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.”

A motion to approve the Acceptance of Revenue Bond Audit Report for Fiscal Years Ending June 30, 2016, and June 30, 2015 was recommended by the committee to the full Board, which approved the motion. Voting **AYES**: Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

4.3 Contracts and Change Orders for Approval

Wayne State Change Order

- Bowen Hall (#4-repairs to exposed reinforcing in concrete floors) -- \$114,111.79

During demolition of ceilings in Bowen Hall, the contractor discovered on the underside of concrete floors and beams 176 separate locations of exposed steel reinforcement, large voids in concrete, and de-laminated concrete at various penetrations. These conditions were mainly attributed to the original construction of the building in the late 1960's. Repairs are necessary to maintain the structural integrity of the building. Exposed reinforcing steel, if subjected to extreme heat in the case of a fire, could destabilize the structure.

A motion to approve the Contracts and Change Orders for Approval was recommended by the committee to the full Board, which approved the motion. Voting **AYES**: Bieganski, Zeiss, Chaney, Engles, Peterson, Suarez, and Blomstedt.

Items for Information and Discussion**5. Academic and Personnel**

5.1 Online Programs Report

The online programs reports from each of the Colleges were provided to the Board for information.

5.2 Summer Instructional Load Reports

Summer instructional load reports from each of the Colleges were provided to the Board for information.

5.3 Off-Campus Course Offerings Summary

The off-campus course offerings summary report was provided to the Board for information.

5.4 Quantitative Academic Reports

Quantitative academic reports from each of the Colleges were provided to the Board for information.

5.5 Reports of Personnel Actions

The Personnel action reports were provided to the Board for information.

6. Student Affairs, Marketing and Enrollment

6.1 NSCS Counselor Tour Update

The tour was held during the week of September 19 with stops at Wayne State, Omaha, Lincoln, Kearney and Scottsbluff. Over 120 counselors participated this year.

6.2 NSCS Month Update

The Governor proclaimed October as Nebraska State College System Month, for the twelfth consecutive year, on September 7, 2016. The Colleges will offer \$800 bookstore certificates to three students who visit the Colleges and take a tour during October. One student from each College will be selected to receive the certificate. Prospective students are eligible if they take a full campus tour in October and are only awarded the certificate if they enroll at the College that offered them the certificate.

Vice Chancellor Tande and the Directors of Admission had discussed future plans for student incentives.

6.3 Counseling Academy Report

The annual Nebraska School Counselors Association (NSCA) Academy was held November 3-4, 2016 in Kearney. School guidance counselors throughout the state attend the two-day event. The NSCS sponsored a lunch for the counselors in attendance during which the Directors of Admissions from the Colleges made presentations highlighting the Colleges. The counselors are valued partners in marketing the Colleges to prospective students, and the luncheon was a way to work with the counselors face-to-face and to answer questions they may have about NSCS institutions.

As part of the marketing strategy to school counselors, the NSCS is also advertising on the NSCA website at neschoolcounselor.org. The NSCS banner on the webpages changes throughout the year to highlight various scholarships and NSCS activities.

6.4 Summer Enrollment Reports

Summer enrollment reports from each of the Colleges were provided to the Board for information.

6.5 Board of Trustees Scholarship Acceptance Report

The Board of Trustees Scholarships are merit-based scholarships that are awarded annually to graduating high school seniors who score a 25 or higher on the ACT. Recipients must be Nebraska residents. The number of scholarships available to each College is calculated from the full-time equivalent enrollment from the previous fall semester. The Colleges are required to report to the Board the number of scholarships offered and the number actually awarded. The Board of Trustees Scholarship report for Fall 2016 indicated that the total number of scholarships awarded had decreased slightly from the Fall 2015 report.

The Board of Trustees Scholarship acceptance report was provided to the Board for information.

6.6 NSCS Advantage Report

The Nebraska State College System Advantage program serves students by guaranteeing that those students who receive federal Pell Grants and enroll as first time freshmen will pay no tuition at Chadron, Peru and Wayne State Colleges.

7. Fiscal, Facilities and Audit

7.1 Remission Fund Award Report by Category

In accordance with the Board's Tuition Remissions Policy 3400, the Colleges provided the Chancellor with a summary of the remission funds awarded by category. Remissions are permitted by the state, allowing the NSCS to collect either no tuition or reduced tuition from students meeting

specific criteria that are approved by the Board. The categories approved by the Board are spelled out in Board Policy 3400.

7.2 Special Tuition Rate Reports

Annually the Colleges prepare a report for the System Office on student participation in special tuition rate programs. These include; the Chadron State Eagle Rate, Peru State One Rate Any State, Wayne State Bridge Rate, Non-Resident Scholars, and the Dual Enrollment program. Further information was provided at the meeting.

7.3 Memorandum of Understanding and Release and Settlement Agreement for Chadron State College

A settlement agreement was reached between Chadron State College and Sampson Construction Co., Inc. regarding the damages caused by heavy rainfall and a dislodged man-hole cover. Sampson Construction agreed to pay \$60,000 for the clean-up and repair of five homes adjacent to the Eagle Ridge Housing project due to the heavy rainfall.

7.4 Physical Plant Status Reports

The Physical Plant Status Reports from each of the Colleges were provided to the Board for information.

7.5 Capital Construction Quarterly Reports

Capital Construction Quarterly Reports from each of the Colleges were provided to the Board for information.

Chadron

1. Rangeland Lab Building - Final report

Peru

1. Delzell Renovation - Interim report
2. Field House - Interim report
3. Oak Bowl Renovation - Final report
4. Park Avenue Campus Entrance - Interim report
5. TJ Majors Renovation - Interim report

Wayne

1. Bowen Hall Renovation and Addition - Interim report
2. Carhart Renovation, Phase III - Interim report
3. Lindahl Drive Improvements - Interim report
4. U.S. Conn Library Renovation - Interim report

7.6 Year-End Revenue Bond Expenditure Reports

Year-end revenue bond expenditure reports from each of the Colleges were provided to the Board for information.

7.7 Contracts and Change Orders for Information

The following contracts and change orders reported by each of the Colleges were provided to the Board for information.

Chadron State Contracts

- Student Center (tent rental for new student orientation) -- \$2,500
- Kent Meyers (public reading for literature class) -- \$500
- Campus (land survey) – time and materials not to exceed \$16,780
- Student Center (comedian performance for Week of Welcome) -- \$1,450 plus one night local lodging
- Crites Hall (replacement windows design) -- \$13,300
- Edna Work Hall (replacement windows design) -- \$15,100
- Student Center (CPR certification) -- \$930
- Crites Hall (prepare Upward Bound application for US Department of Education) -- \$6,500
- High Rise and Brooks Hall (re-felt pool tables, repair pockets and pool cue tips) -- \$830.75
- Kent Hall and Edna Work Hall (pool table repairs) -- \$1,300
- Student Center (band performance) -- \$1,200
- Nelson Physical Activity Center (custom mobile application) -- \$6,000
- Student Services (counseling services) -- \$1,610
- Memorial Hall (set design/construction) -- \$3,125.60 plus local lodging
- Memorial Hall (music education conference/workshop) -- \$1,600
- Memorial Hall (music education conference/workshop) -- \$1,800
- Memorial Hall (percussion instruction for Eagle Band Drumline) -- \$1,000 plus local lodging
- Rangeland Lab (professional engineering services – lower level classrooms/offices) -- \$6,800 plus reimbursables
- Memorial Hall (Glenn Miller Orchestra performance) -- \$10,000
- Kent Hall (furnish and install outside doors, sidelights, and transom) -- \$5,750
- Coffee Agriculture Complex (bullfighter services at College Rodeo) -- \$650
- Coffee Agriculture Complex (rider pick-up services at College Rodeo) -- \$650
- Coffee Agriculture Complex (rider pick-up services at College Rodeo) -- \$650
- Coffee Agriculture Complex (bullfighter services at College Rodeo) -- \$650
- Coffee Agriculture Complex (concession services at College Rodeo) -- \$500
- Coffee Agriculture Complex (announcer at College Rodeo) -- \$3,000

- Coffee Agriculture Complex (rough stock provide for College Rodeo) -- \$7,800
- Nelson Physical Activity Center (stunt coaching to CSC Cheer Team) -- \$2,000 plus flight, local lodging and meals
- Stadium and Track Improvement Project (schematic design, design development, contract documents, bidding/construction oversight) – 10% of construction cost
- Marketing Development (marketing banner/mailling promoting CSC) -- \$15,000
- President's Residence (big tent rental) -- \$200

Peru State Contracts

- TRIO-SSS Summer Bridge Retreat at Camp Catron (rental) -- \$549
- Theatre (geotechnical services) -- \$4,950
- TJ Majors (labor, materials and install hand railings) -- \$1,980
- Park Avenue (furnish materials and install street lighting) -- \$48,844.95
- Centennial Complex (furnish materials/install transformer) -- \$99,800
- TJ Majors – West Entrance (remove and install new doors) -- \$4,701.37
- Delzell Hall (asbestos abatement) -- \$9,847
- Campus (monthly pest management program) -- \$710/month
- Delzell Hall (geotechnical material testing services) -- \$13,200
- Campus (graduate classes) -- \$133.18 per credit hour

Peru State Change Orders

- Hoyt Hall (#1 value engineering) – (\$23,600)
- Hoyt Hall (#2 humidifier, duct insulation and misc.) -- \$29,323
- Field House (#2 sewage lift station and shower/restrooms modifications) -- \$74,117

Wayne State Contracts

- Connell Hall (replace 4" dry pipe valve) -- \$2,800
- Rice Auditorium (replace flow switch on fire sprinkler system) -- \$375
- Carhart Science Building (replace leaking 8" pipe on fire sprinkler system) -- \$1,300
- Gardner Business Building (remove 3" valve and replace with 3" pipe) -- \$450
- Brandenburg Education Building (make modifications on existing doors) -- \$3,273
- Student Services – Counseling Center (provide evaluation and counseling services) – not to exceed \$65,000
- Rec Center (storm sewer repairs) -- \$12,974
- Carhart Science Building (install outside air intake hood) --

\$10,600

- Campuswide (consulting services) -- \$49,995
- Campus Administration (consulting services) -- \$61,875
- East of Tennis Courts (removal of 2 pine trees) -- \$1,300
- Student Center (replace shaft and bearing on air handler) -- \$11,950
- Carhart Science Building (water analysis of wet pipe sprinkler system) -- \$1,310
- Campuswide (fire sprinkler systems inspections) -- \$12,200
- Brandenburg Education Building (south vestibule abatement) -- \$1,024

Wayne State Change Orders

- Humanities Roof Replacement (#1-repair roof edge detail) -- \$2,199
- Bowen Hall (#1-additional air monitoring) -- \$18,030
- Bowen Hall (#2-common bathroom ceiling demo and electrical revisions) -- \$10,557.87
- Bowen Hall (#3-repair existing precast concrete) -- \$87,604.83

7.8 Grant Applications and Awards for Information

Chadron State Awards

- Cosmogenic Dating of Holocene Glacial Advances in the Wind River Range (NASA Nebraska Space Grant) -- \$6,000
- Predicting Rock Failure Mode in Drilled Samples (NASA Nebraska Space Grant) -- \$4,000
- TRiO – Student Support Services (U.S. Department of Education) -- \$247,344
- Upward Bound (U.S. Department of Education) -- \$257,500

Wayne State Application

- Nebraska Business Development Center (U.S. Small Business Administration) -- \$65,000

Wayne State Awards

- Annual National Geographic Alliance Grant to Nebraska 2016-17 (National Geographic Society Education Foundation [NGEF]) -- \$41,382
- TRiO Student Support Services (U.S. Department of Education) -- \$317,311

NSCS Award

- NSCS Data Analyst and Reports Developer (The Susan Thompson Buffett Foundation) -- \$23,944.33 (now includes \$625.13 carryforward)

8. Miscellaneous Action and Information Items

i. Chancellor's Report

Chancellor Carpenter reported that the RLOP program was featured in an article in the November edition of the *Nebraska Lawyer* magazine along with an article about the visit to Chadron of the Chief Justice of the Nebraska Supreme Court along with some of the other justices.

Chancellor Carpenter noted that the Senators' Reception would be held Tuesday, January 17, 2017 at the Ferguson House beginning at 4:00 p.m. following the Board meeting.

The System Office computer system was recently updated to Outlook for its email system. It was an interesting process and the WSC staff who performed the migration did a magnificent job.

Chancellor Carpenter noted that Vice Chancellor Hotovy had worked with the 309 Task Force to garner some funds for the PSC Theatre project. He also noted that Vice Chancellor Kupper had been named a HLC peer reviewer. Chancellor Carpenter introduced Taylor Sinclair, as the new System Director for Title IX.

Chair Bieganski noted that he would be providing greetings from the Board at the CSC graduation to be held December 16 and Trustee Peterson would do the same at WSC.

ii. Presidents' Report

PSC President Hanson reported on PSC's new 1st year seminar for freshmen. He noted how service learning was an important part of Peru's mission. He discussed some of the service learning projects at Peru. He also noted that PSC was working on its strategic plan and had purchased some software to assist with retention efforts.

WSC President Rames reported on the number of economically disadvantaged students who wish to go to college. The WS Foundation hosted a luncheon for scholarship winners and the donors of the scholarship funds. WSC received an award from the U.S. Department of Education for its service learning program. To date 11,000 hours of service have been completed by 967 students.

CSC President Rhine reported on the Quality Initiative Review Report. Additional reports on assurance and federal compliance will be reported in the near future. The HLC visit will occur April 24-25, 2017.

iii. Student Trustees' Report

WSC Student Trustee Miller reported on various activities at WSC. The idea of a smoking ban was still being discussed. The Student Senate positions are nearly filled.

CSC Student Trustee Clark reported on various activities at CSC. The Student Senate is discussing having a "Spirit Bus" available for students to attend away games.

PSC Student Trustee Nelson reported on various activities at PSC. The Student Senate held a student forum where over 200 students attended to provide thoughts on the PSC strategic planning process that will be considered when updating the current Strategic Plan.

Adjournment

The meeting was adjourned at 12:00 PM

Stan Carpenter, Chancellor

ITEMS FOR CONSENT AGENDA

January 17, 2017

***ACTION:* Approve Authorization for Chancellor to Sign Construction Contracts for Wayne State College**

The System Office and Wayne State respectfully request authorization for the Chancellor to sign construction contracts for the following projects:

Humanities Window Replacement
Connell Hall Exterior Molding Replacement
Anderson Hall Fire Sprinkler Installation and Ceiling Replacement
Berry Hall Fire Sprinkler Installation

Authorization for the Chancellor to sign contracts in amounts not to exceed available funding for the projects will assure that they move forward in a timely manner.

The System Office and Wayne State College recommend approval of the Authorization for Chancellor to Sign Construction Contracts for Wayne State College.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **Approve 2017-2019 Agreements Between the Board of Trustees of the Nebraska State Colleges and the SCEA, NSCPA and NAPE/AFSCME Bargaining Units**

Attached are copies of the SCEA, NSCPA and NAPE/AFSCME Agreements in legislative format showing all additions and deletions.

The System Office recommends approval of the 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME.

ATTACHMENTS:

- SCEA Agreement with Revisions (PDF)
- NSCPA Agreement with Revisions (PDF)
- NAPE/AFSCME Agreement with Revisions (PDF)

2017-2019 SCEA Agreement

AGREEMENT 2017-2019

This Agreement between the Board of Trustees for the Nebraska State Colleges acting on its own behalf and through its agents (hereinafter referred to as the Board) and the State College Education Association (hereinafter referred to as SCEA) is for the purpose of establishing mutually acceptable procedures, practices, and conditions regarding rates of pay, hours of work, and conditions of employment to be observed by the parties to this Agreement on the three state college campuses regarding the bargaining unit hereinafter described.

ARTICLE I. RECOGNITION

Section 1.1 Unit Membership

The Board recognizes the SCEA as the exclusive bargaining agent for all ranked faculty employees on specific term appointments employed full time by the Board of Trustees of the Nebraska State Colleges, who perform teaching duties at the three state colleges located at Chadron, Peru and Wayne, Nebraska, including department chairs (hereinafter referred to as faculty members). Deans, employees on special appointments (including non-ranked faculty, temporary or interim appointments, part time appointments and appointments supported by funds over which the Board does not have control or which the Board cannot reasonably expect to continue indefinitely), and all other professional and support staff employees are not included in the bargaining unit.

Full time (at least .75 FTE) faculty special appointments will be limited to three (3) academic years.

Section 1.2 Exclusive Contract

The Board agrees that it will not sign any contract, make any written agreement, or recognize any other employee representative for the faculty members during the term of this Agreement.

ARTICLE II. NONDISCRIMINATION AND WORKPLACE ENVIRONMENT

The Board and SCEA fully agree that employment and institutional policies will be applied fairly and equitably. Neither preference nor discrimination shall be shown by either the Board or SCEA for or against any member in regard to race, color, national origin, age, sex, sexual orientation, gender identity, religion, disability, or affiliation or non-affiliation with SCEA all as provided by law. The parties to the Agreement further agree that no employment or educational policy shall be discriminatory on the basis of individual characteristics other than quality of performance of duties, and conduct in regard to employment as required by the terms of this Agreement, with Board policies and rules, and with applicable laws.

The Nebraska State Colleges are equal opportunity institutions and do not discriminate against any student, employee or applicant on the basis of race, color, national origin, sex, sexual orientation, gender identity, disability, religion, or age in employment and education opportunities, including but not limited to admission decisions. Each College has designated an individual to coordinate the College's nondiscrimination efforts to comply with regulations implementing Title II of the Americans with Disabilities Act, Titles VI and VII of the Civil Rights Act, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act. Inquiries regarding non-discrimination policies and practices may be directed to the Compliance Coordinators assigned at each College and identified on each college website.

The Board is committed to providing a workplace environment free of unlawful harassment and/or discrimination in accordance with applicable federal and state laws. Unlawful harassment or discrimination of employees in regard to race, color, national origin, age, sex, sexual orientation, gender identity, religion, disability is prohibited. Unlawful harassment includes, without limitation, verbal harassment (derogatory comments and/or slurs, negative stereotyping, intimidating behavior), physical harassment (assault or physical interference), visual harassment (posters, cartoons, drawings, or improper written or graphic material), and innuendo.

If any faculty member has reason to believe that he or she has been unlawfully harassed and/or discriminated against, that faculty member should report the violation to a Dean, the Human Resources Director/AVP, or a Vice President. Faculty members who feel an immediate threat may contact Campus Security. If the reporting faculty member feels that the report does not achieve satisfactory results, a second report should be made to another administrator. All reports shall be promptly and thoroughly investigated.

ARTICLE III. STATEMENT ON ACADEMIC FREEDOM

Concepts of academic freedom are based on the current AAUP Statement of Principles and Interpretive Comments on Academic Freedom and Tenure ("Statement"). The Statement,

however, is not incorporated herein by reference.

ARTICLE IV. INTELLECTUAL PROPERTY RIGHTS

Section 4.1 Conditions

Faculty members shall retain all copyright and intellectual property rights when course materials are created, updated, or modified when the three following conditions are met:

- a) The works reflect research or creativity which within the State College System are defined as traditional works of scholarship and are considered as evidence of professional advancement or accomplishment. Traditional works of scholarship include instructional materials (i.e., lectures, lecture notes, study guides, etc.) journal articles, research bulletins, monographs, books, textbooks, lab notebooks, research files, CD's, software, plays, poems, film and artistic works, as long as the works do not involve substantial use of college resources.
- b) The faculty member has not voluntarily transferred the copyright, or intellectual property right in whole or part, to the Board through a signed written instrument.
- c) The faculty member did not receive specific compensation in exchange for developing the work, the terms of such specific compensation communicated in writing.

Faculty members may be compensated for course revisions pursuant to a signed written instrument.

Section 4.2 Materials Not Courses

Faculty do not have intellectual property rights to individual courses or to the curriculum as a whole, but only to self-developed instructional materials used in the development of the course. Faculty members will provide grading information upon appropriate request.

ARTICLE V. PROGRAM AND WORKING CONDITIONS

Section 5.1 Contract Period

The contract period extends from one (1) working business day prior to the first day of classes of the Fall semester until the completion of the final examination

2017-2019 SCEA Agreement

period and commencement ceremonies of the Spring semester or the period of time necessary for faculty members to turn in final grades and required year-end reports, whichever is later. New faculty may be requested to report one (1) day prior to the start date for returning faculty.

Section 5.2 Faculty Load

5.2.1 Academic Year Appointments

During an academic year appointment, faculty members shall be assigned no more than a thirty (30) credit hour adjusted workload, ~~of which no more than twelve (12) credit hours plus or minus one (1) credit hour each semester will be instructional credit hours.~~ The usual and customary instructional workload will be twenty-four (24) adjusted credit hours per academic year contract except as may otherwise be required by appropriate College accrediting bodies (recognized by the United States Department of Education or the Council for Higher Education Accreditation) or applicable state regulations.

An instructional workload range of 11-13 credit hours may be assigned per semester. Upon mutual agreement of the faculty member and Dean, instructional hours can be assigned during the fall and spring semesters in excess of 13 credit hours without triggering overload obligations. Such agreement shall be documented in writing.

Any instructional credit hours above twenty-five ~~four~~ (25~~4~~) will receive overload compensation per Section 10.6. Instructional loads with fewer than ~~twenty-three~~ twenty-four (23~~4~~) credit hours will be assigned additional duties. The balance of the thirty (30) credit hour workload will be credited to scholarly and service activities.

5.2.2 Workload Adjustments

Reasonable workload adjustments may be made at the discretion of the Board or its designee to take into account scholarly activity for graduate instruction, laboratory courses, private or group music lessons, studio or drama courses, student teacher supervision, coaching duties and/or other out-of-classroom instructional activities. Any instructional hours assigned above the prescribed instructional hours will be considered an overload and will qualify for overload.

Existing workload adjustment practices will remain in place at each College, unless revised adjustments are agreed upon by SCEA and the Board.

5.2.3 Notice of Teaching Assignments

In order to facilitate adequate planning, faculty members will be notified by their Dean as soon as possible of teaching assignments for the semester, but no later

2017-2019 SCEA Agreement

than August 1 for fall semester and December 15 for spring semester unless exceptional circumstances exist that prevent meeting those deadlines.

5.2.4 ~~Correspondence Courses,~~ Directed Study, and Independent Study

~~Correspondence courses,~~ Directed study, and independent study assignments will be offered with the approval of the faculty member and at the Dean's discretion. Faculty teaching ~~correspondence,~~ directed study, and independent study courses will be compensated at the rate of two-thirds (2/3) tuition assessed for each enrolled student. Such courses are not eligible for instructional workload adjustment.

Section 5.3 Advising

All faculty members are responsible for providing academic advising to students. No faculty member will be assigned more than fifty (50) undergraduate and graduate student advisees as adjusted for the number of undeclared students. Faculty members may by mutual agreement with the Dean agree to be assigned more than fifty (50) advisees.

In order to facilitate student advising, each faculty member will announce on the first day of each semester, in accordance with the prescribed number of office hours required and in consultation with the Dean, the specific hours each week he or she will be available for scheduled or drop in appointments.

Section 5.4 Online and Interactive Distance Learning Courses

Faculty members who are assigned to teach online courses and interactive distance learning courses, for the first time, will be provided notification as soon as possible but no later than August 1 for fall semester and December 15 for spring semester unless exceptional circumstances exist that prevent meeting these deadlines, as well as, prior training in the operation of the technical equipment to be used for such courses. Resources such as hardware and software necessary to design and deliver the course will be provided to faculty members. Technical and pedagogical assistance in the preparation of materials for interactive distance learning and online courses will be provided. Logistical support will be provided for distribution of instructional materials and testing at each remote site for interactive distance learning courses.

Faculty teaching via interactive distance learning will receive incentive pay for a three (3) credit hour course at the rate of \$250 per remote site. The number of remote sites shall be limited to no more than three per course. Any exception to this limit must be approved by the appropriate Dean in consultation with the faculty member. Incentive pay for interactive distance learning courses which are either less than or more than three (3) credit hours will be in proportion to this

2017-2019 SCEA Agreement

rate.

Online course enrollments will be capped at thirty (30) students per course. If the course enrollment exceeds thirty (30) students, the faculty teaching the course will receive the equivalent of two-thirds (2/3) in-state tuition per student above the enrollment cap. For the purpose of this Agreement, an online course is defined as one where seventy-five percent (75%) or more of the instruction is delivered via internet.

No video/audio tapes of distance learning classes shall be used after completion of the semester without the faculty member's approval, which shall not unreasonably be withheld.

Online and interactive distance learning courses taught will be treated as are all other courses with regard to load and evaluation, except that evaluation strategies and instruments will recognize the non-traditional character of such courses.

Any new online course or distance learning course offered shall first follow customary approval procedures established by the College, which shall include initial approval for the development of such course by the appropriate Dean.

No approved Internet course designed and created by a faculty member without compensation may be conducted by any other person without the consent of the faculty member who created the course, which consent shall not be unreasonably withheld or delayed. If the faculty member gives consent, the faculty member and institution will enter into a compensation contract.

Courses developed at the request of the College, as defined by the purchase agreement and for which the faculty member receives additional compensation, are considered a work for hire and the property of the college and does not require the consent of the faculty member to reassign the teaching of the course to another faculty member.

5.4.1 Blended Courses

A blended course is a course which has two groups of students enrolled in the course- online students and students who will receive instruction face to face in the regular classroom. The course has a single syllabus, a common set of assignments, a common schedule and curriculum. Faculty teaching a blended course shall receive incentive pay at a rate of \$250.

2017-2019 SCEA Agreement

Blended course enrollments will be capped at thirty (30) students per blended course counting the total of face to face and online students. If the total course enrollment exceeds thirty (30) students, the faculty member will receive the equivalent of two-thirds (2/3) in-state tuition per student above the enrollment cap.

Section 5.5 Work Terms and Conditions

5.5.1 Office Hours

Office hours on campus are required of all faculty, at least five (5) hours per week for no less than three (3) days per week. Reasonable allowances for office hours may be arranged upon mutual consent between the faculty member and the Dean.

5.5.2 Equipment and Furnishings

The Board shall provide each faculty member reasonable equipment and furnishings necessary to perform assigned duties.

5.5.3 Office Space and Clerical Assistance

Each faculty member shall be provided office space and clerical support from at least an Office Assistant I or equivalent.

5.5.4 Computer Services Support

Faculty members shall be provided computer service for College-approved software and hardware to fulfill their academic and research responsibilities. Computer Services Administration will publish and maintain a list of software for which it will provide technical assistance. Faculty members may not receive support for any other software. In compliance with College procedures, which require prior disclosure, faculty members may load or have loaded licensed, academic-specific software on their office computers. Approval to load software shall be made in a timely manner and shall not be unreasonably denied. A denial to load software must specify in writing the reasons for such denial. The College will provide wide band network and high speed internet options of speed and connectivity comparable to College standards for specific and legitimate curriculum and research needs. On this alternative system, faculty members may load licensed and academic-specific software and install necessary peripherals as needed.

5.5.5 Computer Services Notification

Reasonable efforts will be made to give faculty members ten (10) working business days advanced notice when computer hardware or software is replaced.

5.5.6 Employee Handbook

The employee handbooks, the NSCS Board Policy Manual, and the current Agreement with the SCEA shall be available online.

5.5.7 Teaching at Other Institutions of Higher Education

Faculty members shall not engage in employment at other institutions of higher education during the contract period without permission from the Vice President for Academic Affairs. Such permission must be secured in advance for each employment instance.

ARTICLE VI. PERSONNEL FILES

Section 6.1 Maintenance

The Board shall maintain an official personnel file for each faculty member available through the Human Resources Office with access limited to the President, Human Resources Director/AVP, Vice President of Academic Affairs, Deans and their appropriate staff. Student employees shall not have access to faculty personnel files.

Section 6.2 Confidentiality

Personal information in the personnel file, other than salaries and routine directory information, will be treated in a confidential manner subject to state and federal law.

Copies of employment contracts shall be provided to SCEA upon written consent of the faculty member.

Section 6.3 Contents

The personnel file may include, but not be limited to, the following:

- a) General personnel information and employment contracts;
- b) Academic records;
- c) Personnel actions generated by the Board;
- d) Performance evaluations and memoranda of discussions with the faculty member relating to performance;
- e) Observation reports of the faculty member's performance by supervisors;
- f) Tenure and promotion records; and,
- g) Job application materials including employment applications, resumes, reference letters, and school transcripts.

2017-2019 SCEA Agreement

Section 6.4 Inspection

A faculty member, or SCEA representative whom the faculty member has so designated in writing, has the right to inspect the contents of his or her individual personnel file. Files must be reviewed in the presence of an appropriate administrative officer and may not be removed from the office in which they are located.

Section 6.5 Informed Inclusion

A faculty member shall be given a copy of any document relating to performance and/or conduct when it is placed in his or her personnel file. The faculty member shall have the right to attach written refutation, rebuttal or comment within twenty-five (25) business days.

ARTICLE VII. PERFORMANCE EVALUATION

Section 7.1 Purpose

The performance evaluation process shall be for the purpose of improving instruction, encouraging and supporting professional development, supporting research and supporting service, and providing information necessary, in part, for personnel decisions, including reappointment, promotion, and tenure decisions. ~~Evaluations shall be conducted by the supervising Dean.~~

Section 7.2 Criteria Categories

Evaluation shall be consistent with and reflective of the role and mission of the State College System and its emphasis on effective teaching. The criteria categories for evaluation shall be:

- a) Demonstrated ability to teach effectively and to contribute to students' academic growth and development;
- b) Evidence of continuing preparation and study through scholarly and/or creative activities and achievements related to the primary area of employment and/or supporting scholarship of teaching and learning; and,
- c) Evidence of service to the college, community, and profession. Evidence of service to the college shall include but not be limited to: good citizenship at the departmental, school, and campus levels, including participation in all aspects of department, school, and campus life; a commitment to responsibly representing the school on committees; and civil and collegial communication with department members and supervisors.

2017-2019 SCEA Agreement

Section 7.3 Evaluation Schedule

Faculty members shall be evaluated by their supervising Dean once each academic year; however, tenured Professors may be evaluated on a less frequent cycle at the discretion of Dean. Such evaluation shall be completed prior to the time the Board receives a report of salaries for the upcoming academic year. Faculty members and SCEA shall be informed of changes in the evaluation cycle and documentation requirements in advance of any change being implemented. The evaluation period will be January 1st through December 31st with evaluation materials due to the Dean by January 30th following completion of the evaluation period. Faculty members in their second year of faculty employment will be evaluated prior to December 1st. All evaluation procedures, as described below and concluding with a conference of the Dean and each faculty member, shall be completed prior to April 1st following completion of the evaluation period.

Should the evaluation not be completed on schedule when evaluation materials have been provided in a timely manner, the faculty member shall be deemed to have provided satisfactory performance.

Section 7.4 Evaluation Procedure

Evaluations will be predicated on the criteria categories in 7.2, and their relative importance, professional assignments communicated in writing to the faculty member, and written Faculty Development Plans. Such plans will have annual goals and specific objectives. The Dean and faculty member will prepare the plan which will be included in the individual's personnel file.

In determining progress during an evaluation period, the Dean and faculty members will use student instructional effectiveness surveys as one important index of teaching effectiveness. Student surveys will be conducted in at least two (2) courses taught by the faculty member during each academic year. Faculty may elect to have more than two (2) courses surveyed. Non-tenured faculty may be required to have all courses surveyed. Tenured faculty may be required to have more than two (2) courses surveyed if performance concerns exist and notice regarding the concerns have been communicated in writing to the faculty member. Summaries of the student surveys and comments will be given to the faculty member within thirty (30) working business days of the conclusion of the course and a copy will be placed in the personnel file. Without faculty permission, student surveys and summaries and faculty evaluations will be available only to academic supervisory personnel and their staff. The faculty member may request third party verification of the accuracy of the student surveys' summaries. The third party will be agreed upon by the faculty member and the Dean. Student surveys will be maintained for one semester following the

2017-2019 SCEA Agreement

semester in which the surveys were administered, for purposes of such validation. To support the evaluation process, evidence may also be collected from class visitations, monitoring on-line courses with notification, course outlines, tests, quizzes, writing assignments, review sheets, and other relevant sources. The evaluation will not be based on student surveys only.

When an online or interactive distance learning course is evaluated, the quality of teaching and its impact on instructional outcomes will be emphasized apart from any technology variables that may affect instruction. At the end of each evaluation period, the Dean will confer with each faculty member to assess progress and/or complete a formal evaluation. Evaluation forms will include three rating categories for performance - satisfactory, needs improvement and unsatisfactory. Only an overall satisfactory performance designation is eligible for any negotiated annual increase to base salary. Faculty members will provide reasonable documentation and materials which assist in assessing progress made in support of the goals and objectives stated in the professional development plan. The Dean will provide each faculty member a copy of strengths identified and/or improvements required in the individual's performance with recommendations to assist improvement and to reach specific outcomes. Conclusions resulting in changes in the objectives and activities of the professional development plan will be attached to the original plan. In the case of identified areas of concern, a plan for implementation of recommendations with specific outcomes will be created by the Dean in consultation with the faculty member. Such a plan will be signed and attached to the original faculty development plan and evaluation. No overall performance rating of less than "satisfactory," impacting an annual base salary adjustment, can be assigned without prior written notice of administrative concerns and reasonable time to address such concerns. A faculty member may submit written comments or rebuttal on the evaluation ~~prior to subsequent administrative review~~ within ten (10) business days of receipt. A copy of the evaluation and comments will be placed in the faculty member's personnel file.

All evaluations of probationary tenure-track faculty members will include a discussion of progress toward the awarding of tenure and written recommendations for addressing any deficiencies that may be apparent at the time of the evaluation. Faculty members who serve as departmental chairs will not conduct formal evaluations. Department chairs will serve in a consultative role which may include review of materials and making recommendations, which may include, but not be limited to, evaluations with respect to departmental citizenship or service. Departmental faculty may recommend individuals to the Dean to serve as department chairs.

Evaluations shall not be subject to grievance or hearing procedures except for compliance with the procedures specifically enumerated in this Article. However, if an evaluation results in the denial of a salary increase, the faculty member may request a conference with the Dean and Academic Vice President for reconsideration, which decision shall be final. The faculty member has the right

2017-2019 SCEA Agreement

to have a SCEA representative participate in this meeting.

Quality of performance and conduct regarding employment as required by the terms of this Agreement, Board policies and rules, and applicable laws shall form the sole basis for evaluation of faculty members.

ARTICLE VIII. PROFESSIONAL DEVELOPMENT

Section 8.1 Sabbatical Leave

The purpose of sabbatical leave is to provide an opportunity for faculty members to engage in scholarly, creative, professional, research, or other academic activities that will enhance the faculty member's contribution to the College. Sabbatical leave is an important element in professional development. Tenured faculty members who have been employed as faculty at the College for at least seven (7) consecutive years shall be eligible to apply for sabbatical assignments. Faculty members are not eligible to receive sabbatical assignments more frequently than once every seven (7) years. Each College shall make available at least one (1) sabbatical per fifty (50) faculty members, or major fraction thereof, per year. Awarding of such sabbatical shall be contingent upon the receipt of a meritorious proposal.

Applications for sabbaticals shall be submitted according to a deadline established by the Academic Vice President, but no later than December 1st of the fall semester of the year preceding the year for which the sabbatical is requested. The application shall include a plan of professional development to be pursued during the assignment and a statement of the anticipated value of the sabbatical to the faculty member and the College. Each College shall establish a committee to evaluate the sabbatical applications and make recommendations to the Academic Vice President. After consultation with the Academic Vice President, the President shall make final decisions on all applications. Faculty members will be notified in writing of the President's sabbatical decisions no later than February 1st.

Sabbatical assignment compensation may be set at full pay for one academic semester, one-half (1/2) pay for the academic year, or a lesser amount. Faculty members may avail themselves of fellowships, assistantships or other sources of limited means, to offset travel and displacement cost while on sabbatical; however, this Section shall not permit full-time employment while on sabbatical.

Faculty members on sabbatical will continue to receive the proportionate share of the College's contribution for applicable insurance and retirement plans. The remaining portion will be paid by the faculty member.

2017-2019 SCEA Agreement

Within ninety (90) days following return from sabbatical, the faculty member shall submit to the Academic Vice President a written report summarizing the activities and results of the sabbatical assignment.

A recipient of a sabbatical assignment may, at the discretion of the President, be required to return to the College for a period of one (1) year or to immediately repay the salary and cost of benefits received from the College while on sabbatical.

Time on sabbatical shall count toward the time requirements for rank promotion.

Section 8.2 Leave of Absence

Faculty members who have been employed at the College for three (3) consecutive years shall be eligible to apply for a leave of absence for the purpose of research, education, travel, work at other institutions, or private business organizations, or engaging in other activities which will improve the faculty member professionally and be of benefit to the College. Such leave of absence is without pay. However, if the leave of absence is at the request of the College, and the faculty member has been employed at the College for four (4) consecutive years, such leave may be compensated with one-half (1/2) pay for one (1) academic year, full pay for one (1) semester, or a lesser amount by mutual agreement of the faculty member and the College.

The recipient of a paid leave of absence may, at the discretion of the President, be required to return to the College for a period of one (1) year or to immediately repay the salary and cost of benefits received while on the leave of absence.

Requests for leave of absence must be submitted according to a deadline established by the Academic Vice President, but no later than December 1 of the year preceding the year for which the leave is requested. Requests for a leave of absence without pay may be requested after the December 1 deadline if there are extenuating circumstances, such as receipt of a Fulbright award. Such leaves are limited to one (1) year but leave without pay may be extended one additional year by mutual agreement. Requests for extension must be received by February 1. Granting leaves of absence is at the discretion of the President, and is a non-grievable matter. Time on leave without pay does not count toward time requirements for tenure or rank promotion unless mutually agreed upon in writing by the faculty member and the President at the time of leave approval.

Faculty members on a paid leave of absence will continue to receive the proportionate share of the College's contribution for applicable insurance and retirement plans. The remaining portion will be paid by the faculty member.

Faculty members on an unpaid leave of absence may contribute to the retirement plan and participate in applicable insurance programs at their own expense.

2017-2019 SCEA Agreement

Within ninety (90) days following return from a leave of absence, the faculty member shall submit to the Academic Vice President a written report summarizing the activities and results of the leave.

Section 8.3 Professional Development Fund

The purpose of this Section is to encourage and support faculty development, leading to greater effectiveness of instruction. Nothing in this section shall be construed to restrict the Board's right to support additional activities for that purpose.

Each College shall provide a professional development fund to facilitate the broadest creative applications for instructional improvements. Applications for use of such funds shall be reviewed by a faculty committee established by the Faculty Senate. The committee shall submit recommendations to the Academic Vice President and President for final decision and award.

Professional development activities which could be funded include, but are not limited to:

- a) Attending, presiding, and/or presenting at professional meetings;
- b) Grants for research and study;
- c) Support for bringing faculty development consultants on-site in fields related to instructional programs;
- d) Support for development activities identified in faculty professional portfolios; and,
- e) Development of new distance learning courses.
- f) Tuition support for ~~tenure-track~~ faculty members to take courses ~~needed to complete terminal degrees~~.

A report detailing activities and their impact on instruction shall be submitted by the faculty member to the appropriate committee responsible for funding and the Academic Vice President within ninety (90) days.

ARTICLE IX. GRIEVANCE PROCEDURE

Section 9.1 Limitations

The grievance procedure as set forth herein is designed to provide a prompt and efficient method for the resolution of grievances. The grievance procedure hereinafter set forth shall be the exclusive method for resolving grievances concerning the administration of this Agreement. Time limits provided herein should be adhered to unless modifications are agreed to in writing by the parties to the grievance. Failure of the College in any step to render a decision to the grievant within the maximum time limits shall automatically allow the grievant to proceed to the next step. Failure of the grievant to proceed to the next step within the maximum time limit shall be considered as termination of the grievance.

Section 9.2 Representation

A faculty member (grievant) shall have the right to have a SCEA representative participate in any step of the grievance procedure.

Section 9.3 Grievance Defined

A grievance is defined to be a dispute filed by a faculty member, a local chapter of the SCEA, or SCEA concerning the interpretation or application of this Agreement, or other terms and conditions of employment, and filed in accordance with the terms of this Article.

The parties jointly agree that the procedure for grieving decisions to terminate an appointment prior to its expiration is outlined in Article XVII, Dismissal, and is the exclusive method for resolving such grievances.

Section 9.4 Informal Grievance

Prior to the filing of a formal grievance hereunder, a faculty member shall discuss his or her dispute with the appropriate Dean or the administrator who made the decision at issue in an attempt to resolve the dispute. Similarly, representatives of SCEA may informally present and discuss the dispute on behalf of any faculty member or group of faculty members with the appropriate Dean or administrator who made the decision at issue. Any mutually acceptable disposition shall be reduced to writing, signed by the parties, and shall be binding on the parties as to the facts and circumstances giving rise to the dispute and the matters therein resolved. However, the written disposition shall not constitute a binding precedent in the disposition of other similar disputes that may subsequently thereafter arise.

2017-2019 SCEA Agreement

Section 9.5 Formal Grievance

In reducing a grievance to writing, the following information must be stated with reasonable clarity:

- a) the exact nature of the grievance;
- b) the act or acts of commission or omission;
- c) the dates of the act or acts;
- d) the identity of the party or parties alleged to have caused the grievance;
- e) the specific provisions of the Agreement or policies that are alleged to have been violated; and
- f) the remedy that is sought.

Section 9.6 Procedure

A formal grievance shall be processed in the following manner:

- a) **Step 1.** A formal grievance shall be filed in writing with the Vice President for Academic Affairs within twenty (20) working business days following the act or omission giving rise thereto, or the date on which the grievant knew, or reasonably should have known, of such act or omission if the date is later.

The Vice President for Academic Affairs has ten (10) working business days after receipt of the grievance, or any extension provided for herein, to review the grievance. The Academic Vice President shall issue a determination in writing to the grievant and the SCEA within the ten (10) working business day period. If the written determination refers to documents, copies of such documents shall be attached.

Upon the written request of either party to the other, an additional ten (10) working business days extension shall be granted during which period efforts to resolve the grievance shall be made. Any mutually acceptable disposition at this stage shall be reduced to writing, signed by the parties, and shall be binding on the parties as to the facts and circumstances giving rise to the dispute and the matters therein resolved. However, the same shall not constitute a binding precedent in the disposition of other similar disputes that may subsequently arise. In the event the written decision refers to documents, copies of such documents shall be attached to the decision.

- b) **Step 2.** The grievant shall have five (5) working business days from receipt of the Academic Vice President's determination to

2017-2019 SCEA Agreement

appeal by filing the grievance and all prior responses with the President.

Within ten (10) working business days of receipt of the grievance appeal, the President shall submit the grievance to a "Grievance Advisory Committee" consisting of three (3) tenured faculty members chosen by the local SCEA President none of whom is a member of the grievant's department, and two (2) other persons chosen by the President, one of whom shall be a tenured faculty member who is not a member of the grievant's department, and the other either another tenured faculty member or an administrator.

The Grievance Advisory Committee shall hold a hearing within ten (10) working business days after receipt of the grievance and shall admit and consider evidence submitted by the parties in the form of documents or the testimony of witnesses. The grievant shall have the right to attend all evidentiary proceedings of the committee, to present evidence, to examine documents, to question witnesses, and to otherwise present any relevant argument or evidence. The grievant shall also have the right to assistance by counsel at the grievant's expense. The committee following its own procedures and in accordance with this Agreement shall submit a complete audio and video record of the hearing, copies of all exhibits, and the committee's findings and recommendations to the President, and grievant within ten (10) working business days following the hearing. Any party who wishes to use a court reporter to take a verbatim transcript may do so at its own expense.

The President shall issue a written decision to the grievant within five (5) working business days following receipt of the recommendation of the Grievance Advisory Committee.

- c) **Step 3.** The grievant shall have ten (10) working business days from receipt of the President's decision to appeal that decision to the Chancellor. A copy of the grievance and all prior written recommendations and responses is to be provided. The Chancellor shall review and notify the grievant of his or her decision within fifteen (15) working business days.

If the Chancellor's decision under this Step fails to satisfy the grievant, the grievant wishing to continue may seek relief under one of the following options:

- 1) applicable State or Federal laws; or,
- 2) by mutual agreement of the parties, pursue mediation.

2017-2019 SCEA Agreement

Section 9.7 Reprisals

There shall be no reprisals taken against a faculty member for the filing of a grievance or participating as a witness in a grievance hearing.

ARTICLE X. WAGES

Section 10.1 Request for Budgetary Proposals

It is agreed that the Local Chapter SCEA President may submit information and ideas on budgetary matters to the President for consideration in setting the annual college budget request. Upon an appropriate request, the Local Chapter SCEA President shall be placed on the agenda for a college budget discussion prior to the time the college decides on its final budget request.

Section 10.2 Budget Notification

A copy of the instructional services portion of the operating budget shall be available online.

Section 10.3 Base Salary Adjustments

Salary dollars will be distributed as follows:

- a) For 2017-2018, each returning faculty member with overall satisfactory performance shall receive a one and one-half (1.5%) percent increase above the prior year base salary.
- b) For 2018-2019, each returning faculty member with overall satisfactory performance shall receive a one and one-half (1.5%) percent increase above the prior year base salary.
- c) Faculty earning new doctorates will be awarded an additional three thousand dollars (\$3,000) upon receipt by the ~~college~~ Human Resources Director/AVP of official transcripts or sufficient documentation from the awarding institution indicating the awarding of the degree. New doctorates must be completed and official transcripts received prior to September 1st of the contract year in order to receive additional compensation. The additional compensation shall not be included in the faculty member's prior year base salary for the purpose of salary increases under sections a) and b) above.
- d) Faculty members receiving promotion to a new academic rank shall either advance to the rank base salary floor or receive an additional three thousand dollars (\$3,000) to his or her annualized salary, whichever is higher.

2017-2019 SCEA Agreement

Comparison with rank base salary floor will occur after application of salary increases as per sections a), b), and c) above. The amount of this award will not be included in the faculty member's prior year base salary for the purpose of salary increases under sections a) and b) above.

- e) There will be an increase in rank base salary (promotion base or minimum) for 2017-2018 and for 2018-2019 as noted below.

The following 2017-2018 and 2018-2019 rank base salaries (promotion base or salary minimums) shall apply to all faculty members beginning work prior to the Fall 2017 semester.

	2017-2018 Increase	2017-2018 Rank Promotion Base Salaries
Professor	1.5%	\$70,359.50
Associate	1.5%	\$59,895.51
Assistant	1.5%	\$51,332.92
Instructor	1.5%	\$39,884.40

	2018-2019 Increase	2018-2019 Rank Promotion Base Salaries
Professor	1.5%	\$71,414.89
Associate	1.5%	\$60,793.94
Assistant	1.5%	\$52,102.91
Instructor	1.5%	\$40,482.66

- f) New faculty shall not be hired at rates less than the new hire rank base salaries. There will be an increase in the new hire rank base salary for 2017-2018 and for 2018-2019 as noted below.

The following 2017-2018 and 2018-2019 new hire rank base salaries shall apply to all faculty members hired to begin work in the first semester of the 2017-2018 or 2018-2019 academic years:

Attachment: SCEA Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

2017-2019 SCEA Agreement

	2017-2018 Increase	2017-2018 New Hire Rank Base Salaries
Professor	1.5%	\$64,389.38
Associate	1.5%	\$54,843.98
Assistant	1.5%	\$46,984.97
Instructor	1.5%	\$37,909.29

	2018-2019 Increase	2018-2019 New Hire Rank Base Salaries
Professor	1.5%	\$65,355.22
Associate	1.5%	\$55,666.64
Assistant	1.5%	\$47,689.74
Instructor	1.5%	\$38,477.93

- g) Salary levels established herein shall constitute minimum base salaries. Salary offer on initial contract may exceed the base minimum, but a salary offer below the negotiated salary range is an expressed violation of this agreement.

Section 10.4 Appointment Notification

Annual employment contracts specifying salaries shall be issued to bargaining unit members as soon as possible following the Board's June meeting. Salaries agreed to in Article X, Section 3, shall constitute minimum base salaries, and any salary offered to a faculty member below the negotiated salary range is a violation of this agreement.

Section 10.5 Unit Members Yearly Salary Notification

Lists of all bargaining unit member's salaries shall be available online.

Section 10.6 Overload Compensation

Wages for overload during the regular academic semester, whether it be for

2017-2019 SCEA Agreement

short session two-week courses, workshops, or extended campus classes, shall be computed at the rate of two percent (2.0%) of the faculty member's academic year salary per credit hour or the current adjunct pay rate, whichever is higher. If assigned more than thirteen (13) instructional workload credit hours, any credit hour beyond ~~twelve (12)~~ thirteen (13) instructional credit hours shall be considered an overload credit hour unless an alternative arrangement has been agreed upon by the faculty member and Dean in accordance with Section 5.2.1. ~~If assigned more than twenty-five (25) credit hours for the academic year, a~~Any credit hours beyond twenty-four (24) will be considered an overload. ~~Exceptions to these overload thresholds may be required by appropriate College accrediting bodies or applicable state regulations.~~

Overload compensation contracts will be issued as soon as possible.

If travel is involved to perform assigned duties or teaching, the faculty member shall be provided compensation for travel time to and from the teaching assignment and expense reimbursement for mileage, meals and lodging per College guidelines. Faculty members granted sabbatical leave are not eligible for teaching assignments or for overload compensation during the sabbatical period.

Section 10.7 Summer Classes

Wages for summer classes offered during the period between the end of spring semester to fall semester shall be computed at the rate of two and one half percent (2.5%) of the faculty member's academic year salary per credit hour ~~not to exceed twenty-two and one half percent (22.5%) of the year's salary during summer employment for an eight (8) week session or two four (4) week sessions or twenty-five percent (25.0%) for a ten (10) week session or two five (5) week sessions. The twenty-two and one half percent (22.5%) and twenty-five percent (25.0%) summer earning limits apply to only credit hour producing faculty assignments.~~ Credit hours shall be adjusted for laboratory and/or graduate courses in a manner consistent with course load practice during the regular term. ~~Summer courses which do not meet previously established campus enrollment minimum standards may be taught with faculty compensation equal to two-thirds (2/3) of the in-state resident tuition rate.~~

Section 10.8 Summer Contracts

Campus administrations shall attempt equitable distribution of summer employment, consistent with the demand of individual programs. Summer contracts will be issued ~~no later than five (5) working days~~ prior to the start of each semester and/or course start date. ~~For purposes of faculty compensation, actual enrollments will be determined on this date. However, if student enrollment meets or exceeds the previously established campus enrollment minimum standards on the last day that students can drop the course with full tuition refund, a new contract will be issued at the full summer compensation~~

2017-2019 SCEA Agreement

~~rate delineated in Section 10.7.~~

Section 10.9 Summer Salary List

Information regarding summer appointments (faculty name, course and payment) shall be available to SCEA upon submission of request to the Vice Chancellor for Employee Relations. Requests shall not be made more than once per year.

Section 10.10 External Grants

Faculty awarded grants that are funded outside the institution, which grants having been previously approved by the President and containing grant monies for such purpose, shall be compensated by the provisions of the award. Such compensation is independent of any compensation earned for student credit hour producing courses, must have the specific and prior approval of the President.

Section 10.11 Department Chair Compensation

The rates and methods for compensation of all department chairs and other faculty leadership positions will be established by the college administrations depending upon the varying administrative workloads, institutional responsibilities, and complexities of assignment. Department chair compensation will be no less than two thousand dollars (\$2,000) and ~~or~~ no less than three (3) instructional workload hours reassigned time per academic year. Maximum compensation will be no more than five thousand dollars (\$5,000) and ~~or~~ no more than ten (10) instructional workload hours reassigned time per academic year. Maximum compensation for the summer will be no more than three (3) credit hours or less than one (1) credit hour equivalent salary, if administrative duties are assigned. The compensation rates paid for department chairs will be communicated to all department chairs on campus when contracts are issued.

Section 10.12 Transfer to Instructional Duties from Administrative Duties

When faculty, who have been assigned administrative duties return to faculty instructional status five percent (5%) will be added to their salary calculated as if they had remained a faculty member during the time of administrative duties and received the normal negotiated raises.

ARTICLE XI. FRINGE BENEFITS

Section 11.1 Insurance Coverage and Carriers

The Board agrees to make available the same level of group medical, dental, life, vision and disability insurance coverages currently being provided. If costs of coverage should increase during the second year of this Agreement, the Board and SCEA agree to continue the same arrangement for sharing costs. Nothing within this Agreement, however, shall prohibit the Board from considering other insurance carriers. ~~Prior to putting any insurance contract out for bids to insurance companies, the Board shall meet and confer with the SCEA in regard to specifications of such contracts.~~

The definition of eligible dependent shall be as provided by the insurance carrier selected by the Board, unless otherwise provided by law.

Section 11.2 Medical Insurance

A medical plan will be offered which requires the faculty member to satisfy the lowest calendar year deductible amount offered through the Educators Health Alliance (EHA), a co-insurance amount, and an out-of-pocket stop loss limit amount as offered by the current insurance carrier after which all other eligible medical claims will be covered for the remainder of the calendar year up to a lifetime maximum of \$5 million for each covered person (if allowed under Federal Law). The Board will contribute a fixed dollar amount equivalent to eighty-five percent (85%) of the aggregate costs of the single medical plan for the term of this Agreement, with the faculty member responsible for the remaining amount of the cost of coverage. For those who opt for coverage under a family medical plan, the Board will contribute toward the family, employee/children or employee/spouse plan a fixed dollar amount equivalent to seventy-five percent (75%) of the aggregate costs of the family medical plan for the term of this Agreement, with the faculty member responsible for the remaining amount of the cost of coverage. When both members of a married couple are employed and request family coverage, each individual will be required to contribute an amount equal to the contribution the faculty member makes toward single coverage.

Section 11.3 Dental and Vision Insurance

A Preferred Provider (PPO) dental plan will be provided which covers one hundred percent (100%) of the aggregate costs of preventive and diagnostic services, maintenance dentistry, and restorative dentistry provided by a PPO participant. Non-PPO provided services will be covered at a reduced rate of eighty percent (80%). Such coverage will include dental services ranging from examinations, cleaning and fillings to caps, crowns, bridges and root canals.

2017-2019 SCEA Agreement

Orthodontic services will not be provided. The Board will contribute eighty-five percent (85%) toward the cost of single dental coverage. For faculty members opting for family dental coverage, the Board will contribute seventy-five percent (75%) toward the cost of family, employee/children or employee/spouse dental coverage. A faculty member must be enrolled in the group medical plan to be eligible for dental plan coverage.

A voluntary vision insurance program shall be provided. The Board shall contribute fifty percent (50%) toward the cost of single vision coverage for the plan option selected by the faculty member.

Section 11.4 Flexible Spending Account

The Board agrees to continue its current Internal Revenue Service Code Section 125 Plan to provide an opportunity for faculty members to voluntarily participate in a flexible spending account, subject to provisions of IRS Code Section 125. Faculty members may choose to set aside an amount from their paychecks only, which is not taxed, in a medical or dependent care account for payment of eligible expenses.

Section 11.5 Life Insurance

A life insurance plan offering group term basic life insurance coverage in the amount of thirty thousand dollars (\$30,000) will be provided at the Board's expense with the faculty member permitted to supplement the basic coverage with either a ten thousand dollar (\$10,000), twenty thousand dollar (\$20,000), fifty thousand dollar (\$50,000), one hundred thousand dollar (\$100,000) or one hundred eighty thousand dollar (\$180,000) optional life insurance policy addition at the faculty member's expense. Faculty members may also purchase a two thousand dollar (\$2,000) dependent life policy on spouse and child, or a five thousand dollar (\$5,000) dependent life policy on a child, or ten thousand dollar (\$10,000) coverage for a spouse at the faculty member's expense. Coverage and payments are subject to the policy terms.

Section 11.6 Disability Insurance

A group long-term disability plan will be provided which will pay sixty-six and two-thirds percent (66 2/3%) of salary after ninety days (90) of continuous disability as defined by the insurance carrier. The Board will provide seventy-five percent (75%) of the aggregate costs of this coverage.

Section 11.7 Retirement Contributions

The TIAA/CREF (Teachers Insurance and Annuity Association of America and the College Retirement Equities Fund) retirement plan presently in effect shall be continued and the Board shall take no action to decrease the benefits under the

2017-2019 SCEA Agreement

present retirement plan during the term of this contract. During the term of this Agreement, the Board contribution will be eight percent (8.0%) with all eligible new hires required to contribute six percent (6.0%) of their gross earnings amount. New hires are eligible to participate in the retirement plan at age twenty-five (25) with two (2) years of consecutive service. Participation is mandatory at age thirty (30).

Section 11.8 Sick Leave

Paid sick leave shall accrue at the rate of twelve (12) days per contract year. Sick leave accrual shall begin the first day of employment, and unused sick leave may be accumulated up to and including one hundred-eighty (180) **working business** days. The Board may require documentation to substantiate the legitimate use of sick leave. The Board shall remunerate currently employed faculty members replacing colleagues on sick leave for more than two (2) weeks at an overload pay rate, when the Academic Vice President considers such remuneration to be warranted and reasonable.

Sick leave is not intended as any earned time off with pay, and will not be granted as such. Unused sick leave will not be paid out at the end of employment. Faculty members who have separated from employment and return after a break in service shall not have prior sick leave balances reinstated.

Section 11.9 Reasons to Utilize Sick Leave

Sick leave may be taken for absences made necessary by reason of illness, injury, medical appointments or disability (including temporary illnesses caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery), by exposure to contagious disease which may endanger the faculty member or public health, or by reason of the illness of a family member who resides in the faculty member's household.

Up to ten (10) days of earned but unused sick leave in an academic year may also be taken by reason of the serious illness of a family member who does not reside with the faculty member. Family member shall be defined to include the spouse, child, stepchild, legal ward, parent, or persons bearing the same relationship to the faculty member's spouse. Serious illness shall mean a disabling physical or mental illness which requires in-patient care in a hospital, nursing home, or hospice, or significant in-home care.

Up to five (5) days of earned but unused sick leave in an academic year may also be taken for the placement of a child with the faculty member for adoption or for foster care. A reasonable extension may be requested which shall not unreasonably be denied.

2017-2019 SCEA Agreement

Section 11.10 Family Medical Leave

Faculty members with one (1) year of service and who have worked at least one thousand two hundred fifty (1,250) hours during the previous twelve (12) month period shall be entitled, in accordance with federal regulations under the Family and Medical Leave Act (FMLA) to take up to twelve (12) work weeks of unpaid family and medical leave during any twelve (12) month period for reasons related to family and medical needs.

Eligible faculty members, may use FMLA leave:

- a) for the birth of a child, or the placement of a child with the faculty member for adoption or for foster care;
- b) to care for a spouse, children, parents, or persons bearing the same relationship to the faculty member's spouse with a serious health condition;
- c) for the faculty member's own serious health condition; or,
- d) for any qualifying exigency arising out of the fact that the spouse, son, daughter or parent of the faculty member is on active duty (or has been notified of any impending call or order to active duty) in the Armed Forces in support of a contingency operation.

Note: "Children" shall mean a biological, adopted or foster child, a step-child or legal ward.

A serious health condition is defined to include:

- a) an illness, injury, impairment, or physical or mental condition that involves either in-patient care, meaning an overnight stay in a hospital, hospice, or residential care facility, or continuing treatment by a health care provider for three (3) or more consecutive days;
- b) any period of incapacity because of pregnancy or prenatal care (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., morning sickness);
- c) period of incapacity because of a chronic serious condition (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., an asthma attack);
- d) any period of absence to receive multiple treatments by health care providers for reconstructive surgery after an accident or injury, or for a condition that would likely result in a period of incapacity of more than three (3) consecutive days if untreated, e.g., cancer (chemotherapy), kidney disease (dialysis).

Sick leave may be used at the election of the faculty member during family and medical leave. Although faculty members may retain accrued, unused sick leave, such leave shall not accrue while on FMLA leave.

Requests for family and medical leave must be submitted to the Dean and Human Resource Director/[AVP](#) for approval. Appropriate medical certification or

2017-2019 SCEA Agreement

documentation may be required.

To the extent possible, thirty (30) days' notice will be given by the faculty member, and where possible, an effort will be made in the case of a faculty member to begin and end the leave to coincide with the beginning of academic semesters.

The Board agrees to continue to pay its portion of insurance premiums during the term of FMLA leave.

In the event both parents are eligible under this policy, the couple shall be entitled to a combined total of twelve (12) work weeks of leave for the birth and care of a newborn child, for placement of a child for adoption or foster care, and to care for a parent who has a serious health condition.

A faculty member who is a spouse, child, parent or next of kin (nearest blood relative) to a member of the Armed Forces who is being treated for, recuperating from or is on the temporary disability retired list due to a serious injury or illness is entitled to a total of twenty-six (26) work weeks of leave during a twelve (12) month period to provide care for the service member as provided by the Family and Medical Leave Act as amended by the National Defense Authorization Act ~~for FY 2008~~.

Section 11.11 Bereavement Leave

Faculty members may be granted paid bereavement leave for up to six (6) days during each academic year. Generally, bereavement leave is taken immediately following the death, however, there may be circumstances when more flexibility is needed, for example, if a memorial service is scheduled at a time in the future. Such leave must be approved through the College's usual leave practices or procedures.

Section 11.12 Immediate Family Tuition Remission and Faculty Tuition Waiver

Tuition remissions and tuition waivers will not apply to already discounted tuition rates for dual enrollment courses

A sixty-seven percent (67.0%) tuition remission shall be available for the faculty member's immediate family (spouse and children who are twenty-four (24) years of age or younger) members on a space available basis. Although online courses have a single rate, a portion of the rate consists of fees. The remission provided for online courses will be 67% of the equivalent resident tuition rate for an on-campus course.

Remissions are subject to the following conditions:

2017-2019 SCEA Agreement

- a. The immediate family member must be admitted as a student of the College and must have met all normal academic requirements for the courses taken.
- b. This tuition remission is not available to the immediate family members of employees whose anticipated employment period is less than six (6) months, regardless of FTE employment status.

Faculty members shall be eligible to enroll in credit courses for one dollar (\$1.00) per course plus applicable course related fees, such as lab, materials, etc., which are normally added above tuition. \$1.00 covers the cost of tuition for purposes of this waiver program and the one dollar (\$1.00) charge is non-refundable. Although online courses have a single rate, a portion of the rate consists of fees. The waiver provided for online courses will be based on the equivalent resident tuition rate for an on-campus course (beyond \$1.00). Tuition waiver under this provision will be limited to one course per term on a space available basis and such enrollment will not be counted toward minimums necessary for a course to be offered.

Section 11.13 Crisis Leave Donations

Faculty members may contribute ~~one (1)~~ three (3) days of accrued sick leave per leave per calendar year to benefit another employee at the same College who is suffering from a catastrophic illness. Sick leave shall be donated in no less than a one (1) day increment. Hours donated, but not used, will be maintained in a shared leave pool and distributed on an as needed basis to eligible employees by a Shared Leave Committee designated by the College which shall include at least one (1) faculty member from the SCEA bargaining unit.

The Committee will determine the amount of donated leave an employee may receive and may only authorize an employee to use up to a maximum of ninety

days (90) in a twelve (12) month period. To be eligible to receive donated leave, an employee must have been employed for one (1) academic year, had absences of at least thirty (30) days during the prior six (6) months and have exhausted all paid leave. The crisis leave-sharing program will permit salary and health insurance continuation for those employees receiving shared leave.

Details of the Crisis Leave Sharing Program are available at the College Human Resources Office.

2017-2019 SCEA Agreement

Section 11.14 Employee Assistance Program

The Board shall make available an Employee Assistance Program to faculty members. The Board shall pay the annual flat rate as established by the program provider. Any other costs shall be borne by the faculty member.

Section 11.15 Other Requested Absences

Absences may be requested for personal exigencies or for other personal or professional reasons. Approval shall be at the discretion of the Dean and is a non-grievable matter. Requests to be absent for more than one (1) day must be accompanied by a written description regarding the need and an explanation of how work responsibilities will be covered. If approved, a copy of the written description should also be sent to Human Resources to be maintained in the faculty member's personnel file.

ARTICLE XII. USE OF FACILITIES AND SERVICES

Section 12.1 Facilities

SCEA and faculty members shall be permitted to transact official SCEA business on College property or through campus email at reasonable times, provided that such business shall not interfere with or interrupt normal College operations or the responsibilities of faculty members.

Section 12.2 Access to Equipment and Services

SCEA shall continue to have access to use of printing, duplicating, addressing and other services subject to the then current use and fee requirements for non-College related organizations. SCEA shall not have access to central College mail delivery services but shall be allowed to leave mail in faculty member mail boxes.

ARTICLE XIII. ASSOCIATION ACTIVITIES

Section 13.1 Negotiation Team Member Notification

SCEA shall provide the Vice Chancellor for Employee Relations with the names of the members of the SCEA negotiating team on or prior to September 14, 2016~~8~~. Each team shall be limited to six (6) members. Likewise, the Vice Chancellor shall provide SCEA with the names of the Board's negotiating team on or prior to September 14, 2016~~8~~. Alternate team members may be identified at a later date if the need arises.

2017-2019 SCEA Agreement

Section 13.2 LeaveTo Negotiate

No more than six (6) SCEA negotiation team members shall be granted leave without loss of salary to participate in negotiation sessions with the Board. Deans and Department Chairs must be informed of such leave through the usual leave practices or procedures.

Section 13.3 Board Agenda and Meeting Materials

Board of Trustees agendas, minutes and meeting materials shall be available on the NSCS website.

ARTICLE XIV. REDUCTION IN FORCE (LAY OFF)

Section 14.1 Faculty Advisory Committee

It is specifically agreed that whenever a reduction in force is necessary due to non-viability of programs, financial exigency, budget reductions, over-staffing or by the direction of the Legislature, a faculty advisory committee shall be established at the affected College to provide recommendations to the Board. In each instance the faculty advisory committee shall be established by the President. Members of the committee shall be recommended by the Faculty Senate. In each instance, the faculty advisory committee shall provide recommendations regarding program viability based on pre-determined viability standards and within the time limits established by the Board. It is specifically agreed that the faculty advisory committee recommendation shall be advisory only and that any final decisions regarding the necessity of reduction in force shall be reserved to the College administration and Board.

Section 14.2 Reduction in Force Decision

It is specifically agreed that the decision as to when a reduction in force is necessary is reserved to the College administration and Board. When reduction in force becomes necessary, the Board or the College administration shall inform SCEA of that fact in writing.

Section 14.3 Attrition/Layoff

The Board shall make an effort to avoid a layoff by use of attrition wherever possible.

Section 14.4 Criteria for Layoff

In laying off faculty members in accordance with the order listed in Section 14.5 of the Article, the following criteria shall be utilized:

2017-2019 SCEA Agreement

- a) Program viability shall be the controlling consideration in all instances.
- b) A reduction in force shall be made in such a way that the remaining faculty members possess necessary qualifications to perform assigned duties needed for offering a viable program.
- c) Faculty members with higher academic preparation in their teaching field, after considering program viability, shall be given retention preference in laying off faculty members that are similarly situated. However, if faculty members have the same academic preparation, the member with more years of teaching service to the college shall be retained.

Section 14.5 Layoff Order

It is specifically agreed that faculty shall be laid off in the following order after the programs have been arrived at under Section 14.4.

- a) Temporary part-time
- b) Temporary full-time
- c) Regular part-time
- d) Regular full-time non-tenured
- e) Regular full-time tenured faculty.

Section 14.6 Recall and Reemployment Rights

Faculty members who are laid off shall retain recall rights to a faculty position within their department for which they are qualified at their own College for two (2) years following the layoff.

Before hiring new faculty at any College, the Board shall provide an opportunity for faculty members who have been laid off less than one (1) year to be interviewed by the hiring College for reemployment. This obligation shall be carried out by posting the notices through the HR Department's website of such vacancies at all Colleges covered by this Agreement.

Section 14.7 Reassignment

Before laying off a faculty member, the Board shall make a reasonable effort to place that individual in another vacant position for which the faculty member is qualified within the College.

Section 14.8 Layoff Dates

Non-tenured faculty members shall be provided written notice of layoff at least ninety (90) days in advance.

Tenured faculty members shall be provided written notice of layoff at least six (6)

months in advance.

ARTICLE XV. PAYROLL DEDUCTIONS

Section 15.1 Deduction and Remittance Responsibility

The Board agrees to deduct membership dues established by the SCEA from the salary of any faculty member authorizing such deduction.

Section 15.2 Deduction Notification

SCEA agrees to send a certified list, and a copy of the written payroll deduction authorization of all faculty members who request payroll deduction of dues, to the College payroll office no later than October 5 of each year.

Section 15.3 Deduction Schedule

Said authorized deduction shall be made from the faculty member's monthly pay beginning in October and ending in June of each year.

Section 15.4 Deduction Remittance

The aggregate deductions shall be remitted monthly to the Treasurer of the Campus Chapter of SCEA, together with an itemized statement containing the names from whom deductions have been made and the amount so deducted from each one. The aforementioned remittance shall be made no later than the 10th day of the month following the month for which deductions were made or as soon thereafter as normal payroll procedure permits. These deductions shall be made beginning in October and ending in June of each year.

Section 15.5 Authorization

Each faculty member's written authorization shall remain valid for the association year as outlined on the membership enrollment form unless a written notice of cancellation is received by the College payroll office and SCEA before September 25th.

Section 15.6 Deduction and Remittance Responsibility

If dues are deducted and remitted to the SCEA in accordance with the procedure specified in this Article, SCEA shall be solely responsible in the event of any claims that the deductions and/or remissions were improper.

ARTICLE XVI. PROMOTION AND TENURE

Section 16.1 Procedure for Promotions

The criteria that shall be used to make promotion decisions are divided into two categories, Educational Criteria and Performance Criteria. Candidates for promotion in rank must qualify under both the Educational and Performance Criteria to be promoted. In order to be eligible to apply for promotion, a faculty member must first meet the minimum Educational Criteria as listed below. After a candidate has qualified under the minimum Educational Criteria, each candidate should provide evidence of achievement in the Performance Criteria as listed below. Once the minimum Educational Criteria have been met, promotion shall be based on consistent performance and substantial achievement as outlined in the Performance Criteria in 16.3.

Section 16.2 Educational and Service Criteria for Promotions

The Criteria to be used are as follows:

- a) Professor
 - 1) An earned Doctorate, or other appropriate terminal degree, in a discipline related to the area of the teaching assignment;
 - 2) Ten years of experience at the college level to include any credit which was agreed to in writing at the time of initial appointment; and,
 - 3) A minimum of five continuous years of service to the College at rank of Associate Professor.

For example, an applicant may apply for promotion to the professor rank in his or her tenth year of experience at the college level, and be awarded the promotion at the beginning of the eleventh year, assuming five (5) continuous years of service to the College has been completed prior to the award. (Continuous service includes periods of leave paid by the institution and temporary non-teaching assignments that a faculty member may be requested to perform.)

- b) Associate Professor
 - 1) An earned Doctorate, or other appropriate terminal degree, in a discipline related to the area of the teaching assignment;
 - 2) Five years of experience at the college level to include any credit which was agreed to in writing at the time of initial appointment.
- c) Assistant Professor
 - 1) A terminal degree in a discipline related to the area of the teaching assignment, or an earned Master's degree followed

2017-2019 SCEA Agreement

by thirty (30) semester hours of study applicable toward an advanced degree.

- 2) Three years of experience at the college level to include any credit which was agreed to in writing at the time of initial appointment.

Criteria for Calculating Credit for Prior Experience

- a) For purposes of determining eligibility for promotion in rank, a year of experience at the college level may be credited for each full-time academic year teaching or research assignment completed at a regionally accredited institution of higher education. In addition, post-doctoral studies involving either teaching or research assignments at a regionally accredited institution of higher education will constitute relevant experience for purposes of promotion.
- b) Credit for promotion is to be granted at the discretion of the College in writing at the time of initial employment, up to a maximum of three (3) years of credit for prior experience.
- c) Part-time, adjunct, graduate assistant, summer, and high school teaching experience shall not count toward promotion in rank. Nor shall the candidate be allowed to aggregate any prior part-time college experiences to equal one (1) academic year.

Section 16.3 Performance Criteria for Promotions

Once the minimum Education, Experience, and Service criteria have been met, promotion shall be based on consistent performance and substantial achievement in the Performance Criteria described below.

The Performance Criteria to be used are as follows:

- a) Demonstrated ability to teach and contribute to students' academic growth and development, which may include, but are not limited to, the faculty member's:
 - i) knowledge of subject matter;
 - ii) effectiveness in communicating such knowledge;
 - iii) assisting students to think critically and creatively;
 - iv) encouraging continued study;
 - v) mentoring and advising students in the academic major; and
 - vi) supporting student participation in field activities and professional activities.
- b) Continual preparation and study through scholarly and creative activity, which may include but are not limited to professional peer-reviewed achievements and projects such as:
 - i) published books or treatises and publication in professional or

2017-2019 SCEA Agreement

- scholarly journals;
 - ii) submission of material for publication or evidence of research in progress leading toward scholarly publication;
 - iii) articles in publications in trade, popular, or regional periodicals;
 - iv) exhibition of creative works, show and performance credits when they are appropriate to the field of study (examples of, but not limited to: exhibiting at an art show, conducting a choral clinic, symphony performances);
 - v) classroom research (examples of, but not limited to: student academic performance and achievement, pedagogy, course and curriculum development, assessment of student learning);
 - vi) development of courses and/or curriculum which contribute to student learning and academic achievement;
 - vii) presentations to and positions in professional organizations (examples of, but not limited to: presenting a paper at a professional conference, participating on panels at professional conferences, serving as program chair for a professional conference, serving as an officer of a professional organization, serving as Editor/Guest Editor, or on the Editorial Board, of a professional publication appropriate to the field of study, serving as chair or chair/critic for professional presentations);
 - viii) obtaining grants, contracts or similar financial support from external sources for scholarly purposes;
 - ix) applying for such grants, contracts or similar financial support;
 - x) consulting activities (examples of, but not limited to translating documents for school districts or other service agencies, consulting with a school board to prepare district policies and procedures manuals, conducting workshops for businesses, schools, or agencies, authoring/co-authoring/editing state curriculum guides for the State Department of Education, review of art exhibit, safety consulting for industry, scientific consulting, reviewing grants);
 - xi) sponsoring and directing student research projects that lead to publication and/or presentation by the student and faculty member in professional venues;
 - xii) acquiring a degree other than the required minimum degree at the time of the initial appointment;
 - xiii) acquiring an appropriate professional certificate; and
 - xiv) continued involvement in professional organizations.
- c) Service to College, community, and profession which may include but are not limited to activities such as:
 - i) serving on department and College committees; and in other faculty leadership positions;
 - ii) serving as department chair;

2017-2019 SCEA Agreement

- iii) having responsibility in accreditation and reaccreditation activities;
- iv) advising student organizations;
- v) working with civic, municipal or state government agencies, public schools in the State, or community groups in areas related to the faculty member's primary area of assignment;
- vi) fostering and sustaining collegial relationships in the College, community, and profession;
- vii) membership in and contributions to professional organizations; and
- viii) mentoring and advising students outside faculty member's assigned area.

Section 16.4 Promotion Process

Each College shall have its own internal process for recommending ~~tenure and~~ promotion for approval to the President. The College Rank Promotion and Tenure Committee, a sub-committee of Faculty Senate, shall develop and recommend a process for approval by the President. This process shall:

- a) Include provisions for peer review.
- b) Include provisions for student evaluation.
- c) Include the opportunity for faculty members to provide appropriate material to support the application.
- d) Include the appropriate administrative review and recommendations.
- e) State clearly that the Educational criteria for rank promotion are minimums only, and faculty members must provide evidence of achievement that also meets the Performance Criteria.
- f) Exclude candidates for promotion from service on a peer review committee or College Rank Promotion and Tenure Committee during their candidacy.

The rank promotion procedures at each College will be organized so that recommendations for tenure and promotion will be sent to the Academic Vice President no later than March 15th of each academic year. After consulting with the Academic Vice President and in consideration of the ~~peer-review recommendation~~ Rank Promotion and Tenure Committee recommendation, the President shall decide whether the faculty member's performance meets the standards set forth in Section 16.3 and 16.4.

The President shall inform the faculty member in writing by April 1st whether he or she has been promoted. Should the President not promote a faculty member, the President shall give the faculty member written reasons for his or her decision.

A copy of the rank promotion procedures will be maintained on file in each

2017-2019 SCEA Agreement

College Library and at the System Office.

A faculty member may only grieve the decision to deny rank promotion on the basis of discrimination or failure to follow procedures or promotion criteria outlined in this Agreement.

Section 16.5 Effective Date of Promotions

All promotions shall take effect the fall semester for the academic year immediately following the promotion.

Section 16.6 Award of Tenure

Each College shall have its own internal process for recommending tenure for approval to the President. The College Rank Promotion and Tenure Committee, a sub-committee of Faculty Senate, shall develop and recommend a process for approval by the President.

Tenure is the right to reappointment from appointment term to appointment term until such time as the faculty member resigns, retires, is dismissed for just cause, or is laid off during a reduction in force per Article XIV. Such reappointment shall be subject to the terms and conditions of employment which exists at the commencement of each contract term. Those terms and conditions of employment are as expressly set forth in the policies adopted or authorized by the Board, and the terms and provisions of this Agreement.

Tenure is with the College and resides within a specific academic unit not with the Nebraska State College System.

Tenured faculty reassigned to another academic unit at the same College shall retain their tenure in the new academic unit.

Tenure to an academic unit is awarded by the President following ~~peer~~ a review process with ~~and~~ recommendations submitted on March 15th by the ~~appropriate Dean and the~~ Academic Vice President. Tenure review will include:

- a) peer, ~~department and College-wide faculty~~ review;
- b) Include provisions for student evaluation;
- c) appropriate administrative review and recommendations; and,
- d) the opportunity for the faculty member to provide appropriate material to support the application.

Candidates for tenure may not serve on a peer review committee or College Rank Promotion and Tenure Committee during their candidacy.

Tenure is awarded for quality of current professional performance and promise of such future performance, not merely for completing a certain length of service.

2017-2019 SCEA Agreement

It is equally incumbent on the faculty member and the College to ensure that tenure review occurs at the proper time. In no event shall the failure to give any notice constitute an award of continuous tenure by default. None of the provisions stated herein shall diminish any substantive rights for the acquisition of tenure which the faculty member may have acquired prior to the adoption of this Agreement.

Only faculty members who have the rank of Assistant Professor or higher and have obtained the appropriate terminal degree are eligible to apply for tenure.

Reappointment of faculty "Probationary/Tenure Track" appointees shall be at the discretion of the President. Written notice of non-renewal of a "Probationary/Tenure Track" appointee shall be in accordance with Article XVII.

The President, following peer review and recommendations by the College Rank Promotion and Tenure Committee, Dean and Academic Vice President, shall decide whether a faculty member's current professional performance and promise of such future performance, as outlined in Section 7.2, warrant the award of tenure.

The President shall notify the faculty member in writing by April 1st of the recommendations of the ~~peer review committee~~, College Rank Promotion and Tenure Committee, Dean and Academic Vice President and whether or not he or she will be awarded tenure for the next academic year. Should the President decide not to award tenure to a faculty member, the President's written notification shall contain the reasons for this decision and shall inform the faculty member that a terminal employment contract will be issued for the next academic year.

A faculty member may grieve the decision to deny tenure on the basis of discrimination, violation of academic freedom, or failure to follow procedures or tenure criteria outlined in this Agreement, or if such action is challenged as arbitrary or prejudged.

Grievance of denial of tenure shall begin at step 2, Section 9.6(b) and must be filed in writing to the President prior to April 15th.

Section 16.7 Service Requirements for Tenure Eligibility

Faculty members shall apply for tenure no later than the sixth (6th) year of full-time probationary employment. Faculty members may apply sooner if prior service credit was granted at the time of initial employment.

Following College review procedures and favorable recommendations including Presidential approval, tenure shall be awarded with the seventh (7th) appointment/employment contract.

2017-2019 SCEA Agreement

Only in exceptional circumstances, such as, but not limited to, maternity or parental leave, family emergencies, or as an accommodation for faculty members with disabilities, may faculty members apply for tenure later than the sixth (6th) year of full-time probationary employment. Requests for extensions shall be submitted to the President at the time the exceptional circumstance occurs and is not grievable.

- a) Newly-hired faculty members who have served in a non-tenured rank position of Assistant Professor or above at regionally accredited institutions of higher education may be given up to three (3) years of prior service credit toward the probationary period of six (6) years. The prior service credit must be agreed to in writing at the time of initial tenure-track employment. Such faculty shall apply for tenure when the combined prior service credit and the years of continuous service to the College equals six (6) years.
- b) Newly-hired faculty members who have served the College in the position of Lecturer may be granted prior service credit equivalent to their actual time in service to the College, up to three (3) years of prior service credit toward the probationary period of six (6) years. The prior service credit must be agreed to in writing at the time of initial tenure-track employment. Such faculty may apply for tenure when the combined prior service credit and the years of continuous service to the College equals six (6) years.
- c) Newly-hired faculty members who have previously attained tenure at another regionally accredited institution of higher education may be granted up to four (4) years of full-time credit for the prior tenured service, or may be granted continuous tenured status by agreement among the faculty member, the Academic Vice President and the President. Probationary credit for prior tenured service or continuing tenured status must be agreed to in writing between the faculty member and the President prior to the initial appointment at the institution.

When credit is given for prior tenured service, such credit will apply toward the six (6) year probationary period service requirement. In the event that four (4) years of credit for prior tenured service are granted, the faculty member shall apply for tenure during the second (2nd) year of probationary service to the institution with tenure to be awarded in this instance no sooner than the third (3rd) year of employment with the College.

Section 16.8 Terminal Contract for Failure to Achieve Tenure

When a faculty member fails to achieve tenure through the College review process, that faculty member will be issued a terminal employment contract for the following academic year.

2017-2019 SCEA Agreement

Section 16.9 Tenure Recommendations

The President shall inform the Chancellor of his or her decisions regarding tenure applications and awards, and if the recommendations of the President and the Academic Vice President differ from the recommendations of the peer review committee, College Rank Promotion and Tenure Committee, or the Dean, the Chancellor shall be so informed.

Section 16.10 Tenure Standards

For a faculty member serving with a probationary/tenure track appointment, there shall be no substantive modification in the standards and procedures for granting of tenure from those outlined in written form at the time of initial employment.

Section 16.11 Initial Contracts

Initial employment contracts for faculty members will specify if the appointment is tenure track or non-tenure track, and if the appointment is tenure track, any special or unique requirements for the award of tenure that are not specified in this Agreement.

ARTICLE XVII. DISMISSAL

Section 17.1 Non-Tenured Faculty – Non-Renewal Notices

Non-tenured faculty serve at the discretion of the Presidents and the Board and may be terminated for any reason without right of grievance or hearing procedure, except as provided in this Article. The decision not to renew the subsequent year's contract/employment of a non-tenured faculty member shall be communicated to him or her through a personal conference and written notice prior to March 1 in the case of the first year of service, by December 15 of the second (2nd) year of service and following the second (2nd) year notice deadline, by May 30 prior to the final year of appointment.

Notice Dates Non-Renewal Non-tenured Faculty	
Prior to March 1	Personal conference and written notice of non-renewal of contract in 1 st year of service
December 15	Written notice of non-renewal in 2 nd year of service

2017-2019 SCEA Agreement

May 30	Written notice of non-renewal at conclusion of following year in 3 rd and subsequent years of service
--------	--

When a decision not to renew an appointment of a non-tenured faculty member has been reached, the faculty member involved will be informed of that decision in writing by the Academic Vice President. If requested by the faculty member, reasons will be provided by the Academic Vice President and a copy of the reasons will be placed in the faculty member's personnel file. Reasons are not subject to grievance or hearing procedure.

Section 17.2 Cause Defined

Faculty members, tenured and non-tenured, may be dismissed for just cause, including, but not limited to, the following types of misconduct:

- a) professional incompetence;
- b) unprofessional conduct;
- c) unlawful conduct;
- d) continuous serious disregard for established policies or procedures, to the detriment of students, employees, or the College itself;
- e) insubordination; and,
- f) neglect of duty;.

Section 17.3 Personal Conference

Prior to ~~giving a faculty member notice of submitting~~ a Recommendation for Dismissal to the President, the Dean and the Academic Vice President shall meet privately and discuss a draft of the Recommendation for Dismissal with the faculty member. ~~The matter may be reconciled by mutual consent.~~ Notification regarding the purpose of this Section 17.3 meeting shall be provided to the faculty member in writing prior to the meeting. The faculty member shall also be notified in writing of the right to have SCEA representation attend the meeting.

~~Section 17.4 Faculty Dismissal~~

~~If the matter of the faculty member's dismissal is not resolved by personal conference, the President shall give the faculty member notice in writing.~~

Section 17.54 Faculty Dismissal Procedure

The following procedure shall be applicable for dismissal of a faculty member for just cause. The President shall notify a faculty member in writing whenever a

2017-2019 SCEA Agreement

recommendation has been made by the Academic Vice President for the faculty member to be dismissed from employment. The faculty member should state in written reply to the President within no more than ten (10) business days after receipt of the President's letter whether he or she wishes a hearing regarding the proposed dismissal action and generally how he or she responds to statements contained in the President's letter the dismissal recommendation.

If the faculty member issues a written request for a hearing the President shall refer the proposed dismissal to an "Advisory Committee" for a hearing and recommendation. The Advisory Committee shall be appointed as designated in this Article within ten (10) business days of the faculty member's request for a hearing.

For purposes of this Article, business days shall mean days the College administrative offices are open.

Section 17.65 Advisory Committee Selection Process

An Advisory Committee will conduct hearings requested by faculty members pursuant to Section 17.74. The committee shall consist of two (2) tenured faculty members chosen by the local SCEA President and two (2) tenured faculty members chosen by the President.

Section 17.76 Advisory Committee Procedures

The President shall arrange schedule a date and time for the hearing wherein the Advisory Committee shall admit and consider evidence submitted by the President and faculty member in the form of documents, audio or video records, or the testimony of witnesses. The President shall arrange for the hearing to be digitally recorded. The hearing shall be conducted within thirty (30) business days of the request for a hearing, unless the President and the faculty member agree in writing to hold the hearing more than thirty (30) business days after the request for a hearing. The faculty member shall have the right to attend all evidentiary proceedings of the Advisory Committee, to present evidence, to examine documents, to question witnesses, and to otherwise present any relevant evidence with respect to the statement of reasons for dismissal. The faculty member may be represented by SCEA or by legal counsel at his or her own expense. Any party who wishes to use a court reporter to take a verbatim transcript may do so at its own expense.

The Advisory Committee shall adopt rules to be followed which ensure substantive and procedural due process including prior notice of witnesses to be called and documents to be offered in evidence at the hearing, no documents or witnesses not so listed shall be heard, except for the purpose of rebutting oral testimony of the other party or for other justifiable cause found to exist by the Advisory Committee, and may admit probative evidence as well as exclude incompetent or repetitive evidence, as well as the procedures for compelling

2017-2019 SCEA Agreement

witnesses who are college employees to appear. The Advisory Committee shall be assigned legal counsel to provide legal advice to the Advisory Committee to ensure that substantive and procedural due process is afforded to the parties during the hearing. The President shall appoint such legal counsel and pay for the cost of the legal services.

Section 17.87 Advisory Committee Recommendation

The Advisory Committee shall render its written recommendation to the faculty member, and the President within ten (10) business days after the hearing. If SCEA is involved, a copy of the recommendation shall be provided to the local SCEA President.

Section 17.98 Presidential Decision

Within ten (10) business days after receiving the recommendation from the Advisory Committee, the President shall render a decision in writing to the faculty member and Advisory Committee. If the President rejects the recommendations of the Advisory Committee, the President shall state reasons for doing so, in writing, to the Advisory Committee and the faculty member. The Advisory Committee shall have the opportunity within five (5) business days to provide a response for the record. If SCEA is involved, a copy of the decision shall be provided to the local SCEA President.

Section 17.409 Response to President Decision

If the faculty member is not satisfied with the decision of the President, the faculty member may make a written request to the Chancellor within ten (10) business days of the receipt of the President's decision requesting a hearing before the Board.

Section 17.140 Chancellor Procedure

Upon receipt of the request for a hearing, the Chancellor as designee of the Board, shall decide if a hearing is to be provided. The Chancellor shall not unreasonably deny the faculty member's request for a hearing if the request is supported with evidence that the record as submitted is incomplete or inaccurate.

If the Chancellor chooses to utilize the services of a Hearing Officer for the hearing, then the Hearing Officer's ~~scope of review shall be to determine~~ shall submit a recommendation to the Chancellor at the conclusion of the hearing, as to whether or not the ~~if~~ terms of this Agreement have been violated. The Hearing Officer shall have no authority to add to, subtract from, or in any way modify the terms of this Agreement. Upon receipt of the recommendation, the ~~Board or its designee~~, Chancellor, on behalf of the Board, shall issue a written decision

2017-2019 SCEA Agreement

stating the reasons therefore within thirty (30) business days.

Section 17.1~~21~~ Hearing Date

The date for a hearing ~~before the Hearing Officer~~ will allow at least ten (10) business days for the faculty member to prepare his or her defense, will allow the faculty member to be represented by counsel of his or her choice, to present witnesses and affidavits in his or her defense, and to question adverse witnesses.

Section 17.1~~32~~ Chancellor Decision

The decision of the Chancellor, on behalf of the Board, ~~will~~ shall be final. The dismissed faculty may seek recourse under appropriate state and federal law.

Section 17.1~~43~~ Public Disclosure

Except for such simple announcements as may be required, covering the time of the hearing(s) and similar matters, public statements about the case by either the faculty member, the Advisory Committee members, ~~or~~ College administrators, or witnesses shall ~~should~~ be avoided. As a personnel proceeding, the hearing proceedings ~~are should be treated in a~~ confidential ~~manner~~. Hearings will be closed to the public.

Section 17.1~~54~~ Time Limit Modifications

Time limits provided herein should be adhered to unless modifications are agreed to in writing by the parties to the dismissal.

Section 17.1~~65~~ Investigatory Suspension and Employment Status

A faculty member who is under investigation for misconduct or who has been recommended for dismissal for just cause may, at the discretion of the President, be suspended with pay and full benefits until such time as it is possible to determine if misconduct occurred and/or if the faculty member should be dismissed from employment. Such investigatory suspensions are not grievable.

The faculty member shall continue to be an employee until the dismissal appeal procedure to and including the Chancellor has been exhausted or until the faculty member has failed to advance his or her appeal in a timely fashion. The President may, at his or her discretion, suspend or reassign the faculty member to other professional duties with pay during the dismissal process.

ARTICLE XVIII. BOARD POLICY

Section 18.1 Contract and Board Policy

This agreement shall supersede any rules, regulations, or practices of the Board which shall be specifically contrary to or inconsistent with the terms of this agreement.

Section 18.2 Altering Terms and Conditions of Employment in Board Policy

All Board policy concerning terms and conditions of employment may not be eliminated or modified in any way during the term of this contract without offering an opportunity to meet and confer with SCEA.

Section 18.3 Management Rights

All management rights, functions, responsibilities, and authority not specifically limited by the express terms of this Agreement are retained by and remain exclusively within the rights of the Board to the extent that such rights do not violate its legal authority, and to the extent such rights are not modified by this Agreement.

It is further understood that the Employer may test employees for alcohol or illegal substances for cause. Guidelines for testing will be provided to protect against abuse which shall include, but not be limited to, definition of cause, training for supervisors, a confidentiality statement, and a statement of progressive, proactive intervention and treatment. Such guidelines shall be available for viewing in each Human Resource Office and on each College website.

Section 18.4 Board Meeting Materials

Board meeting materials shall be available online.

Section 18.5 Search Committees

All ranked faculty members will be hired in accordance with a search procedure which includes the recommendation of a search committee, the majority of whose members shall come from the academic department in which the hire is to take place, if they are available.

Section 18.6 Shared Governance

Nothing in this Agreement will infringe upon the shared governance provisions provided in Board policy and delegated to the Faculty Senates organized on

each campus.

ARTICLE XIX. MISCELLANEOUS

Section 19.1 Section Headings

Section headings are provided in this Agreement for convenience only and shall not be deemed to substantively alter the content of such sections.

ARTICLE XX. DURATION AND LIMITATIONS OF CONTRACT

Section 20.1 Entire Contract

This instrument constitutes the entire contract between the parties hereto and the Board, SCEA, and the faculty members shall abide by it.

Section 20.2 Amending of Contract

Any term and condition of employment expressly stated in this Agreement may not be eliminated or modified in any way during the term of this Agreement without mutual agreement between the Board and SCEA. This Agreement may be reopened only upon the agreement of both parties.

Section 20.3 Governing Law; Severability

This Agreement shall be construed and enforced in accordance with, and is subject to, the laws of the State of Nebraska. If any portion of this Agreement shall be declared invalid or unenforceable by a court of competent jurisdiction, such declaration shall not affect the validity or enforceability of the remaining provisions hereof.

Section 20.4 Effective Date

This agreement shall become effective on the first (1) day of July, 2017, and shall continue in full force and effect until the thirtieth (30) day of June, 2019.

ARTICLE XXI. HIRING

Section 21.1 Candidates Informed of Negotiated Agreement

2017-2019 SCEA Agreement

All candidates invited to the campus shall be given in writing the web address of the negotiated agreement and the toll free number of the NSEA/SCEA.

Section 21.2 Description of Assigned Duties

New faculty members will be provided a general description of assigned duties.

Section 21.3 Faculty Rank

Faculty rank at the time of hire shall be determined by the President.

Section 21.4 Terms and Conditions

The terms and conditions of every faculty "Probationary/Tenure Track Appointment" shall be stated or confirmed in writing and a copy will be supplied to the faculty member. Any subsequent extensions or modifications of a faculty "Probationary/Tenure Track Appointment", and any special understandings, or any notices incumbent upon either party to provide, will be stated or confirmed in writing and a copy will be given to the faculty member.

~~**Section 21.5 Effective Date**~~

~~This agreement shall become effective on the First (1) day of July, 2017, and shall continue in full force and effect until the Thirtieth (30) day of June 2019.~~

Dated this ____ day of _____, 201__

**BOARD OF TRUSTEES FOR
NEBRASKA STATE COLLEGES**

**STATE COLLEGE EDUCATION
ASSOCIATION**

By: _____
Gary Bieganski, Board Chair

By: _____
Bill Clemente, Chief Negotiator, Peru

By: _____
Stan Carpenter, Chancellor

By: _____
Kristin Petersen, Chief Negotiator

Attachment: SCEA Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

NSCS-NSCPA BARGAINING AGREEMENT
July 1, 2017 - June 30, 2019

This Agreement between the Board of Trustees of the Nebraska State Colleges acting on its own behalf and through its agents (hereinafter referred to as the Employer) and the Nebraska State College Professional Association (hereinafter referred to as NSCPA) is for the purpose of establishing mutually acceptable procedures, practices and conditions regarding rates of pay, hours of work, and conditions of employment to be observed by the parties to this Agreement at each of the three state colleges regarding the employees included in this bargaining unit (hereinafter referred to as unit members).

ARTICLE 1.
RECOGNITION

Section 1.1 Unit Membership

The Employer recognizes the NSCPA as the exclusive bargaining agent for all full-time (at least 0.75 FY FTE) librarians and non-supervisory, professional staff employees who are employed on a nine (9) to twelve (12) month basis by the Employer at Chadron, Peru and Wayne, Nebraska for the purpose of negotiating with respect to hours of work, rates of pay and working conditions; provided, however, that this bargaining unit shall not include supervisors, part-time, interim or temporary employees, employees specifically listed below, and any other employees in a support or faculty position.

The Employer and NSCPA agree that professional staff employees will be considered to have supervisory responsibilities, and therefore be excluded from the bargaining unit and not covered by this Agreement, when assigned to supervise at least one (1) full-time equivalent (FTE) professional staff employee or two (2) FTE support staff employees.

The Employer and NSCPA further agree that the only full-time employees other than supervisory employees to be excluded from the bargaining unit are those employees who occupy the following positions:

- a) Temporary or interim positions for less than one (1) year;
- b) Head coaching positions in all sports;
- c) Institutional Research Officer positions;
- d) College Foundation positions;
- e) One Assistant to the President position per College;
- f) One Assistant to the Vice President for Academic Affairs position per College;
- g) One Assistant to the Vice President for Administration and Finance position per College;
- h) Human Resource Directors/Associate Vice President (AVP), Human Resource Assistant Directors and Human Resource Coordinators; and,
- i) System Office positions.

The Employer and NSCPA also agree that the creation of any new bargaining unit position, reclassification of a position, or any change in job title of any existing unit position will require the Vice Chancellor for Employee Relations to give email notice of such change to the NSCPA

2017-2019 NSCPA Agreement

Chief Negotiator or designee before posting of such position, ~~reclassification of the position, or change in the job title, and that any issue arising that relates to unit status for new positions, will be addressed and decided by the Vice Chancellor and the NSCPA Chief Negotiator or designee.~~

Section 1.2 Exclusivity

The Employer agrees that it will not sign any contract, make any written agreement, or recognize any other employee representative for unit members during the term of this Agreement.

Section 1.3 Notice of Personnel Actions

Personnel actions affecting unit members such as appointment, reclassification, salary adjustments, separations, and dismissals are reported as information to the Board of Trustees at scheduled meetings of the Board. The System Office will provide email notice to the Chief Negotiator when Board meeting agendas, materials and minutes are posted on the website at www.nscs.edu.

Section 1.4 Non-Unit Classification Questions and Review

Should NSCPA have questions regarding the classification of a position as a NSCPA unit member or non-unit member, such questions will be directed to the Vice Chancellor for Employee Relations for review. The review will occur within four (4) weeks of the inquiry and resolution will be based upon the unit determination directive issued by the Commission of Industrial Relations.

Section 1.5 Terms and Conditions of New Appointments

All new unit member appointments shall be consistent with the express terms and conditions of this Agreement.

ARTICLE 2. NONDISCRIMINATION/RECRUITMENT FOR EMPLOYMENT

Section 2.1 Nondiscrimination

The Employer and NSCPA agree that no preference or discrimination shall be shown by either the Employer or NSCPA for or against any unit member in regard to race, color, national origin, age, sex, sexual orientation, gender identity, disability, religion, or affiliation or non-affiliation with NSCPA. The parties further agree that no employment action shall be discriminatory on the basis of individual characteristics other than qualifications for employment, quality of performance of duties, and conduct in regard to employment.

The Nebraska State Colleges are equal opportunity institutions and do not discriminate against any student, employee or applicant on the basis of race, color, national origin, sex, sexual orientation,

2017-2019 NSCPA Agreement

gender identity, disability, religion, or age in employment and education opportunities, including but not limited to admission decisions. Each College has designated an individual to coordinate the College's nondiscrimination efforts to comply with regulations implementing Title II of the Americans with Disabilities Act, Titles VI and VII of the Civil Rights Act, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act. Inquiries regarding non-discrimination policies and practices may be directed to the Compliance Coordinators assigned at each College and identified on each College website.

The Employer is committed to providing a workplace environment free of unlawful harassment and/or discrimination in accordance with applicable federal and state laws. Unlawful harassment or discrimination of employees in regard to race, color, national origin, age, sex, sexual orientation, gender identity, religion, disability is prohibited. Unlawful harassment includes, without limitation, verbal harassment (derogatory comments and/or slurs, negative stereotyping, intimidating behavior), physical harassment (assault or physical interference), visual harassment (posters, cartoons, drawings, or improper written or graphic material), and innuendo.

If any unit member has reason to believe that he or she has been unlawfully harassed and/or discriminated against, that unit member should report the violation to a supervisor, the Human Resources Director/AVP, or a Vice President. If the reporting unit member feels that the report does not achieve satisfactory results, a second report should be made to another administrator. All reports shall be promptly and thoroughly investigated.

Section 2.2 Posting and Notice of Position Openings

When vacancies occur in bargaining unit positions which the Employer intends to fill, or when new positions are established which are part of the unit, a notice of such openings shall be posted a minimum of ten (10) working days from date of publication on the Human Resources website stating the job title, description, qualifications, date of availability and pay range. The notice shall also state the exempt/non-exempt and collective bargaining unit status of the position. No selection or announcement regarding the filling of a vacant position will be made prior to the conclusion of the posting period. Each College shall notify the NSCPA Local Chapter President when a new unit member is hired. Human Resources shall post notice of the vacancies on its website. Such notices shall include the job title, description, qualifications, date of availability, pay range, FLSA exempt/nonexempt status, and collective bargaining unit status. The notices shall remain on the Human Resources website a minimum of ten (10) working days. The Employer shall not fill the posted position during the ten (10) working day notice period. When the Employer has hired a new unit member, Human Resources shall notify the NSCPA Local Chapter President by email within five (5) working days of the date of hire.

Section 2.3 Advertising Position Openings

Simultaneous to the internal posting of position announcements, the Employer may advertise vacancies externally. When positions are advertised externally, the vacancy notice shall be posted on the Human Resources website of each College.

2017-2019 NSCPA Agreement

Section 2.4 Unit Member on Search Committee

At least one (1) unit member will be asked to serve on each search committee, which serves in an advisory capacity, for a vacant unit position. The names of the selected unit member will be provided to the NSCPA Local Chapter President by the HR Director/AVP when the committee is formed.

Section 2.5 Job Description & Evaluation Procedure for New Hires

Newly hired unit members will be provided a current job description and a copy of the procedure or forms used in the evaluation of their performance. The College will provide a copy of the job description to the NSCPA Local Chapter President upon receipt of a signed release from the unit member.

Section 2.6 Notifications for New Hires

Newly hired unit members will be advised that their position is covered by the NSCPA Agreement. The Employer agrees to inform new unit members where a copy of this Agreement and College handbook may be accessed online (www.nscs.edu). A written copy of this Agreement and/or the College handbook shall be provided to the unit member by the Human Resource Director/AVP upon request.

Section 2.7 New Hire Qualifications

~~Completion of a master's degree or equivalent shall be required for new unit members who occupy the positions listed below:~~

- ~~a) Director of Nebraska Business Development Center~~
- ~~b) Licensed Student Counselor~~
- ~~c) Learning Skills Specialist~~
- ~~d) All Librarians~~
- ~~e) Assistant Dean~~
- ~~f) Manager, Records and Registration~~
- ~~g) Assistant Coaches with teaching assignments~~

Section 2.87 Background Checks

Offers of employment are contingent on the applicant successfully passing a background check.

ARTICLE 3. APPOINTMENTS/NOTICE REQUIREMENTS

Section 3.1 Professional Staff Contracts

2017-2019 NSCPA Agreement

Unit members shall be issued employment contracts specifying salary, type of employment appointment, classification title, employment period and other terms of employment. The employment contract shall contain a statement that the rights and responsibilities specified in applicable Board policies are a part of the contract.

Section 3.2 Specific Term Appointments

A "Specific Term Appointment" is an appointment for a term of one (1) year. A Specific Term Appointment shall terminate at the end of the stated term, if written notice of non-reappointment is given to the appointee in accordance with notice requirements listed in Section 3.3.

Section 3.3 Notice Requirements for Non-Renewal of Specific Term Appointments

Except for instances involving dismissal for cause, unit members shall be given written notice by the Employer of intent not to renew their appointment/employment contract in accordance with the following notice requirements:

- a) At least thirty (30) calendar days prior to expiration during the first (1st) year of employment as a unit member;
- b) One hundred twenty (120) calendar days prior to expiration during the second (2nd) year of employment as a unit member; or,
- c) One hundred eighty (180) calendar days prior to expiration during the third (3rd) and subsequent years of employment as a unit member.
- d) After the third (3rd) year, dismissal requires adequate cause pursuant to the procedures identified in Sections 16.4 through 16.14.
- e) Assistant coaches and Football Offensive or Defensive Coordinators may be dismissed without cause upon at least ninety (90) calendar days written notice.
- f) Notice shall be deemed to have been properly given if hand delivered, or mailed to the unit member's home address, as reflected by the records of the Employer, by certified mail, with sufficient postage attached. It shall be the responsibility of the unit member to maintain a current address in the Human Resource Office.
- g) If written notice is not given in the manner herein provided within the time specified, failure to provide the required notice period shall not result in automatic reappointment or create any right to reappointment for an additional term. The Employer shall have the option of providing employment or severance pay in lieu of any portion or all of the notice to which the unit member is entitled, so long as the extension of employment or severance pay is commensurate with the notice to which the unit member is otherwise entitled.

2017-2019 NSCPA Agreement

Section 3.4 Calculating Years of Employment for Notice Requirements

For purposes of calculating years of employment under the notice requirements cited in Section 3.3, unit members hired between July 1 and November 30 of any calendar year will be considered to have completed their first year of employment on July 1 of the next fiscal year. Unit members hired between December 1 and June 30 of any calendar year will be considered to have completed their first year of employment not on July 1 of the next fiscal year, but on July 1 the year thereafter e.g., a new hire on December 1, 2017 would be credited with the first year of employment on July 1, 2019.

Section 3.5 Dismissal or Layoff of Appointment Prior to Expiration

A unit member may be dismissed prior to expiration of the stated employment period only for adequate cause, or layoff. Before any dismissal for cause may occur, a hearing must be offered in accordance with provisions in Article 16.

Section 3.6 Adjunct Teaching Appointments

Unit members may accept a separate employment appointment for teaching duties performed outside their regularly assigned work schedule with the approval of the immediate supervisor and the Academic Vice President. All such employment appointments are subject to compensation requirements per the Fair Labor Standards Act (FLSA). Such appointments shall be limited to one (1) or more courses totaling no more than four (4) credit hours per semester in each of the fall and spring semesters, and one summer term. It is understood that the terms and conditions of such appointment are not covered by or subject to this Agreement.

Section 3.7 Summer Camp Coaching Assignments

Unit members may accept a separate appointment for summer camp coaching duties performed outside their regularly assigned work schedule with the approval of the immediate supervisor and the appropriate Vice President. It is understood that the terms and conditions of such employment are not covered by or subject to this Agreement.

ARTICLE 4. CHANGE IN POSITION

Section 4.1 Transfer

Unit members who transfer to another bargaining unit position having increased job responsibilities, shall be paid the minimum salary as posted for the new position or a five percent (5.0%) increase of the current salary, whichever is higher. Any increase over and above these minimums herein established shall be at the discretion of the Employer. This section shall not be used to determine the salary for unit members hired into new positions apart from the reclassification process.

2017-2019 NSCPA Agreement

Unit members who transfer to another bargaining unit position having decreased job responsibilities, shall be paid no less than the minimum salary as posted for the new position.

Section 4.2 Additional Compensation for Significantly Increased Job Responsibilities

Unit members who are assigned significant increased job responsibilities, as an addition to existing responsibilities, will receive additional compensation.

If a unit member believes that additionally assigned duties/responsibilities have significantly changed his or her job duties within their classification, the unit member can request a meeting with his or her supervisor and the Human Resource Director/AVP to discuss a review of existing duties. The Human Resource Director/AVP will respond in writing within thirty (30) days of the meeting. Any change in position classification or salary is at the sole discretion of the Employer. In the event approval for a classification change is not obtained, there are two (2) options. The additional duties and responsibilities in question shall be removed; or, the job shall be restructured to add or delete duties as necessary to conform to the classification description.

Reclassification of an existing position will not require the unit member currently performing the duties of the position to reapply for the position. The unit member retains years of service.

Salary changes resulting from reclassification or from significantly increased job responsibilities will be made in accordance with the provisions outlined in this Article.

Section 4.3 Transfer to Temporary Position

Unit members assigned to any temporary position shall not change the unit member's service date in relation to benefits and contract renewal status.

Section 4.4 Non-unit Member Transfer to a Unit Position

Non-unit members who transfer into professional staff unit positions through the hiring process or a reclassification will maintain their service date in relation to any leave and vacation benefits in this Agreement. ~~Transferred~~ Such non-unit members will be treated as new unit members in relationship to notice requirements regarding renewal or non-renewal of appointment.

Section 4.5 Unit Member Transfer to Another Unit Position

Unit members transferring to another unit position through the hiring process or a reclassification ~~within the State College System~~ will maintain their service date in relation to any leave/vacation benefits. ~~Transferring~~ Such unit members will be treated as new unit members in relationship to notice requirements regarding renewal or non-renewal of appointment, unless credit for prior service to the College is granted or otherwise agreed upon in writing by both parties at the time of ~~transfer~~ hire or reclassification.

ARTICLE 5. WORKING SCHEDULES

Section 5.1 Work Schedules; Job Responsibilities

The Employer shall provide a job description for each unit member and inform each unit member of his or her work schedule and job responsibilities, and may require unit members to work evenings, weekends, and/or holidays. ~~If the unit member is required to work or attend job-related functions on an unscheduled work day or a scheduled College holiday, such unit member shall be allowed an equal number of hours off on an alternate date.~~ If significant or ongoing new responsibilities are added to the unit member's job duties, the unit member shall be so advised with as much advance notice as is practical and will meet to discuss any realignment or adjustment of existing priorities. The assignment of work schedules and job responsibilities are non-grievable matters.

Section 5.2 Exempt Employees

Unit members exempted from the Wage and Hour Law of the Federal Fair Labor Standards Act who work more than forty (40) hours a week in fulfilling their job responsibilities will not be compensated for the overtime hours. Work schedules may be set outside the typical 8:00 a.m. to 5:00 p.m. office hours. Upon the unit member's request and at the discretion of the supervisor, the unit member's work schedule may be adjusted when the unit member's job responsibilities do not conform to the regular workweek and/or regular work schedule. The supervisor shall not unreasonably deny consideration of such flexible work schedule requests. ~~Directors of resident halls, because of the unique nature of their jobs, shall be eligible for deviations only on a limited basis.~~

If the unit member is required to work on a scheduled College holiday, such unit member shall be allowed an equal number of hours off on an alternate date.

Section 5.3 Non-Exempt Employees

Under provisions of the Fair Labor Standards Act, unit members not exempted from payment of overtime wages must be compensated for overtime hours worked. Compensatory time off shall be provided for overtime hours, in lieu of payment, to the extent possible, as follows:

(a) Compensatory time on a one-for-one basis must take place within the work week; e.g., unit member works ten (10) hours Wednesday and can be compensated by working six (6) hours on Thursday to avoid exceeding the forty (40) hour limit in one work week. Supervisors shall consult with unit members to schedule work hours so as to avoid exceeding the forty (40) hour per week limitation; provided,

(1) no unit member will be required to work more than ten (10) hours per day without agreement between the supervisor and the unit member and

2017-2019 NSCPA Agreement

(2) supervisors will provide at least five (5) work days advance notice prior to a deviation from the normal work schedule.

(b) Compensatory time on a one-and-one-half basis shall be provided for hours worked over the forty (40) hour per week limitation. Compensatory time should be scheduled as soon as possible, preferably within the same pay period as earned, to avoid large accumulations. In some cases, it may be necessary to delay scheduling and use of compensatory time beyond the pay period to accommodate the needs of the Employer, the requirements of the unit member's job and the personal schedule of the unit member. Supervisors shall consult with unit members to schedule and use compensatory time. Unit members shall be paid for unused compensatory time at the end of employment.

(c) A unit member may not accrue more than two hundred forty (240) hours of compensatory time (one hundred sixty (160) hours of time worked). Unit members will receive pay for compensatory hours in excess of this limit.

If the unit member is required to work on a scheduled College holiday, such unit member shall be allowed an equal number of hours off on an alternate date.

Section 5.4 Graduation Ceremonies

Participation in graduation ceremonies is voluntary unless required by the unit member's job duties.

Section 5.5 Unit Member Committee Assignment

A unit member will not be required to serve on more than two committees at any one time unless the committee assignment is directly related to the unit member's position. The unit member may voluntarily serve on more than two committees with approval of his or her supervisor.

ARTICLE 6. HOLIDAYS

Section 6.1 Holiday Schedule

The following holidays (eight (8) hours each) are compensated holidays:

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Friday following
Christmas Day	December 25

2017-2019 NSCPA Agreement

Section 6.2 Additional Holidays

In addition to the holiday schedule noted above, the Employer shall schedule five (5) more compensable holidays during the calendar year. Each holiday is calculated on an eight (8) hour basis. The Employer may also schedule additional holidays to match state and federal holiday observances. Holiday schedules will be announced by September 1 of each academic year.

ARTICLE 7. PERSONNEL FILES

Section 7.1 Unit Member File

The unit member may keep his or her own file which may include any materials the unit member deems appropriate to his or her job qualifications and performance.

Section 7.2 Official Personnel File

An official personnel file for each unit member shall be maintained at the College in the Human Resource Office.

Section 7.3 File Contents

The personnel file may include, but not be limited to, the following:

- a) General personnel information and employment contracts;
- b) Academic records;
- c) Personnel actions generated by the Employer; and,
- d) Performance evaluations and memoranda of discussions with the unit member relating to evaluations of the unit member's performance.

Section 7.4 File Inspection

A unit member or an NSCPA representative, whom the unit member has so designated in writing, has the right to inspect the contents of his or her individual personnel file.

Files must be reviewed in the presence of the Human Resource Director/AVP or designated Human Resource staff member ~~administrative officer and may not be removed from the office in which they are located.~~

Section 7.5 Informed Inclusion

The unit member will be given a copy when material relating to performance and/or conduct is placed in the personnel file within ten (10) work days.

2017-2019 NSCPA Agreement

ARTICLE 8. PROFESSIONAL CONDUCT

The Employer and the NSCPA agree to the following standards of Professional Conduct. Unit members shall conduct business in a manner that is consistent with:

- a) The NSCPA-NSCS negotiated Agreement;
- b) College Employee Handbook;
- c) NSCS Board Policies; and,
- d) State and Federal Laws.

ARTICLE 9. PERFORMANCE EVALUATION

Section 9.1 Purpose

The purpose of the performance evaluation shall be to promote high levels of achievement and morale through a system which encourages management and employees to work together to improve individual performance and to facilitate communication concerning employee progress toward the attainment of college objectives. Evaluation forms will include three rating categories for performance. The categories shall be as follows: Exceeds Expectations, Satisfactory, and Unsatisfactory.

Section 9.2 Procedure

Every unit member shall receive a written performance evaluation report for the academic/fiscal year based on job assignments which reflects the current job description. The supervisor will schedule a meeting with the unit member prior to May 1 of each year to discuss the evaluation report in relation to the job assignment and priorities and to set goals and specific objectives for the following year. If a performance evaluation report was not completed during the previous academic/fiscal year, the unit member's performance shall be considered as satisfactory.

Supervisors will provide each unit member a copy of strengths identified or improvements required in the unit member's performance with recommendations to assist improvement and specific outcomes that are expected. In case of identified areas of concern, a plan for implementation of recommendations with specific outcomes will be created by the supervisor in consultation with the unit member. Such a plan will be signed and attached to the original evaluation with a copy placed along with the evaluation in the unit member's official personnel file.

2017-2019 NSCPA Agreement

Subsequent to the annual evaluation, if an area of concern arises the supervisor will notify the unit member of the concern and will provide guidance in an effort to improve performance to a satisfactory level.

Section 9.3 Review & Acknowledgment of Evaluation

Performance evaluation forms must be reviewed and acknowledged by the unit member. Acknowledgment signifies only that the unit member has reviewed and discussed the performance evaluation. Each unit member shall receive a complete copy of his or her performance evaluation report with all signatures within ten (10) working days of its completion and have an opportunity to comment or rebut any performance assessment within ten (10) days of receipt. A copy of each performance evaluation report and any rebuttal or comment submitted shall be included in the unit member's official personnel file, and given to the next higher supervisor.

Section 9.4 Evaluation Criteria Notification

Unit members will be provided advanced notice of any changes in the criteria used for evaluation of their performance.

Section 9.5 Grant Programs

Supervisors shall solicit input from external grant representatives when conducting unit member evaluations.

ARTICLE 10. PROFESSIONAL DEVELOPMENT

Section 10.1 Development Opportunities

The Employer agrees to maintain its continuing effort to provide unit members with training and the opportunity to attend professional meetings necessary for the accomplishment of assigned duties. Priority shall be given to immediate work requirements when assigning training or professional meeting activities.

Section 10.2 Cost & Work Time

The cost of required training shall be paid for by the Employer. A unit member participating in required training or course work shall be considered to be on work time.

Section 10.3 Completion of Advanced Academic Degree

In recognition of the unit member's increased value to the system, the Employer shall provide a salary base increase upon the completion of each advanced academic degree earned after the

2017-2019 NSCPA Agreement

commencement of employment, and after the effective date of this Agreement. Official transcripts or other appropriate documentation from the awarding institution must be provided to the Human Resources Office prior to July 1st in order to receive the salary increase. Salary increases will be based on the following schedule:

Bachelors Degree	\$ 750
Masters Degree	\$ 1,000
Doctoral or appropriate terminal Degree	\$ 2,500

ARTICLE 11. GRIEVANCE AND ARBITRATION PROCEDURE

Section 11.1 Limitations

The grievance and arbitration procedure is designed to provide a prompt and efficient method for the resolution of grievances. The grievance procedure hereinafter set forth shall be the exclusive method for resolving grievances concerning the administration of this Agreement. Time limits provided herein should be adhered to unless modifications are agreed to in writing by the parties to the grievance. Unit members who have been recommended for dismissal for cause from employment under the provisions of Article 16, may not file grievances while the dismissal process is pending.

Section 11.2 Representation

A unit member shall have the right to have a NSCPA representative participate in any step of the grievance and arbitration procedure. The Chief Negotiator or designee shall receive copies of all written, findings, recommendations, and decisions for the grievance regardless of NSCPA representative participation.

Section 11.3 Definitions

A grievance is hereby jointly defined to be a dispute filed by a unit member or NSCPA concerning the interpretation or application of this Agreement filed in accordance with the terms of this Article.

A grievant is defined as the unit member(s) or NSCPA.

The parties jointly agree that the procedure for grieving a dismissal decision for cause is outlined in Article 16 and is the exclusive method for resolving such grievances.

Section 11.4 Preliminary Grievance Requirement

Prior to filing a formal grievance, a unit member shall request a "preliminary grievance meeting" to discuss his or her dispute with the immediate supervisor or the administrator who made the decision at issue in an attempt to resolve the dispute. An NSCPA representative may present and discuss the dispute on behalf of any unit member or group of unit

2017-2019 NSCPA Agreement

members with the supervisor or administrator who made the decision at issue. Any disposition satisfactory to the unit member(s) at this stage shall be reduced to writing, signed by the parties, and shall be binding on the parties as to the facts and circumstances giving rise to the dispute and the matters therein resolved. However, the same shall not constitute a binding precedent in the disposition of other similar disputes that may subsequently arise.

Section 11.5 Formal Grievance Contents

In reducing a grievance to writing, the following information must be stated with reasonable clearness:

- a) the exact nature of the grievance;
- b) the act or acts of commission or omission;
- c) the dates of the act or acts;
- d) the identity of the party or parties alleged to have caused the grievance;
- e) the specific provisions of the Agreement alleged to have been violated; and,
- f) the remedy that is sought.

Section 11.6 Steps of Grievance Process

A formal grievance shall be processed in the following manner:

- a) **Step 1.** A formal grievance shall be filed in writing with the Human Resource Director/AVP within twenty (20) working days following the act or omission giving rise thereto, or the date on which the grievant knew, or reasonably should have known, of such act or omission if the date is later. The Human Resource Director/AVP and appropriate Vice President have ten (10) working days after receipt of the grievance, or any extension provided for herein, to review the matter. The Vice President shall issue a determination in writing to the grievant within the ten (10) working day period. Any disposition satisfactory to the grievant at this step shall be reduced to writing, signed by the parties, and shall be binding on the parties as to the facts and circumstances giving rise to the dispute and the matters therein resolved. However, the same shall not constitute a binding precedent in the disposition of other similar disputes that may subsequently arise. In the event the written decision refers to documents, copies of such documents shall be attached to the decision.
- b) **Step 2.** The grievant shall have five (5) working days from receipt of the Vice President's decision to appeal that decision to the President. The President shall submit the grievance to an advisory committee consisting of two (2) unit members chosen by the local chapter of the NSCPA, none of whom is a member of the grievant's department, and two (2) employees chosen by the President, neither of whom has line authority over the grievant. The committee shall hold a hearing within ten (10) working days after receipt of the grievance and shall admit and consider evidence submitted by the parties in the form of documents or the testimony of witnesses. The grievant shall have the right to attend all evidentiary proceedings of the committee, to present evidence, to examine documents, to question witnesses, and to otherwise present any relevant

2017-2019 NSCPA Agreement

argument or evidence. The grievant shall also have the right to assistance by NSCPA or an attorney at the grievant's own expense. The committee following its own procedures and in accordance with this Agreement shall submit a video recording of the hearing, copies of all exhibits, and the committee's written findings and recommendations to the President and the grievant within ten (10) working days following the hearing. The President shall issue a written decision to the grievant within five (5) working days following receipt of the recommendation of the committee.

- c) **Step 3.** The grievant shall have ten (10) working days from receipt of the President's decision to appeal that decision to the Chancellor. A copy of the grievance and all prior written recommendations and responses is to be provided. The Chancellor shall, within the normal order of business, review and notify the grievant of his or her decision. If the Chancellor's decision, under this Step, fails to satisfy the grievant the grievant may seek relief under applicable State or Federal laws, or by agreement of the Chancellor, and the parties through binding arbitration.

Should the parties both agree to arbitration and are unable to agree on an arbitrator within ten (10) working days, the dispute shall be referred to the American Arbitration Association for resolution by an arbitrator from its labor panel in accordance with its voluntary rules of labor arbitration. The cost of arbitration shall be shared equally by the parties. Such cost shall be limited to the arbitrator's fees and expenses and applicable charges of the American Arbitration Association.

Section 11.7 Reprisals

There shall be no reprisals taken against a unit member for filing, or participating as a witness in a grievance.

Section 11.8 Time Limits

Failure of the Employer in any step to render a decision to the grievant within the maximum time limits shall automatically allow the grievant to proceed to the next step. Failure of the grievant to proceed to the next step within the maximum time limit shall be considered as termination of the grievance.

ARTICLE 12. SALARY

Section 12.1 2017-2018 Base Salary Increase

For the 2017-18 fiscal year, the amount of the annual base salary increase for each unit member shall be one and one-half percent (1.5%) above each unit member's prior year annual base salary.

2017-2019 NSCPA Agreement

Section 12.2 2018-2019 Base Salary Increase

For the 2018-19 fiscal year, the amount of the annual base salary increase for each unit member shall be one and one-half percent (1.5%) above each unit members prior year annual base salary.

Section 12.3 New Hire Salaries

New hire salaries will not exceed the mid-point of the salary range for each classification in the bargaining unit. The Employer will provide the NSCPA President and the Chief Negotiator with the list of all NSCPA classification titles with corresponding salary ranges any time the list is updated.

ARTICLE 13. INSURANCE, BENEFITS, AND RETIREMENT PROGRAMS

Section 13.1 Insurance Coverage & Carriers

The Employer agrees to make available to all unit members the same level of group medical, dental, vision, life and disability insurance coverage currently being provided. If costs of coverage should increase during the second year of this Agreement, the Employer and NSCPA agree to continue the same arrangement for sharing costs. Nothing within this Agreement, however, shall prohibit the Employer from considering other insurance carriers. ~~Prior to changing insurance carriers, the Employer shall meet and confer with NSCPA in regard to specifications of such contracts.~~

Section 13.2 Medical Insurance

A deductible medical plan offered by the current insurance carrier will be offered which requires the unit member to satisfy the lowest calendar year deductible amount offered by the insurer, a coinsurance amount, and an out-of-pocket stop loss limit amount, after which all other eligible medical claims will be covered for the remainder of the calendar year. The Employer will contribute a fixed dollar amount equivalent to eighty-five percent (85%) of the aggregate costs of the single medical plan for the term of this Agreement, with the unit member responsible for the remaining amount of the cost of coverage. For unit members who opt for coverage under a family, employee/children or employee/spouse plan, the Employer will contribute a fixed dollar amount equivalent to seventy-five percent (75%) of the aggregate costs of the plan for the term of this Agreement, with the unit member responsible for the remaining amount of the cost of coverage. When both members of a married couple are employed and request family coverage, each individual will be required to contribute an amount equal to the contribution a unit member makes toward single coverage.

2017-2019 NSCPA Agreement

Section 13.3 Section 125 Plan

The Employer agrees to continue its current Internal Revenue Service Code Section 125 Plan to provide an opportunity for unit members to voluntarily participate in a flexible spending account, subject to provisions of IRS Code Section 125. Unit members may choose to set aside an amount from their paychecks only, which is not taxed, in a medical or dependent care account for payment of eligible expenses.

Section 13.4 Dental Insurance

A PPO dental plan will be provided which covers one hundred percent (100%) of the aggregate costs of preventive and diagnostic services, maintenance dentistry, and restorative dentistry. Such coverage will include dental services ranging from examinations, cleaning and fillings to caps, crowns, bridges and root canals. Orthodontic services will not be provided. The Employer will contribute eighty-five percent (85%) toward the cost of single dental coverage. For unit members opting for family, employee/children or employee/spouse dental coverage, the Employer will contribute seventy-five percent (75%) toward the cost of the coverage. A unit member must be enrolled in the group medical plan to be eligible for dental plan coverage. When both members of a married couple are employed and request family coverage, each individual will be required to contribute an amount equal to the contribution a unit member makes toward single coverage. If the current plan covering one hundred percent (100%) of the aggregate costs is discontinued, the plan option with the highest level of coverage will be offered as an alternative.

Section 13.5 Life Insurance

A life insurance plan offering group term life insurance coverage in the amount of thirty-thousand dollars (\$30,000) will be provided at the Employer's expense with the unit member permitted to supplement the basic coverage with either a ten-thousand dollar (\$10,000), twenty-thousand dollar (\$20,000), fifty-thousand dollar (\$50,000), one-hundred-thousand dollar (\$100,000), or one-hundred eighty-thousand dollar (\$180,000) optional life insurance policy addition at the unit member's expense. The unit member may also purchase a two thousand dollar (\$2,000) dependent life policy on spouse and child, or a five thousand dollar (\$5,000) dependent life policy on a child, or ten thousand dollar (\$10,000) coverage for a spouse at the unit member's expense. Eligible coverage for children begins at six (6) months of age.

In accordance with current policy provisions, unit members' life insurance benefits are reduced to 50% at seventy (70) years of age.

Section 13.6 Disability Insurance

A group long-term disability plan will be provided which will pay sixty-six and two-thirds percent (66 2/3%) of salary after ninety (90) days of continuous disability as defined by the insurance carrier. The Employer will provide seventy-five percent (75%) of the aggregate costs of this coverage.

2017-2019 NSCPA Agreement

Section 13.7 Retirement Contribution

The retirement plan presently in effect shall be continued and the Employer shall take no action to decrease the benefits under the present retirement plan during the term of this Agreement. During the term of this Agreement, the Employer contribution will be eight percent (8.0%) with all eligible new unit members required to contribute six percent (6.0%) of his or her gross earnings. New unit members are eligible to participate in the retirement plan at age twenty-five (25) with two (2) years of consecutive service. At age thirty (30), participation is mandatory.

Section 13.8 Immediate Family Tuition Remission

A sixty-seven percent (67%) tuition remission shall be available for immediate family (children who are twenty-four (24) years of age or younger at the beginning of the semester or session) and a spouse of unit members who enroll at a Nebraska State College on a space available basis. The remission does not apply to fees. Although online courses have a single rate, a portion of the rate consists of fees. The remission provided for online courses will be sixty-seven percent (67%) of the equivalent resident tuition rate for an on-campus course. Remissions are subject to the following condition:

- a) The immediate family member must be admitted as a student of the College and must have met all normal academic requirements for the courses taken.

Section 13.9 Vision Insurance

A voluntary vision insurance program shall be provided. The Employer shall contribute fifty percent (50%) toward the cost of single vision coverage for plan option selected by the unit member.

Section 13.10 Employee Assistance Program

The Employer shall make available to all unit members an Employee Assistance Program. The Employer shall pay the annual flat rate as established by the program. Any other costs shall be borne by the unit member.

Section 13.11 Employee Tuition Waiver

Unit members shall be eligible to enroll for credit in courses during non-work hours for one dollar (\$1.00) per course on a space available basis. Enrollment and tuition waiver under this provision will be limited to one (1) course of not more than four (4) hours in each of the Fall and Spring semesters and one Summer term. One dollar (\$1.00) covers the cost of tuition for purposes of this waiver program and the one dollar (\$1.00) charge is non-refundable. Fees connected with course enrollment must be paid by the unit member including the same institutional and class fees paid by all other students. Although online courses have a single rate, a portion of the rate consists of fees. The waiver provided for online courses will be based on the equivalent resident tuition rate for an on-campus course (beyond one dollar (\$1.00)). Waivers are subject to the following conditions:

2017-2019 NSCPA Agreement

- a) Unit members must be admitted as students of the College and must have met all normal academic requirements for the courses taken.
- b) A unit member's work schedule may be arranged, with appropriate supervisory approvals, to accommodate enrollment. Such approval shall not be unreasonably denied.

Section 13.12 Tuition Remission and Waiver Limitation

A unit member may not enroll in courses under Section 13.8 and Section 13.11 simultaneously during the same semester. Only one (1) tuition waiver course may be taken per semester by a unit member. Tuition remissions and tuition waivers will not apply to already discounted tuition rates for dual enrollment courses.

Section 13.13 Use of Facilities

Unit members and their spouses will be allowed to use, free of charge during non-working hours, those facilities belonging to the College that are used to promote wellness. Dependents of employees will be permitted to use these facilities at a reduced rate. Such facilities will be available to unit members, their spouses and dependents during the facilities' normal hours of operation and when not being used for classroom instruction or program activities.

ARTICLE 14. PROVISIONS FOR LEAVES

Section 14.1 Vacation Leave

- a) During the first five (5) years of service unit members working on a twelve (12) month basis shall accrue three (3) weeks of vacation with pay, which consists of fifteen (15) working days. The basis for computation is the accrual of 1.25 vacation days per month of employment. The accrual of vacation leave shall begin the first day of employment. Following the fifth (5th) year of continuous employment, the following accrual schedule shall be followed:

1st year through 5th year	15 days
6th year	16 days
7th year	17 days
8th year	18 days
9th year	19 days
10th year	20 days

After ten (10) years of continuous service, unit members shall accrue one (1) month vacation, which consists of twenty (20) working days each year. The

2017-2019 NSCPA Agreement

basis for computation of twenty (20) vacation days per calendar year is the accrual of 1.667 vacation days per month of employment.

Unit members with appointments less than ~~twelve (12) months~~ 1.0 FTE shall accrue vacation leave at a proportional pro-rated amount.

- b) At no time will a unit member be allowed to accrue vacation leave hours in excess of the two hundred eighty (280) hours [or thirty-five (35) days] accumulation limit.
- c) The President may advance vacation leave to a unit member in an amount not to exceed a total of forty (40) hours. Vacation time earned thereafter will be applied to the negative vacation balance until the advanced amount has been fully reimbursed. Upon separation from employment, unit members who have been advanced vacation leave shall reimburse the Employer for all advanced and unreimbursed vacation leave. The Employer is authorized to deduct such amount from the final pay.
- d) Each unit member, upon retirement, dismissal or separation from employment, shall be paid for unused accumulated vacation leave up to the two hundred eighty (280) hour accumulation limit. Upon the death of a unit member, his or her beneficiary shall be paid for his or her unused accumulated vacation leave. A unit member who is transferred within the State College System will have his or her accrued vacation leave transferred to the receiving College. Unit members transferring as an employee from Nebraska State Government or the University of Nebraska System may be eligible to have vacation hours transferred to the receiving College at the discretion of receiving College. Employees transferring to Nebraska State Government or the University of Nebraska System may be eligible to have vacation hours transferred to the new employer at the discretion of the new employer.
- e) Unit member requests for up to ten (10) consecutive days of accumulated vacation leave shall not be unreasonably denied.
- f) Supervisors shall respond to written requests for vacation leave within five (5) working days of the request. Requests for use of accumulated vacation leave shall not be unreasonably denied.

Section 14.2 Sick Leave

- a) Unit members shall be allowed sick leave with pay. Medical documentation to substantiate the use of sick leave may be required by the Employer.
- b) Sick leave for unit members shall accrue at the rate of one (1) day per calendar month of consecutive service during the first five (5) years of service. Those unit members who have completed six (6) or more years of consecutive service shall accrue sick leave according to the following schedule:

1st through 5th year 1.0 day per month

2017-2019 NSCPA Agreement

6th year	1.1 days per month
7th year	1.2 days per month
8th year	1.3 days per month
9th year	1.4 days per month
10th year and on	1.5 days per month

The accrual of sick leave shall begin the first day of employment, and unused sick leave may be accumulated up to and including one hundred eighty (180) days [one thousand four hundred forty (1,440) hours].

Unit members with appointments less than ~~twelve (12) months~~ 1.0 FTE shall accrue sick leave at a proportional pro-rated amount.

At no time will a unit member be allowed to accrue sick leave hours in excess of the one thousand four hundred forty (1,440) hours [or one hundred eighty (180) days] accumulation limit.

- c) Sick pay is available with the realization that a unit member may become ill or injured to the extent of being unable to work. Sick leave may be taken for absences made necessary by reason of illness, injury, or disability, including temporary illnesses covered by or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery there from, by exposure to dangerous disease which may endanger the unit member or public health, medical appointments, or by illness in the immediate family making it necessary that the unit member be absent from his or her duties. The term "immediate family" as used in this section shall be defined to include the spouse, children (adopted, foster, step, biological, or legal ward), grandchildren, siblings, parents, grandparents, or parents of the spouse. It is not intended as any earned time off with pay, and shall not be granted as such. Unit members shall be compensated for unused sick leave upon separation of employment as provided in subsection (f).
- d) The President may advance sick leave to unit members in an amount not to exceed a total of forty (40) hours. Sick leave earned thereafter will be applied toward the negative sick leave account balance until the amount advanced is fully reimbursed. Upon separation from employment, unit members who have been advanced sick leave shall reimburse the Employer for all advanced and unreimbursed sick leave. The Employer is authorized to deduct such amount from the final pay.
- e) Should a unit member become ill or disabled and require hospitalization while on vacation, vacation leave shall be changed to sick leave, effective the date of hospitalization, upon request to the immediate supervisor. Documentation regarding the hospitalization may be requested.
- f) A unit member who is transferred within the State College System will have his or her accrued sick leave transferred to the receiving College. Unit members transferring as an employee from Nebraska State Government or the University of Nebraska System may be eligible to have sick leave hours transferred to the

2017-2019 NSCPA Agreement

receiving College at the discretion of receiving College. Employees transferring to Nebraska State Government or the University of Nebraska System may be eligible to have sick leave hours transferred to the new employer at the discretion of the new employer.

- g) Each unit member who is eligible for retirement in the State College System will, upon separation of employment by reason of retirement, be entitled to a one-time payment of one-fourth (1/4) of their accumulated sick leave, with the rate of payment based upon their regular pay at the time of retirement. Upon the death of the unit member, his or her beneficiary will be paid one-fourth (1/4) of his or her accumulated, unused sick leave, with the rate of payment based upon the unit member's regular pay at the time of death.

Section 14.3 Return to Employment Within One Year

Unit members who have separated employment and who return to employment within one (1) year from the date of such separation shall have service for sick leave and vacation leave reinstated at the level established prior to the separation. However, unit members who have been dismissed for disciplinary reasons shall not have service for sick leave and vacation leave reinstated. Unit members who have separated employment may apply for available employment openings. If successful, the unit member will be considered a new hire with all the rights, responsibilities, and obligations of a new hire, unless otherwise negotiated and noted on the employment contract.

Section 14.4 Family and Medical Leave

- a) In accordance with the federal Family and Medical Leave Act (FMLA), unit members with one (1) year of service who have worked at least one thousand two hundred fifty (1,250) hours during the previous twelve (12) month period shall be entitled to take up to twelve (12) weeks of unpaid FMLA leave during any twelve (12) month period:
- 1) for the birth of a child, or the placement of a child with the unit member for adoption or for foster care;
 - 2) to care for a spouse, children, parents, or persons bearing the same relationship to the unit member's spouse with a serious health condition;
 - 3) for the unit member's own serious health condition; or,
 - 4) for any qualifying exigency arising out of the fact that the spouse, or a son, daughter or parent of the employee is on active duty (or has been notified of any impending call or order to active duty) in the Armed Forces in support of a contingency operation.
- b) A serious health condition is defined to include:
- 1) An illness, injury, impairment, or physical or mental condition that involves either inpatient care, meaning an overnight stay in a hospital, hospice, or residential care

2017-2019 NSCPA Agreement

- facility, or continuing treatment by a health care provider for three (3) or more consecutive days.
- 2) Any period of incapacity because of pregnancy or prenatal care (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., morning sickness).
 - 3) Any period of incapacity because of a chronic serious condition (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., an asthma attack).
 - 4) Any period of absence to receive multiple treatments by health care providers for reconstructive surgery after an accident or injury, or for a condition that would likely result in a period of incapacity of more than three (3) consecutive days if untreated, e.g., cancer (chemotherapy), kidney disease (dialysis).
 - a) "Children" shall mean a biological, adopted or foster child, a stepchild, or a legal ward.
 - b) Sick leave or vacation leave may be used at the election of the unit member during family and medical leave. Although unit members may retain accrued, unused vacation and sick leave, such leave shall not accrue while on FMLA leave.
 - c) Requests for FMLA leave must be submitted to the Human Resource Office. Appropriate certification or documentation may be required by the Employer.
 - d) The Employer agrees to continue to pay its portion of applicable insurance premiums during the term of FMLA leave. In the event two (2) unit members are both eligible under this policy, the couple shall be entitled to a combined total of twelve (12) work weeks of leave for the birth and care of the newborn child, for placement of a child for adoption or foster care, and to care for a parent who has a serious health condition.
- c) National Defense Authorization Act. An employee who is a spouse, child, parent or next of kin (nearest blood relative) to a member of the Armed Forces who is being treated for, recuperating from or is on the temporary disability retired list due to a serious injury or illness is entitled to a total of twenty-six (26) work weeks of leave during a twelve (12) month period to provide care for the service member as provided by the Family and Medical Leave Act as amended by the National Defense Authorization Act for FY 2008.

Section 14.5 Crisis Leave Sharing Program

Unit members may contribute accrued vacation, compensatory time, or one (1) day of accrued sick leave per calendar year to benefit another employee at the same College who is suffering from a catastrophic illness. To be eligible to receive leave, employees must have exhausted their own leave options, have been employed for at least twelve (12) consecutive months and have been absent for at least thirty (30) days during the prior six (6) months.

2017-2019 NSCPA Agreement

To be eligible to donate sick leave, employees must maintain a minimum of one hundred sixty (160) hours of sick leave. Accrued vacation or sick leave may be donated in no less than one (1) day increments. Hours donated, but not used, will be maintained in a shared leave pool and distributed on an as needed basis to eligible employees by a Shared Leave Committee designated by the College and including a unit member. The Committee will determine the amount of donated leave an employee may receive and may only authorize an employee to use up to a maximum of ninety (90) days in a twelve (12) month period. The crisis leave sharing program will permit salary and insurance continuation for those employees receiving shared leave.

Details of this program are available at the Human Resource Office and on the HR Website.

Section 14.6 Bereavement Leave

At the discretion of the immediate supervisor up to six (6) days of paid leave, per fiscal year, may be granted to the unit member for purposes of bereavement. Reasonable requests within this limit shall not be denied. Generally bereavement leave is taken immediately following the death, however, there may be circumstances when more flexibility is needed, for example, if a memorial service is scheduled at a time in the future.

Section 14.7 Inclement Weather/College Closure Leave

During periods when inclement weather causes classes to be canceled, all unit members, other than those required to report to work to provide emergency or other essential services, shall be entitled to take Inclement Weather Leave. Such leave does not require the prior approval of the supervisor. Time spent on Inclement Weather Leave will be charged against the unit member's vacation or comp-time balances (if applicable) leave balance, or time can be made up within thirty (30) days at the request of the unit member which request shall not unreasonably be denied. When the President declares the entire College closed unit members will not be charged leave. Unit members required to report to work to provide emergency or other essential services shall be allowed comparable time off on an alternate date.

Section 14.8 Injury Leave/Worker's Compensation

All unit members who are disabled unable to work as a result of a job-related injury or disease may be granted injury leave with pay once a claim is approved by the workers' compensation program administrator. Injury leave shall not exceed five (5) of the unit member's normal working shifts for any particular injury. Certification or documentation of the injury or disease will be required. Such leave is not to be charged against accumulated vacation or sick leave. For details of Workers' Compensation benefits, unit members are to inquire at the Human Resource Office.

2017-2019 NSCPA Agreement

Section 14.9 Civic Duty Leave

Unit members shall be eligible for absence with pay for jury service, during the actual period of such service, and may retain fees paid him/her as a juror. Absence with pay may also be granted for unit members who are subpoenaed as a witness for the State of Nebraska, during the actual period of such service. Upon being served a summons that his/her name has been drawn as a juror or upon being served a subpoena to appear as a witness, the unit member shall immediately advise the supervisor in writing, stating the time, place and name of the court to which he/she is to attend and provide a copy of the summons to Human Resources.

Section 14.10 Military Leave

Military leaves of absence shall be granted to all unit members as may be provided by state and federal law or regulation.

According to the terms of the Family Military Leave Act (Neb. Rev. Stat. §§55-501 to 507), an eligible unit member who is the spouse or parent of a person called to military service lasting one hundred seventy nine (179) days or longer with the state or United States pursuant to the orders of the Governor or the President shall receive up to thirty (30) work days of unpaid leave. An eligible unit member must have been employed for at least one thousand two hundred fifty (1,250) hours during a twelve (12) month period immediately preceding the commencement of leave.

The unit member shall give at least fourteen (14) days notice of the intended date upon which the family military leave will commence, if leave will consist of five (5) or more consecutive work days. Unit members taking family military leave for less than five (5) consecutive days shall give the Employer advanced notice as is practicable. The unit member shall consult with the Employer to schedule the leave so as not to unduly disrupt College operations. The Employer may require certification from the proper military authority to verify the unit member's eligibility for the family military leave requested.

For benefit purposes, unit members taking Family Military Leave will be treated the same as other unit members taking unpaid Family and Medical Leave.

Section 14.11 Requested Leave of Absence

Unit members who have been employed for three (3) consecutive years, shall be eligible to apply for a leave of absence for the purpose of research, education, travel, work at other institutions, or private business organizations, or engaging in other activities which will improve the unit member professionally and be of benefit to the Employer. Such leave of absence is without pay. However, if the leave of absence is at the request of the President and the unit member has been employed for four (4) consecutive years such leave may be compensated with one-half (1/2) pay for one (1) academic year, full pay for one (1) semester or a lesser amount by mutual agreement of the unit member and the President.

2017-2019 NSCPA Agreement

A recipient of a paid leave of absence may be required to return to employment for a period of one (1) year or to immediately repay the salary and cost of benefits received while on the leave of absence, at the discretion of the President.

- Granting leaves of absence is at the discretion of the President and is a non-grievable matter.
- Unit members on a paid leave of absence will continue to receive the proportionate share of the Employer's contribution for applicable insurance and retirement plans. The remaining portion will be paid by the unit member.
- Unit members on an unpaid leave of absence may contribute to the retirement plan and participate in the insurance programs at their own expense.
- Within ninety (90) days following the unit members return from the leave of absence, the unit member shall submit to the President a written report summarizing the activities and results of the leave.

ARTICLE 15.

NSCPA ACTIVITIES, USE OF FACILITIES AND SERVICES AND UNION DUES

Section 15.1 Use of Facilities

NSCPA shall be permitted to transact official NSCPA business on College property at reasonable times, provided that such business shall not interfere with or interrupt normal College operations or the responsibilities of unit members.

Section 15.2 Access to Services

NSCPA shall continue to have access to use of printing, duplicating, addressing and other College services subject to use and fee requirements.

Section 15.3 Distribution of Unit Information

Unit members will have access to College bulletin boards used for employee information and campus email following procedures that apply to other employees. General distribution of NSCPA materials will be allowed in non-working areas, including campus mail, during both working and non-working hours, provided that the same shall not be disruptive. Meeting rooms may be scheduled, as available, through the College.

Section 15.4 Negotiation Team Member Notification

It is specifically agreed that the Chief Negotiator shall provide the Vice Chancellor for Employee Relations with the names of the members of the NSCPA negotiating team prior to the commencement of negotiations. Likewise, the Vice Chancellor shall provide the Chief Negotiator with the names of the Employer negotiating team prior to the commencement of negotiations.

2017-2019 NSCPA Agreement

Section 15.5 Negotiation Team Member Leave

No more than seven (7) NSCPA team members shall be granted paid leave to participate in negotiation sessions with the Employer. Paid leave shall include necessary travel time. Supervisors must be informed of and approve such leaves through the usual leave practices or procedures.

Section 15.6 Deduction of Membership Dues

The Employer agrees to deduct membership dues established by NSCPA from the salary of any unit member authorizing such deduction in writing.

Section 15.7 Payroll Deduction Authorization

NSCPA agrees to send a list of the unit members and the amount to be deducted to the Human Resources Office and a copy of the written payroll deduction authorization of all unit members who request payroll deduction of dues. Said authorized deduction shall be made from the monthly pay in a total of twelve (12) payments beginning in July and ending in June of the following year. For unit members who request payroll deductions after July 1, the deductions will begin in the next available pay cycle and will be pro-rated to the total dues divided by the number of months ending with the June pay period.

Section 15.8 Remittance of Monthly Deductions

The aggregate deductions shall be remitted monthly to the NSEA Treasurer together with an itemized statement containing the names of the unit members from whom deductions have been made and the amount so deducted from each. The aforementioned remittance shall be made no later than the 10th day of the month following the month for which deductions were made or as soon thereafter as normal payroll procedure permits.

Section 15.9 Membership Cancellation

Each unit member's written authorization shall remain valid as outlined on the membership enrollment form until the Human Resources Office receives written notice from NSCPA to discontinue dues deductions.

Section 15.10 Deduction Errors/Issues

If dues are deducted and remitted to the NSEA Treasurer in accordance with the procedure specified in this Article, NSCPA shall be solely responsible in the event of any claims that the deductions and/or remissions were improper. NSCPA shall indemnify and hold Employer harmless from any claims arising out of a deduction made in accordance with provisions of this Article.

ARTICLE 16. DISCIPLINARY ACTIONS

Section 16.1 Discipline

The Employer may discipline a unit member for adequate cause pursuant to disciplinary grounds contained in the College handbooks. Prior to amending the disciplinary grounds contained in the College handbooks, the Vice Chancellor of Employee Relations will provide at least sixty (60) days' notice and an opportunity to meet and confer with the Chief Negotiator or designee.

Section 16.2 Guidelines for Imposing Disciplinary Action

The Employer has the right to discipline a unit member provided that the unit member will be advised of the reason or reasons for such action. The level of discipline shall be based on the nature and severity of the infraction. Disciplinary action challenged as not in conformance with this Agreement, may be grieved under Article XI, however, dismissal may only be challenged pursuant to the process specified in this Article.

Prior to imposing discipline, unit members are entitled to written notice of the allegations against them which will identify the rule, policy, or performance standard violated and include an explanation of the evidence. The notice will include a description of the incident(s) involved and date(s) of occurrence as applicable.

Prior to imposing discipline the unit member will additionally be entitled to an opportunity to respond to the allegations, present mitigating evidence, explain extenuating circumstances or present reasons why disciplinary action should not be taken.

A unit member shall be notified in writing whenever any disciplinary action is taken. The unit member must acknowledge receipt by signing the written disciplinary notice in cases of a written warning, disciplinary probation, disciplinary suspension without pay and demotion. The unit member's signature does not constitute agreement with the content of the notice. If the unit member refuses to sign, a supervisor and a witness will sign a notation of the unit member's refusal on the notice. A copy of the written disciplinary notice will be placed in the unit member's personnel file. The unit member has the right to include written rebuttal or comment on disciplinary notices that go in his or her personnel file.

Section 16.3 Types of Disciplinary Action

The following types and levels of disciplinary actions for unit members are described below in a progressive manner. The nature and severity of the situation will dictate the level of discipline imposed and the due process protections to be applied, Progressive discipline is not required. More severe levels of disciplinary action may be imposed when a lesser action is deemed inadequate or has not achieved the desired results. If one (1) or more of the prescribed disciplinary actions are imposed, they shall be in writing and imposed concurrently.

2017-2019 NSCPA Agreement

- a) **Written Warning.** Written warnings consist of a discussion between the unit member and the supervisor in which the supervisor explains in detail the reasons for the warning and then provides a written disciplinary notice to the unit member of the action required to correct the unsatisfactory performance with applicable time requirements. Written reprimands will include a place for supervisors to note in writing when unsatisfactory performance issues have been resolved. Unit members will receive a copy of this written notice.
- b) **Disciplinary Probation.** A disciplinary probation may be imposed by the appropriate Vice President or designee for a period of up to six (6) months, but may be extended during which time the unit member's performance must improve. A corrective action plan including improvement standards and time frames shall be included in the written disciplinary notice.
 - i) Unit members on disciplinary probation shall not be granted pay increases.
 - ii) Unit members granted leave while serving disciplinary probation may have their probation period extended by the number of days absent on leave.
 - iii) Unit members may be removed from disciplinary probation by a written notice of the appropriate Vice President or designee.
- c) **Disciplinary Suspension Without Pay.** A period of suspension imposed by the President shall be without pay and shall not exceed twenty (20) working days. The disciplinary notice informing the unit member of suspension shall be dated and include the reason for the suspension and the number of days of the suspension.
 - i) The unit member's service date shall be adjusted by the number of calendar days absent during a suspension.
 - ii) Unit members on suspension shall not be granted paid leave during the suspension period.
- d) **Demotion.** A President may transfer a unit member to a position of lesser responsibility, in or out of the unit, as a disciplinary action. Upon transfer, a President shall place the unit member in the new position and reduce the salary accordingly.
- e) **Dismissal.** Dismissal is removal from employment for failure to respond to previous disciplinary actions or when extreme circumstances render any preceding steps unnecessary or inappropriate. Dismissal for cause negates the deadlines and notice obligations regarding either contract renewal or cancellation notice as may otherwise be provided in this Agreement.

2017-2019 NSCPA Agreement

Section 16.4 Dismissal Procedure

- a) Upon receipt of a supervisor's and/or Vice President's recommendation to dismiss a unit member, the President shall inform the unit member, in writing, of a time at which the unit member may present to the President or designee, any additional facts, material, or evidence regarding the unit member's potential dismissal. Failure by the unit member to appear shall constitute a waiver by the unit member of the aforementioned meeting. The employee may be represented by a third party in the meeting, but the time, date, or place of said meeting shall not be postponed or rescheduled because the representative of the unit member is unable to attend unless both the President and the unit member mutually agree to another time, date, and/or place.
- b) Within five (5) work days following the scheduled date of the meeting, the President shall provide the unit member a copy of his or her recommendations regarding the dismissal. The five (5) day period may be extended upon agreement between the President and the unit member. A copy of the President's recommendation shall be forwarded to the unit member by Certified Mail with instructions to "Deliver to Addressee Only, Return Receipt Requested" or by personal delivery, or deposit to the unit member's last known address. A copy of the President's recommendation shall also be forwarded to the Chancellor. If the President recommends that the unit member be discharged, the written notice shall inform the unit member that he or she may request a hearing before an advisory committee by submitting a written request to the President within five (5) work days.
- c) If the unit member submits a written request for a hearing the President shall refer the proposed dismissal to an advisory committee for a hearing and recommendation as provided for in this Article. If no timely written request of a hearing is received, the President's recommendation for discharge will stand as the final decision.

Section 16.5 Advisory Committee Selection Process

The committee shall consist of two (2) members of the unit chosen by the local NSCPA President and two (2) employees chosen by the President, none of whom is to be a member of the unit member's department.

Section 16.6 Advisory Committee Hearing Procedures

The committee will then establish the date, time and place for the hearing and so inform the unit member, NSCPA and the President. The committee shall admit and consider evidence submitted by the parties in the form of documents or the testimony of witnesses. The committee will arrange for the hearing to be videotaped. The unit member shall have the right to attend all evidentiary proceedings of the committee, to present evidence, to examine documents, to question witnesses, and to otherwise present any relevant evidence with respect to the statement of reasons for dismissal. The unit member shall also have the right to be represented by NSCPA or by an attorney at the unit member's expense. Any party who wishes to use a court reporter to take a verbatim transcript may do so at party's own expense.

2017-2019 NSCPA Agreement

The committee shall adopt rules to be followed which ensure substantive and procedural due process including prior notice of witnesses to be called and documents to be offered in evidence at the hearing, no documents or witnesses not so listed shall be heard, except for the purpose of rebutting oral testimony of the other party or for other justifiable cause found to exist by the committee, and may admit probative evidence as well as exclude incompetent or repetitive evidence, as well as the procedures for compelling witnesses employed at the College to appear.

Section 16.7 Hearing Schedule

The hearing shall be conducted within twenty (20) working days of the request for a hearing. The committee shall render its written recommendation along with a video tape of the hearing to the unit member, and to the President within ten (10) working days after the hearing is closed. If NSCPA is involved, a copy of the written recommendation shall be provided to the NSCPA representative.

Section 16.8 Presidential Decision

Within ten (10) working days after receiving the recommendation from the committee, the President shall render a decision in writing to the unit member and committee. If the President rejects the recommendations of the committee, the President shall state reasons for doing so, in writing, to the committee and unit member. The committee shall have the opportunity within five (5) working days to provide a response for the record. If NSCPA is involved, a copy of the President's decision shall be provided to the NSCPA representative.

Section 16.9 Response to Presidential Decision

If the unit member is not satisfied with the decision of the President, the unit member may make a written request to the Chancellor within ten (10) working days of the receipt of the President's decision requesting a hearing before the Board.

Section 16.10 Appeal to the Board

Upon receipt of the appeal to the Board, the Chancellor as designee of the Board, shall decide if a hearing is to be provided. The Chancellor shall not unreasonably deny the request for a hearing if the request is supported with a showing that the terms of this Agreement have been violated.

If the Chancellor chooses to utilize the services of a hearing officer for the purpose of conducting a hearing and making a recommendation, the hearing officer's scope of review shall be to determine if terms of this Agreement have been violated. The hearing officer shall have no authority to add to, subtract from or in any way modify the terms of this Agreement. Upon receipt of the hearing officer's recommendation, the Chancellor shall issue a written decision stating the reasons therefore within twenty (20) working days.

2017-2019 NSCPA Agreement

Section 16.11 Hearing Preparation and Representation

A hearing date before the Hearing Officer will allow the unit member reasonable preparation time. During the hearing, the unit member has the right to be represented by NSCPA or an attorney (at the unit member's expense), to present witnesses, exhibits, and documents, and to question adverse witnesses.

Section 16.12 Chancellor Decision

The decision of the Chancellor, on behalf of the Employer, will be final. The dismissed unit member may seek recourse under appropriate state and federal law; by mediation through the Federal Mediation and Conciliation Service upon mutual agreement of the Chancellor and the local NSCPA President; or through binding arbitration upon mutual agreement of the Chancellor and the local NSCPA President.

Section 16.13 Time Limit Modifications

Time limits provided herein should be adhered to unless modifications are agreed to in writing by the parties to the dismissal.

Section 16.14 Employment Status During Appeals Process

A unit member recommended for dismissal for cause shall continue to be an employee until the appeal procedure to and including the Chancellor has been exhausted or until the unit member has failed to advance his or her appeal in a timely fashion. The President may, at his or her discretion, suspend or reassign the unit member to other professional duties with pay during the appeal procedure.

Section 16.15 Investigatory Suspension

A unit member who is under investigation for alleged misconduct, or charged with criminal activity may, at the discretion of the President or designee, be suspended with pay and full benefits until such time as it is possible to determine if disciplinary action should be taken. Such investigatory suspensions are not grievable.

ARTICLE 17. RESIGNATION, ABANDONMENT, LAY OFF

Section 17.1 Resignations

To resign in good standing, a unit member must give written notice to the Human Resource Director/[AVP](#) at least two (2) weeks before separation, unless the Human Resource Director agrees to a shorter period.

2017-2019 NSCPA Agreement

Section 17.2 Abandonment

Unit members may be considered to have abandoned the job if he or she has been absent from work for longer than two (2) workdays without being on approved leave and in the absence of extenuating circumstances. Such abandonment shall be considered as a voluntary resignation not in good standing.

Section 17.3 Layoffs

- a) The Employer decides when a lay off is necessary, and which classifications and positions will be affected. Layoffs may be determined necessary because of budget adjustments or reallocations, a modification of position workloads, or elimination of or change in scope of institutional services, or as the result of any other job-related management decision.
- b) When a layoff is contemplated, the President will consult the local NSCPA President, on behalf of the chapter as soon as possible. The chapter shall make recommendations and act in an advisory capacity only. The local NSCPA President or designee will forward the chapter's written recommendation to the President.
- c) When the Employer decides that a lay off among unit members is necessary, the President or designee shall conduct a layoff in such manner that the remaining employees possess the necessary job qualifications.
- d) The Employer will make an effort to avoid a layoff by use of attrition wherever possible.
- e) Where qualifications, training and ability to perform the work remaining are equal, the Employer will follow these priorities for reduction in force:
 - 1) Temporary/part-time professional staff employees before unit members;
 - 2) Unit members with unsatisfactory performance records before unit members with satisfactory performance records; and,
 - 3) Unit members with short service before unit members with long service.
- f) For twelve (12) months following the effective date of layoff, a unit member who has been laid off, and who indicates a desire to be placed on a recall list, shall be offered recall in the same position at the College should an opportunity arise. The unit member shall receive the same salary which was received at the time of layoff plus any increases in salary or benefits received by unit members.
- g) Unit members recalled within twelve (12) months shall not be considered to have suffered a break in service for the purposes of calculating sick and vacation leave, as well as service years regarding notice requirements.

2017-2019 NSCPA Agreement

- h) For twelve (12) months following the effective date of layoff, a unit member on the recall list who is a qualified applicant for a position in the unit shall be given preference for the position when qualifications are equal.
- i) In the event of layoffs, the President shall establish a recall list and supply it and any changes to the local NSCPA President.
- j) Unit members to be laid off shall be given ninety (90) calendar days notice and the notice shall include the reason(s) for the layoff
- k) Each laid off unit member shall, once proper notice is given, be allowed to schedule and take up to ten (10) workdays of leave without pay directed toward securing new employment.

ARTICLE 18 MANAGEMENT

Section 18.1 Management Authority

All management rights, functions, responsibilities and authority not specifically limited by the express terms of this Agreement are retained by the Employer and remain exclusively within the rights of the Employer.

It is understood that the Employer may test for alcohol or illegal substances for cause. Guidelines for testing will be provided to protect against abuse which include, but not be limited to, definition of cause, training of supervisors, a confidentiality statement, and a statement of progressive intervention and treatment. Such Guidelines shall be available for viewing in the Human Resource Office or on the College websites. Employees who may be required under federal law or regulations to submit to random drug and alcohol testing will be notified of the general testing requirements in writing in advance.

ARTICLE 19. DURATION AND LIMITATIONS OF CONTRACT

Section 19.1 Entire Agreement

This instrument constitutes the entire Agreement between the parties hereto and the Employer, NSCPA, and the unit members will abide by it.

Section 19.2 Contract Amendment

Any term and condition of employment expressly stated in this Agreement may not be eliminated or modified in any way during the term of this Agreement without mutual agreement between the Employer and NSCPA. This Agreement may be amended only upon the mutual agreement of both parties, as documented in writing. Both parties acknowledge that they had opportunity during negotiations to make demands and proposals.

2017-2019 NSCPA Agreement

Section 19.3 Agreement Interpretation or Application

Section headings are provided in this Agreement for convenience only and shall not be deemed to substantively alter the content of such section.

Issues of interpretation or application of this Agreement will be addressed between the Chief Negotiator or designee and the Vice Chancellor for Employee Relations with sensitivity to the confidential nature of the inquiry.

Section 19.4 Governing Law; Severability

This Agreement shall be construed and enforced in accordance with, and is subject to, the laws of the State of Nebraska. If any portion of this Agreement shall be declared invalid or unenforceable by a court of competent jurisdiction, such declaration shall not affect the validity or enforceability of the remaining provisions hereof.

Section 19.5 Agreement & Board Policy

This Agreement shall supersede any policies, rules, regulations or practices of the Employer which shall be specifically contrary to or inconsistent with the terms of this Agreement.

Section 19.6 Agreement in Force

This Agreement shall continue in full force until a new Agreement is signed and in place.

Section 19.7 Effective Date

This Agreement shall become effective on the first (1st) day of July, 2017, and shall continue in full force and effect until the thirtieth (30th) day of June, 2019.

BOARD OF TRUSTEES FOR NEBRASKA STATE COLLEGES

NEBRASKA STATE COLLEGE PROFESSIONAL ASSOCIATION

By: _____ Gary Bieganski, Board Chair

By S/: _____ Karen Granberg, Chief Negotiator, Wayne

By: _____ Stan Carpenter, Chancellor

By S/: _____ Deb Smith, Team Member, Chadron

By: _____ Kristin Petersen, Chief Negotiator NSCS

By S/: _____ Bruce Huckfeldt, Team Member, Chadron

By S/: _____ Patricia Rippe, Team Member, Peru

Attachment: NSCPA Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

2017-2019 NSCPA Agreement

By S/: _____
Kori Griepenstroh, Team Member, Peru

By S/: _____
Michelle Meyer, Team Member, Wayne

*S/: denotes electronic signature

Attachment: NSCPA Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

2017-2019 NAPE Agreement

**AGREEMENT
2017-2019**

THIS AGREEMENT is made and entered into by and between the Board of Trustees of the Nebraska State Colleges at Chadron, Peru and Wayne, Nebraska, acting on its own behalf and through its agents and hereinafter referred to as the "Employer," and the Nebraska Association of Public Employees, Local #61, of the American Federation of State, County, and Municipal Employees, hereinafter referred to as the "Union."

This Agreement shall be construed and enforced in accordance with, and is subject to, the laws of the State of Nebraska. If any portion of this Agreement shall be declared invalid or unenforceable by a court of competent jurisdiction, such declaration shall not affect the validity or enforceability of the remaining provisions hereof.

This Agreement shall become effective on the first (1st) day of July 2017, and shall continue in full force and effect until the thirtieth (30th) day of June 2019.

This instrument constitutes the entire Agreement between the parties hereto and the Employer, the Union and the employees shall abide by it.

**ARTICLE 1.
RECOGNITION**

Section 1.0 Bargaining Unit. By the terms of this Agreement, the Employer recognizes the Union as the exclusive bargaining agent for all regular full-time (0.75 FTE and above), nonsupervisory support staff employees, hereinafter referred to as employee(s), employed at its colleges located at Chadron, Peru and Wayne, Nebraska for the purpose of negotiating with respect to hours of labor, rates of pay and working conditions. This Agreement will not apply to employees who are excluded from the bargaining unit including supervisors, part-time, interim or temporary employees, and other employees not categorized as support staff.

It is also understood and agreed that the following positions are excluded from the bargaining unit:

- a) Office Assistant in the Human Resources Office
- b) Office Assistant to Vice President for Administration or Business
- c) Secretary to the President
- d) Support Staff in the System Office
- e) Foundation Employees whose positions are funded entirely by Foundation

Section 1.1 Exclusive Representation. The Employer agrees that it will not sign any contract, make any written agreement, or recognize any other employee representative for the employees covered by this Agreement during the term of this Agreement.

Section 1.2 Supersede. This Agreement will supersede any rules, regulations or practices of the Employer which will be specifically contrary to or inconsistent with the terms of this Agreement.

2017-2019 NAPE Agreement

Section 1.3 Modification of Terms and Conditions. Any term or condition of employment expressly stated in this Agreement may not be eliminated or modified in any way during the term of this Agreement without mutual agreement between the Employer and the Union.

Section 1.4 Matters of Mutual Interest. Presidents or Vice Presidents and a Union representative, upon mutual agreement, may meet and confer to discuss matters of mutual interest. Such meetings shall not serve or result in circumventing grievance procedures.

The Vice Chancellor of Employee Relations and the Union representative, upon mutual agreement, may meet and confer to discuss terms and conditions of employment other than the expressed terms of this Agreement and resolve any concerns or disputes that may arise.

ARTICLE 2. NONDISCRIMINATION

Section 2.0 Prohibition. The Employer and Union agree that no preference or discrimination will be shown by either the Employer or Union for or against any employee in regard to race, color, national origin, age, sex, sexual orientation, gender identity, disability, religion, political affiliation, or affiliation or nonaffiliation with the Union, or engage in any harassment, all as provided by law.

Equal Opportunity Statement. The Nebraska State Colleges are equal opportunity institutions and do not discriminate against any student, employee or applicant on the basis of race, color, national origin, sex, sexual orientation, gender identity, disability, religion, or age in employment and education opportunities, including but not limited to admission decisions. Each College has designated an individual to coordinate the College's nondiscrimination efforts to comply with regulations implementing [Title II of the Americans with Disabilities Act](#), [Titles VI and VII of the Civil Rights Act](#), [Title IX of the Education Amendments of 1972](#), [the Age Discrimination Act of 1975](#), and [Section 504 of the Rehabilitation Act](#). Inquiries regarding non-discrimination policies and practices may be directed to the Compliance Coordinators assigned at each College and identified on each College website.

Section 2.1 Exercising Agreement Rights. No employees shall be harassed or discriminated against for filing or participating in a grievance or otherwise exercising their rights under this Agreement. In the spirit of continuing their harmonious and cooperative relationship, the Employer and the Union agree to implement and exercise the provisions of this contract in a fair and responsible manner.

ARTICLE 3. MANAGEMENT RIGHTS

Section 3.0 Employer Rights. All management rights, functions, responsibilities, and authority not specifically limited by the express terms of this Agreement are retained by and remain

2017-2019 NAPE Agreement

exclusively within the rights of the Employer to the extent that such rights do not violate its legal authority, and to the extent such rights are not modified by this Agreement. The management of the Colleges, including the right to make reasonable rules and regulations, to test for cause for alcohol or illegal substances, to direct the work force, to hire, promote, transfer, suspend or discipline and/or discharge for just cause, to establish a classification and compensation plan, to layoff employees, to introduce new methods, equipment, and facilities, to supervise and control all College operations, to define job responsibilities for each position, to establish hours of work and to approve leave time, subject to the provisions hereinafter set forth in this Agreement, are vested exclusively in the Employer.

Section 3.1 Work Rules. Employees will be notified in writing of newly established work rules or amendments, handbooks, policies and procedures related to the terms and conditions of their employment at least five (5) working days prior to their effective date.

ARTICLE 4. HIRING

Section 4.0 Vacancies. Whenever a vacant position, which is covered by this Agreement, is posted, a notice of such opening will be listed on designated employee bulletin boards and the College website stating the job title, description, qualifications, date of availability, and where appropriate, minimum pay.

Section 4.1 Selection Criteria. The Employer may consider external candidates for any vacant position as well as internal candidates and may conduct internal and external searches simultaneously. The Employer shall fill job vacancies using a variety of factors including, but not limited to, knowledge required, work experience and ability, relevant job related tests, and, if applicable, active recall rights. If the qualifications and suitability of external and internal candidates are relatively equal, the Employer will select the most senior internal candidate.

Section 4.2 New Employee Salaries. New employee salaries will be set based on qualifications and experience but will not exceed Step 2 of the Salary Guide without written approval of the Chancellor. The Chancellor will provide a copy of the justification to the Union upon request. New employees must have related work experience or formal education above the high school level or certification in a work related program in order to receive a salary exceeding five percent (5%) of Step 1 of the Salary Guide.

Section 4.3 Agreement Notice to New Employees. The Employer agrees to inform every new employee at the time of initial hire where a copy of this Agreement may be accessed online. A written copy of this Agreement shall be provided to a new employee upon request.

Section 4.4 Background Checks. Offers of employment are contingent on the applicant successfully passing a background check.

ARTICLE 5. PROBATION

2017-2019 NAPE Agreement

Section 5.0 Probation Period. New employees shall be required to complete a probation period of six (6) months from the date of hire and shall be so notified. Employees who transfer from one College to another may be required by the immediate supervisor to complete a probation period. Probationary employees shall have no grievance rights under this Agreement but shall retain all applicable rights under state and federal law.

Section 5.1 Extensions. A probationary employee may have the probation period extended for up to an additional six (6) months for reasons of performance, transfer, promotion or leave of absence, at the discretion of the immediate supervisor.

The notice of extension will be in writing and will include the specific period of extension. In case of extension for performance reasons the employee will be provided specific performance improvement requirements.

Section 5.2 Discharge. Employees may be discharged at any time during the probation period with or without cause. The President or designee will notify the employee in writing of the date the discharge is effective. Upon employee request, the President or designee will give the employee the reason for the discharge.

Section 5.3 Transfers. Employees who have successfully completed their probation period and thereafter transfer to another position in another classification series or who are permitted to transfer to another College may be required, with sufficient written notice, to satisfy another probation period in the new position.

ARTICLE 6. JOB RESPONSIBILITIES

Section 6.0 Classification Descriptions and Job Descriptions. The Employer maintains classification descriptions for all employees. In addition, each employee shall have a description of his or her specific job responsibilities. Classification descriptions are available to the employee upon request at the Human Resource Office. Classification descriptions can also be found on the College website. Job descriptions are provided to employees by the Supervisor or the Human Resource Office. Copies of job descriptions are also provided to the Human Resource Office.

Section 6.1 New Job Responsibilities. If new responsibilities are added to the employee's job duties or job description, the employee will be so advised with as much advance notice as is practical and the supervisor and employee will meet to discuss any realignment or adjustment of existing duties or priorities. The supervisor and employee will meet to discuss necessary adjustments of workload assignments for the scheduled work week. Upon request by the employee, the supervisor will provide notice of the new job responsibility in writing.

Section 6.2 Discussion of Job Responsibilities. The assignment of job responsibilities shall be reasonably related to the employee's classification description. If the assigned job responsibility is reasonably related to the employee's classification description, the assignment is not grievable. An employee may request a meeting with the Human Resource Director/AVP and the immediate supervisor to discuss job responsibilities,

2017-2019 NAPE Agreement

either in terms of workload or the appropriateness of an assignment in relation to the classification description.

Section 6.3 Temporary Pay Increases. When an employee is assigned by a supervisor to perform the duties of a position in a classification higher than the classification currently held by the employee for a period of four (4) hours in a work day, the employee shall receive a temporary pay increase to the minimum rate of the salary grade of the higher classification for the time worked, or a four percent (4%) increase in their current pay for the time worked, whichever is higher.

If employees are assigned to perform the duties of a higher classification on an ongoing basis, but less than four (4) hours in a work day, the Employer has the discretion to provide a temporary pay increase.

Section 6.4 Training. Where appropriate and at the discretion of the Employer, training sessions, seminars, workshops or meetings necessary for the accomplishment of the employee's assigned duties will be provided to the employee. Priority will be given to immediate work requirements and safety issues when assigning employees to training or meeting activities.

The cost of training required by the Employer shall be paid for by the Employer, including travel, supplies, and equipment expenses. An employee participating in required training shall be considered to be on work time. If required training is not offered during a regular workday, the employee shall be allowed compensatory time off for the actual hours in training including any travel time associated with such training.

Section 6.5 Degree Completion. In recognition of the employee's increased value to the Employer, the Employer shall provide a salary base increase upon the completion of each academic degree earned after the commencement of employment and after the effective date of this Agreement. Base salary increases will be awarded only on July 1st following completion of the degree program. Official transcripts or other appropriate documentation from the awarding institution must be provided to the Human Resources Office prior to July 1st in order to receive the salary increase. Salary increases will be based on the following schedule.

Associate Degree	\$500
Bachelor's Degree	\$750
Master's Degree	\$1,000

Attachment: NAPE/AFSCME Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

2017-2019 NAPE Agreement

- Section 6.6** Certification Completion. The Employer shall provide a salary base increase upon the completion of each certification program approved by the immediate supervisor and appropriate Vice President in writing that relates to the employee's position and better qualifies the employee to perform assigned tasks. The amount of the salary base increase will be determined by the Employer. The increase shall reflect the value of and benefit of the employee's newly acquired competencies but shall not exceed three hundred dollars (\$300.00) for each completed certification program. After providing the salary increase under this Section, the Employer has the right to continue to require the employee to maintain a current certificate without further compensation.
- Section 6.7** Proposal Opportunity. The Union shall have the opportunity to submit a proposal to the Employer regarding degree and certification payments before the end of the first year of this Agreement.

ARTICLE 7. HOURS OF WORK AND OVERTIME

- Section 7.0** Workweek. The regular workweek, Sunday through Saturday, shall mean five (5) consecutive workdays of eight (8) hours per day unless there is mutual agreement between the employee and the immediate supervisor to work a flex-time schedule (for example, four (4) ten (10) hour days of summer schedule). Employees may request flex-time schedules or schedule deviations which will be considered in conjunction with College needs. Approval of a flex-time schedule request by an employee shall not be unreasonably denied. Supervisors may adjust employee workweek schedules to accommodate College needs. The assignment of reasonable employee work schedules is a non-grievable matter. Overtime must be authorized in writing by the immediate supervisor before any work is performed.

In the event of an emergency, or when it is not possible or practical to obtain prior approval for overtime work to be performed, the immediate supervisor may approve the overtime in writing subsequent to the time the work was performed.

- Section 7.1** Evenings, Weekends and Holidays. Employees may be required to work evenings, weekends, and holidays. If an employee is required to work on a holiday, the employee will be allowed comparable time and one-half off on a mutually agreed upon alternate date. When scheduling the alternate date, the employee's request shall not be unreasonably denied.
- Section 7.2** Overtime Pay. Employees must be paid at time-and-one-half for all hours worked in excess of forty (40) hours, unless given compensatory time off under the conditions outlined in Section 7.3 below.
- Section 7.3** Compensatory Time. At the discretion of the Employer, compensatory time on a one-and-one-half basis may be given in lieu of overtime pay; provided, however, that an employee may not accrue more than two hundred forty (240) hours of compensatory time (one hundred sixty (160) hours of time worked). Unused compensatory time shall be paid at the end of employment. Use of compensatory time will be granted within a

2017-2019 NAPE Agreement

reasonable period of time after employee's request if such use does not unduly disrupt the operations of the college.

Section 7.4 Overtime Preference. Employees may be required to work more than a forty (40) hour week. If fewer employees than the full crew are required, overtime will be offered in the following order:

- a) To the employee performing the work requiring overtime;
- b) To employees working within the same class of work requiring overtime, on the basis of seniority; and then;
- c) To employees on the basis of job qualifications and seniority.

If a sufficient number of employees fail to volunteer for overtime, it will be assigned by reverse seniority to employees in the classification requiring overtime.

Section 7.5 Overtime Notice. In the event of the need for work past a regularly scheduled work shift, employees will be notified as soon as practical, however, no later than three (3) hours before the end of their regularly scheduled work shift on that day, unless an emergency arises in which case notice is to be given as soon as is practical. In the event of the need for Saturday or Sunday work, for employees who are not regularly scheduled to work on those days, the employees will be notified as soon as is practical but at least three (3) hours before the end of their regular shift on the preceding Friday, unless an emergency arises in which case notice will be given as soon as is practical. An emergency is defined as any unexpected and unforeseen event under circumstances that could not have been anticipated by the immediate supervisor.

In the event of an emergency need to require employees to report to work earlier than their regularly scheduled work shift, the employees will be notified prior to the end of the preceding work shift. If prior day notification is not possible, notice will be given as soon as practical. Employees will not be required to report to work earlier than their regularly scheduled work shift, unless an emergency exists. Employees must be paid at time and one-half for all hours worked in excess of forty (40) hours, unless given compensatory time off under the conditions outlined in this Article.

If work is required outside an employee's regular work week for a scheduled activity, the employee will be given as much advance notice as possible but not less than ten (10) working days written notice prior to the beginning of the work week. When the compensating time-off during the workweek is to be scheduled, the time-off will be reasonably determined by mutual agreement.

Section 7.6 Called Back. Employees, who have left the college and are later "called back" to work after completing their regular work shift, will be compensated for actual time worked, but in no event less than two (2) hours. Employees shall not be required to be "on call," and employees shall not be required to report back to work except in the case of an emergency, as defined in Section 7.5.

Section 7.7 Lunch. Employees will be allowed an unpaid lunch period of at least thirty (30) minutes as scheduled by the immediate supervisor. In addition, employees will be allowed to take a fifteen (15) minute relief period as scheduled by the immediate

2017-2019 NAPE Agreement

supervisor both before and after lunch period but not in connection with the lunch period. In the event that employees are required to work in excess of ten (10) hours in a work day, they will be allowed an additional fifteen (15) minute relief period as scheduled by the immediate supervisor.

Employees working full time in the boiler houses will not be provided an unpaid lunch period. Those employees may eat lunch during their regular shift while performing work and receiving pay.

Section 7.8 Schedule Changes. Unless agreed to by the employee, the employer shall provide at least ten (10) working days written notice prior to making any permanent change in a work schedule. To the extent practicable, the schedule change will take into consideration the employee's schedule preference.

Section 7.9 Break Between Shifts. Employees shall be given at least ten (10) hours rest between required shifts except in circumstances involving an emergency, as defined in Section 7.5.

ARTICLE 8. HOLIDAYS

Section 8.0 Holiday Schedule. The following holidays (eight (8) hours each) are compensated holidays:

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Friday following
Christmas Day	December 25

In addition to the seven (7) holidays noted above, the Employer shall schedule five (5) other holidays during the calendar year. The Employer may also schedule additional holidays to match state and federal holiday observances.

Military veterans shall, upon request, be permitted to observe the Veteran's Day holiday on the observed date. Leave will be charged to the employee's vacation leave balance or time can be made up within thirty (30) workdays. The request for leave shall not be unreasonably denied.

Section 8.1 Work on Holidays. It is understood that no employee will be requested to work on a holiday unless absolutely necessary. Employees required to work on holidays shall be paid overtime or earn compensatory time according to Article 7. Employees who are assigned to work on the Saturday and Sunday between Christmas Day and New Year's Day will be compensated at the rate of time and one-half.

2017-2019 NAPE Agreement

- Section 8.2** Eligibility for Holiday Pay. In order for an employee to be eligible for holiday pay the employee must work his or her scheduled work day before and after the holiday or be authorized to use paid or unpaid leave on the day before and after the holiday. Holiday pay shall be at the regular rate of pay and time worked on a holiday shall be one-and-one-half of the regular rate of pay.
- Section 8.3** Holidays on Days Off. Employees may be allowed another day off, if the holiday falls on their regularly scheduled day off of work. Time will be reported as eight (8) hours of holiday leave.

ARTICLE 9. PERFORMANCE EVALUATION

- Section 9.0** Objectives. The overall objectives of an employee performance evaluation program are to measure, maintain, and improve job performance. The evaluation program will attempt to promote high levels of achievement and morale through a system which encourages supervisors and employees to work together to improve performance and to facilitate communication concerning employee progress toward the attainment of performance objectives.
- Section 9.1** Probation Performance Report. A performance report for employees will be prepared by the immediate supervisor prior to the conclusion of the probation period per Section 5.0 or any extension thereof and annually thereafter. Each performance evaluation must be conducted by the employee's immediate supervisor. Each report must be reviewed by the evaluator's supervisor prior to discussion with the employee.
- Section 9.2** Performance Conference. The supervisor will schedule a conference with the employee prior to May 1 of each year to discuss the evaluation in relation to the job assignment for the past evaluation period and to jointly set goals and specific objectives for the coming year. Counseling on performance issues shall be done in private.
- Section 9.3** Acknowledgment, Rebuttal or Comments. Performance evaluation reports must be reviewed and acknowledged by the employee. Acknowledgment signifies only that the employee has reviewed and discussed the performance evaluation. Each employee will receive a copy of his or her performance evaluation report and have an opportunity to comment or rebut any performance assessment. Employees may comment on supervisory and work issues. A copy of each performance evaluation report and any rebuttal or comment submitted will be included in the employee's personnel file. A copy of the employee rebuttal or comment shall be provided to the evaluator's supervisor.
- Section 9.4** Evaluation Criteria. All employees will be provided the criteria/standards to be used in the evaluation of their job performance. If the criteria/standards for evaluation change, the employee will be so advised. Evaluations shall be based on the job duties assigned and conduct during the evaluation period.

2017-2019 NAPE Agreement

- Section 9.5** Form. A standardized evaluation form will be used and will include four (4) rating categories for performance. The categories shall be as follows: Exceeds Expectations, Satisfactory, Needs Improvement, and Unsatisfactory. Only an overall satisfactory or above performance designation is eligible for any negotiated annual increase to base salary, if any. The form shall also contain a section to document goals set pursuant to Section 9.2.
- Section 9.6** Absence of Evaluation Report. If no annual performance evaluation report is conducted, the employee will be considered to have performed satisfactorily.
- Section 9.7** Corrective Action Plan. In case of identified areas of concern, a corrective action plan identifying specific requirements and outcomes will be created by the supervisor in consultation with the employee. Such a plan will be acknowledged with the employee's signature and attached to the original evaluation report with a copy placed along with the evaluation in the employee's personnel file.

ARTICLE 10. CLASSIFICATION

- Section 10.0** Classification Assignment. Each employee will be assigned to an authorized classification designated by the Employer and will be compensated in accordance with the salary grade applicable to the designated classification as of the date of this Agreement.

The Employer agrees to classify/reclassify positions based on the scope and level of duties and responsibilities assigned, the nature and extent of supervision received and exercised, and the knowledge, abilities and skills required with the end result being that all classifications are in balance with the classification for similar work being performed by other College employees. The employer retains the right to assign and reassign work, which may affect the classification assignment of each position.

- Section 10.1** Classification Review Request. If an employee or supervisor believes that the placement of an employee's classification assignment warrants a review, the employee or supervisor may request a review provided the position has not been reviewed by the Human Resources Office in the previous six (6) calendar months. An employee's classification is not eligible for a review for the first year of employment. Requests for review will be submitted in writing to the Human Resources Director/AVP and the employee's immediate supervisor and will contain the following:

- a) a current classification description questionnaire completed by the employee;
- b) a concise and specific statement as to why the employee believes the current classification assignment is inappropriate and the specific reasons therefore; and,
- c) a concise and specific statement of the classification sought (which must be a currently existing classification), and the specific reasons therefore.

2017-2019 NAPE Agreement

Section 10.2 Classification Review Process.

- a) Upon receipt of an employee classification description questionnaire, the Human Resource Director/AVP shall have fifteen (15) working days to review the assignment of duties and responsibilities of a position with the immediate supervisor and appropriate Vice President.
- b) Within the thirty (30) working days after receiving the questionnaire, the Human Resource Director will meet with the classification panel to discuss the request and the information submitted from the employee, supervisor and Vice President.
 - i) The classification panel shall be made up of five (5) members. The chair of the panel will be the Human Resource Director/AVP. Two (2) committee members will be appointed by the President and two (2) committee members will be appointed by the Union.
- c) The Human Resource Director/AVP will inform the President regarding the information that was received from the employee, supervisor, Vice President and the classification panel. The President will issue the College's final decision regarding the classification request. Determination of job duties and responsibilities is exclusively the authority of the President.
- d) If the review determines that a reclassification is not appropriate, no salary adjustment will be made. Job duties may be restructured, if necessary, to conform the job to its original classification.
- e) If the review determined that a reclassification is warranted and the Employer decides to continue the assigned duties and responsibilities in question, the reclassification is subject to the promotion terms and provisions contained in Article 16.
- f) Time limits in this Article will be adhered to unless otherwise agreed to in writing by the Employer and the Union or the employee.

Section 10.3 Appeal to the Chancellor. The employee may appeal the President's decision within ten (10) working days by filing all prior responses with the Chancellor. The Chancellor shall render a decision that is final within ten (10) working days of receipt of the appeal.

Section 10.4 Pay and Classification Plan Changes. The Chancellor, or designee, will notify the Union of newly created classes and classification title changes when such changes are made in the Support Staff Pay and Classification Plan. Any proposed revisions to the existing Plan including, but not limited to, creation of a new pay grade or assignment of a pay grade to a newly created classification shall require the Employer to negotiate with the Union before such revisions are implemented. The Employer and Union agree that any revision of the Classification and Pay Plan that may occur during the term of this Agreement shall not result in a loss of pay to any employee because of a downward reclassification of a position covered by this Agreement.

2017-2019 NAPE Agreement

ARTICLE 11. CORRECTIVE AND DISCIPLINARY ACTIONS

Section 11.0 Verbal Counseling. Verbal counseling is an informal level of corrective action. Verbal counseling is not disciplinary action. Verbal counseling is not grievable. It is a warning given by an immediate supervisor in conference with an employee in which the matter is discussed with the employee. The employee will be advised what action is expected of him or her to correct the problem.

Section 11.1 Employer Right to Discipline. The right to exercise discipline for just cause is vested exclusively in the Employer; provided that an employee who has been disciplined will be advised of the reason or reasons for such action. The level of discipline imposed shall be based on the nature and severity of the infraction. Disciplinary action challenged by the employee or the Union as not in conformance with this Agreement, may be grieved as provided in Article 15, however, disciplinary dismissals may only be challenged as provided in Section 11.6.

Section 11.2 Predisciplinary Notice. Prior to imposing discipline, employees are entitled to notice of the allegations against them which will identify the nature of the offense, the rule, policy, or performance standard violated and include an explanation of the evidence against them. The notice will include a description of the incident(s) involved and date(s) of occurrence as applicable.

Section 11.3 Employee Opportunity to Respond. Prior to imposing discipline the employee will additionally be entitled to an opportunity to respond to the allegations, present mitigating evidence, or present reasons why disciplinary action should not be taken.

Employees may be represented by the Union at such predisciplinary meetings which have the potential to lead to discipline. Employees shall be notified in advance that the meeting may have the potential to lead to disciplinary action and that he or she has the right to union representation. Unless otherwise agreed to, employees are not entitled to representation at routine supervisory or nondisciplinary corrective counseling conferences or meetings.

Section 11.4 Notice of Disciplinary Action. As specified in Section 11.2, an employee will be notified in writing whenever any disciplinary action is taken against him or her. The employee must acknowledge receipt by signing the written disciplinary notice. The employee's signature does not constitute agreement with the content of the notice. If the employee refuses to sign, the supervisor and a witness will sign a notation of the employee's refusal on the notice. A copy of the written disciplinary notice will be placed in the employee's personnel file.

Section 11.5 Types of Disciplinary Action.

- a) **Written Warning.** Written warnings consist of a discussion between the employee and a supervisor in which the supervisor explains in detail the reasons for the warning and then provides a written disciplinary notice to the employee of the action required to correct the unsatisfactory performance, the time allowed for improvement and the consequences, including dismissal, for future violations or failure to improve.

2017-2019 NAPE Agreement

- b) **Disciplinary Probation.** A disciplinary probation may be imposed by the appropriate Vice President or designee for a period of up to six (6) months, but may be extended to a total of one (1) year, during which time the employee's performance must improve. A corrective action plan including the time allowed for improvement and the consequences, including dismissal, for future violations or failure to improve shall be included in the written disciplinary notice.
- i) Employees on disciplinary probation shall not be promoted or granted merit pay increases.
 - ii) Employees granted leave while serving disciplinary probation may have their probation extended by the number of days absent on leave.
 - iii) Employees may be removed from disciplinary probation by a written notice of the appropriate Vice President or designee.
- c) **Disciplinary Suspension Without Pay.** A period of suspension imposed by the President shall be without pay and shall not exceed five (5) working days. The Disciplinary notice informing the employee of suspension shall be dated and include the reason for the suspension, the number of days of the suspension, time allowed for improvement and the consequences, including dismissal, for future violations or failure to improve.
- i) The employee's service date shall be adjusted by the number of calendar days absent during a suspension.
 - ii) Employees on suspension shall not be granted paid leave during the suspension period.
- d) **Demotion.** A President may demote an employee to a class of a lower salary grade as a disciplinary action. The employee's duties shall be changed to reflect the new classification. Upon demoting an employee for disciplinary reasons, a President shall reduce the employee's salary a minimum of five percent (5%) and the salary may not be above the Maximum Rate of the new salary grade. However, demoted employees' salaries may be reduced no lower than the minimum salary of the new salary grade.
- The written notice regarding the demotion time shall specify the time allowed for improvement and the consequences, including dismissal, for future violations or failure to improve.
- e) **Discharge.** Other than an employee serving a probation period subject to Article 5, an employee may not be discharged without just cause. Discharge is removal from employment for failure to respond to previous disciplinary actions or when extreme circumstances render any preceding steps unnecessary or inappropriate.

2017-2019 NAPE Agreement

Section 11.6 Discharge Process and Procedure.

- a) Upon receipt of a supervisor and/or Vice President's recommendation to dismiss an employee, the President shall inform the employee, in writing, of a time at which the employee may present any additional facts, material, or evidence regarding the employee's potential discharge to the President or a designee. Failure by the employee to appear shall act as a waiver by the employee to the aforementioned meeting but shall not be construed as an admission regarding the allegations. The employee may be represented by the union or an attorney in the meeting.
- b) Within five (5) work days following the scheduled date of the meeting, the President shall provide the employee a copy of his or her recommendations regarding the discharge. The five (5) day period may be extended upon agreement between the President, employee and representative. A copy of the President's recommendation shall be forwarded to the employee by Certified Mail with instructions to "Deliver to Addressee Only, Return Receipt Requested" or by personal delivery, or deposit to the employee's last known address. A copy of the President's recommendation shall also be forwarded to the Chancellor.

If the President recommends that the employee be discharged, the written notice shall inform the employee that he or she may obtain a hearing before an arbitrator by delivering a written request to the Chancellor within ten (10) work days of the employee's receipt of the President's notice. The arbitrator will be selected by a process agreed to by the parties.

- c) If no timely written request of a hearing is received by the Chancellor, the Chancellor shall render a final decision regarding the discharge recommendation based on the existing record.
- d) If a hearing is requested, the Arbitrator will notify the parties in writing of the date, time, and place of the hearing. To the extent possible, hearings shall be scheduled during or contiguous to the employee's normal working hours.
- e) At a hearing, the employee may be present and be heard, be represented by the Union or an attorney (at the employee's expense), examine documentary evidence presented, cross-examine witnesses, offer documentary evidence and present witnesses.
- f) The arbitrator's findings of fact and recommendation shall be provided to the parties and the Chancellor.
- g) If the employee is not satisfied with the decision made by the arbitrator, the employee may seek relief under applicable state and federal laws.
- h) An employee recommended for discharge shall continue to be an employee until the appeal procedure has been exhausted or until the employee has failed to advance the appeal in a timely fashion. The employee may be

2017-2019 NAPE Agreement

suspended with pay or reassigned to other duties during the appeal procedure at the discretion of the President.

Section 11.7 Investigatory Suspension. An employee who is under investigation for misconduct, charged with, criminal activity or for other reasons at the discretion of the President or designee, shall be suspended with pay, until such time as it is possible to determine if disciplinary action should be taken. Investigatory suspensions are non-grievable.

Section 11.8 Tape Recording. Any meeting or hearing held pursuant to this Article may be tape recorded if all parties agree.

ARTICLE 12. RESIGNATIONS, ABANDONMENT, LAYOFFS

Section 12.0 Resignation. To resign in good standing, the employee must give written notice to the Human Resources Director/AVP with a copy to the immediate supervisor, at least two (2) weeks before separation, unless the Human Resources Director/AVP agrees to a shorter period.

Section 12.1 Abandonment. An employee may be considered to have abandoned the job if he or she has been absent from work for longer than two (2) work days without being on approved leave or without notifying the appropriate supervisor unless such notice is impossible. Such abandonment will be considered as a voluntary resignation not in good standing.

Section 12.2 Layoffs. The Employer decides when a layoff is necessary, and which classes of employees and positions will be affected. Layoffs may be determined necessary because of budget adjustments or reallocations, a modification of position workloads, or elimination of or change in scope of institutional services, or as the result of any other job-related management decision.

Section 12.3 Employee Qualifications. When a layoff is necessary, the Employer will lay off employees so that the reduction will be made in such a manner that the remaining employees possess the necessary qualifications to perform the required duties.

Section 12.4 Attrition. The Employer will make an effort to avoid a layoff by use of attrition wherever possible.

Section 12.5 Notice Prior to Layoff. Employees to be laid off will be given as much notice as possible, but at least a fifteen (15) working days written notice.

Section 12.6 Selection for Layoff. After the classification(s) targeted for layoff has (have) been determined, the employee(s) in the classification(s) who has (have) the least College seniority shall be selected for layoff first. The layoff(s) shall proceed in order to the next least senior person(s) in the classification(s).

Section 12.7 Bumping Rights. Employees laid off may exercise bumping rights as follows:

- a) An employee may bump the lowest senior person in the next lowest job

2017-2019 NAPE Agreement

classification in the series provided that the employee has more College seniority.

- b) If the lowest seniority person in the next lowest classification in the series has more seniority, then bumping to that position is not allowed, and the same process would be applied to the next lowest classification in the series, and so on.
- c) In classifications where there are no other classifications in the series, employees may bump persons with the least seniority in classifications they previously held provided that the employee has more College seniority.
- d) Employees who are bumped would then have the same options as laid off employees.
- e) If employees elect not to bump, employees who are targeted for layoff shall be placed, by College seniority, in vacant positions of the employee's(s') choice which the College fills at the same or lower pay grades in classifications they are qualified to perform as determined by the Employer.

Section 12.8 Salary Reduction. Employees who are placed in lower salary grades pursuant to this Article shall have their pay reduced by no more than five percent (5.0%) per pay grade but in no case shall pay be reduced below minimum rate for the salary grade. Placement in the salary grade shall be at the corresponding step level appropriate to the employee's longevity in that classification.

Section 12.9 Recall. Recall of employees after a layoff shall be in reverse order of layoff to their previous classification or a lower classification in the same series. Laid off employees shall be eligible for recall for twelve (12) months. Any employee wishing to remain eligible for recall, during the twelve-month (12) period, must keep the Human Resource Office advised of his or her current address.

Section 12.10 Circumventing Layoff or Bumping Process. If the Union has reason to believe that a promotion or reclassification took place in order to circumvent the layoff or bumping process, the Union shall have the opportunity to meet and discuss the matter with the Vice Chancellor of Employee Relations. The promotion or reclassification decision will be reviewed to ensure that actions were not taken in bad faith.

Section 12.11 Hiring Temporary Employees. The Employer agrees not to hire temporary employees if such hiring would result in a lay-off of any employee covered by this Agreement.

2017-2019 NAPE Agreement

**ARTICLE 13.
SENIORITY**

Section 13.0 Calculating Seniority. In determining seniority, an employee will be given credit for the time spent in continuous service as indicated on the employee's employment record and subject to the provisions of this Agreement, including exceptions in Section 16.6.

Section 13.1 Break in Service. Continuous service will be deemed broken and an employee loses all seniority rights if:

- a) He or she is discharged for cause;
- b) He or she has abandoned their job by being absent for two (2) consecutive working days without notifying an appropriate supervisor unless such notice is impossible;
- c) He or she fails, while on layoff, to respond within three (3) working days after signing for the notice which the Employer has, by certified mail, sent him or her to his or her last address recalling him or her to work and to report to work at the time reasonably directed by the Employer, or upon return of the undelivered certified mail; or,
- d) He or she has separated from employment, for any reason, for a period exceeding twelve (12) calendar months.

**ARTICLE 14.
PERSONNEL FILES**

Section 14.0 Official Personnel File. Each College will maintain an official personnel file for each employee.

Section 14.1 Personnel File Contents. The personnel file may include, but not be limited to, the following:

- a) General personnel information;
- b) Academic records;
- c) Personnel actions generated by the Employer; and
- d) Performance evaluation reports, corrective or disciplinary records and other memoranda of discussions with the employee relating to the employee's performance.

Section 14.2 Inspection and Copies. Employees or a Union representative whom the employee has so designated in writing have the right to inspect the contents of their personnel file. Employees have the right to insert a reasonable amount of written material in rebuttal to administrative notices relating to job performance or disciplinary actions. Files must be reviewed in the presence of an appropriate administrator and may not be removed from the Human Resource Office. Authorized rebuttal materials may be forwarded to

2017-2019 NAPE Agreement

the Human Resources Office for placement in the official personnel file. Employees, at their expense, may request copies of materials from their files.

Section 14.3 Notice. Employees will be given a copy of any written material relating to negative performance or conduct at the time it is placed in his or her personnel file.

ARTICLE 15. GRIEVANCE AND ARBITRATION PROCEDURE

Section 15.0 Purpose. The grievance and arbitration procedure as set forth herein is designed only to provide a method to resolve differences involving the interpretation or application of this Agreement. Time limits provided herein are to be adhered to unless modifications are agreed to in writing by the parties to the grievance.

Section 15.1 Representation. If requested, the employee will have the right to have a Union representative participate in any step of the grievance and arbitration procedure.

Section 15.2 Grievance Defined. A grievance is hereby jointly defined to be any claim by an employee regarding the interpretation or application of this Agreement.

Section 15.3 Personnel Files. The Employer will reasonably cooperate in the investigation of all grievances. Access to review personnel files is subject to the provisions in Article 14.

Section 15.4 Grievance Steps. A grievance will be processed in the following manner. The employee has the right to have a Union representative participate in any step. In all cases, where the Union is representing the employee, the Employer shall not discuss the grievance with the employee without the union representative present.

- a) **Step 1.** The employee will discuss the grievance with his or her immediate supervisor in an attempt to settle the grievance.
- b) **Step 2.** If the grievance is not settled in Step 1, the employee may file a written grievance with the Human Resources Director/AVP within no more than fifteen (15) working days after the employee has knowledge or should have had knowledge of the facts giving rise to the grievance. The written grievance shall be recorded on a form mutually agreed upon by the Union and the Vice Chancellor of Employee Relations.

When reducing a grievance to writing, the following information must be stated with reasonable clarity: the exact nature of the grievance, the act(s) of commission or omission, relevant date(s) if known, the identity of individual(s) alleged to have caused the grievance, the specific provisions of this Agreement that are alleged to have been violated, and the relief requested.

Upon receipt of the written grievance and prior to issuance of a written response, the Human Resources Director/AVP and the appropriate Vice President shall meet and confer with the employee in an attempt to resolve the grievance.

2017-2019 NAPE Agreement

A written response to the employee shall be made in writing within ten (10) working days of the date the grievance was filed. If a written response is not received within ten (10) working days, the employee may proceed to Step 3.

- c) **Step 3.** If the grievance is not settled in Step 2, the employee may appeal to the President within ten (10) working days of the receipt of the written response in Step 2, by filing the written grievance form and all prior written responses with the President.

At the employee's request, the President will conduct a conference with the employee in an attempt to resolve the grievance.

Within ten (10) working days of receipt of the written grievance form and all prior written responses, the President will render a written decision to the employee and Union representative, if a Union representative is involved.

- d) **Step 4.** If the grievance is not settled in Step 3, the employee may appeal to the Chancellor, within ten (10) working days of the receipt of the written response in Step 3 by filing the written grievance form and all prior written responses with the Chancellor.

The Chancellor shall notify the employee and Union representative, if applicable, of his or her decision, within twenty (20) working days after receipt of the written grievance form, all prior written responses and any additional information the employee wishes to have considered.

- e) **Step 5.** Within thirty (30) calendar days, if the employee is not satisfied with the decision made by the Chancellor, the employee may request relief, in writing, by binding arbitration except that grievances based on protected classes will be excluded from binding arbitration. The arbitrator will be selected by a process agreed to by the parties. The employee also has the right to continue to seek relief under applicable state and federal laws.

Section 15.5 Grievance Meetings. To the extent possible, all grievance meetings shall be scheduled during or contiguous to the employee's normal working hours.

Section 15.6 Time Limits. Failure of the Employer in any step to render a decision to the employee within the maximum time limits shall automatically allow the employee to proceed to the next step. Failure of the employee to proceed to the next step within the maximum time limit shall be considered as termination of the grievance.

ARTICLE 16. WAGES

Section 16.0 2017-2018 Annual Salary Increase. For the 2017-18 fiscal year, each employee will receive a one percent (1%) salary increase above his or her prior year base salary of July 1, 2016. Increases shall be provided to all employees with satisfactory or better performance evaluation reports.

2017-2019 NAPE Agreement

Section 16.1 2018-2019 Annual Salary Increase. For the 2018-2019 fiscal year, each employee will receive a one percent (1%) increase above his or her prior year base salary on July 1, 2017. Increases shall be provided to all employees with satisfactory or better performance evaluation reports.

Section 16.2 Salary Adjustments.

Reclassifications. Employees who are reclassified to a higher salary grade position will have their new salary determined by adding the difference between the minimum salary of the existing position and the minimum salary of the new position to their current salary base. This section will not be used to determine the salary for employees hired into new positions apart from the reclassification process.

Demotion. Employees who are demoted or move to a lower salary grade position will have their new salary determined by subtracting the difference between the minimum salary of the existing position and the minimum salary of the new position from their current salary base.

Lateral Transfer. Employees who transfer laterally within the same salary grade shall not receive any reduction or increase in pay.

Section 16.3 Salary Guide. A listing of position classifications and the assigned salary grades referred to as the Support Staff Position Salary Guide is attached hereto as Appendix A and made a part of this Agreement. Steps on the Salary Guide for each pay grade will be adjusted upward by one percent (1%) each year of this Agreement.

Section 16.4 Service Date Salary Adjustments. To be effective July 1, 2017:

Employees who have worked five (5) or more years in a listed position will receive, at a minimum, the salary identified in salary category two (2) of the Salary Guide.

Note: Five (5) years of satisfactory or better performance evaluations in a listed position will be required before category two (2) of the Salary Guide will be considered a minimum salary for an employee.

Employees who have worked ten (10) or more years in a listed position will receive, at a minimum, the mid-point salary listed in category three (3) of the Salary Guide.

Note: Ten (10) years of satisfactory or better performance evaluations in a listed position will be required before category three (3) of the Salary Guide will be considered a minimum salary for an employee.

Employees who have worked fifteen (15) or more years in a listed position will receive, at a minimum, the salary identified in salary category four (4) of the Salary Guide.

Note: Fifteen (15) years of satisfactory or better performance evaluations in a listed position will be required before category four (4) of the Salary Guide will be considered a minimum salary for an employee.

2017-2019 NAPE Agreement

Employees who have worked twenty (20) or more years in a listed position will receive, at a minimum, the salary identified in salary category five (5) of the Salary Guide.

Note: Twenty (20) years of satisfactory or better performance evaluations in a listed position will be required before category five (5) of the Salary Guide will be considered a minimum salary for an employee.

Section 16.5 Service Date Salary Limitations. During the term of this Agreement no employee will receive a combined salary increase greater than ten percent (10%) in any one (1) year. Salary increases on July 1, 2017 and July 1, 2018 will be applied prior to the Salary Guide adjustment in determining the maximum increase.

Section 16.6 Years of Service. Time served in any other position as a part-time support staff member, full or part-time faculty member, full or part-time professional staff member, or as a full-time support staff member in another unit position listed on the Salary Guide that is of a different classification series, will not count toward years of service for purposes of determining placement on the Salary Guide. The salaries listed in salary categories two (2), three (3), four (4) and five (5) apply only to employees with actual time served in their current listed position on the Salary Guide.

Employees hired between July 1st and September 30th of any calendar year will be credited with one (1) full year of service in a listed position on July 1st of the next fiscal year, and with an additional year of service each July 1st thereafter. To be credited with their first year of service on the Salary Guide, employees hired between October 1st and June 30th of any calendar year will be required to serve in a listed position until the second July 1st following the date of their initial employment.

Section 16.7 Teaching or Coaching Duties. Employees may accept an employment appointments for teaching or coaching duties performed outside their regularly assigned work schedule with the approval of the immediate supervisor and the Academic Vice President. All such employment appointments are subject to compensation requirements per the Fair Labor Standards Act (FLSA). Such appointments shall be limited to one (1) or more courses of no more than three (3) credit hours per semester in each of the fall and spring semesters, and one (1) summer term, but it is otherwise understood that the terms and conditions of such employment are not covered by or subject to this Agreement.

ARTICLE 17.

INSURANCE, RETIREMENT, BENEFITS AND EMPLOYEE ASSISTANCE PROGRAM

Section 17.0 Available Insurance. The Employer agrees to make available the same level of group medical, dental, life, vision, and disability insurance coverages currently being provided.

If costs of coverages should increase during the second (2nd) year of this Agreement, the Employer and the Union agree to continue the same arrangement for sharing costs. Nothing within this Agreement, however, shall prohibit the Employer from considering other insurance carriers. Prior to putting any insurance contract out for

2017-2019 NAPE Agreement

bids to insurance carriers, the Employer shall meet and confer with the Union in regard to specifications of such contracts.

Section 17.1 Medical Insurance. A medical plan will be offered which requires the employee to satisfy the lowest calendar year deductible amount offered by the insurer and a co-insurance amount with an out-of-pocket stop loss limit amount after which all other eligible medical claims will be covered for the remainder of the calendar year. The Employer will contribute a fixed dollar amount equivalent to eighty-five percent (85%) of the aggregate costs of the individual medical plan for the term of this Agreement, with the employee responsible for the remaining amount of the cost of coverage. For those employees who opt for coverage under a family medical plan, the Employer will contribute toward either family plan, employee/children or employee/spouse a fixed dollar amount equivalent to seventy-five percent (75%) of the aggregate costs of the family medical plan for the term of this Agreement, with the employee responsible for the remaining amount of the cost of coverage.

When both members of a married couple are employed and request family coverage, each individual will be required to contribute an amount equal to the contribution an employee makes toward single coverage.

Section 17.2 Dental Insurance. A PPO dental plan will be provided which covers one-hundred percent (100%) of the aggregate costs of preventive and diagnostic services, maintenance dentistry, and restorative dentistry. Such coverage will include dental services ranging from examinations, cleaning and fillings to caps, crowns, bridges and root canals. Orthodontic services will not be provided. The Employer will contribute eighty-five percent (85%) toward the cost of single dental coverage. For those employees opting for family dental coverage, the Employer will contribute seventy-five percent (75%) toward the cost of family, employee/children, or employee/spouse dental coverage. An employee must be enrolled in the group medical plan to be eligible for dental plan coverage.

When both members of a married couple are employed and request family coverage, each individual will be required to contribute an amount equal to the contribution an employee makes toward single coverage.

Section 17.3 Flexible Spending Accounts. The Employer agrees to provide an opportunity for employees to voluntarily participate in a flexible spending account, subject to provisions of IRS Code Section 125. Employees may choose to set aside an amount from their paychecks, which is not taxed, in a medical or dependent care account for payment of eligible expenses.

Section 17.4 Life Insurance. A life insurance plan offering group term life insurance coverage in the amount of thirty thousand dollars (\$30,000) will be provided at the Employer's expense with the employee permitted to supplement the basic coverage with either a ten thousand dollar (\$10,000), twenty thousand dollar (\$20,000), fifty-thousand dollar (\$50,000), one-hundred thousand dollar (\$100,000), or one-hundred eighty thousand dollar (\$180,000) optional life insurance policy addition at the employee's expense. Employees may also purchase a two thousand dollar (\$2,000) dependent life policy on spouse and child, or a five-thousand dollar (\$5,000) dependent life policy on a child,

2017-2019 NAPE Agreement

or ten-thousand dollar (\$10,000) coverage for a spouse at the employee's expense. Eligible coverage for children begins at six (6) months of age.

In accordance with current policy provisions, employees' life insurance benefits are reduced to 50% at seventy (70) years of age.

Section 17.5 Long-term Disability Insurance. A group long-term disability plan will be provided which will pay sixty-six and two-thirds percent (66 2/3%) of salary after ninety (90) days of continuous disability as defined by the insurance carrier. The Employer will provide seventy-five percent (75%) of the aggregate costs of this coverage.

Section 17.6 Retirement Plan. The retirement plan presently in effect shall be continued. During the term of this Agreement, the Employer contribution will be eight percent (8.0%) with the employee contribution at six percent (6.0%) of gross earnings.

New employees are eligible to participate in the retirement plan at age twenty-five (25) with two (2) years of consecutive service. Participation is mandatory at age thirty (30).

Section 17.7 Vision Insurance. The voluntary vision insurance program currently in effect will continue. The Employer shall contribute fifty percent (50%) toward the cost of single vision coverage for any plan option selected by the employee.

Section 17.8 Employee Assistance Program. The Employer shall make available to all its employees an Employee Assistance Program. The Employer shall pay the annual flat rate as established by the program. Any other costs shall be borne by the employee. Records concerning an employee's treatment for alcoholism, drug or stress related problems shall remain separate from other personnel materials. All employee assistance records shall remain confidential.

Section 17.9 Retirement Programs.

- a) Voluntary Retirement Settlement Program. Eligible employees who elect to surrender their right to continued employment and retire on June 30, 2016~~8~~, shall in exchange for the surrender of such right, receive a financial settlement incentive of twenty-five percent (25%) of their final year base salary with payment to be made in twelve (12) equal monthly installments following termination of employment. An eligible employee must be fifty-five (55) years of age with ten (10) or more years of consecutive service within the State College System and must provide six (6) months of advanced written notice.

In addition, the employee will be permitted to remain in the group medical and dental insurance plan offered retirees by Blue Cross/Blue Shield at the time of the employee's retirement. The Employer will pay the full cost of such coverage, which includes both the cost the employee would pay if still employed and the cost that the Employer pays for such coverage as the employer. Coverage payments will continue for a period of twelve (12) months following retirement. Any COBRA benefits remaining will be available following cessation of the coverage payments. COBRA benefits are not available if the employee elects to enroll in the Direct Bill program. The employee shall be

2017-2019 NAPE Agreement

responsible for membership fees required by Nebraska State Education Association (NSEA).

If the retired employee reaches the age of sixty-five years (65) at any time during the twelve (12) month period of payout, at which time eligibility to participate in the BC/BS retiree plan ceases, the Employer will pay an amount equivalent to the full-cost of the Retired BlueSenior Classic Plan offered by the NSEA for the payout period remaining.

If death occurs during the payout period, the employee's beneficiaries or estate will receive any remaining incentive payments due under the terms of this program. The medical and dental benefit will terminate upon the date of death.

No employee will be coerced into participating in this Voluntary Retirement Settlement Program, or have his or her employment terminated for the purpose of preventing him or her from becoming eligible to participate.

The Program is intended to be operative through the time period indicated with salary payments and insurance coverage available only during the fiscal year following retirement.

- b) Early Retirement Incentive Program. The Program is designed to encourage the early retirement of eligible employees by offering an incentive to retire in the form of paid premiums in the group medical and dental health insurance program offered retirees by Blue Cross Blue Shield at the time of the eligible employee's retirement. The payment of premium will continue until the retired employee becomes eligible for coverage under the federal Medicare program, at which time the paid premiums shall cease. Full-time employees who have completed at least ten (10) years of continuous service within the State College System, and who are sixty (60) years of age or older are eligible to participate in this program upon providing six (6) months of advanced written notice. The employee shall be responsible for membership fees required by NSEA. In order to be eligible for this program, the employee has to meet the five (5) year Educator's Health Alliance continuous coverage requirement.

Section 17.10

Wellness Facilities. Employees and their spouses will be allowed to use, free of charge during non-working hours, those facilities belonging to the College that are used to promote wellness. Dependents of employees will be permitted to use these facilities at a reduced rate. Such facilities will be available to employees, their spouses and dependents during the facilities' normal hours of operation and when not being used for classroom instruction or program activities.

2017-2019 NAPE Agreement

**ARTICLE 18.
TUITION PROGRAMS**

Section 18.0 Tuition Remission. A sixty-seven percent (67%) tuition remission will be available for employees and immediate family (spouse and children who are twenty-four (24) years of age or younger) members of employees who enroll at a Nebraska State College on a space available basis. The remission does not apply to fees. Although online courses have a single rate, a portion of the rate consists of fees. The remission provided for online courses will be 67% of the equivalent resident tuition rate for an on-campus course. Remissions are subject to the following conditions:

- a) The employee or immediate family member must be admitted as a student of the college and must have met all normal academic requirements for the courses taken.
- b) This tuition remission is not available to the employee or immediate family members of employees whose anticipated employment period is less than six (6) months, regardless of FTE employment status.

Section 18.1 Employee Tuition Waiver. Employees will be eligible to enroll for credit in course offerings during nonwork hours for one dollar (\$1.00) per course on a space available basis. Enrollment and tuition waiver under this provision will be limited to one (1) course of not more than four (4) credit hours each fall and spring semester, and one (1) summer term. One dollar (\$1.00) covers the cost of tuition for purposes of this waiver program and the one dollar (\$1.00) charge is non-refundable. Any mandatory or applicable fees which are charged with the course enrollment must be paid for by the employee. Although online courses have a single rate, a portion of the rate consists of fees. The waiver provided for online courses will be based on the equivalent resident tuition rate for an on-campus course (beyond one dollar (\$1.00)). Waivers are subject to the following conditions:

- a) Employees must be admitted as students of the College and must have met all normal academic requirements for the courses taken.
- b) This tuition waiver is not available to employees whose anticipated employment period is less than six (6) months, regardless of FTE employment status.
- c) An employee's work schedule may be arranged, with appropriate supervisory approvals, to accommodate enrollment.

Section 18.2 Limitation. An employee may not enroll in courses under Section 18.0 and Section 18.1 simultaneously during the same semester. Only one (1) tuition waiver course may be taken per semester by an employee. Tuition remissions and tuition waivers will not apply to already discounted tuition rates for dual enrollment courses.

2017-2019 NAPE Agreement

ARTICLE 19. LEAVE

Section 19.0 Sick Leave

a) Accrual Rates.

Employees Hired After 7-1-93. Full-time employees hired after July 1, 1993 shall accrue paid sick leave computed at the rate of eight (8) work hours per month for each calendar month of completed service, not to exceed one-thousand four hundred forty (1,440) hours [or one-hundred eighty (180) days] maximum accumulation of unused sick leave.

1st year of employment and thereafter	12 days/year or 96 hours/year
Maximum Accumulation	180 days or 1,440 hours

Employees Hired Prior to 7-1-93. Full time employees hired prior to July 1, 1993 shall accrue paid sick leave computed at the rate of eight (8) work hours per month for each calendar month of completed service during the first five (5) years of service. Additional sick leave days, not to exceed one thousand four hundred forty (1,440) hours [or one hundred eighty (180) days] maximum accumulation of unused sick leave will accrue according to the following schedule:

1-5 years of continuous employment	12 days/year or 96 hours/year
6th year of continuous employment	17 days/year or 136 hours/year
7th year of continuous employment	18 days/year or 144 hours/year
8th year of continuous employment	19 days/year or 152 hours/year
9th year of continuous employment	20 days/year or 160 hours/year
10th year of continuous employment	21 days/year or 168 hours/year
11th year of continuous employment	22 days/year or 176 hours/year
12th year of continuous employment	23 days/year or 184 hours/year
13th year of continuous employment	24 days/year or 192 hours/year
14th year of continuous employment	25 days/year or 200 hours/year
15th year of continuous employment	26 days/year or 208 hours/year
16th year of continuous employment	27 days/year or 216 hours/year
17th year of continuous employment	28 days/year or 224 hours/year
18th year of continuous employment	29 days/year or 232 hours/year
19th year of continuous employment	30 days/year or 240 hours/year
and thereafter	30 days/year or 240 hours/year
Maximum Accumulation	180 days or 1,440 hours

Employees with less than a 1.0 FTE position shall accrue sick leave at a proportional pro-rated amount.

- b) Reasons to Use Sick Leave. Sick leave is available when an employee is ill or injured to the extent of being unable to work. Sick leave may be taken for absences made necessary for medical appointments or by reason of illness, injury, or disability, including temporary illnesses caused by or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery there from, by

2017-2019 NAPE Agreement

exposure to contagious disease which may endanger the employee or public health, or by illness in the immediate family making it necessary that the employee be absent from his or her duties.

The term "immediate family" as used in this section will be defined to include the spouse, parents, grandparents, children, stepchildren, grandchildren, legal wards, brothers, and sisters, or persons bearing the same relationship to the employee's spouse.

Sick leave is not intended as any earned time off with pay, and will not be granted as such.

- c) Employees Returning Within One Year. An employee who separates (other than for disciplinary reasons) from employment and returns to employment within one (1) year from the date of termination shall have his or her service for sick leave computed by combining prior continuous service with current continuous service disregarding such period of absence and shall have reinstated to his or her sick leave account all earned sick leave not used at the time of departure.
- d) Employees Returning After One Year. An employee who returns to employment after one (1) year or longer or who retired or voluntarily separated in lieu of retirement shall be considered a new employee (i.e., a new hire) for the purpose of sick leave entitlement.
- e) No Compensation for Unused Sick Leave, Except for Retirement or Death. All sick leaves will expire on the date of separation from employment and no employee will be reimbursed for sick leave outstanding at the time of termination, except in the case of retirement or death.
- f) Compensation at time of Retirement or Death. Employees who are eligible for retirement in the State College System will, upon termination of employment by reason of retirement, be entitled to a one-time payment of one-fourth (1/4) of their accumulated unused sick leave, with the rate of payment based upon their regular pay at the time of retirement.

Upon the death of an employee, his or her beneficiary will be paid one-fourth (1/4) of his or her accumulated unused sick leave, with the rate of payment based upon the employee's regular pay at the date of death.
- (g) Transfer Employees. An employee who is transferred within the State College System shall have his or her accrued sick leave transferred to the receiving College. Employees transferring as an employee from Nebraska State Government or the University of Nebraska System may be eligible to have sick leave hours transferred to the receiving College at the discretion of receiving College. Employees transferring to Nebraska State Government or the University of Nebraska System may be eligible to have sick leave hours transferred to the new employer at the discretion of the new employer.
- (h) Advancing Sick Leave. The President may advance sick leave in an amount

2017-2019 NAPE Agreement

not to exceed a total of forty (40) hours. Sick leave earned thereafter will be applied toward the negative sick leave account balance until the amount advanced is fully reimbursed. Upon separation from employment, employees who have been advanced sick leave shall reimburse the Employer for all advanced and unreimbursed sick leave. The Employer is authorized to deduct such amount from the employee's final pay.

- i) Medical Documentation. Medical documentation to substantiate the legitimate use of sick leave may be required by supervisors.
- j) Requesting Leave. When possible, sick leave shall be requested before the employee's shift begins with as much advanced notice as possible.

Section 19.1 Vacation Leave

- a) Accrual Rates.

Employees Hired After 7-1-93. Full time employees hired after July 1, 1993 shall, during the first and second year of employment, accrue paid vacation leave at the rate of eight (8) hours for each calendar month of service completed. Applicable accrual rates for paid vacation leave after the first two (2) years of employment, up to a maximum accumulation of two hundred eighty (280) hours, are as follows:

1 and 2 years of continuous employment	12 days
3rd year of continuous employment	13 days
4th year of continuous employment	14 days
5th year of continuous employment	15 days
6th year of continuous employment	16 days
7th year of continuous employment	17 days
8th year of continuous employment	18 days
9th year of continuous employment	19 days
10th year of continuous employment	20 days
and thereafter	20 days
Maximum Accumulation	35 days or 280 hours

At no point in time will an employee be allowed to accrue vacation leave hours in excess of the two hundred eighty (280) hours [or thirty five (35) days] accumulation limit.

Employees Hired Prior to 7-1-93. Employees hired prior to July 1, 1993 shall accrue paid vacation leave at the rate of eight (8) hours for each calendar month of service completed during the first five (5) years of service. Applicable accrual rates for paid vacation leave after the first five (5) years of employment, up to a maximum accumulation of two hundred (280) hours, are as follows:

1-5 years of continuous employment	12 days/year or 96 hours/year
6th year of continuous employment	15 days/year or 120 hours/year
7th year of continuous employment	16 days/year or 128 hours/year

2017-2019 NAPE Agreement

8th year of continuous employment	17 days/year or 136 hours/year
9th year of continuous employment	18 days/year or 144 hours/year
10th year of continuous employment	19 days/year or 152 hours/year
11th year of continuous employment	20 days/year or 160 hours/year
12th year of continuous employment	21 days/year or 168 hours/year
13th year of continuous employment	22 days/year or 176 hours/year
14th year of continuous employment	23 days/year or 184 hours/year
15th year of continuous employment	24 days/year or 192 hours/year
16th year of continuous employment	25 days/year or 200 hours/year
and thereafter	25 days/year or 200 hours/year
Maximum Accumulation	35 days/year or 280 hours/year

At no point in time will an employee be allowed to accrue vacation leave hours in excess of the two hundred eighty (280) hours [or thirty five (35) days] accumulation limit.

Employees with less than a 1.0 FTE position shall accrue vacation leave at a proportional pro-rated amount.

- b) Reasons to Use Vacation Leave. Employees can request to use vacation leave for whatever purpose they choose.
- c) Employees Returning Within One (1) Year. An employee who has separated from employment for any reason other than disciplinary and who returns to employment within one (1) year from the date of separation will have his or her service for vacation leave accrual computed by combining prior continuous service with current continuous disregarding the period of absence.
- d) Compensation for Unused Vacation Leave. Employees upon retirement or separation from employment, will be paid for unused accumulated vacation leave. Upon the death of an employee, his or her beneficiary will be paid for the unused accumulated vacation leave. Payment rates will be based on the regular rate of pay at the time of retirement, separation or death.
- e) Approval to Use Vacation Leave. Approval of employee requests with reasonable and adequate notice for consecutive days of accumulated vacation leave will be subject to the needs of the Employer but will not be unreasonably denied.
- f) Transfer Employee. An employee who is transferred within the State College System will have his or her accrued vacation leave transferred to the receiving College. Employees transferring as an employee from Nebraska State Government or the University of Nebraska System may be eligible to have vacation hours transferred to the receiving College at the discretion of receiving College. Employees transferring to Nebraska State Government or the University of Nebraska System may be eligible to have vacation hours transferred to the new employer at the discretion of the new employer.
- g) Advancing Vacation Leave. The President may advance vacation leave in an amount not to exceed a total of forty (40) hours. Vacation time earned

2017-2019 NAPE Agreement

thereafter will be applied to the negative vacation balance until the advanced amount has been fully reimbursed. Upon separation from employment, employees who have been advanced vacation leave shall reimburse the Employer for all advanced and unreimbursed vacation leave. The Employer is authorized to deduct such amount from the final pay.

Section 19.2 Family and Medical Leave.

a) Eligibility. Employees with one (1) year service and who have worked at least one thousand two hundred fifty (1,250) hours during the previous twelve (12) month period will be entitled to take up to twelve (12) work weeks of unpaid family leave during any twelve (12) month period for reasons related to family and medical needs. Eligible employees, male or female, may use family and medical leave:

- 1) for the birth of a child, or the placement of a child with the employee for adoption or for foster care (leave for birth and care, or placement for adoption or foster care must conclude within twelve (12) months of the birth or placement);
- 2) to care for a spouse, child, parents, grandparents, or persons bearing the same relationship to the employee's spouse with a serious health condition;
- 3) for the employee's own serious health condition;
- 4) for any qualifying exigency arising out of the fact that the spouse, or a son, daughter or parent of the employee is on active duty (or has been notified of any impending call or order to active duty) in the Armed Forces in support of a contingency operation.

Note: "Child" shall mean biological, adopted or foster child, a stepchild, a legal ward, or child of a person standing in loco parentis

b) Serious Health Condition. A serious health condition is defined to include:

- 1) An illness, injury, impairment, or physical or mental condition that involves either inpatient care, meaning an overnight stay in a hospital, hospice, or residential care facility, or continuing treatment by a health care provider for three (3) or more consecutive days.
- 2) Any period of incapacity because of pregnancy or prenatal care (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., morning sickness).
- 3) Any period of incapacity because of a chronic serious condition (even without treatment by a health care provider and even if the absence is less than three (3) days, e.g., an asthma attack).
- 4) Any period of absence to receive multiple treatments by health care

2017-2019 NAPE Agreement

providers for reconstructive surgery after an accident or injury, or for a condition that would likely result in a period of incapacity of more than three (3) consecutive days if unrelated, e.g., cancer (chemotherapy), kidney disease, (dialysis).

- c) Use of Paid Leave. Sick or vacation leave may be used at the election of the employee during family and medical leave. Although employees may retain accrued, unused vacation and sick leave, such leave shall not accrue while on family and medical leave.
- d) Requests. Requests for family and medical leave must be submitted to the Human Resource Director/AVP for approval. Appropriate medical certification or documentation may be required.
- e) Notice. To the extent possible, thirty (30) days notice will be given by the employee.
- f) Insurance Contributions. The Employer agrees to continue to pay its portion of insurance premiums during the term of any family and medical leave.
- g) Limitation. In the event two employees are both eligible under this policy, the couple shall be entitled to a combined total of twelve (12) work weeks of leave for the birth and care of the newborn child, for placement of a child for adoption or foster care, and to care for a parent who has a serious health condition.
- h) National Defense Authorization Act. An employee who is a spouse, child, parent or next of kin (nearest blood relative) to a member of the Armed Forces who is being treated for, recuperating from or is on the temporary disability retired list due to a serious injury or illness is entitled to a total of twenty-six (26) work weeks of leave during a twelve (12) month period to provide care for the service member as provided by the Family and Medical Leave Act as amended by the National Defense Authorization Act for FY 2008.

Section 19.3 Bereavement Leave. At the discretion of the immediate supervisor, up to six (6) days of paid bereavement leave may be granted to employees per fiscal year. No employee shall be unreasonably denied the use of vacation leave when such additional time is required to settle personal matters related to a death in the immediate family.

Section 19.4 Inclement Weather/College Closure Leave. When inclement weather causes College classes to be canceled, all employees, other than those required to report to work to provide emergency or other essential services, will be entitled to take Inclement Weather Leave. Such leave does not require the prior approval of the employee's supervisor. Time spent on Inclement Weather Leave will be charged against the employee's vacation leave balance or time can be made up within thirty (30) working days at the request of the employee, which request shall not unreasonably be denied. When the President declares the College closed, absences will not be charged against employee leave balances. Employees required to report to work to provide emergency or other essential services as determined by the Employer will be allowed comparable time off on an alternate date mutually agreed upon by the supervisor and the employee.

2017-2019 NAPE Agreement

Section 19.5 Injury Leave/Workers' Compensation. Employees who are unable to work as a result of a job-related injury or disease shall be granted injury leave with pay while incapacitated for not more than five (5) of the employees normal working shifts for any particular injury. Certification or documentation of the injury or disease will be required. Such leave is not to be charged against accumulated vacation or sick leave. For details of Workers' Compensation benefits, employees are to inquire at the Human Resource Office.

Section 19.6 Civil Duty Leave. An absence with pay will be granted an employee for jury service during the actual period of service, and the employee will retain fees paid him or her as a juror; provided that the employee calls his or her supervisor to determine whether he or she should report for work upon being released from jury duty on any day prior to the end of his or her regular shift.

Absence with pay may be granted for an employee who is subpoenaed as a witness during the actual period of such service; provided that the absence is limited to that period the employee is actually compelled to be present at court, having made reasonable efforts to arrange with the subpoenaing party that the attendance would be so limited.

Copies of summons and subpoenas should be provided to the Human Resource Office in advance of the absence.

Section 19.7 Military Leave. Military leaves of absence will be granted to all employees as may be provided by state and federal law or regulation.

Section 19.8 Crisis Leave Sharing Program. Employees may contribute accrued vacation leave or compensatory hours to benefit another employee at the same College who is suffering from a catastrophic illness. Vacation leave or compensatory hours may be donated in no less than one (1) day increments. Hours donated but not used will be maintained in a crisis leave sharing pool and distributed on an as needed basis to eligible employees by a Shared Leave Committee designated by the College which shall include at least one (1) support staff bargaining unit employee.

The Committee will determine the amount of donated leave an employee may receive and may only authorize an employee to use up to a maximum of ninety (90) days in a twelve (12) month period. To be eligible to receive donated leave, an employee must have been employed for at least twelve (12) consecutive months and have had absences of at least thirty (30) days during the prior six (6) months and have exhausted all paid leave due to his or her own serious health condition, as defined, and which has caused, or is likely to cause, the employee to take leave without pay.

The crisis leave sharing program will permit salary and health insurance continuation for those employees receiving shared leave.

Details of this program are available at the Human Resources Office.

2017-2019 NAPE Agreement

**ARTICLE 20.
USE OF FACILITIES AND SERVICES**

- Section 20.0** Union Notice to Conduct Business at College. Duly authorized representatives of the Union, who are not employees of the College, and who provide at least twenty-four (24) hours prior notice, if possible, to the Human Resources Director/AVP, will be permitted to transact Union business on College property at reasonable times, provided that such business will not interfere with or interrupt normal college operations or the responsibilities of any employees.
- Section 20.1** Equipment/Service Access. Union representatives shall have access to use of printing, duplicating, and addressing subject to the then current use and fee requirements as applicable to other non-College related organizations.
- Section 20.2** Bulletin Boards, Email and Mail Distribution. The Union will have access to College bulletin boards and campus email for communicating union information. The Union will be responsible for removal of all such notices from such bulletin boards. General distribution of Union materials at the Colleges will be allowed in nonworking areas during both working and nonworking hours, provided that the same shall not be disruptive.

**ARTICLE 21.
UNION ACTIVITIES**

- Section 21.0** Notification of Negotiation Team Members. The Union shall provide the Vice Chancellor for Employee Relations with the names of the members of the Union negotiating team prior to the commencement of negotiations. Likewise, the Vice Chancellor for Employee Relations shall provide the Union with the names of the members of the Employer negotiating team prior to the commencement of negotiations.
- Section 21.1** Negotiation Time. Unless otherwise agreed upon by the parties, no more than six (6) employees on the Union negotiation's team will be granted leave without loss of salary to participate in negotiation sessions with the Employer including necessary travel time to and from bargaining sessions, including caucuses, occurring during a normal work shift. Immediate supervisors must be informed of and approve such leaves through the usual leave practices or procedures. Such leaves shall not be unreasonably denied.
- Section 21.2** Notice of Union Stewards and Officers. The Employer recognizes the right of the Union to designate union stewards and officers. The names of employees selected as officers and stewards shall be provided in writing to the Vice Chancellor for Employee Relations. The listing shall include the assigned area of Union responsibility for each steward. The Vice Chancellor shall be made aware of any changes in the names and assignments as they occur.
- Section 21.3** Steward Authority. The authority of stewards will be limited to, and will not exceed, the investigation, preparation, and presentation of grievances in accordance with this

2017-2019 NAPE Agreement

Agreement and the transmission of messages and information on behalf of the Union to and from the Employer and to and from employees. Stewards and officers may, during nonwork hours, post union notices on designated bulletin boards per Section 20.2.

- Section 21.4** Employee Meetings with Stewards. Employees may discuss concerns with stewards for reasonable amounts of time during their regular work shift without loss of pay, providing that the supervisor has authorized the absence. The employee shall notify that supervisor upon return to work. Approval may not be unreasonably denied.
- Section 21.5** Meetings During Nonwork Hours. The Union may hold meetings whether for the purposes of organization, solicitation of membership, or otherwise, in College facilities during nonworking hours provided that such meetings will be held in such a manner, and at such times as not to interfere with the regularly scheduled working hours or classroom schedule of the College or its employees. For the purpose of this meetings rule only, nonworking hours will ordinarily mean the normal lunch period and those hours between 5:00 p.m. in the afternoon and 8:00 a.m. in the morning during weekdays, and the hours from 8:00 a.m. Saturday to 8:00 a.m. on the following Monday for weekends. If the published hours of operation for any College differs from the prior noted schedule, the published schedule for working hours will control.
- Section 21.6** Board Agenda and Materials. The System Office will notify the Union and each Union Campus Chapter President via email when the agenda and Board materials are available at the Board's website at www.nscs.edu.
- Section 21.7** Union Requests for Information. Upon a written request by the Union, the Employer will annually provide the following bargaining unit information: employee names, addresses, class titles, class codes, College, pay grades, annualized wage rates, and hiring date.
- Section 21.8** New Employee Orientation. An opportunity will be provided for new employees to meet with a union representative for twenty (20) minutes of work time, sometime during the employee's first week of employment in a quiet location, away from the employee's job site. The meeting may be arranged between the employee and the union representative.

ARTICLE 22. PAYROLL DEDUCTIONS

- Section 22.0** Dues Authorization Form. Upon receipt of a voluntary written individual authorization order form from any employee, the Employer will deduct from the pay due such employee those dues required as the employee's membership dues in the Union. Forms shall be provided by the Union.
- Section 22.1** Deductions. Deductions will be made only when the employee has sufficient earnings to cover deductions for social security, federal taxes, state taxes, retirement, health, dental and vision insurance, life insurance, flex 125 plans, and long-term disability insurance. Deductions will be in such amounts as will be certified to the Employer in writing by the authorized representative of the Union and will be deducted from the

2017-2019 NAPE Agreement

next paycheck if submitted to the College payroll office by the tenth (10th) of the month or from the next month's paycheck if submitted after the tenth (10th) of the month.

Section 22.2 Discontinuing Deductions. Upon receipt of a list of employees for whom dues deductions are to stop from the Union, the Employer will discontinue the automatic payroll dues deductions from such employees.

Section 22.3 Exclusivity. No other employee labor organization will be granted or allowed to maintain payroll deductions for employees.

Section 22.4 Union Responsibility. The Employer may request confirmation from the Union regarding names on the dues deduction list to ensure accuracy as needed. If dues are deducted and remitted in accordance with the procedure specified in Sections 22.0 through 22.3 above, the Union will be solely responsible in the event of any claims that the deductions and/or remissions were improper. The Union will indemnify and hold the Employer harmless from any claims arising out of a deduction made in accordance with provisions of this Article.

ARTICLE 23. EMPLOYEE DRUG AND ALCOHOL TESTING

Section 23.0 Purpose. In the interest of maintaining a safe, healthy, and efficient workplace for all employees, and to protect the College's property, information, equipment, and reputation, the parties agree that a program to test for drug and alcohol use shall be continued. The purpose of the program is to help in the treatment and elimination of drug and alcohol use and abuse in the workplace. Testing will be required when reasonable cause exists in the workplace to conduct such a test. The Employer shall be responsible to pay for the costs of any such tests. Employees who may be required under federal law or regulations to submit to random drug and alcohol testing will be notified of the general testing requirements in writing in advance.

Section 23.1 State Law. The parties also agree that the testing program shall be conducted in accordance with the provisions outlined in Sections 48-1901 through 48-1910 of the Nebraska Revised Statutes relating to drug and alcohol testing of employees. If applicable state laws change, the Employer and the Union shall meet and negotiate any related impact to the provisions in this Article.

The provisions outlined in the Nebraska Drug Testing Act relating to the methods employed to test, and the use, requirements, release, and disclosure of test results, specimen preservation, and chain of custody, will control the manner in which the testing program is conducted. Except for a confirmatory breath test as provided in Section 48-1903, all confirmatory tests shall be performed by a clinic, hospital, or laboratory which is certified pursuant to the federal Clinical Laboratories Improvement Act of 1967, 42 U.S.C. 263a.

Section 23.2 Work Hours. For purposes of the testing program, the employee shall be considered to be on work time during the administration of drug and alcohol testing. All time used under this testing process shall be considered time worked for purposes of wages and overtime.

2017-2019 NAPE Agreement

Section 23.3 Treatment. Employees may be granted leave time for drug or alcohol treatment. Employees may request to use available vacation, sick, holiday, or compensatory time. Nothing herein shall be construed to diminish any rights which may apply under the ADA, FMLA, or other relevant laws or the employer's right to take appropriate disciplinary action.

Section 23.4 Test Results. The testing vendor will send results to the Employer. A copy of the test results shall be forwarded to the employee by the Employer.

Section 23.5 Discussions Concerning Alcohol or Drug Use. Discussions by supervisors or the Human Resource Director/AVP with an employee concerning alcohol or drug use can be witnessed by a Union representative if the employee requests. This shall not diminish the rights of the employee provided under this Agreement.

Section 23.6 Supervisor Training. The Employer shall provide certified professional training to supervisors and to employees for understanding their roles for a drug-free workplace.

ARTICLE 24. WORKPLACE CONCERNS AND SAFETY ISSUES

Section 24.0 Workplace Concerns. Employees may report workplace concerns to his/her supervisor or the Director/APV of Human Resources. Concerns will be reviewed, considered and addressed as needed.

If any employee has reason to believe that they or another employee has been unlawfully harassed or discriminated against, that employee should report the violation to a supervisor, the Director/AVP of Human Resources or Vice President. If the reporting employee feels that the report does not achieve satisfactory results, a second report should be made to another administrator.

Section 24.1 Safety Committee. A Safety Committee shall be established and maintained at each College. The Union shall be allowed to appoint two (2) employees to the College Safety Committee. The parties to this Agreement will comply with all applicable state and federal laws relating to workplace safety and safe working conditions. Whenever an employee becomes aware of a condition which the employee feels is a violation of an institutional safety or health rule or regulation, the employee will report such conditions to their immediate supervisor who will promptly investigate such condition. If concerns are not adequately addressed at the immediate supervisor level, written concerns may be forwarded to the College Safety Committee.

Section 24.2 Protective Devices and Safety Equipment. Protective devices and safety equipment shall be provided to employees who work in a hazardous environment. The employee will be responsible for the proper use of such devices and equipment. Training sessions for the proper use of such devices and safety equipment will be provided in accordance with the provisions outlined in Section 6.4 of this Agreement.

2017-2019 NAPE Agreement

Dated this ____ day of December 2016

**BOARD OF TRUSTEES FOR
NEBRASKA STATE COLLEGES**

**NEBRASKA ASSOCIATION OF
PUBLIC EMPLOYEES**

By: _____
Gary Bieganski, Board Chair

By S: _____
Tom Schmitz, Wayne

By: _____
Stan Carpenter, Chancellor

By S: _____
Rick Gathje, Wayne

By: _____
Kristin Petersen
Chief Negotiator, NSCS

By S: _____
Ted Buri, NAPE/AFSCME

S/: denotes electronic signature

Attachment: NAPE/AFSCME Agreement with Revisions (1883 : 2017-2019 Agreements with SCEA, NSCPA and NAPE/AFSCME)

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **Approve Memorandums of Understanding Between ESU 13 and Chadron State College and ESU 16 and Chadron State College**

The Memorandums of Understanding support collaboration opportunities for CSC to provide undergraduate and graduate-level continuing education/professional development courses credit with Educational Service Units 13 and 16.

The System Office and Chadron State College recommend approval of the Memorandums of Understanding Between ESU 13 and Chadron State and ESU 16 and Chadron State.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **Approve Addition of ESL Supplemental Endorsement Programs (PK-12, PK-6, 4-9, 7-12) for Peru State College**

The English as a Second Language (ESL) Supplemental Endorsement will prepare an individual to be certified to teach ESL in the grade levels for which they are prepared. This supplemental endorsement is being proposed to meet certain accreditation guidelines, provide a certification option for teaching certificate holders to demonstrate proficiency in meeting the needs of English language learners, and provide purposeful, quality instruction for meeting diverse student needs.

The System Office and Peru State College recommend approval of the Addition of ESL Supplemental Endorsement Programs for Peru State College.

ATTACHMENTS:

- PSC English as a Second Language Supplemental Endorsement Proposal (PDF)

Peru State College

Proposal to Add Supplemental Endorsement in English as a Second Language PK-12

1. Descriptive information

A. Name of institution

Peru State College (PSC)

B. Name of program

Teacher Education

C. Degrees/credentials to be awarded graduates of the program

Supplemental Endorsement in English as a Second Language PK-12

D. Other programs offered in this field by the institution

None

E. CIP code

13.14

F. Administrative units for the program

School of Education

G. Proposed delivery site(s) and type(s) of delivery, if applicable

Peru State College and Southeast Community College - Lincoln.
Courses will be offered in face-to-face, hybrid, and online formats.

H. Proposed date (term/year) the program will be initiated

Fall, 2017

I. Description, including credit hours and other requirements (program of study) and purpose of the proposed program.

The English as a Second Language (ESL) Supplemental Endorsement will prepare an individual to be certified to teach English as a Second Language in the grade levels for which they are prepared. This endorsement must be added to a field or subject endorsement and is not eligible for certification without a field or subject endorsement. This ESL Supplemental Endorsement is being proposed to 1) meet accreditation guidelines through the Council for Accreditation of Educator Preparation (CAEP), 2) provide a certification option for Nebraska teaching certificate holders to demonstrate proficiency in meeting the needs of English Language Learners, and 3) enhance the course offerings of the Peru State College School of Education in providing purposeful, quality instruction for meeting diverse student needs. Under CAEP's Standard One,

“Content and Pedagogical Knowledge,” teacher candidates are required to show evidence of understanding diverse populations to ensure inclusive learning environments. Through the ESL Supplemental Endorsement, Peru State College School of Education will strengthen alignment with all five of the CAEP Standards in regard to the cross cutting theme of diversity.

English as a Second Language Supplemental Endorsement Courses

Required credit hours: 15

Course Number	Course Title	Credit Hours
EDUC 318*	Assessment & Evaluation of English Language Learners (ELL)	2
EDUC 324*	Methods & Curriculum Design in the English as a Second Language Classroom	3
EDUC 438*	Professional Collaboration with Parents & Families	3
ENG 301	Traditional Grammar	3
PSYC 320 OR PSYC 380	Cognitive Psychology OR Adolescent Psychology	3
EDUC 314	ESL Practicum	1
* Admission to Teacher Education required		

2. Centrality to Role and Mission

Assurances that proposed program is consistent with its role and mission, as defined in Nebraska statutes, and that consideration of this program proposal at the College included faculty from across the institution.

In support of the Nebraska State College System’s Key Priority, Educational Excellence Throughout the System, the proposed English as a Second Language Supplemental Endorsement aligns with the following goals:

Goal Two: Create a college experience that enriches the lives of our students and prepares them for their chosen careers and

Goal Four: Strengthen academic programs.

The proposed ESL program also purports to fulfilling the components of the Nebraska Coordinating Commission for Postsecondary Education Chapter Three: “Postsecondary education in Nebraska will be responsive to the workforce development... to build and sustain a knowledgeable, trained, and skilled workforce in both rural and urban areas of the state.” Preparing educators to provide an optimal learning environment for all PK-12 students is a necessary component of meeting the educational needs of the state.

The College’s mission to educate the individual to the benefit of society is well supported by the proposed ESL program as future teachers will have enhanced skills to better serve students and families in the community in which they work. This, too, is evidence of the College’s “...commitment to making a vital contribution to the future of the region and state.”

The proposed ESL program was routed through the approval process for Teacher Education courses and was approved at each level:

- School of Education → Teacher Education Committee (Campus) → Academics and Curriculum (Campus) → Faculty Senate (Campus) → Vice President of Academic Affairs → President

3. Evidence of Need and Demand

a. Need for the program – provide information, such as data, surveys, or studies, regarding:

i. Workforce needs of business, industry, and employers;

Over the past several years, the School of Education has built strong relationships with schools, both urban and rural, in our service area. Through these relationships and school visits, the increasing need for enhanced instructional skills has been consistently communicated. In addition, English as a Second Language/English Language Learners was determined by the United States Department of Education as a teacher shortage area for the state of Nebraska. Supporting documentation of the prevalence of [English Language Learners in the College’s service area](#) is attached.

ii. Job and educational advancement opportunities for graduates; and

The addition of the ESL supplemental endorsement to a program or field endorsement will elevate the marketability of teacher candidates to obtain teaching positions in local schools as well as statewide and nationally. Practicing teachers in the College’s service area will also be afforded an opportunity to add this supplemental endorsement to further enhance their teaching skills, strategies, and assessments.

iii. Potential for the program to contribute to society and economic development, where appropriate.

The ESL program will provide teacher candidates and practicing teachers with the skills to serve English Language Learners in PK-12 schools as well as afford them the opportunity to serve the community by supporting adult education programs for ELLs.

b. Demand for the program – provide studies, surveys, or other evidence about student demand, including:

i. Number of students expected to enroll in the program in each of the first five years of operation; and

There are currently 143 admitted teacher candidates in the PSC Teacher Education program. Based on area need and interest of teacher candidates in this offering, we anticipate an initial enrollment of 20 students with an increase of five (additional students) per year for the next five years.

ii. Minimum number of students required to make the program viable.

Two of the six proposed courses are new course offerings with the remainder being courses that are requirements for teacher education majors; therefore, in order for the program to be viable, a minimum of 25 students will make the program viable.

4. Adequacy of Resources

a. Faculty and Staff Resources

Number of current faculty and staff required to implement the proposed program in the responsible unit; and additional new faculty and/or administrative and support staff required, including graduate assistants, along with expected qualifications for these individuals.

This degree will utilize current faculty members. The new courses part of this proposal (six semester hours per academic year) will be absorbed into existing faculty load due to changes in course rotation.

b. Physical Facilities

i. Location of the proposed program;

Peru State College

Southeast Community College - Lincoln

- ii. **Additional physical facilities, such as classrooms, laboratories, and offices, which will be required for the program; and plans for renovating existing facilities, constructing new facilities, or leasing additional facilities for the proposed program within the next ten years.**

This degree will only utilize existing facilities with no need for additional facilities.

c. Instructional Equipment and Informational Resources

- i. **Computers;**
- ii. **Library holdings;**
- iii. **Data services; and**
- iv. **Telecommunication connectivity.**

This degree will only utilize current technology equipment, library holdings, data services, and telecommunication connectivity with no need for additional technology equipment, library holdings, data services, or telecommunication connectivity.

d. Budget Projections for first five years of program

- i. **Projected expenses (CCPE Table 1 or comparable representation)**
- ii. **Reallocation of existing resources and/or other revenue sources for expenses (CCPE Table 2 or comparable representation)**

There are no projected expenses since this degree will only utilize current faculty members, facilities and equipment, and library holdings. The degree is a repackaging of current courses being offered. There is no need for additional faculty members, facilities and equipment, or library holdings that would incur increased expenses.

5. Avoidance of Unnecessary Duplication

a. Identify other similar programs offered in the state by public or private institutions;

Several other colleges and universities offer this program. However, none of these programs exist in our Educational Service Unit #4 area.

b. Identify any similar programs offered within the states that are members of the Midwestern Higher Education Compact; and

Several other colleges and universities in the region offer this program. However, it would not be possible for Peru State College students to complete those requirements.

c. For graduate and professional programs, identify similar programs offered in contiguous states that would be reasonably accessible to Nebraska residents.

Not applicable

6. Consistency with the Comprehensive Statewide Plan for Postsecondary Education

Explain how this program would enhance relevant statewide goals for education. In all cases, the Board may require objective consultants to assist the Board in analyzing the proposal and arriving at a decision. A copy of every proposal shall be forwarded to the Vice Chancellor for Academic Planning and Partnerships once it has been approved at the College level.

This proposed supplemental endorsement offers an affordable and accessible method of complementing a teacher candidates subject and/or field endorsement in teacher education.

Peru State College
Proposal to Add Option in Public Administration to Bachelor of Science in Business Administration degree (Joint Collaboration between School of Professional Studies and Arts and Sciences)

1. Descriptive information

- A. Name of institution
Peru State College (PSC)
- B. Name of program
Business Administration (Bachelor of Science)
- C. Degrees/credentials to be awarded graduates of the program
Major option under Business Administration: Public Administration
- D. Other programs offered in this field by the institution
Accounting, Marketing, Business Marketing Information Technology (BMIT) and CMIS option areas
- E. CIP code
52.0206
- F. Administrative units for the program
School of Professional Studies
- G. Proposed delivery site(s) and type(s) of delivery, if applicable
Offered at PSC. The courses will be offered in face-to-face, blended, and online delivery formats.
- H. Proposed date (term/year) the program will be initiated
Fall, 2017
- I. Description, including credit hours and other requirements (program of study) and purpose of the proposed program.
The option in Public Administration will be housed within the School of Professional Studies and as an option in the Business Administration degree program. The Business Administration faculty and School of Arts and Science Faculty in Political Science worked together to develop this option. The campus community realizes the need for well- trained students who understand key leadership and management issues facing public organizations in Southeast Nebraska, regionally and nationally.

Option in Public Administration

Required credit hours: 24

The PSC faculty in Professional Studies and Arts and Sciences identified the need and importance of producing knowledgeable leaders and managers for public entities. All courses currently exist in the BSBA and PSCI programs and current catalog, and are routinely offered on campus and online. This option provides students with an exceptionally strong public administration and business background.

Required Business Administration Core classes:

Bus	214	Introduction to Business Quantitative Methods	3
Bus	231	Principles of Financial Accounting	3
Bus	232	Principles of Managerial Accounting	3
Bus	251	Legal Environment and Contract Law	3
Bus	328	Principles of Marketing	3
Bus	335	Production/Operations Management	3
Bus	339	Business Finance	3
Bus	373	Organizational Behavior	3
Bus	480	International Business	3
Bus	495	Business Policy (<i>Senior Competency Course</i>)	3
CMIS	300	Information Systems Management	3

Required Public Administration Option courses:

PUBLIC ADMINISTRATION OPTION			
BUS	331	Risk Management and Insurance	3
BUS	353	Organizational Ethics	3
BUS	390	Project Management	3
BUS	493	Leadership of Teams and Organizations	3
PSCI	201	American National Government	3
PSCI	202	State and Local Government	3
PSCI	426	American Constitutional Law	3
PSCI	468	Public Administration	3

2. Centrality to Role and Mission

Assurances that proposed program is consistent with its role and mission, as defined in Nebraska statutes, and that consideration of this program proposal at the College included faculty from across the institution.

This option reflects Peru State College's efforts to provide employers located throughout Nebraska with a wide variety of career offerings with students who possess the requisite skills to become immediate and effective leader-managers in public administration related career opportunities. Recent review of demand reflects numerous job opportunities in the aforementioned areas of employment. National growth rates in public administration, emergency management, and administrative and leadership roles reflect annual growth between 6% and 8% depending upon job classification according to the Bureau of Labor Statistics (<http://www.bls.gov/home.htm>). Classes may be taken on campus or online, thus allowing students in both modalities of on- campus and online to benefit from this offering.

3. Evidence of Need and Demand

- a. Need for the program – provide information, such as data, surveys, or studies, regarding:
 - i. Workforce needs of business, industry, and employers;
 - ii. Job and educational advancement opportunities for graduates; and
 - iii. Potential for the program to contribute to society and economic development, where appropriate.

According to current national trends, there is an 8% per annum growth rate (<http://www.bls.gov/ooh/management/administrative-services-managers.htm>) for managers with leadership skills in the United States. Review of the following link reflects that Southeastern Nebraska has a high density in regards to need of management occupations; http://www.bls.gov/oes/current/oes_ne.htm.

- b. Demand for the program – provide studies, surveys, or other evidence about student demand, including:

Based on anecdotal information and an 8% projected increase in opportunities in this field, it is expected at least 1 to 2 students will enroll in the program within the first year. The second year should see an increase of 2-3 students in this program with 2-3 students continuing in the third and fourth year. By the fifth year we are expecting 8-12 students participating in this option.

This option would be very attractive to students pursuing the Political Science Option area and would help to equip these students for graduate school (specifically to pursue a master's degree in Public Administration), provide students with a solid educational foundation to attend law school, and would prepare students to work in a broad range of roles in government service. The expected number of students who complete the requirements for this option should be between 4-8 students per year based on anecdotal evidence from conversations with current students, staff, and faculty. The current course offerings are among the most popular at Peru State College, and it is anticipated there will be a sustainable annual growth rate as students become aware of the option.

4. Adequacy of Resources

a. Faculty and Staff Resources

Number of current faculty and staff required to implement the proposed program in the responsible unit; and additional new faculty and/or administrative and support staff required, including graduate assistants, along with expected qualifications for these individuals.

This option is shared among the Schools of Professional Studies and Arts and Sciences and will only utilize current faculty members with no need for additional faculty or staff. This degree should increase the number of students in existing classes with no need for additional resources.

b. Physical Facilities

- i. Location of the proposed program;
Peru State College and on campus and online hosting of degree.
- ii. Additional physical facilities, such as classrooms, laboratories, and offices, which will be required for the program; and plans for renovating existing facilities, constructing new facilities, or leasing additional facilities for the proposed program within the next ten years.

This degree will only utilize existing facilities with no need for additional facilities.

c. Instructional Equipment and Informational Resources

- i. Computers;
- ii. Library holdings;
- iii. Data services; and
- iv. Telecommunication connectivity.

This degree will only utilize current technology equipment, library holdings, data services, and telecommunication connectivity with no need for additional

technology equipment, library holdings, data services, or telecommunication connectivity.

- d. Budget Projections for first five years of program
 - i. Projected expenses (CCPE Table 1 or comparable representation)
 - ii. Reallocation of existing resources and/or other revenue sources for expenses (CCPE Table 2 or comparable representation)

As this option area will only utilize current faculty members, staff support, facilities and equipment, and library services, no additional costs are anticipated. The option area allows for use of current courses into a format which attracts prospective and current students based on PSC providing a leadership/management option area. There are no new costs associated with this degree program and in fact should result in higher FTE due to a higher number of seats in existing course offerings.

5. Avoidance of Unnecessary Duplication

- a. Identify other similar programs offered in the state by public or private institutions;

There is a Public Administration degree at the University of Nebraska at Omaha; however, since this option allows flexibility for the student via a completely online format, and on campus and academic offerings are shared among three academic programs (BUS, CMIS, PSCI), there should be no impact on enrollment in this option from external sources.

- b. Identify any similar programs offered within the states that are members of the Midwestern Higher Education Compact; and

There are other programs which offer public administration alone or in conjunction with specific academic areas. Since this option is designed to be offered both online and on campus, and allows a degree of freedom in choice for the students, it is surmised those programs will not impact enrollment in the option area.

- c. For graduate and professional programs, identify similar programs offered in contiguous states that would be reasonably accessible to Nebraska residents.

There are a few programs similar to this option area offered in the surrounding states. However, the unique interdisciplinary nature of this program, along with the focus on business and political science/public administration, in conjunction with the program being able to be offered on campus and online allows

Nebraska residents access to a high quality online option in public administration.

6. Consistency with the Comprehensive Statewide Plan for Postsecondary Education

Explain how this program would enhance relevant statewide goals for education. In all cases, the Board may require objective consultants to assist the Board in analyzing the proposal and arriving at a decision. A copy of every proposal shall be forwarded to the Vice Chancellor for Academic Planning and Partnerships once it has been approved at the College level.

This new option will address the demand across occupations (administrative management, emergency management, municipal, county and state administration healthcare, and social services) that already exists among these occupational areas. Existing students and prospective students who have actively sought business degrees will now have an option for public administration curriculum as an addition to the already existing degree programs offered by the State. The Nebraska State College Systems seeks to provide students with accessible online and on campus opportunities to develop their professional and personal lives. The accomplishment of this option will assist them in that endeavor.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **Approve Elimination of K-6 Vocal Music Endorsement Program for Peru State College**

The elimination of this program is based on the elimination of the opportunity for a teacher candidate to seek and be certified in the State of Nebraska for the K-8 Vocal Music Supplemental Endorsement.

The student impacted by the elimination of this option had her transcript reviewed to develop an individualized teach out plan that met her specific needs.

The System Office and Peru State College recommend approval of the Elimination of K-6 Vocal Music Endorsement Program for Peru State College.

ATTACHMENTS:

- PSC K-8 Vocal Music Elimination Proposal(PDF)

Peru State College
Proposal to Eliminate Options/Endorsements
K-8 Vocal/Elementary Music Education Option
(Subject Endorsement taken with Elementary Education)

1. Descriptive Information Concerning Program – Evidence of Need and Demand

The K-8 Vocal/Elementary Music Education Supplemental endorsement (to be taken with Elementary Education) was discontinued by the Nebraska Department of Education effective August 1, 2016. Teacher candidates who have started fulfilling requirements for this endorsement will be certified in PK-12 Vocal Music during the transition period (per Nebraska Department of Education).

2. Procedures to Teach Out the Program

There is one teacher candidate currently pursuing this supplemental endorsement (the only student in the program since 2011). Teacher candidates who have started fulfilling requirements for this endorsement will be certified in PK-12 Vocal Music during the transition period (per Nebraska Department of Education).

3. Impact on Faculty Resources

There is no impact on faculty or staff.

4. Impact on Physical Resources

There is no impact on physical resources.

5. Impact on Instructional Equipment and Informational Resources

There is no impact on instructional equipment and/or informational resources.

6. Consistency with the Comprehensive Statewide Plan for Postsecondary Education

Elimination of this program is based on the elimination of the opportunity for a teacher candidate to seek and be certified in the State of Nebraska for the K-8 Vocal Music Supplemental Endorsement

TEACH OUT OPTIONS

The student impacted by the elimination of this option had their transcript analyzed to develop an individualized teach out plan that met her specific needs. Per information obtained by the Nebraska Department of Education, this candidate will be certified in PK-12 Vocal Music. Any future students interested in the K-8 Vocal Music option will be advised of the change in this endorsement and moved to the PK-12 Vocal Music program.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **Approve the Master of Science in Education-Special Education Program for Wayne State College**

The ability to deliver MSE programs in Special Education online, with certifications options, will create much needed and powerful programs in the school of education to meet the demand for special educators in Nebraska and across the country. The new program would target current educators, as well as students with any other postsecondary degree.

The System Office and Wayne State College recommend approval of the Master of Science in Education-Special Education for Wayne State College.

ATTACHMENTS:

- WSC MSE SPED Program Proposal (PDF)

Wayne State College
Proposal to Add Master of Science in Education: Special Education
(Educational Foundations and Leadership)

1. Descriptive information

- A. Name of institution
Wayne State College (WSC)
- B. Name of program
Special Education
- C. Degrees/credentials to be awarded graduates of the program
MSE Special Education, MSE Special Education Supervisor, Special Education Certification (K-6, 7-12, or K-12)
- D. Other programs offered in this field by the institution
BA: Special Education Field K-12, Special Education Subject K-6, and Special Education Subject 7-12
- E. CIP code
13.1001
- F. Administrative units for the program
Department of Educational Foundations and Leadership (EDFL); School of Education and Counseling
- G. Proposed delivery site(s) and type(s) of delivery, if applicable
Delivery will be from Wayne State College with the program offered entirely online, with the exception of a cohort group for students who do not hold initial certification in any area.
- H. Proposed date (term/year) the program will be initiated
Spring 2018 is the proposed starting date and is dependent upon NSCS and CCPE approvals, along with Higher Learning Commission approval.
- I. Description, including credit hours and other requirements (program of study) and purpose of the proposed program.

This 36 credit hour MSE is designed for those persons seeking an advanced degree in Special Education. If the candidate chooses to do so, the degree can also lead to certification endorsement according to the following criteria:

Students completing the MSE program who do not currently hold a Special Education endorsement but who wish to add one to their teaching certificates will be required to complete all MSE program requirements as listed plus a minimum of 6 credit hours of Clinical Practice and Seminar for Special Education beyond the 36 graduate semester hours, depending on the desired level of endorsement. Endorsement levels available are K-6, 7-12, and K-12.

Students completing the MSE who do not currently hold a teaching certificate but wish to pursue one will be required to meet all MSE course requirements plus all benchmarks for acceptance to and advancement in our teacher education program. This includes earning a passing score on the Core Academic Skills for Educators (commonly known as the Core test) and completing the following courses through an on-campus summer cohort session: EDU 150, EDU 250, and EDU 275. Candidates will also be required to complete 12 hours of Clinical Practice and Seminar for Special Education. Endorsement levels available are K-6, 7-12, and K-12.

The Special Education Supervisor endorsement (which is an administrative field endorsement) requires a minimum of 36 graduate semester hours related to education and special education coursework, including an internship in special education supervision. Persons completing the MSE and seeking this endorsement must currently hold a teaching certificate with an endorsement in Special Education and must have completed two years of teaching in an approved or accredited school system.

Master of Science in Education

Special Education (36 hours)

Special Education Subject Endorsement with Certification: K-6 or 7-12 (42 hours)

Special Education Field Endorsement with Certification: K-12 (48 hours)

Professional Education Core Courses (12 hours):

- EDU 603 Introduction to Graduate Studies..... 3
- EDU 626 Advanced Educational Psychology..... 3
- EDU 627 Current Issues and Trends in Education..... 3
- EDU 658 Fundamentals of Curriculum Development PK-16..... 3

Core Courses (24 hours):

- SPD 500 Culturally Responsive Teaching..... 3
- SPD 545 Assessment Guiding IEP Development..... 3
- SPD 560 Differentiation, Modifications, and Transition..... 3
- SPD 565 Differentiated Methodology..... 3
- SPD 611 Organization and Administration of Special Education..... 3
- SPD 630 History and Characteristics of Exceptionalities..... 3
- SPD 636 Social/Emotional Behavior..... 3
- SPD 652 Collaboration and Co-Teaching in the Field..... 3

K-6 or 7-12 Subject Endorsement Courses (6 hours):

- SPD 458 Clinical Practice and Seminar for Special Education K-6..... 6
- SPD 460 Clinical Practice and Seminar for Special Education 7-12..... 6

K-12 Field Endorsement Courses (12 hours):

- SPD 458 Clinical Practice and Seminar for Special Education K-6..... 6
- SPD 460 Clinical Practice and Seminar for Special Education 7-12..... 6

**Master of Science in Education
Special Education Supervisor (36 hours)**

Professional Education Core Courses (9 hours):

- EDU 603 Introduction to Graduate Studies..... 3
- EDU 626 Advanced Educational Psychology..... 3
- EDU 658 Fundamentals of Curriculum Development PK-16..... 3

Administrative Core Courses (15 hours):

- EDU 645 The Principal as an Instructional Leader..... 3
- EDU 655 School Law: Constitutional Aspects and Cases..... 3
- EDU 657 School Organization and Administration..... 3
- EDU 659 Finance/Facilities..... 3
- EDU 666 Supervision of Instruction..... 3

Special Education Core Courses (12 hours):

- SPD 611 Organization and Administration of Special Education..... 3
- SPD 636 Social/Emotional Behavior..... 3
- SPD 652 Collaboration and Co-Teaching in the Field..... 3
- SPD 690 Internship in Special Education Supervision PK-12.....3

2. Centrality to Role and Mission

The options proposed will meet the needs of our diverse student population, increase connections between higher education and the K-12 communities, and embrace the inclusive environment through our current course offerings and content. This aligns directly to the Mission of Wayne State College by preparing “students for careers, advanced study, and civic involvement” as educators. Furthermore, it provides “freedom of inquiry, excellence in teaching and learning, and regional service development” for current and future educators. The proposals for the programs were primarily written by two faculty members with continuous input during the process from various Educational Foundations and Leadership Department (EDFL) faculty members, the EDFL Department Chair, the WSC Certification Officer, and Nebraska Department of Education (NDE) personnel. The proposal was also reviewed by the WSC Deans Council, the Vice President for Academic Affairs, and President. In addition, the program proposal was approved by the Wayne State College Academic Policies Committee.

3. Evidence of Need and Demand

Need: The ability to deliver MSE programs in Special Education online, with certification options, will create much needed and powerful programs in the school of education to meet the demand for special educators in Nebraska and across the country. The U.S. Department of Education reports on teacher shortage areas within each state. Within the 2016 Report, of the states submitting data, Special Education was listed as a teacher shortage for each state since 2010. The Nebraska Department of Education's 2015-2016 Teacher Vacancy Survey Report Summary reported, 24% of Special Education positions were filled by someone without proper certification and 9 positions remained vacant.

Due to the shortage of Special Educators in Nebraska, administrators were sent a Google Survey in coordination with Educational Service Unit #1 and Wayne State College to assist in the determination of viability of the proposed Special Education MSE options. The purpose of the survey was to obtain information regarding the need of special education program options. The survey was sent to administrators in Nebraska, of which 90 responses were returned. Results indicated 18.9 % of the administrators reported having positions vacant or filled by teachers who do not have a special education endorsement. Survey data also showed; 68.9% of the administrators had projected openings in the next five years; 77.8% reported being "impartial" to "very likely" to encourage staff to pursue the MSE in Special Education; and 76.6% reported being "impartial" to "very likely" to encourage staff to pursue the MSE Special Education Supervisor.

Due to the teacher shortages within Special Education, providing options to students is essential. The MSE in Special Education would allow current educators to advance on the graduate hour pay scale within their districts. The MSE in Special Education Subject Endorsement with Certification and Field Endorsement with Certification options would allow current educators to advance on the graduate hour pay scale within their districts, as well as obtain certification in special education. The MSE in Special Education Supervisor credential would allow current educators to advance on the graduate hour pay scale within their districts, as well as obtain administrative certification. These various options would provide additional highly qualified candidates to fill more positions across the state and/or allow current teachers to attain certification in special education while they are teaching within special education positions. For many current educators, an online delivery system would make obtaining an advanced Special Education degree and teacher certification more accessible and easier to attain.

Demand: The new program would target current educators, as well as students with any other postsecondary degree. Currently, without doing any marketing, there are 15 candidates who have expressed an interest in this type of program opportunity. All of these candidates currently hold an initial teaching certificate, some with a special education background and others without. WSC currently offers several courses that would be requirements for the new MSE program. In addition, the Special Education

Supervisor option would share courses currently offered through our School Administration MSE. When analyzing the enrollments across various MSE options currently offered at Wayne State College (School Administration MSE, MBA, Counseling MSE, Curriculum and Instruction MSE, Exercise Science MSE, and Organizational Management MSE), the range of students enrolled is 125 and the average is 66. Since faculty would not be necessary the first two fiscal years, 20 students would make the programs viable. In subsequent years when an additional faculty member is needed, 40 students would make the programs viable.

4. Adequacy of Resources

Faculty and Staff: There are currently two Assistant Professors available to implement the additional courses required for the proposed programs on a rotating course schedule within Fall, Spring, and Summer semesters. This would be possible with the addition of one adjunct in the Fall and Spring semesters for the undergraduate special education programs, allowing one of the Assistant Professors to instruct one of the MSE courses. The remainder of the courses would be offered on a rotational basis during the Summer, which the current Assistant Professors could teach. If the program grows as projected, an additional faculty member would be required to sustain both undergraduate and graduate programs in Special Education.

Physical Facilities: Within the first two fiscal years, there are no anticipated needs. If the proposed options show growth within the programs, an additional faculty member would be required that would require an office and a phone.

Instructional Equipment and Informational Resources: Within the first two fiscal years, there are no anticipated needs. If the proposed options show growth within the programs, an additional faculty member would be required that would need a computer and online access to instructional programs and sites specific to Wayne State College.

Budget Projections:

TABLE 1: PROJECTED EXPENSES - NEW ORGANIZATIONAL UNIT

	(FY 2017)		(FY 2018)		(FY 2019)		(FY 2020)		(FY 2021)		Total	
	Year 1		Year 2		Year 3		Year 4		Year 5			
	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
Personnel												
Faculty ¹	0	\$0	0	\$0	1	\$48,000	1	\$48,000	1	\$48,000	1	\$144,000
Non-teaching staff:												
Professional ²	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Graduate assistants	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Non-teaching staff:												
support	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Subtotal	0	\$0	0	\$0	1	\$48,000	1	\$48,000	1	\$48,000	1	\$144,000
Operating												
General Operating ³		\$0		\$0		\$0		\$0		\$0		\$0
Equipment ⁴		\$0		\$0		\$0		\$0		\$0		\$0
New or renovated space ⁵		\$0		\$0		\$0		\$0		\$0		\$0
Library/Information Resources ⁶		\$0		\$0		\$0		\$0		\$0		\$0
Other ⁷		\$5,000										\$5,000
Subtotal		\$5,000		\$0		\$0		\$0		\$0		\$5,000
Total Expenses	0	\$5,000.00	0	\$0.00	1	\$48,000.00	1	\$48,000.00	1	\$48,000.00	1	\$149,000.00

¹ Show the number of additional full-time equivalent faculty and related salary and fringe benefit expenditures needed to implement and maintain the unit..

² Show the number of additional full-time equivalent professional staff and related salary and fringe benefit expenditures needed to implement and maintain the unit.

³ Included in this category should be allowances for faculty development, laboratory supplies, travel, memberships, office supplies, communications, data processing, equipment maintenance, rentals, etc.

⁴ Show anticipated expenditures for the acquisition of new or upgrades or replacement of existing equipment necessary for the implementation and/or operation of the unit.

⁵ Identify the space for the proposed unit, if appropriate. Show projected expenditures for any facilities (general classroom, laboratory, office, etc.) that will be required. Include renovation of existing facilities and construction of new facilities.

⁶ Show anticipated expenditures for library materials or other informational resources directly attributable to the new unit.

⁷ Additional Other Expenses: Show other expenses not appropriate to another category. **Development of Syllabi**

NOTE: All items requiring explanation may be included on this page or in the proposal narrative.

TABLE 2: REVENUE SOURCES FOR PROJECTED EXPENSES - NEW ORGANIZATIONAL UNIT

	FY(2017)	FY (2018)	FY (2019)	FY (2020)	FY (2021)	
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Reallocation of Existing Funds ¹	\$0	0	0	0	0	\$0
Required New Public Funds ²	\$0	0	0	0	0	\$0
1. State Funds	\$0	0	0	0	0	\$0
2. Local Funds	\$0	0	0	0	0	\$0
Tuition and Fees ³	\$43,875	\$87,750	\$234,000	\$234,000	\$234,000	\$833,625
Other Funding ⁴	\$0	\$0	\$0	\$0	\$0	\$0
1						\$0
2						\$0
3						\$0
Total Revenue ⁵	\$43,875	\$87,750	\$234,000	\$234,000	\$234,000	\$833,625
<p>¹ Show the total amount of dollars the institution will reallocate from its budget to support this unit. Identify the source of funding and provide an explanation of the impact that the redistribution of funds and other resources will have on exiting programs or unit.</p> <p>² This represents a requirement for additional public funds to support this unit. If additional state funds are required, this request will have to be included in the institution's budget request. Separately detail all sources for additional funds. For community colleges, this would include local tax funds.</p> <p>³ Show additional tuition and fee revenues that will be used to support this unit. Year one: 325 X 18 X 15/2 (18 hours, 15 students, 1/2 FY). Year Two (325 X 18 X 15). Years Three, Four, and Five (325 X 18 X 40).</p> <p>⁴ Show the amount of external funding or donations which will become available each year to support this unit. Include a brief explanation of the nature of these resources including their specific source and the term of the commitment.</p> <p>⁵ Revenues are not expected to match expenses.</p> <p>NOTE: Where appropriate, show calculations and/or formulas that were used to project new revenue; e.g. number of new students projected multiplied by tuition and fees.</p>						
						CCPE, 11/19/08

Avoidance of Unnecessary Duplication: No other Nebraska State College System (NSCS) institution currently offers an MSE in Special Education. Within the University of Nebraska system, the following was discovered as offerings: UNL can lead to initial special education certification, but is not offered entirely online; UNO has a program that can lead to initial special education certification, but is also not entirely all online; UNK does offer a program that can lead to special education certification within an online format. As for other independent colleges and universities, some offer an online MSE in Special Education, but not all lead to certification. This is true for similar programs in the Midwestern Higher Education Compact and contiguous states accessible to Nebraska residents. Furthermore, there are various online programs that offer a MSE in Special Education, but again these programs do not always lead to certification.

Consistency with the Comprehensive Statewide Plan for Postsecondary Education: With the proposed options, there is a direct tie to the *Vision for Nebraska Postsecondary Education* due to the content and delivery method. The proposed program provides an “affordable, accessible, and high-quality” program option that can “meet the diverse needs of students and citizens.” The proposed program also supports the goal of participation and access within *Chapter Two: Postsecondary Education for Nebraska’s Future*. Due to the affordability and online delivery method, the programs will not restrict students “by factors such as geographic location, economic status, age, culture, disability, color, national origin, or gender.” Due to the shortage of Special Educators, the proposed programs also align with *Chapter Three: Meeting the Needs of the State*. It is essential to ensure teachers are certified or diligently working toward certification and the proposed programs will do just that. They “will be responsive to the workforce development and ongoing training needs of employers and industries to help sustain a knowledgeable, trained, and skilled workforce in both rural and urban areas.”

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

ACTION: **First and Final Round Approval of Revisions to Board Policy 2550; Nebraska State College System Organizational Chart**

The policy is being revised to delete the marketing coordinator position at WSC from the list of members of the Council of Student Affairs, Marketing and Enrollment Officers.

The System Office recommends approval of the Revisions to Board Policy 2550; Nebraska State College System Organizational Chart.

ATTACHMENTS:

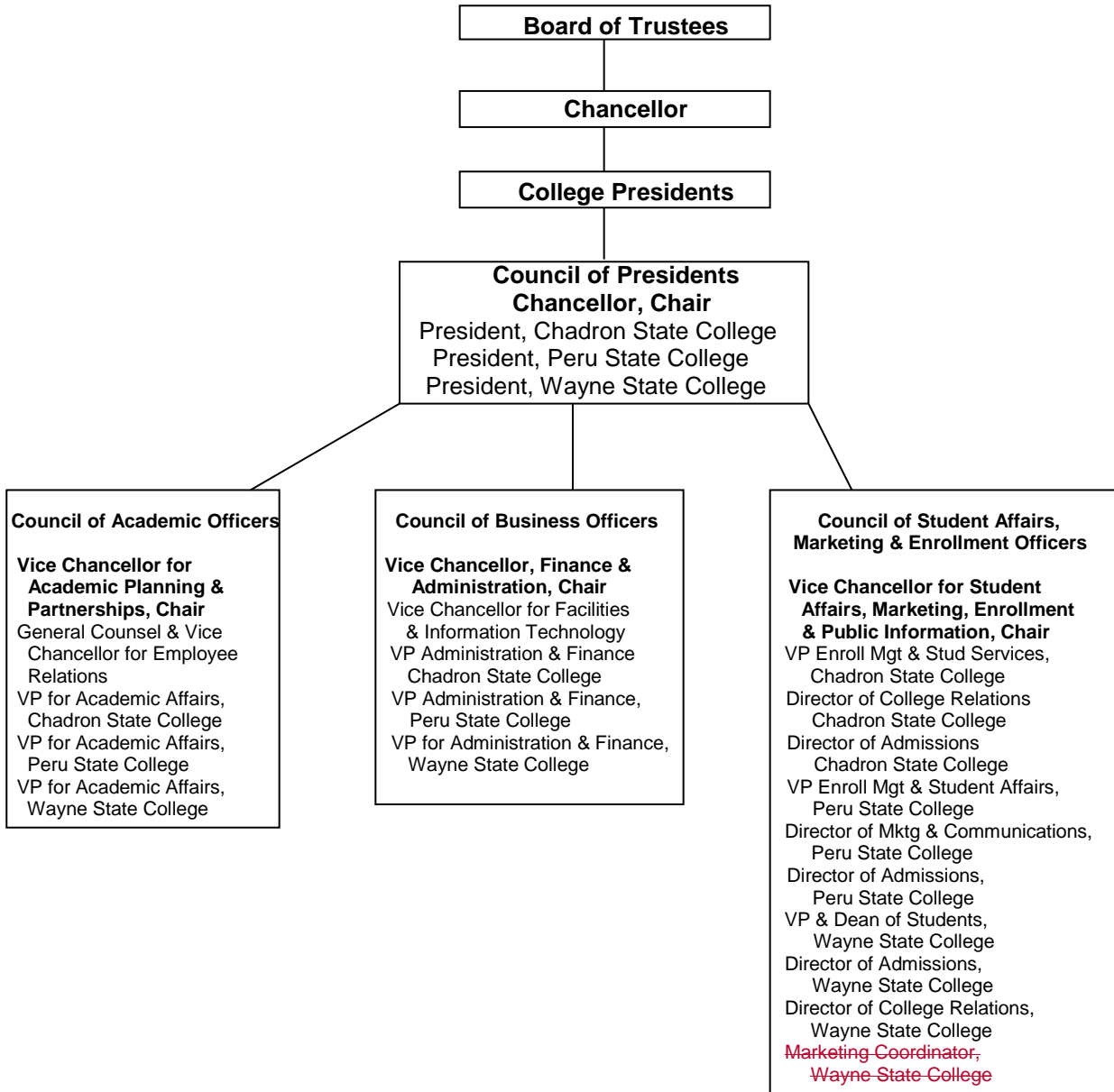
- Revisions to Board Policy 2550 (PDF)

GOVERNANCE AND ADMINISTRATION, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 2550

**Nebraska State College System
Organizational Chart**

Page 1 of 1



- Policy Revised: 9/17/04
- Policy Revised: 3/31/06
- Policy Revised: 11/15/07
- Policy Revised: 9/9/11
- Policy Revised: 9/3/13
- Policy Revised: 2/18/14
- Policy Revised: 4/1/14
- Policy Revised: 10/10/14
- Policy Revised: 4/3/15
- Policy Revised: 9/9/16
- Policy Revised:

Attachment: Revisions to Board Policy 2550 (1886 : Revisions to Board Policy 2550; Nebraska State College System Organizational Chart)

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 17, 2017

***ACTION:* First and Final Round Approval of Revisions to Board Policy 5030; Salary Payment**

Policy 5030 has been revised to address and clarify a number of salary payment issues.

Faculty salary needs to be paid in 12 equal payments. The option for a partial payment in August creates a number of tracking and reporting concerns.

The methodology for prorating pay at the end of employment has been clarified for all categories of employees.

The statutory prohibition for paying for services in advance has been noted.

The System Office recommends approval of the Revisions to Board Policy 5030; Salary Payment.

ATTACHMENTS:

- Revisions to Board Policy 5030 (PDF)

PERSONNEL, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 5030 Salary Payment

Page 1 of 2

BOARD POLICY

Salaries and wages paid to employees shall be determined by applicable employment ~~contract~~ terms and reported to the Board as follows:

1. **Faculty.** ~~As of 8-1-09, s~~Salary payments to full-time employees shall be made in twelve (12) equal, monthly payments. ~~Newly hired employees, at the discretion of the College, may have the option to receive a prorated payment for the first partial month of employment.~~

At the end of employment, any salary proration shall be based upon the fractional part of the ~~month or~~ academic term ~~completed represented by the calendar working days~~ preceding the date of termination ~~and will take into account any salary earned but not yet paid due to prorating academic year salaries over a twelve (12) month period.~~
2. **Professional Staff.** Salary payments for full-time (1.0 FTE) employees shall be made in twelve (12) equal monthly payments. Salary payments for part-time employees (less than 1.0 FTE) will be determined by the employment contract terms. At the end of employment, any salary proration shall be based upon the ~~number of days worked in the month fractional part of the month or academic term represented by the calendar working days~~ preceding the date of termination ~~and will take into account any salary earned but not yet paid if prorating salaries over a twelve (12) month period for less than 1.0 FTE employees.~~
3. **Support Staff.** ~~Wages for full time employees are calculated on an hourly rate based on a 40 hour work week. Part time employees are paid on an hourly basis according to the number of hours worked. At the end of employment, pro rata compensation shall be based upon the fractional part of the pay period represented by the number of hours between the date service began and the date of termination, inclusive. Salary payments for full-time (1.0 FTE) employees shall be made in twelve (12) equal monthly payments. Salary payments for part-time employees (less than 1.0 FTE) will be determined by the employment terms. At the end of employment, any salary proration shall be based upon the number of days worked in the month preceding the date of termination and will take into account any salary earned but not yet paid if prorating salaries over a twelve (12) month period for less than 1.0 FTE employees.~~
4. **Student Employees.** Wages for student employees shall be determined by the College based on an hourly rate and shall be paid biweekly.

METHOD OF PAYMENT

~~Starting September 1 2009, a~~At the Chancellor's discretion, all salaries and wages ~~may will~~ be paid by electronic fund transfer or a similar means of deposit. No compensation can be paid in advance of services performed ~~in accordance with state law~~. The Chancellor, Presidents, or designees, as appropriate, shall properly voucher and certify according to the law all salary and wage claims, and shall present them to proper officials for issuance of payments.

UPON DEATH

Salary ~~earnings~~ shall terminate on the date of death, however, this provision in no way abrogates the employee's right to receive salary earned but not yet paid because of the method of prorating ~~academic year salaries over a 12-month period.~~

PERSONNEL, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 5030 Salary Payment

Page 2 of 2

GRANT AND CONTRACT COMPENSATION

As authorized by the [Chancellor or](#) President and specified by the funding source, funds from an external grant or contract may be used to pay all or a portion of an employee’s salary. Funds can either supplement or substitute the funds regularly budgeted for the employee’s salary as authorized by the [Chancellor or](#) President. The Board will be notified any time an employee’s salary amount changes [per Board Policy 5021](#).

- Policy Adopted: 6/5/93
- Policy Revised: 6/2/06
- Policy Revised: 1/13/09
- Policy Revised: 6/19/09
- [Policy Revised:](#)

Attachment: Revisions to Board Policy 5030 (1871 : Revisions to Board Policy 5030; Salary Payment)

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: Approve Acceptance of Basic Financial Audit Report for Fiscal Years Ending June 30, 2016 and 2015

The Auditor of Public Accounts (APA) has completed the Nebraska State College System (NSCS) basic financial audit for the fiscal years ending June 30, 2016 and 2015. The audit is attached.

The audit contains an unmodified opinion from the APA and it states:

"In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the NSCS, as of June 30, 2016 and 2015, and December 31, 2015 and 2014, (Peru State Foundation) and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America."

The Facilities Corporation is included in the basic financial audit as a blended component unit of the NSCS. BKD performed a separate audit of the Facilities Corporation, which was accepted at the Annual Meeting of the Board of Directors of the Facilities Corporation on November 10, 2016.

A separate audit of the Revenue Bond program was also completed by BKD and accepted by the Board of Trustees at its November 10, 2016 meeting. The Revenue Bond program activity is incorporated into the basic financial audit figures.

The Colleges' Foundations are included as discretely presented component units in the audit report in accordance with Governmental Accounting Standards Board (GASB) standards. The Foundations' financial statements and corresponding footnotes are incorporated from private audits accepted by the individual foundation boards.

The System Office recommends approval of the Acceptance of Basic Financial Audit Report for Years Ending June 30, 2016 and 2015.

ATTACHMENTS:

- APA Basic Financial Report for Years Ended June 30, 2016 and 2015 (PDF)

**AUDIT REPORT
OF THE
NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)**

For the Years Ended June 30, 2016 and 2015

**This document is an official public record of the State of Nebraska, issued by
the Auditor of Public Accounts.**

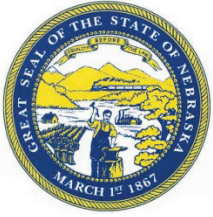
**Modification of this document may change the accuracy of the original
document and may be prohibited by law.**

Issued on December 13, 2016

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

TABLE OF CONTENTS

	Page
Financial Section	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis – Unaudited	4 - 12
Basic Financial Statements:	
Statements of Net Position – Nebraska State College System – Primary Government	13 - 14
Statements of Financial Position – Nebraska State College System Component Units – Foundations:	
Chadron State Foundation	15
Peru State Foundation	16
Wayne State Foundation	17
Statements of Revenues, Expenses, and Changes in Net Position – Nebraska State College System – Primary Government	18
Statement of Activities – Nebraska State College System Component Units – Foundations:	
Chadron State Foundation	19
Peru State Foundation	20
Wayne State Foundation	21
Statements of Cash Flows – Nebraska State College System – Primary Government	22 - 23
Statements of Cash Flows – Nebraska State College System Component Units – Foundations:	
Chadron State Foundation	24
Peru State Foundation	25
Wayne State Foundation	26
Notes to Financial Statements – Nebraska State College System (Including Foundation Notes to Financial Statements)	27 - 104
Supplementary Information:	
Schedules – Nebraska State College System:	
Schedule of Net Position	105 - 106
Schedule of Revenues, Expenses, and Changes in Net Position	107 - 108
Schedule of Cash Flows	109 - 112
Government Auditing Standards Section	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113 - 115



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

INDEPENDENT AUDITOR'S REPORT

Board of Trustees of the Nebraska State College System
Lincoln, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Nebraska State College System (NSCS) (a component unit of the State of Nebraska), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Nebraska State College System's basic financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the accompanying financial statements of Chadron State, Peru State, and Wayne State Foundations (Foundations), discretely presented component units of the NSCS, as of and for the years ended June 30, 2016 and 2015, December 31, 2015 and 2014, and June 30, 2016 and 2015, respectively. Those statements are presented separately on pages 15 through 17, 19 through 21, and 24 through 26. We also did not audit the financial statements of the Nebraska State Colleges Facilities Corporation, a blended component unit of the NSCS, and the activity of the Nebraska State College System Revenue and Refunding Bond Program, which represents 29 percent and 26 percent, respectively, of total assets, and 85 percent and 82 percent, respectively, of total liabilities, and 6 percent and 6 percent, respectively, of total net position, at June 30, 2016 and 2015, and total revenues constituting 21 percent and 20 percent, respectively,

of the primary government for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations, the Nebraska State College System Revenue and Refunding Bond Program, and the Nebraska State Colleges Facilities Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundations, Revenue and Refunding Bond Program, and the Facilities Corporation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NSCS's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the NSCS, as of June 30, 2016 and 2015, and December 31, 2015 and 2014, (Peru State Foundation) and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the fiscal year ended June 30, 2015, financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in

the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the NSCS's basic financial statements. The schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed, as described above, and the reports of the other auditors, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of the NSCS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NSCS's internal control over financial reporting and compliance.

December 12, 2016



Kris Kucera, CPA, CFE
Audit Manager

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

This section of the Nebraska State College System's (NSCS) financial report presents a narrative overview and analysis of the financial activities of the NSCS for the fiscal years ended June 30, 2016 and 2015. The analysis has been prepared by management of the NSCS and is intended to be read with the financial statements and the related footnotes that follow this section.

Management's discussion and analysis relates only to the NSCS and does not include any overview of the financial position and activities of the Chadron State Foundation, Peru State Foundation, and Wayne State Foundation, which are considered component units of the NSCS.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the NSCS's basic financial statements, which include: 1) Statements of Net Position; 2) Statements of Revenues, Expenses, and Changes in Net Position; 3) Statements of Cash Flows; and 4) Notes to Financial Statements. This report also contains information in addition to the basic financial statements.

The Statements of Net Position present information on all of the NSCS's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the NSCS is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the NSCS's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Statements of Cash Flows present the NSCS's flows of cash by defined categories. The primary purpose of the Statements of Cash Flows is to provide information about the NSCS's cash receipts and payments during the year.

The Notes to Financial Statements provides additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS OF THE NSCS AS A WHOLE

The NSCS includes Chadron State College (CSC), Peru State College (PSC), Wayne State College (WSC), and the NSCS Office in Lincoln. The designation as a single entity reflects the general governing authority of the Board of Trustees, including the authority to distribute the State appropriation among the Colleges and the NSCS Office.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

The audited financials for the NSCS include information on the Nebraska State Colleges Facilities Corporation (Corporation), a non-profit corporation statutorily created to allow the NSCS to finance building projects of the Board of Trustees of the Nebraska State College System on any of its campuses, through the issuance of notes, bonds, or other obligations. The members of the Board of Trustees serve as the Board of Directors of the Corporation. Outstanding bonds issued by the Corporation are those authorized under LB 605, passed in 2006, and LB 198, passed in 2013. Repayment is from legislative appropriations and student fees. The long-term debt of the Corporation accrues to the NSCS Office, while the assets acquired as the result of renovations and new construction appear as assets at the individual Colleges.

Audit information from the Chadron State Foundation, Peru State Foundation, and Wayne State Foundation is included in the report as well. With implementation of Governmental Accounting Standards Board (GASB) Statement No. 39, the Foundations of the Colleges have been deemed to be component units of the NSCS. Those Foundations' financial statements are presented separately on pages 15 through 17, 19 through 21, and 24 through 26 of this report.

Condensed statements are presented below for the NSCS for the years ended June 30, 2016, 2015, and 2014.

**Nebraska State College System
Net Position as of June 30**

	2016	2015 As Restated	2014
Current Assets	\$ 61,946,780	\$ 58,697,889	\$ 56,834,765
Non-current Assets			
Capital Assets, Net	204,168,107	198,162,911	182,661,457
Other Non-current Assets	26,454,450	13,068,191	23,721,174
Total Assets	<u>292,569,337</u>	<u>269,928,991</u>	<u>263,217,396</u>
Deferred Outflow of Resources	<u>43,515</u>	<u>47,293</u>	<u>51,070</u>
Current Liabilities	17,482,793	17,197,126	17,072,164
Non-current Liabilities	67,408,157	52,711,352	57,555,464
Total Liabilities	<u>84,890,950</u>	<u>69,908,478</u>	<u>74,627,628</u>
Net Position			
Net Investment in Capital Assets	159,203,331	153,547,782	139,807,159
Restricted	24,920,329	25,081,985	26,620,443
Unrestricted	23,598,242	21,438,039	22,213,236
Total Net Position	<u>\$ 207,721,902</u>	<u>\$ 200,067,806</u>	<u>\$ 188,640,838</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

Nebraska State College System
Revenues, Expenses, and Changes in Net Position For Year Ended June 30

	<u>2016</u>	<u>2015 As Restated</u>	<u>2014</u>
Operating Revenues			
Tuition and Fees, Net	\$ 29,713,811	\$ 26,826,814	\$ 26,197,724
Federal and State Grants and Contracts	14,215,658	14,791,678	14,468,359
Private Grants and Contracts	619,646	556,060	584,731
Auxiliary Enterprises, Net	18,899,727	18,564,719	17,709,618
Other Operating Revenues	1,088,550	1,140,204	1,211,641
Total Operating Revenues	<u>64,537,392</u>	<u>61,879,475</u>	<u>60,172,073</u>
Operating Expenses	<u>116,062,557</u>	<u>112,547,647</u>	<u>109,032,514</u>
Operating Loss	<u>(51,525,165)</u>	<u>(50,668,172)</u>	<u>(48,860,441)</u>
Non-operating Revenues (Expenses)			
State Appropriations	50,877,659	49,397,586	47,540,052
Investment Income	1,201,233	1,043,343	983,886
Interest on Capital Asset-Related Debt	(1,201,877)	(1,235,376)	(1,171,890)
Gain (Loss) on Disposal of Asset	14,858	(589,282)	(7,351,929)
Bond Issuance Costs	(318,876)	-	(234,051)
Other Non-operating Revenues (Expenses)	266,494	27,139	(44,928)
Net Non-operating Revenues	<u>50,839,491</u>	<u>48,643,410</u>	<u>39,721,140</u>
Loss before Other Revenues, Expenses, Or Gains (Losses)	<u>(685,674)</u>	<u>(2,024,762)</u>	<u>(9,139,301)</u>
Other Revenues, Expenses, or Gains (Losses)			
Capital Appropriations and Grants	4,139,354	8,751,675	15,785,770
Capital Contributions	2,141,916	2,617,534	1,465,923
Capital Facilities Fee	2,058,500	2,082,521	2,086,875
Net Other Revenues, Expenses, or Gains (Losses)	<u>8,339,770</u>	<u>13,451,730</u>	<u>19,338,568</u>
Increase in Net Position	7,654,096	11,426,968	10,199,267
Net Position, Beginning of Year	<u>200,067,806</u>	<u>188,640,838</u>	<u>178,441,571</u>
Net Position, End of Year	<u>\$ 207,721,902</u>	<u>\$ 200,067,806</u>	<u>\$ 188,640,838</u>

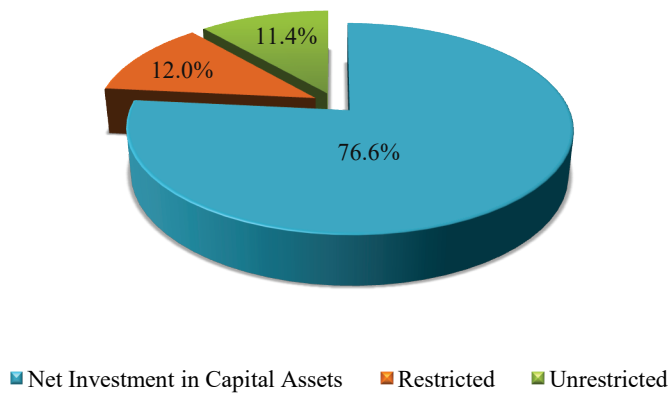
NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

CHANGES IN NET POSITION

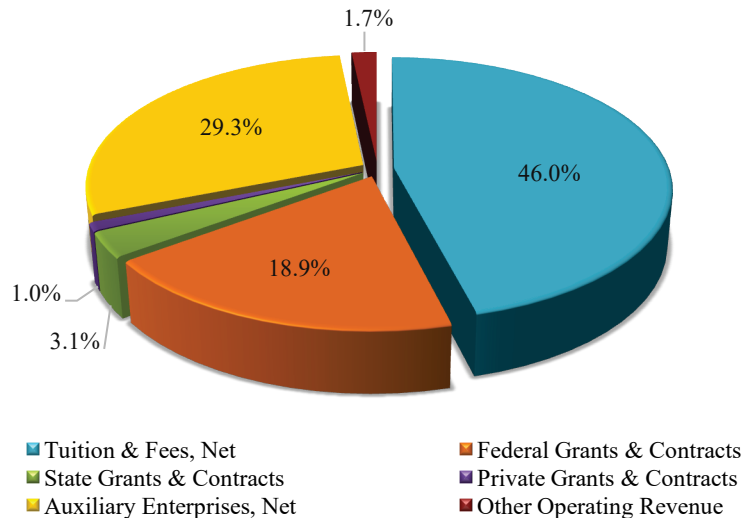
At June 30, 2016, the NSCS had a net position of \$207.7 million, an increase of \$7.7 million or 3.8% over 2015, and up 10.1% from 2014. Net position was comprised of unrestricted – \$23.6 million; restricted – \$24.9 million; and net investment in capital assets – \$159.2 million.

Net Position at June 30, 2016



Operating revenues for fiscal year 2016 were \$64.5 million compared to \$61.9 million in 2015, a 4.3% increase, and were 7.3% over fiscal year 2014 operating revenues. Operating revenues for 2016 include \$29.7 million in net tuition and fees, Federal grants and contracts of \$12.2 million, State grants and contracts of \$2.0 million, private grants and contracts of \$0.6 million, net auxiliary enterprises of \$18.9 million, and other operating revenues of \$1.1 million.

Fiscal Year 2016 Operating Revenues

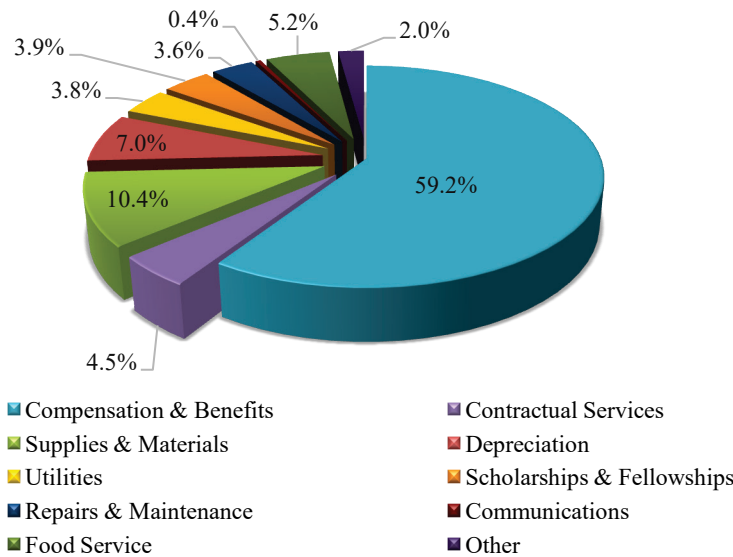


NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

Operating expenses for the year ended June 30, 2016, amounted to \$116.1 million, compared to \$112.5 million in 2015, and \$109.0 million in 2014. Compensation and benefits accounted for \$68.7 million, or 59.2% of the total; contractual services were \$5.2 million; supplies and materials, \$12.1 million; depreciation, \$8.1 million; and utilities, \$4.4 million. Other operating expenses consisted of scholarships and fellowships, \$4.5 million; repairs and maintenance, \$4.1 million; communications, \$0.4 million; food service, \$6.0 million; and other operating expenses, \$2.3 million.

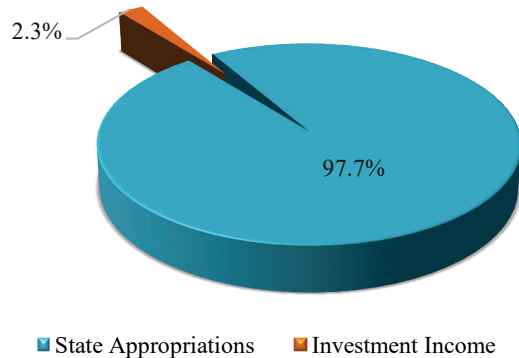
Fiscal Year 2016 Operating Expenses



The current year operating loss amounted to \$51.5 million, compared to an operating loss of \$50.7 million in 2015 and \$48.9 million in 2014.

Non-operating revenues consist of State appropriations and investment income.

Fiscal Year 2016 Non-operating Revenues



NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

The most significant change in the schedule of net position from the fiscal year ended June 30, 2014, to the fiscal year ended June 30, 2015, was a decrease in non-current restricted cash and cash equivalents and an increase in capital assets. The changes in these two accounts related to the expenditure of 2014 Series Bond proceeds for capital construction projects during the fiscal year, specifically the Rangeland Center at CSC and U.S. Conn Library at WSC. The \$15.5 million increase in net capital assets during fiscal year 2015 was also the result of work related to the Armstrong renovation and Eagle Ridge construction at CSC; Lindahl Drive street work and Morey Hall window replacement at WSC; and T.J. Majors and Delzell Hall renovations and Park Avenue street work at PSC.

The most significant change in the schedule of net position from the fiscal year ended June 30, 2015, to the fiscal year ended June 30, 2016, was an increase in non-current restricted cash and cash equivalents and an increase in long-term debt. The changes in these two accounts related to the issuance of two bonds during the fiscal year. The proceeds of these bonds will be used for capital construction projects related to Delzell Hall at PSC and Bowen Hall at WSC. The \$6.0 million increase in net capital assets during fiscal year 2016 was also the result of work related to the Armstrong renovation and Rangeland Lab construction at CSC; Lindahl Drive street work, U.S. Conn Library and Bowen Hall renovation, and Morey Hall window replacement at WSC; and T.J. Majors, Field House, Theatre, and Delzell Hall renovations, Hoyt HVAC, and Park Avenue street work at PSC.

Fiscal year 2016 tuition and fee income increased \$2.9 million or 10.8%, and auxiliary enterprise revenues increased \$0.3 million, or 1.8% from the prior fiscal year. Federal, State, and private grants and contracts decreased \$0.5 million or 3.3%. Increases in tuition and fee and auxiliary enterprise from 2014 to 2016 were 13.4% and 6.7%, respectively, while Federal, State, and private grants decreased 1.4%.

Fiscal year 2016 non-operating revenues reflect a \$1.5 million or 3.0% increase in expenditure of State appropriations and a 15.1% increase in investment income over fiscal year 2015. State appropriations increased 7.0% and investment income increased 22.1% between fiscal years 2016 and 2014.

Operating expenses for the year ended June 30, 2016, increased by \$3.5 million or 3.1% from the previous fiscal year. Within the operating expenses category, compensation and benefits increased approximately \$2.5 million, contractual services increased \$0.5 million, depreciation increased \$0.6 million, repairs and maintenance increased \$.5 million, food service increased \$0.2 million, and other operating expenses increased \$0.1 million. Health insurance premiums increased slightly in 2013-2014, 2014-2015, and 2015-2016, with the overall composite rates for medical and dental insurance increasing 6.4%, 2.3% and 1.9%, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2016, the NSCS had recorded \$304.8 million in gross capital assets. During the fiscal year ended June 30, 2016, the investment in buildings and improvements increased by \$25.4 million; infrastructure increased by \$0.2 million; equipment increased by \$0.5 million; and

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

construction in progress decreased by \$12.2 million. Policy changes on capitalization thresholds removed \$7.4 million in net capital assets during fiscal year 2014. At the end of the fiscal year, the NSCS had \$100.6 million in accumulated depreciation that left \$204.2 million in net capital assets. Accumulated depreciation for fiscal years 2015 and 2014 were \$92.8 million and \$85.9 million, respectively, and net capital assets were \$198.2 million and \$182.7 million, respectively.

The NSCS had \$73.3 million in long-term liabilities at the end of the 2016 fiscal year. These long-term liabilities consisted primarily of outstanding indebtedness of \$66.2 million, \$4.0 million in accrued compensated absences, \$0.8 million in master lease obligations, and \$0.9 million in unearned revenue. Additional debt of \$24.0 million was issued during the fiscal year, and previously existing bond obligations were reduced by \$8.8 million. Long-term liabilities were \$58.5 million and \$62.4 million at the end of fiscal years 2015 and 2014, respectively. No additional debt was issued in fiscal year 2015 and additional debt of \$17.7 million was issued in fiscal year 2014. Previously existing bond obligations were reduced by \$4.2 million and \$8.1 million, respectively, during fiscal years 2015 and 2014. The NSCS also added master leases of \$0.8 million and \$0.2 million during fiscal years 2015 and 2014.

Several construction projects have been completed at the Colleges, including Armstrong renovation and Rangeland Lab construction at CSC; T.J. Majors HVAC upgrade project, AWAC bridge, and Delzell window project at PSC; and Morey Hall window project at WSC. Projects were completed using College cash funds, capital improvement fee funds, Facilities Corporation bond funds, LB 309 building renewal task force funds, revenue bond funds, contingency maintenance funds, Foundation funds, and private funds. Renovation and construction was also in progress for several projects, including the CSC Maintenance Shed, the CSC Memorial Hall Bandshell, the WSC U.S. Conn Library renovation and addition, the WSC Lindahl Drive street project, the WSC Press Box project, the WSC Bowen Hall renovation, the PSC Park Avenue street project, the PSC Delzell Hall renovation, the PSC Hoyt HVAC upgrade project, and the PSC Field House renovation. These projects are being funded through various sources including: Facilities Corporation bonds, capital improvement fee funds, the LB 309 building renewal task force, College cash funds, revenue bond funds, and/or privately raised funds. Planning was in the process for the Theatre/Event Center renovation and addition project at PSC, the Center for Applied Technology construction at WSC, and the Stadium renovation at CSC.

All projects using bond proceeds from LB 605 have been completed. In May 2013, the Legislature approved and the Governor signed LB 198, which provides General Fund appropriations of \$2,216,000 for 2013-2014 and 2014-2015 and the intent to provide this amount annually through fiscal year June 30, 2021, to undertake construction of the CSC Rangeland Center Phase II and renovation of the WSC U.S. Conn Library. LB 198 authorized the Corporation to issue bonds for these two projects. The bonding resulting from LB 198 provided over \$15 million in capital project funds. The Rangeland construction project was completed during the fiscal year while the U.S. Conn Library project utilizing LB 198 funding was still in progress. Various deferred repair and fire and life safety upgrades are in progress at all three Colleges.

See the notes to the financial statements for additional discussion of capital assets and long-term liabilities.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

ECONOMIC OUTLOOK AND SUBSEQUENT EVENTS THAT WILL AFFECT THE FUTURE

State funding for the NSCS increased for the 2015-2017 biennium. The Governor and Legislature approved State funding for 2015-2016 at \$50,877,911, an increase of \$1,481,881 or 3.0%. Funding for 2016-2017 was approved at \$52,404,248, an increase of \$1,526,337 over 2015-2016 funding levels.

The Board of Trustees increased tuition rates for 2016-2017. Tuition rates for 2016-2017 are \$160 for undergraduate resident, \$200 for graduate resident, \$320 for undergraduate non-resident, and \$400 for graduate non-resident. Online rates were \$260 for undergraduate and \$325 for graduate. Tuition rates for 2015-2016 were \$153 for undergraduate resident, \$191 for graduate resident, \$306 for undergraduate non-resident, and \$383 for graduate resident. Online rates were \$246 for undergraduate and \$308 for graduate.

In accordance with the NSCS Bargaining Unit agreements for 2015-2017, each unit member of professional staff will receive a 3.0% increase in the 2016-2017 fiscal year. Faculty will receive a 3.0% increase for the 2016-2017 fiscal year. Support staff will also receive a 3.0% increase for the 2016-2017 fiscal years, while maintaining longevity increases.

In addition to receiving notification of a 4.9% premium increase in health insurance rates for 2016-2017, the NSCS has also been notified that premium rates for the 2017-2018 year will increase an additional 8.0%.

Enrollment at the State Colleges (annual FTE) remained relatively stable for 2015-2016. Fall enrollments are also expected to remain relatively stable to slightly declining for 2016-2017. The NSCS continues to engage in an increased emphasis on enrollment management and marketing.

During the 2016 legislative session, the Legislature passed LB 957 which extended the appropriations related to the Series 2006 bonds to fiscal year 2030. The extension of the appropriation was to allow for the refunding of the Series 2006 bonds and the issuance of new bond proceeds in order to help fund the renovation of the stadium at CSC, the renovation of the Theatre/Event Center at PSC, and the construction of applied technology programmatic space at WSC. At the June 2016, the Corporation Board of Directors meeting, the Board approved a resolution to authorize the issuance of deferred maintenance and refunding bonds, Series 2016. On August 17, 2016, the Corporation issued \$26,655,000 in Series 2016 bonds, of which \$19,295,000 was related to new bonds and \$7,360,000 was related to refunding bonds. Settlement of these bonds took place on September 1, 2016. The Series 2006 bonds were advance refunded on September 19, 2016. This advance refunding reduced total debt service payments by \$854,784 and resulted in an estimated economic gain of \$471,674.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Concluded)

At the November 10, 2016, Board of Trustees meeting, the Board approved a resolution to authorize the sale of Student Fees and Facilities Revenue Refunding Bonds in order to refund the PSC Student Fees and Facilities Revenue Bonds Series 2011. On November 14, 2016, the NSCS issued \$2,865,000 in Student Fees and Facilities Revenue Refunding Bonds, Series 2016C. Settlement of these Series 2016C bonds will take place on December 19, 2016, and refunding of the Series 2011 bonds will occur on the same date. This current refunding will reduce total debt service payments by \$604,271 and resulted in an estimated economic gain of \$407,674.

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	2016	2015 As Restated
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 32,410,624	\$ 30,395,783
Restricted Cash and Cash Equivalents	25,576,581	24,830,169
Accounts Receivable, Net of Allowance	1,905,589	1,615,182
State Grants and Appropriations Receivable	205,948	72,331
Other Receivables	462,963	323,150
Inventories	83,257	90,679
Loans to Students, Net	279,592	321,965
Prepaid Expenses	1,015,945	1,043,787
Deposits with Vendors	6,281	4,843
Total Current Assets	61,946,780	58,697,889
Non-current Assets		
Restricted Cash and Cash Equivalents	24,949,225	11,752,384
Restricted Investments	605,121	-
Loans to Students, Net	863,735	1,271,804
Prepaid Expenses	36,369	44,003
Capital Assets, Net	204,168,107	198,162,911
Total Non-current Assets	230,622,557	211,231,102
Total Assets	292,569,337	269,928,991
Deferred Outflow of Resources		
Unamortized Bond Refunding Amount, Net	43,515	47,293
Total Deferred Outflow of Resources	43,515	47,293
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	10,129,575	10,205,129
Accrued Compensated Absences	378,447	314,626
Unearned Revenue	738,249	724,098
Interest Payable	838,831	607,223
Master Lease Payable	227,574	224,568
Long-term Debt	4,928,334	4,922,545
Deposits Held in Custody for Others	241,783	198,937
Total Current Liabilities	17,482,793	17,197,126
Non-current Liabilities		
Accrued Compensated Absences	3,615,834	3,382,369
Unearned Revenue	605,668	883,528
Master Lease Payable	548,876	776,450
Long-term Debt	62,637,779	47,669,005
Total Non-current Liabilities	67,408,157	52,711,352
Total Liabilities	84,890,950	69,908,478

(Continued)

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

STATEMENTS OF NET POSITION

June 30, 2016 and 2015

Net Position	2016	2015 As Restated
Net Investment in Capital Assets	159,203,331	153,547,782
Restricted for:		
Expendable:		
Loans	1,760,064	2,163,415
Debt service	3,538,638	3,503,390
Plant	3,572,778	3,661,310
Other	16,048,849	15,753,870
Unrestricted	23,598,242	21,438,039
Total Net Position	\$ 207,721,902	\$ 200,067,806

(Concluded)

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

CHADRON STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 1,692,474	\$ 1,050,523
Cash and Cash Equivalents - Restricted	28,350	39,781
Investments	17,018,052	18,511,198
Contributions Receivable, Net of Allowance for Uncollectible Pledges of \$62,000 for 2016 and \$37,087 for 2015	561,940	486,365
Prepaid Expenses	4,000	4,000
Other Assets	43,507	308,101
Property and Equipment, Net of Accumulated Depreciation	41,760	42,853
TOTAL ASSETS	\$ 19,390,083	\$ 20,442,821
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 4,849	\$ 24,560
Accrued Salaries and Benefits	134,693	91,284
Scholarships Payable	698,019	634,012
Deferred Revenue	16,041	19,662
Due to Other Agencies	25,614	40,332
TOTAL LIABILITIES	\$ 879,216	\$ 809,850
Unrestricted Net Assets:		
Operating Fund	\$ (201,055)	\$ (32,678)
CSC General Fund	583,347	587,087
CSC Quasi Endowment	554,720	430,698
Greatest Need	172,767	411,423
Total Unrestricted Net Assets	\$ 1,109,779	\$ 1,396,530
Temporarily Restricted Net Assets:		
Donor Designated	\$ 973,281	\$ 555,692
Named Endowment Activity	861,229	2,455,943
Total Temporarily Restricted Net Assets	\$ 1,834,510	\$ 3,011,635
Permanently Restricted Net Assets:		
Named Endowment	\$ 15,566,578	\$ 15,224,806
TOTAL NET ASSETS	\$ 18,510,867	\$ 19,632,971
TOTAL LIABILITIES AND NET ASSETS	\$ 19,390,083	\$ 20,442,821

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

PERU STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,279,540	\$ 165,387
Unconditional Promises to Give	15,904	15,084
Interest Receivable	3,326	4,089
Prepaid Expenses	2,635	103,090
Current Portion of Notes Receivable	22,545	21,783
TOTAL CURRENT ASSETS	<u>1,323,950</u>	<u>309,433</u>
PROPERTY AND EQUIPMENT		
Land	60,947	60,947
Office Furniture and Fixtures	35,681	35,681
Vehicles	23,650	23,650
TOTAL PROPERTY AND EQUIPMENT	<u>120,278</u>	<u>120,278</u>
Less Accumulated Depreciation	57,958	54,510
NET PROPERTY AND EQUIPMENT	<u>62,320</u>	<u>65,768</u>
OTHER ASSETS		
Investments	11,967,806	13,569,903
Real Estate Held for Future College Use	337,062	238,760
Notes Receivable, Less Current Portion	72,481	95,026
TOTAL OTHER ASSETS	<u>12,377,349</u>	<u>13,903,689</u>
TOTAL ASSETS	<u>\$ 13,763,619</u>	<u>\$ 14,278,890</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 147,192	\$ 21,463
Accrued Compensation	132,618	128,292
Accrued Expenses	-	1,142
Refundable Deposits	29,353	28,863
Current Portion of Notes Payable	140,802	164,962
Current Portion of Gift Annuity	-	385
TOTAL CURRENT LIABILITIES	<u>449,965</u>	<u>345,107</u>
LONG-TERM LIABILITIES		
Note Payable, Less Current Portion	-	833
Gift Annuity, Less Current Portion	-	398
TOTAL LONG-TERM LIABILITIES	<u>-</u>	<u>1,231</u>
TOTAL LIABILITIES	<u>449,965</u>	<u>346,338</u>
NET ASSETS		
Unrestricted Net Assets:		
Operating	4,124,114	5,129,476
Board Designated	1,138,297	1,151,133
TOTAL UNRESTRICTED NET ASSETS	<u>5,262,411</u>	<u>6,280,609</u>
Temporarily Restricted	1,328,662	1,246,213
Permanently Restricted	6,722,581	6,405,730
TOTAL NET ASSETS	<u>13,313,654</u>	<u>13,932,552</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,763,619</u>	<u>\$ 14,278,890</u>

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

WAYNE STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 102,537	\$ 28,701
Cash and Cash Equivalents - Restricted	619,620	465,038
Total Cash and Cash Equivalents	722,157	493,739
Accrued Interest Receivable	1,198	1,014
Unconditional Promises to Give	1,096,491	1,554,094
Prepays and Other Receivables	9,560	1,781
Investments	22,410,344	20,756,873
Property	189,445	283,516
Cash Value Life Insurance	87,817	102,026
Assets Restricted for Annuity Contracts		
Investments	909,022	1,044,434
Assets Held in Perpetual Trust		
Investments	864,617	915,750
TOTAL ASSETS	\$ 26,290,651	\$ 25,153,227
LIABILITIES AND NET ASSETS		
Accounts and Faculty Grants Payable	\$ 66,444	\$ 128,316
Deferred (Unearned) Event Revenue	2,200	3,330
Annuities Payable	370,904	407,247
Total Liabilities	439,548	538,893
Net Assets:		
Unrestricted:		
Undesignated	2,565,492	2,559,290
Endowment Funds Deficit	(5,010)	(1,121)
Designated	324,380	326,609
Total Unrestricted Net Assets	2,884,862	2,884,778
Temporarily Restricted	6,925,582	7,640,416
Permanently Restricted	16,040,659	14,089,140
Total Net Assets	25,851,103	24,614,334
TOTAL LIABILITIES AND NET ASSETS	\$ 26,290,651	\$ 25,153,227

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Years Ended June 30, 2016 and 2015

	2016	2015 As Restated
Operating Revenues		
Tuition and Fees Net of Scholarship Allowances and Institutional Waivers Totaling \$11,833,929 in 2016 and \$11,492,713 in 2015	\$ 29,713,811	\$ 26,826,814
Federal Grants and Contracts	12,193,676	13,189,009
State Grants and Contracts	2,021,982	1,602,669
Private Grants and Contracts	619,646	556,060
Auxiliary Enterprises Net of Scholarship Allowances and Institutional Waivers Totaling \$4,185,997 in 2016 and \$4,073,301 in 2015	18,899,727	18,564,719
Other Operating Revenues	1,088,550	1,140,204
Total Operating Revenues	64,537,392	61,879,475
Operating Expenses		
Compensation and Benefits	68,725,981	66,229,394
Contractual Services	5,204,996	4,684,763
Supplies and Materials	12,125,604	12,215,730
Scholarships and Fellowships	4,507,440	5,367,532
Depreciation	8,141,247	7,588,423
Utilities	4,440,475	4,376,659
Repairs and Maintenance	4,142,243	3,626,924
Communications	445,405	443,851
Food Service	6,027,822	5,827,134
Other	2,301,344	2,187,237
Total Operating Expenses	116,062,557	112,547,647
Operating Loss	(51,525,165)	(50,668,172)
Non-operating Revenue (Expenses)		
State Appropriations	50,877,659	49,397,586
Investment Income	1,201,233	1,043,343
Interest on Capital Asset-Related Debt	(1,201,877)	(1,235,376)
Gain (Loss) on Disposal of Asset	14,858	(589,282)
Bond Issuance Costs	(318,876)	-
Other Non-operating Revenue	266,494	27,139
Net Non-operating Revenues	50,839,491	48,643,410
Loss Before Other Revenues, Expenses, or Gains (Losses)	(685,674)	(2,024,762)
Other Revenues, Expenses, or Gains (Losses)		
Capital Facilities Fees	2,058,500	2,082,521
Capital Contributions	2,141,916	2,617,534
Capital Appropriations and Grants	4,139,354	8,751,675
Net Other Revenues, Expenses, or Gains (Losses)	8,339,770	13,451,730
Increase in Net Position	7,654,096	11,426,968
Net Position, Beginning of Year	200,067,806	188,640,838
Net Position, End of Year	\$ 207,721,902	\$ 200,067,806

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

CHADRON STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016
(With Summarized Financial Information for the Year Ended June 30, 2015)

	2016				2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
REVENUES, GAINS (LOSSES), AND OTHER SUPPORT					
Fundraising Income	\$ 403,052	\$ 1,102,316	\$ -	\$ 1,505,368	\$ 938,672
Principle Contributions to Named Endowments	-	-	337,265	337,265	396,235
Management Fees	364,727	-	-	364,727	375,383
State Income	216,351	-	-	216,351	200,387
Unrealized Gain (Loss) on Investments	(248,690)	(1,150,854)	-	(1,399,544)	(334,018)
Realized Gain (Loss) on Investments	(67,006)	(67,853)	-	(134,859)	16,534
Interest and Dividend Income	132,991	428,616	-	561,607	651,132
Event Income	-	47,216	-	47,216	53,715
Miscellaneous Income	3,255	7,009	-	10,264	14,973
Total Revenues, Gains (Losses), and Other Support	\$ 804,680	\$ 366,450	\$ 337,265	\$ 1,508,395	\$ 2,313,013
Transfer Between Net Assets	-	(4,507)	4,507	-	-
Net Assets Released From Restrictions	1,539,068	(1,539,068)	-	-	-
Total Support and Reclassifications	\$ 2,343,748	\$ (1,177,125)	\$ 341,772	\$ 1,508,395	\$ 2,313,013
EXPENSES					
Program Services	\$ 1,662,941	\$ -	\$ -	\$ 1,662,941	\$ 3,649,176
General and Management	539,134	-	-	539,134	523,044
Fundraising	428,424	-	-	428,424	312,490
Total Expenses	\$ 2,630,499	\$ -	\$ -	\$ 2,630,499	\$ 4,484,710
INCREASE (DECREASE) IN NET ASSETS	\$ (286,751)	\$ (1,177,125)	\$ 341,772	\$ (1,122,104)	\$ (2,171,697)
NET ASSETS, BEGINNING OF YEAR	1,396,530	3,011,635	15,224,806	19,632,971	21,804,668
NET ASSETS, END OF YEAR	\$ 1,109,779	\$ 1,834,510	\$ 15,566,578	\$ 18,510,867	\$ 19,632,971

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

PERU STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2015
(With Summarized Financial Information for the Year Ended December 31, 2014)

	2015				2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE					
Contributions	\$ 1,510,077	\$ 136,656	\$ 323,120	\$ 1,969,853	\$ 771,168
Special Events	5,449	27,720	-	33,169	50,799
Interest and Dividends	306,670	-	10,127	316,797	334,660
Realized Gain on Sale of Investments	310,579	-	-	310,579	878,500
Unrealized Loss on Investments	(739,801)	-	(14,508)	(754,309)	(401,579)
Change in Value of Annuities	-	-	-	-	(19)
Miscellaneous Income	4,705	510	1,150	6,365	5,187
TOTAL PUBLIC SUPPORT AND REVENUE	1,397,679	164,886	319,889	1,882,454	1,638,716
EXPENSES					
Program Expenses	1,789,527	-	-	1,789,527	445,652
Management Expenses	265,341	-	-	265,341	280,306
Fundraising Expenses	446,484	-	-	446,484	483,224
TOTAL EXPENSES	2,501,352	-	-	2,501,352	1,209,182
Net Assets Released from Restrictions	85,475	(82,437)	(3,038)	-	-
CHANGE IN NET ASSETS	(1,018,198)	82,449	316,851	(618,898)	429,534
NET ASSETS, Beginning of Year	6,280,609	1,246,213	6,405,730	13,932,552	13,503,018
NET ASSETS, End of Year	\$ 5,262,411	\$ 1,328,662	\$ 6,722,581	\$ 13,313,654	\$ 13,932,552

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

WAYNE STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

	2016				2015 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
REVENUE AND OTHER SUPPORT:					
Gift/Contributions Income	\$ 533,773	\$ 2,710,574	\$ 2,050,596	\$ 5,294,943	\$ 4,096,749
Interest and Dividends	71,356	281,704	8,951	362,011	343,459
Net Gain (Loss) on Investments	(60,737)	(359,854)	(65,345)	(485,936)	467,244
Other Non Gift Income	38,922	184,739	3,232	226,893	190,176
Total Revenue and Other Support	<u>583,314</u>	<u>2,817,163</u>	<u>1,997,434</u>	<u>5,397,911</u>	<u>5,097,628</u>
Assets Released from Restrictions/Transfers	3,372,508	(3,396,978)	24,470	-	-
EXPENSES:					
General and Administrative	242,542	-	-	242,542	236,668
Fundraising	355,719	-	-	355,719	388,704
Program Expenses	3,480,245	-	-	3,480,245	2,955,553
Total Expenses Before Amortization	<u>4,078,506</u>	<u>-</u>	<u>-</u>	<u>4,078,506</u>	<u>3,580,925</u>
Amortization of Annuity Contracts	12,251	-	70,385	82,636	84,026
Total Expenses	<u>4,090,757</u>	<u>-</u>	<u>70,385</u>	<u>4,161,142</u>	<u>3,664,951</u>
Administrative Support Fee	135,019	(135,019)	-	-	-
NET INCREASE (DECREASE) IN NET ASSETS	84	(714,834)	1,951,519	1,236,769	1,432,677
NET ASSETS, BEGINNING OF YEAR	<u>2,884,778</u>	<u>7,640,416</u>	<u>14,089,140</u>	<u>24,614,334</u>	<u>23,181,657</u>
NET ASSETS, END OF YEAR	<u>\$ 2,884,862</u>	<u>\$ 6,925,582</u>	<u>\$ 16,040,659</u>	<u>\$ 25,851,103</u>	<u>\$ 24,614,334</u>

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
STATEMENTS OF CASH FLOWS
Fiscal Years Ended June 30, 2016 and 2015

	2016	2015 As Restated
Cash Flows From Operating Activities		
Tuition and Fees	\$ 29,609,305	\$ 26,724,714
Grants and Contracts	14,854,201	15,352,807
Payments to Suppliers	(28,574,335)	(27,016,624)
Payments for Utilities	(4,355,407)	(4,196,976)
Payments to Employees	(68,376,544)	(66,356,219)
Loans Issued to Students	(243,565)	(217,741)
Collections of Loans to Students	694,007	647,009
Sales and Services of Auxiliary Enterprises	18,522,536	18,164,728
Other Payments	(5,389,136)	(4,207,535)
	(43,258,938)	(41,105,837)
Cash Flows From Non-capital Financing Activities		
State Appropriations	50,744,012	49,710,824
Receipt of Flex Contributions	307,685	330,799
Payment of Flex Contributions	(308,742)	(316,592)
Direct Lending Receipts	31,163,936	31,278,499
Direct Lending Payments	(31,163,936)	(31,278,499)
Other Receipts	205,276	525,501
	50,948,231	50,250,532
Cash Flows From Capital and Related Financing Activities		
Proceeds from Capital Debt	24,083,796	-
Capital Contributions	2,047,916	2,617,534
Purchase of Capital Assets	(13,725,271)	(26,256,056)
Disposal of Capital Assets	40	1,610
Principal Paid on Capital Debt	(8,922,621)	(4,176,783)
Interest Paid on Capital Debt	(1,508,533)	(1,508,475)
Bond Issuance Costs	(318,876)	-
Capital Facilities Fees	2,058,473	2,075,262
Other	(157,147)	(47,497)
Capital Appropriations	4,139,354	8,751,675
	7,697,131	(18,542,730)
Cash Flows From Investing Activities		
Purchase/Sale of Investments	(605,000)	-
Investment Income	1,176,670	1,003,751
	571,670	1,003,751
Increase (Decrease) in Cash and Cash Equivalents	15,958,094	(8,394,284)
Cash and Cash Equivalents, Beginning of Year	66,978,336	75,372,620
Cash and Cash Equivalents, End of Year	\$ 82,936,430	\$ 66,978,336

(Continued)

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

STATEMENTS OF CASH FLOWS

Fiscal Years Ended June 30, 2016 and 2015

	2016	2015 As Restated
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and Cash Equivalents	\$ 32,410,624	\$ 30,395,783
Restricted Cash and Cash Equivalents - Current	25,576,581	24,830,169
Restricted Cash and Cash Equivalents - Non-current	24,949,225	11,752,384
Total Cash and Cash Equivalents	\$ 82,936,430	\$ 66,978,336
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	\$ (51,525,165)	\$ (50,668,172)
Depreciation Expense	8,141,247	7,588,423
Changes in Operating Assets and Liabilities		
Receivables, Net	(211,248)	(31,747)
Inventories	7,422	9,768
Accounts Payable and Accrued Liabilities	(199,572)	2,189,320
Accrued Compensated Absences	297,286	237
Other Assets and Liabilities	231,092	(193,666)
Net Cash Used in Operating Activities	\$ (43,258,938)	\$ (41,105,837)
Supplemental Cash Flows Information		
Accounts Payable Incurred for Capital Asset Purchases	\$ 1,963,409	\$ 2,368,163
		(Concluded)

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

CHADRON STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (1,122,104)	\$ (2,171,697)
Adjustments to Reconcile Increase (Decrease) in Net Assets		
To Net Cash Provided (Used) by Operating Activities		
Depreciation	1,925	1,728
Change in Allowance for Doubtful Accounts	24,913	(51,004)
Unrealized Loss (Gain) on Investments	1,399,544	334,018
Realized Loss (Gain) on Investments	134,859	(16,534)
Reinvested Earnings on Investments	(520,702)	(898,556)
Change in Estate Bequests	261,839	(207,323)
Change in Beneficial Interest in Annuity	3,621	3,944
Proceeds from Contributions Restricted for Investment in Named Endowments	(337,265)	(396,235)
(Increase) Decrease In:		
Contributions Receivable	(100,488)	181,918
Prepaid Assets	-	(4,000)
Increase (Decrease) In:		
Accounts Payable	(19,711)	5,281
Accrued Salaries and Benefits	43,409	9,252
Scholarships Payable	64,007	52,903
Deferred Revenue	(3,621)	(3,944)
Due to Other Agencies	(14,718)	(8,348)
Net Cash Provided (Used) by Operating Activities	\$ (184,492)	\$ (3,168,597)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Cash Surrender Value of Life Insurance	\$ (866)	\$ (959)
Distributions from Investment Account	479,445	254,797
Proceeds from the Sale of Certificates of Deposit	-	250,718
Purchase of Property	(832)	(6,081)
Net Cash Provided (Used) by Investing Activities	\$ 477,747	\$ 498,475
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Investment in Named Endowments	\$ 337,265	\$ 396,235
Net Cash Provided by Financing Activities	\$ 337,265	\$ 396,235
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 630,520	\$ (2,273,887)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,090,304	3,364,191
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,720,824	\$ 1,090,304
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash and Cash Equivalents - Unrestricted	\$ 1,692,474	\$ 1,050,523
Cash and Cash Equivalents - Restricted	28,350	39,781
Total Cash and Cash Equivalents	\$ 1,720,824	\$ 1,090,304

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

PERU STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Increase/(Decrease) in Net Assets	\$ (618,898)	\$ 429,534
Adjustments to Reconcile Net Changes in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	3,448	6,292
Unrealized Loss on Investments	754,309	401,579
Realized Gain on Investments	(310,579)	(878,500)
Gift of Property	(45,000)	(34,400)
(Increase) Decrease in:		
Unconditional Promises to Give	(820)	(382)
Interest Receivable	763	828
Prepaid Expenses	100,455	21
Increase (Decrease) in:		
Accounts Payable	125,729	3,105
Accrued Compensation	4,326	50,338
Accrued Expenses	(1,142)	(481)
Refundable Deposits	490	11,391
Net Cash Provided/(Used) by Operating Activities	13,081	(10,675)
CASH FLOWS FROM INVESTING ACTIVITIES		
Real Estate Purchase	(53,302)	(29,544)
Proceeds from Sale of Investments	2,822,840	355,267
Purchases of Investments	(1,664,473)	(444,865)
Gift Annuity	(783)	(385)
Payments Received on Notes Receivable	21,783	21,046
Net Cash Provided/(Used) by Investing Activities	1,126,065	(98,481)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-term Debt	(24,993)	(26,444)
Net Cash Used by Financing Activities	(24,993)	(26,444)
NET INCREASE/(DECREASE) IN CASH	1,114,153	(135,600)
CASH, BEGINNING OF YEAR	165,387	300,987
CASH, END OF YEAR	\$ 1,279,540	\$ 165,387
SUPPLEMENTAL DISCLOSURES		
Noncash Investing and Financing Activities:		
Interest Paid	\$ 5,840	\$ 4,390

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

WAYNE STATE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,236,769	\$ 1,432,677
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,729	9,729
Amortization of Annuity Obligations	82,636	84,026
Non Cash Contributions	(133,877)	(59,994)
Net Loss (Gain) on Investments and (Reinvested Income)	485,936	(467,244)
Net (Gain) on Sale of Assets	(51,793)	-
(Increase) Decrease in Operating Non-cash Assets:		
Accrued Interest Receivable, Prepaids and Other Receivables	1,037	5,371
Unconditional Promises to Give	457,603	(131,796)
Inventory	-	-
Cash Value Life Insurance	14,208	(9,255)
Increase (Decrease) in Operating Non-cash Liabilities:		
Accounts and Faculty Grants Payable	(63,000)	51,311
Net Cash Provided by Operating Activities	2,039,248	914,825
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Assets	127,136	-
Net (Purchases) of Investments	(1,820,330)	(885,203)
Net Cash (Used) by Investing Activities	(1,693,194)	(885,203)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on Annuity Contracts	(117,636)	(119,830)
Net Cash (Used) by Financing Activities	(117,636)	(119,830)
NET CHANGE IN CASH AND CASH EQUIVALENTS	228,418	(90,208)
Cash and Cash Equivalents, Beginning of Year	493,739	583,947
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 722,157	\$ 493,739

The accompanying notes are an integral part of the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Years Ended June 30, 2016 and 2015

1. Summary of Significant Accounting Policies

Organization

The Nebraska State College System (NSCS) is a governmental institution established under and governed by the laws of the State of Nebraska. The NSCS operates under the jurisdiction of the Board of Trustees of the Nebraska State Colleges. The NSCS includes Chadron State College (CSC), Peru State College (PSC), Wayne State College (WSC), the NSCS Office, and the Nebraska State Colleges Facilities Corporation (a blended component unit). The NSCS is a component unit of the State of Nebraska (State) because it is financially accountable to the State. The financial statements include all funds of the NSCS. The major accounting principles and practices followed by the NSCS and its separately reported foundation component units are presented below to assist the reader in evaluating the financial statements and accompanying notes.

Reporting Entity

The NSCS has considered all potential component units for which it is financially accountable and other organizations that are fiscally dependent on the NSCS, or the significance of their relationship with the NSCS is such that exclusion would be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the NSCS to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the NSCS.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the NSCS and its component units. The component units are included in the NSCS reporting entity because of the significance of their operational or financial relationships with the NSCS.

Blended Component Unit

The Nebraska State Colleges Facilities Corporation (Corporation) is a nonprofit corporation incorporated in 1983 to finance the repair or construction of buildings or the acquisition of equipment for use by the NSCS. This component unit is included in the NSCS's reporting entity because of the significance of its operational or financial relationships with the NSCS. This component unit is an entity that is legally separate from the NSCS, but is so intertwined with the NSCS that it is, in substance, the same as the NSCS. Debt of the Corporation is expected to be repaid entirely with resources from either the NSCS or the State. Management of the NSCS also has operational responsibility for the activities of the Corporation. The Corporation's balances and transactions are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the NSCS itself. The separately issued audit report for the Corporation can be obtained by contacting the Nebraska State College System at 1327 H Street, Suite 200, Lincoln, Nebraska, 68508-3751.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Condensed statements showing NSCS and Corporation balances and transactions are as follows for fiscal year ended June 30, 2016:

Condensed Statement of Net Position

	<u>NSCS</u>	<u>Corporation</u>	<u>2016 Total</u>
Current Assets	\$ 59,574,304	\$ 2,372,476	\$ 61,946,780
Non-current Assets			
Capital Assets, Net	204,168,107	-	204,168,107
Other Non-current Assets	24,121,853	2,332,597	26,454,450
Total Assets	<u>287,864,264</u>	<u>4,705,073</u>	<u>292,569,337</u>
Deferred Outflow of Resources	<u>43,515</u>	<u>-</u>	<u>43,515</u>
Current Liabilities	12,895,850	4,586,943	17,482,793
Non-current Liabilities	48,991,038	18,417,119	67,408,157
Total Liabilities	<u>61,886,888</u>	<u>23,004,062</u>	<u>84,890,950</u>
Net Position			
Net Investment in Capital Assets	179,639,848	(20,436,517)	159,203,331
Restricted	22,782,801	2,137,528	24,920,329
Unrestricted	23,598,242	-	23,598,242
Total Net Position	<u>\$ 226,020,891</u>	<u>\$ (18,298,989)</u>	<u>\$ 207,721,902</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Condensed Statement of Revenue, Expenses, and Changes in Net Position

	NSCS	Corporation	2016 Total
Operating Revenues			
Tuition and Fees, Net	\$ 29,713,811	\$ -	\$ 29,713,811
Federal and State Grants and Contracts	14,215,658	-	14,215,658
Private Grants and Contracts	619,646	-	619,646
Auxiliary Enterprises, Net	18,899,727	-	18,899,727
Other Operating Revenues	1,088,550	-	1,088,550
Total Operating Revenues	64,537,392	-	64,537,392
Operating Expenses			
Depreciation	8,141,247	-	8,141,247
Other Operating Expenses	107,921,310	-	107,921,310
Total Operating Expenses	116,062,557	-	116,062,557
Operating Loss	(51,525,165)	-	(51,525,165)
Non-operating Revenues (Expenses)			
State Appropriations	50,877,659	-	50,877,659
Investment Income	1,200,493	740	1,201,233
Interest on Capital Asset-Related Debt	(717,576)	(484,301)	(1,201,877)
Gain on Disposal of Asset	14,858	-	14,858
Bond Issuance Costs	(318,876)	-	(318,876)
Other Non-operating Revenues (Expenses)	295,253	(28,759)	266,494
Net Non-operating Revenues (Expenses)	51,351,811	(512,320)	50,839,491
Loss Before Other Revenues, Expenses, Or Gains (Losses)	(173,354)	(512,320)	(685,674)
Other Revenues, Expenses, or Gains (Losses)			
Capital Appropriations and Grants	3,014,354	1,125,000	4,139,354
Capital Contributions	2,141,916	-	2,141,916
Operating Transfers In (Out)	2,084,096	(2,084,096)	-
Capital Facilities Fee	2,058,500	-	2,058,500
Net Other Revenues, Expenses, Or Gains (Losses)	9,298,866	(959,096)	8,339,770
Increase (Decrease) in Net Position	9,125,512	(1,471,416)	7,654,096
Net Position, Beginning of Year	216,895,379	(16,827,573)	200,067,806
Net Position, End of Year	\$ 226,020,891	\$ (18,298,989)	\$ 207,721,902

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

Condensed Statement of Cash Flows

	NSCS	Corporation	2016 Total
Cash Flows from Operating Activities	\$ (43,258,938)	\$ -	\$ (43,258,938)
Cash Flows from Non-capital Financing Activities	50,948,231	-	50,948,231
Cash Flows from Capital and Related Financing Activities	13,593,422	(5,896,291)	7,697,131
Cash Flows from Investing Activities	571,052	618	571,670
Increase (Decrease) in Cash and Cash Equivalents	21,853,767	(5,895,673)	15,958,094
Cash and Cash Equivalents, Beginning of Year	56,418,237	10,560,099	66,978,336
Cash and Cash Equivalents, End of Year	\$ 78,272,004	\$ 4,664,426	\$ 82,936,430

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Condensed statements showing NSCS and Corporation balances and transactions are as follows for fiscal year ended June 30, 2015:

Condensed Statement of Net Position

	NSCS As Restated	Corporation	2015 Total As Restated
Current Assets	\$ 56,439,629	\$ 2,258,260	\$ 58,697,889
Non-current Assets			
Capital Assets, Net	198,162,911	-	198,162,911
Other Non-current Assets	4,716,820	8,351,371	13,068,191
Total Assets	<u>259,319,360</u>	<u>10,609,631</u>	<u>269,928,991</u>
Deferred Outflow of Resources	<u>47,293</u>	<u>-</u>	<u>47,293</u>
Current Liabilities	11,947,919	5,249,207	17,197,126
Due To/Due From	613	(613)	-
Non-current Liabilities	30,522,742	22,188,610	52,711,352
Total Liabilities	<u>42,471,274</u>	<u>27,437,204</u>	<u>69,908,478</u>
Net Position			
Net Investment in Capital Assets	172,362,628	(18,814,846)	153,547,782
Restricted	23,094,712	1,987,273	25,081,985
Unrestricted	21,438,039	-	21,438,039
Total Net Position	<u>\$ 216,895,379</u>	<u>\$ (16,827,573)</u>	<u>\$ 200,067,806</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Condensed Statement of Revenue, Expenses, and Changes in Net Position

	NSCS As Restated	Corporation	2015 Total As Restated
Operating Revenues			
Tuition and Fees, Net	\$ 26,826,814	\$ -	\$ 26,826,814
Federal and State Grants and Contracts	14,791,678	-	14,791,678
Private Grants and Contracts	556,060	-	556,060
Auxiliary Enterprises, Net	18,564,719	-	18,564,719
Other Operating Revenues	1,140,204	-	1,140,204
Total Operating Revenues	61,879,475	-	61,879,475
Operating Expenses			
Depreciation	7,588,423	-	7,588,423
Other Operating Expenses	104,959,224	-	104,959,224
Total Operating Expenses	112,547,647	-	112,547,647
Operating Loss	(50,668,172)	-	(50,668,172)
Non-operating Revenues (Expenses)			
State Appropriations	49,397,586	-	49,397,586
Investment Income	1,043,075	268	1,043,343
Interest on Capital Asset-Related Debt	(689,217)	(546,159)	(1,235,376)
Loss on Disposal of Asset	(589,282)	-	(589,282)
Other Non-operating Revenues (Expenses)	54,638	(27,499)	27,139
Net Non-operating Revenues (Expenses)	49,216,800	(573,390)	48,643,410
Loss Before Other Revenues, Expenses, Or Gains (Losses)	(1,451,372)	(573,390)	(2,024,762)
Other Revenues, Expenses, or Gains (Losses)			
Capital Appropriations and Grants	7,626,675	1,125,000	8,751,675
Capital Contributions	2,617,534	-	2,617,534
Operating Transfers In (Out)	5,616,758	(5,616,758)	-
Capital Facilities Fee	2,082,521	-	2,082,521
Net Other Revenues, Expenses, Or Gains (Losses)	17,943,488	(4,491,758)	13,451,730
Increase (Decrease) in Net Position	16,492,116	(5,065,148)	11,426,968
Net Position, Beginning of Year	200,403,263	(11,762,425)	188,640,838
Net Position, End of Year	\$ 216,895,379	\$ (16,827,573)	\$ 200,067,806

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

Condensed Statement of Cash Flows

	NSCS As Restated	Corporation	2015 Total As Restated
Cash Flows from Operating Activities	\$ (41,105,837)	\$ -	\$ (41,105,837)
Cash Flows from Non-capital Financing Activities	50,250,532	-	50,250,532
Cash Flows from Capital and Related Financing Activities	(11,029,153)	(7,513,577)	(18,542,730)
Cash Flows from Investing Activities	1,003,485	266	1,003,751
Decrease in Cash and Cash Equivalents	(880,973)	(7,513,311)	(8,394,284)
Cash and Cash Equivalents, Beginning of Year	57,299,210	18,073,410	75,372,620
Cash and Cash Equivalents, End of Year	<u>\$ 56,418,237</u>	<u>\$ 10,560,099</u>	<u>\$ 66,978,336</u>

Discretely Presented Component Units

In implementing GASB Statement No. 39, the NSCS determined Chadron State, Peru State, and Wayne State Foundations (Foundations) are legally separate, tax-exempt nonprofit foundations incorporated in the State of Nebraska. The Foundations act primarily as fund-raising organizations to supplement the resources available to each Foundation's respective College in support of its programs. Although the Colleges do not control the timing or amount of receipts from the Foundations, the majority of resources or income the Foundations hold and invest is restricted to the activities of each Foundation's respective College by its donors. Because these restricted resources held by the Foundations can only be used by, or for the benefit of, their respective Colleges, the Foundations are considered component units of the NSCS and are discretely presented on separate pages in this report.

The Foundations report under Financial Accounting Standards Board (FASB) standards, including FASB Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundations' audited financial information as it is presented (see Note 13).

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

During the years ended June 30, 2016 and 2015, Chadron State, Wayne State, and Peru State Foundations distributed \$1,168,531, \$3,236,202, and \$2,320,803; and \$3,220,386, \$2,547,485, and \$315,688, respectively, to their Colleges for both restricted and unrestricted purposes. These distributions also included scholarships to students. Separate audit reports were issued by each foundation and can be obtained from their respective administrative offices or by contacting the Nebraska State College System at 1327 H Street, Suite 200, Lincoln, Nebraska 68508-3751.

Basis of Accounting and Presentation

The NSCS statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. The NSCS follows the “business-type” activities reporting format of GASB Statement No. 34. This reporting format requires the following elements:

- Management’s Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
- Notes to Financial Statements

The financial statements of the NSCS have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange activities are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated non-exchange transactions. Government-mandated non-exchange transactions that are not program-specific (such as State appropriations), investment income, and interest on capital asset-related debt are included in non-operating revenues and expenses. The NSCS first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Unrestricted Net Position – Net position not subject to stipulation, including designated departmental balances, encumbrances, and working capital funds.

Restricted Net Position – Net position restricted by creditors, grantors, or contributors and includes grant and research funds, student loan programs, funds for plant construction, and debt service on bond obligations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

Reclassifications

The non-current portion of restricted cash and cash equivalents, along with the net position of the NSCS, include reclassifications for the Corporation's current restricted cash and cash equivalents of \$956,872 and unrestricted net position deficit of \$20,436,517 in 2016. Reclassifications for 2015 included the Corporation's current restricted cash and cash equivalents of \$6,965,874 and unrestricted net position deficit of \$18,814,846. Although the Corporation issues debt to finance construction and renovation projects, the assets that are constructed and/or renovated using Corporation debt are owned by the NSCS. In order to properly present the NSCS's non-current restricted cash and cash equivalents and net investment in capital assets, a portion of the current restricted cash and cash equivalents and the unrestricted net position of the Corporation is reclassified when blended with the NSCS. Additionally, when blended with the NSCS, \$255,264 and \$302,073 of interest expense related to Corporation debt is capitalized in 2016 and 2015, respectively.

Certain other reclassifications have been made to the 2015 financial statements to conform to the 2016 financial presentation. These reclassifications had no effect on change in net position.

Cash and Cash Equivalents

The NSCS cash and cash equivalents are stated at cost. Cash and cash equivalents held by the Nebraska State Treasurer are deposited on a pooled basis in a State fund. Income earned by the pool is allocated to the NSCS based upon average daily balances. From

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

time to time, the Nebraska State Investment Officer, as allowed by statute, participates in securities lending transactions, which makes use of amounts on deposit from the NSCS. Securities lending transactions cannot be specifically identified to amounts on deposit from the NSCS and, as such, are not included in the financial statements for the year ended June 30, 2016 and 2015.

The NSCS considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2016 and 2015, cash equivalents consisted primarily of money market accounts with brokers.

Restricted cash and cash equivalents consist mainly of funds held by the trustee which are restricted by bond covenants. Remaining restricted cash and cash equivalents are either restricted by outside sources or legislatively restricted for certain purposes.

Income Tax Status

As a State institution, the income of the NSCS is generally exempt from Federal and State income taxes under Section 115(a) of the Internal Revenue Code and provisions of State law. However, the NSCS is subject to Federal income tax on any unrelated business taxable income.

Investments and Investment Income

NSCS investments, including those held by a trustee and restricted by bond covenants, are carried at fair value. Fair value is determined using quoted market prices.

Investment income consists of interest income and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

The NSCS's accounts receivable consist of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible amounts was \$1,416,439 and \$1,291,700 at June 30, 2016 and 2015, respectively, and is identified by College as follows:

	2016	2015
CSC	\$ 922,123	\$ 786,178
PSC	\$ 301,183	\$ 332,763
WSC	\$ 182,314	\$ 159,296
NSCS Office	\$ 10,819	\$ 13,463

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

Unamortized Bond Premiums and Discounts

The NSCS's bond premiums and discounts on the revenue bond and Corporation bond issues are being amortized over the life of the bonds using the straight-line method. Total amortization for the year ended June 30, 2016 and 2015, was \$272,081 and \$269,279 for premiums and \$10,392 and \$8,310 for discounts, respectively, and it is identified by College as follows:

	2016	2015
CSC	\$ 7,555	\$ 7,555
PSC	\$ 3,178	\$ 1,096
WSC	\$ 5,248	\$ 2,446
NSCS Office	\$ 266,492	\$ 266,492

Inventories

The NSCS's inventories, consisting mainly of expendable supplies, are stated at cost. Cost is determined using the first-in, first-out (FIFO) method.

Loans to Students

The NSCS makes loans to students under the Federal Perkins Loan Program; also, small temporary loans are provided to students from the Foundations. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans netted against loans to students was \$131,375 and \$127,132 at June 30, 2016 and 2015, respectively, and is identified by College as follows:

	2016	2015
CSC	\$ 1,849	\$ 200
WSC	\$ 129,526	\$ 126,932

Capital Assets

The NSCS's capital assets are recorded at cost as of the date of acquisition, or acquisition value at the date of donation if acquired by gift. The NSCS follows the capitalization policy set forth by the Board. Generally, equipment that has a cost in excess of \$5,000 at the date of acquisition and has an expected useful life of two or more years is capitalized. Also, all land, buildings, infrastructure, and construction in progress are capitalized if they are expected to meet the NSCS's capitalization threshold as dictated by the capitalization policy. Art objects, specimens, artifacts and collections, including library materials, are expensed so long as the items meet three conditions in accordance with GASB Statement No. 34. Depreciation/amortization is computed using the straight-line method over the estimated useful life of each asset beginning with the month of purchase. The following estimated useful lives are being used by the NSCS:

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Buildings and improvements	25 – 50 years
Infrastructure	10 – 30 years
Furniture, fixtures, and equipment	3 – 10 years

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred outflow of resources is a consumption of net position by the NSCS that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position by the NSCS that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statements of Net Position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate. Deferred outflows of resources of the NSCS consist of unamortized bond refunding amounts. The NSCS had no deferred inflows of resources as of June 30, 2016 and 2015.

Compensated Absences

The NSCS's policies permit most employees to accumulate vacation benefits. Staff earn 12 to 25 days of vacation each year and may accrue vacation up to the maximums established in Board policy and/or in the respective bargaining agreements. An employee's accrued vacation is paid out to the employee upon termination. Expense and the related liability are recognized as vacation benefits when earned, whether the employee is expected to realize the benefit as time off or cash. In addition, professional and support staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the NSCS. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as an expense when the time off occurs.

Unearned Revenue

Unearned revenue represents unearned student tuition and fees, advances on grants and contract awards for which the NSCS has not met all of the applicable eligibility requirements, and longevity bonus revenues and investment (improvement) revenues from food service and/or vending contractors, which are being amortized over the life of the contracts.

Classification of Revenues

The NSCS has classified its revenues as either operating or non-operating revenues according to the following criteria.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) interest on student loans.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as State appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances and institutional waiver allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Such allowances are the difference between the stated charge for goods and services provided by the NSCS and the amount that is paid by students and/or third parties making payments on the students' behalf.

Certain governmental grants, such as Pell grants, and other Federal, State, or non-governmental programs, are recorded as operating revenues in the NSCS's financial statements. To the extent revenues from such programs are used to satisfy tuition and fees and other student charges, the NSCS has recorded a scholarship allowance.

The NSCS has elected to adopt, for calculation of scholarship allowances, an allocation methodology provided in the National Association of College and University Business Officers (NACUBO) industry guidance (student institutional waivers, which are also netted similar to scholarship allowances, continue to be based on actual contra-account financial activity). The scholarship allowances and institutional waivers on tuition and fees and auxiliary enterprises for the year ended June 30, 2016 and 2015, as calculated under the NACUBO method, were \$11,833,929 and \$4,185,997; and \$11,492,713 and \$4,073,301, respectively, and are identified by College as follows:

	2016		2015	
	Tuition and Fees	Auxiliary Enterprises	Tuition and Fees	Auxiliary Enterprises
CSC	\$ 4,423,626	\$ 1,287,769	\$ 4,291,748	\$ 1,096,903
PSC	\$ 2,667,694	\$ 904,400	\$ 2,592,778	\$ 992,105
WSC	\$ 4,742,609	\$ 1,993,828	\$ 4,608,187	\$ 1,984,293

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (Concluded)

Restatement of Prior Year Net Position

The 2015 net position was restated as the result of an understatement of \$456,336 in capital appropriations revenue, an understatement of construction in progress of \$443,613, and an overstatement of accounts payable by \$12,723 for PSC.

2. Deposits, Investments, and Investment Return

Deposits

Per Board policy and State statute, all money received by the NSCS must be paid over to the State Treasurer, except that each College may retain in its possession a sum to make settlement and equitable adjustments with students so entitled, to make payments for day-to-day operations calling for immediate payment, and to provide for contingencies. All funds not paid over to the State Treasurer must be maintained in an interest-bearing account, such as a money market fund account. The NSCS has no policy regarding custodial credit risk for deposits.

All of the NSCS's deposits are either insured or collateralized. By State statute, the State Treasurer is required to ensure that all State funds are either insured by Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The NSCS's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, deposited in banks or invested as the State Treasurer may determine. Interest on funds held by the State Treasurer is periodically disbursed to the participating agencies. These funds are considered to be cash and cash equivalents, which are available for expenditures as needed.

At June 30, 2016 and 2015, cash and cash equivalents of \$60,462,570 and \$47,828,928, respectively, on the Statements of Net Position represents the NSCS's equity position in the State Treasurer's Short-Term Investment Pool (STIP). Additional information on the deposit and investment risk associated with the State Treasurer's Investment Pool is included in the State of Nebraska's Comprehensive Annual Financial Report (CAFR). An electronic version of this report is available by accessing the Nebraska Auditor of Public Accounts' website (www.auditors.nebraska.gov) and clicking "APA Reports Issued."

Cash on hand at June 30, 2016 and 2015, were \$6,750 and \$4,350, respectively. The carrying amount of the NSCS's deposits not with the State Treasurer at June 30, 2016 and 2015, were \$1,577,312 and \$1,604,578, respectively, and the bank balances were \$1,584,845 and \$1,621,115, respectively. Of the carrying amounts noted above, \$143,624 and \$152,000, respectively, were covered by FDIC or collateral held in the NSCS's name. The remaining carrying amounts were covered by collateral held in the trustee's name.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. **Deposits, Investments, and Investment Return** (Continued)

Investments

Management of the assets of the Corporation, the revenue bond program, and the Flex Spending program are delegated to the trustees appointed by the Corporation Board of Directors or the NSCS Board of Trustees. All investments are held by the trustees and invested in accordance with the bond resolutions and Flex Spending custodial agreements. The bond resolutions and Flex custodial agreements allow investment of bond proceeds and employee flexible spending accounts in various securities and obligations, including: U.S. government and U.S. agency obligations; bonds, notes or other obligations of the State or any political subdivision thereof; bank repurchase agreements; certificates of deposit or other securities or investments within the State investing guidelines.

The NSCS's investments consisted of money market mutual funds and debt securities. At June 30, 2016 and 2015, money market mutual funds totaling \$20,889,798 and \$17,540,480, respectively, were held by the trustees, and had weighted average maturities of 23-37 days and 21-47 days, respectively. All money market mutual funds were reported as cash equivalents.

At June 30, 2016, the NSCS had the following securities and maturities:

	Fair Value	Maturities in Years		
		Less than 1	1-5	6-10
Investment Type:				
Debt Securities:				
FNMA	\$ 605,121	\$ -	\$ 605,121	\$ -

All debt securities are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities. The NSCS did not have any debt securities at June 30, 2015.

Interest Rate Risk. The NSCS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The NSCS may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. One money market mutual fund is rated Aaa-mf by Moody's and AAAM by S&P, the other is rated Aaa by Moody's and AAAM by S&P, and the debt security is rated AAA by Moody's and AA+ by S&P.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

2. Deposits, Investments, and Investment Return (Concluded)

Concentration of Credit Risk. The NSCS places no limit on the amount that may be invested in any one issuer. Of the NSCS's investments, 86% and 87% were in U.S. Treasury Money Market Funds, 11% and 13% were in Government Money Market Funds, and 3% and 0% were in Federal National Mortgage Association Securities at June 30, 2016 and 2015, respectively.

Custodial Risk. For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the NSCS will be able to recover the value of its investments that are in the possession of an outside party. The NSCS does not have a formal policy for custodial credit risk. All securities are held by the investment's counterparty, not in the name of the NSCS.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the Statements of Net Position, as follows:

	<u>2016</u>	<u>2015</u>
Carrying Value		
Cash	\$ 6,750	\$ 4,350
Deposits:		
Bank Deposits	1,577,312	1,604,578
Short Term Investment Pool	60,462,570	47,828,928
Trustee Debt Securities	605,121	-
Trustee Money Market Mutual Funds	20,889,798	17,540,480
Total as of June 30	<u>\$ 83,541,551</u>	<u>\$ 66,978,336</u>
Included in the Statements of Net Position		
Cash and Cash Equivalents	\$ 32,410,624	\$ 30,395,783
Restricted Cash and Cash Equivalents	50,525,806	36,582,553
Restricted Investments	605,121	-
Total	<u>\$ 83,541,551</u>	<u>\$ 66,978,336</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

The NSCS capital assets activity for the year ended June 30, 2016, was:

Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 1,095,433	\$ 7,560	\$ -	\$ -	\$ 1,102,993
Building and Improvements	204,103,859	-	-	25,402,629	229,506,488
Infrastructure	30,026,433	3,000	-	217,042	30,246,475
Furniture, Fixtures, and Equipment	17,458,248	774,599	(303,730)	-	17,929,117
Construction in Progress	38,283,952	13,371,087	-	(25,619,671)	26,035,368
Total Capital Assets	<u>\$ 290,967,925</u>	<u>\$ 14,156,246</u>	<u>\$ (303,730)</u>	<u>\$ -</u>	<u>\$ 304,820,441</u>

Accumulated Depreciation

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Building and Improvements	\$ (69,228,980)	\$ (5,333,855)	\$ -	\$ -	\$ (74,562,835)
Infrastructure	(13,256,840)	(1,224,948)	-	-	(14,481,788)
Furniture, Fixtures, and Equipment	(10,319,194)	(1,582,444)	293,927	-	(11,607,711)
Total Accumulated Depreciation	<u>(92,805,014)</u>	<u>(8,141,247)</u>	<u>293,927</u>	<u>-</u>	<u>(100,652,334)</u>
Net Capital Assets	<u>\$ 198,162,911</u>	<u>\$ 6,014,999</u>	<u>\$ (9,803)</u>	<u>\$ -</u>	<u>\$ 204,168,107</u>

Net Capital Assets by College

	<u>CSC</u>	<u>PSC</u>	<u>WSC</u>	<u>NSCS Office</u>	<u>Total</u>
Land	\$ 49,395	\$ 17,761	\$ 1,035,837	\$ -	\$ 1,102,993
Building and Improvements	52,065,747	43,044,378	59,833,528	-	154,943,653
Infrastructure	3,745,304	2,912,734	9,106,649	-	15,764,687
Furniture, Fixtures, and Equipment	1,423,364	479,913	1,155,607	3,262,522	6,321,406
Construction in Progress	140,000	3,656,602	22,238,766	-	26,035,368
Net Capital Assets	<u>\$ 57,423,810</u>	<u>\$ 50,111,388</u>	<u>\$ 93,370,387</u>	<u>\$ 3,262,522</u>	<u>\$ 204,168,107</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. Capital Assets (Continued)

The NSCS capital assets activity for the year ended June 30, 2015, was:

Capital Assets

	<u>Beginning Balance</u>	<u>Additions As Restated</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance As Restated</u>
Land	\$ 1,095,433	\$ -	\$ -	\$ -	\$ 1,095,433
Building and Improvements	188,812,301	-	-	15,291,558	204,103,859
Infrastructure	28,144,435	-	-	1,881,998	30,026,433
Furniture, Fixtures, and Equipment	17,346,513	787,509	(675,774)	-	17,458,248
Construction in Progress	33,144,623	22,893,189	(580,304)	(17,173,556)	38,283,952
Total Capital Assets	<u>\$ 268,543,305</u>	<u>\$ 23,680,698</u>	<u>\$ (1,256,078)</u>	<u>\$ -</u>	<u>\$ 290,967,925</u>

Accumulated Depreciation

	<u>Beginning Balance</u>	<u>Additions As Restated</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance As Restated</u>
Building and Improvements	\$ (64,331,505)	\$ (4,897,475)	\$ -	\$ -	\$ (69,228,980)
Infrastructure	(12,119,263)	(1,137,577)	-	-	(13,256,840)
Furniture, Fixtures, and Equipment	(9,431,080)	(1,553,371)	665,257	-	(10,319,194)
Total Accumulated Depreciation	<u>(85,881,848)</u>	<u>(7,588,423)</u>	<u>665,257</u>	<u>-</u>	<u>(92,805,014)</u>
Net Capital Assets	<u>\$ 182,661,457</u>	<u>\$ 16,092,275</u>	<u>\$ (590,821)</u>	<u>\$ -</u>	<u>\$ 198,162,911</u>

Net Capital Assets by College

	<u>CSC</u>	<u>PSC As Restated</u>	<u>WSC</u>	<u>NSCS Office</u>	<u>Total</u>
Land	\$ 49,395	\$ 10,201	\$ 1,035,837	\$ -	\$ 1,095,433
Building and Improvements	32,722,492	40,621,338	61,531,049	-	134,874,879
Infrastructure	4,077,461	2,925,728	9,766,404	-	16,769,593
Furniture, Fixtures, and Equipment	1,461,945	536,200	1,000,246	4,140,663	7,139,054
Construction in Progress	19,894,915	3,601,567	14,787,470	-	38,283,952
Net Capital Assets	<u>\$ 58,206,208</u>	<u>\$ 47,695,034</u>	<u>\$ 88,121,006</u>	<u>\$ 4,140,663</u>	<u>\$ 198,162,911</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. Capital Assets (Concluded)

Interest expense capitalized, net of related interest income, was \$535,618 and \$316,521 for the fiscal years ended June 30, 2016 and 2015, respectively. Total interest expense during the fiscal years ended June 30, 2016 and 2015, was \$1,737,494 and \$1,811,706, respectively.

4. Long-term Liabilities

The following is a summary of long-term obligation transactions for the NSCS for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Loan Obligations					
Payable	\$ 95,026	\$ -	\$ (22,545)	\$ 72,481	\$ 23,334
Master Lease Payable	1,001,018	-	(224,568)	776,450	227,574
Revenue and Refunding					
Bonds	27,015,000	24,015,000	(5,440,000)	45,590,000	1,400,000
Corporation Bonds	23,995,000	-	(3,385,000)	20,610,000	3,505,000
Total Long-term Debt	<u>52,106,044</u>	<u>24,015,000</u>	<u>(9,072,113)</u>	<u>67,048,931</u>	<u>5,155,908</u>
Accrued Compensated Absences	3,696,995	378,447	(81,161)	3,994,281	378,447
Unamortized Bond Premium	1,614,840	186,232	(272,080)	1,528,992	-
Unamortized Bond Discount	(128,317)	(117,436)	10,393	(235,360)	-
Other Liabilities	1,198,085	36,697	(314,557)	920,225	314,557
Total Other Long-term Liabilities	<u>6,381,603</u>	<u>483,940</u>	<u>(657,405)</u>	<u>6,208,138</u>	<u>693,004</u>
Total Long-term Liabilities	<u>\$ 58,487,647</u>	<u>\$ 24,498,940</u>	<u>\$ (9,729,518)</u>	<u>\$ 73,257,069</u>	<u>\$ 5,848,912</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Long-term Liabilities (Continued)

The following is a summary of long-term obligation transactions for the NSCS for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Loan Obligations					
Payable	\$ 116,809	\$ -	\$ (21,783)	\$ 95,026	\$ 22,545
Master Lease Payable	210,659	848,778	(58,419)	1,001,018	224,568
Revenue and Refunding					
Bonds	27,900,000	-	(885,000)	27,015,000	1,515,000
Corporation Bonds	27,265,000	-	(3,270,000)	23,995,000	3,385,000
Total Long-term					
Debt	<u>55,492,468</u>	<u>848,778</u>	<u>(4,235,202)</u>	<u>52,106,044</u>	<u>5,147,113</u>
Accrued Compensated					
Absences	3,696,757	314,626	(314,388)	3,696,995	314,626
Unamortized Bond					
Premium	1,884,119	-	(269,279)	1,614,840	-
Unamortized Bond					
Discount	(136,626)	-	8,309	(128,317)	-
Other Liabilities	1,512,642	-	(314,557)	1,198,085	314,557
Total Other Long-term					
Liabilities	<u>6,956,892</u>	<u>314,626</u>	<u>(889,915)</u>	<u>6,381,603</u>	<u>629,183</u>
Total Long-term					
Liabilities	<u>\$ 62,449,360</u>	<u>\$ 1,163,404</u>	<u>\$ (5,125,117)</u>	<u>\$ 58,487,647</u>	<u>\$ 5,776,296</u>

Termination Benefits

The NSCS has two programs for support staff in the Nebraska Association of Public Employees Local 61 of the American Federation of State, County, and Municipal Employees (NAPE/AFSCME) bargaining unit and support staff excluded from the NAPE/AFSCME bargaining unit, which must be accounted for under GASB Statement No. 47, *Accounting for Termination Benefits*, the Voluntary Retirement Settlement Program and the Early Retirement Incentive Program.

Under the voluntary retirement settlement program, an eligible employee who is 55 years of age or more on July 1 of the year in which he or she chooses to retire, and has ten or more years of consecutive service within the NSCS, will be paid one-quarter of his or her final year base salary in 12 equal monthly installments following termination of employment. In addition, employees will be permitted to remain in the group medical and dental insurance plan offered retirees by Blue Cross/Blue Shield at the time of the employee's retirement. The NSCS will pay the employee's health/dental insurance (State and employee burden) costs for the 12-month period following termination of employment. If the retired employee reaches the age of 65 at any time during the 12-month period, at which time eligibility to participate in the Blue Cross/Blue Shield retiree plan ceases, the NSCS will pay an amount equivalent to the full cost of the 65 Gold Plus

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Long-term Liabilities (Continued)

Medicare Supplemental Plan or the Retired BlueSenior Classic Plan offered by the Nebraska State Education Association (NSEA) for the payout period remaining. Under the current bargaining agreement and Board policy, this plan was only available to those employees who retired on June 30, 2016. Similar voluntary retirement settlement programs were also offered to support staff in the NAPE/AFSCME bargaining unit who retired on July 1, 2009, June 30, 2010, June 30, 2012, or June 30, 2014.

Under the early retirement incentive program, eligible employees who have completed at least 10 years of continuous service within the NSCS and are 60 years of age or older will be paid premiums in the group medical and dental health insurance program offered retirees by Blue Cross/Blue Shield at the time of the eligible employees' retirement. The payment of premium will continue until the retired employees become eligible for coverage under the Federal Medicare program, at which time the paid premiums will cease.

At June 30, 2016, eight employees at CSC, two employees at PSC, and four employees at WSC were participating in the NSCS's voluntary/early retirement programs. As of June 30, 2015, three employees at CSC, two employees at PSC, and three employees at WSC were participating. Liability amounts associated with these retirements are shown below. Liability amounts are reflected in the accrued compensated absences line item on the Statements of Net Position, and the long-term liability schedule above. All termination benefits are shown at present cost.

	2016		2015	
	Ending Balance	Current Portion	Ending Balance	Current Portion
CSC	\$ 117,818	\$ 60,342	\$ 52,282	\$ 22,732
PSC	60,308	15,983	82,286	21,979
WSC	42,128	37,939	33,394	21,698
Total	\$ 220,254	\$ 114,264	\$ 167,962	\$ 66,409

Student Fees and Facilities Revenue Bonds Series 2010

In September 2010, the NSCS Board of Trustees authorized the issuance of \$5,000,000 of Student Fees and Facilities Revenue Bonds Series 2010. The purpose of the issuance was to finance improvements to WSC's Pile Hall. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$5,000,000 in bonds bear interest at rates from 0.6% to 4.0%, with payments due from fiscal years 2012 to 2031. Bonds maturing on or after July 1, 2016, could be redeemed, in part or in whole, on or after January 1, 2016.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Long-term Liabilities** (Continued)

On March 18, 2016, WSC's outstanding Revenue Bonds, Series 2010 principal was called using proceeds from the issuance of Revenue Refunding Bonds, Series 2016B.

Student Fees and Facilities Revenue Bonds Series 2011

In November 2010, the NSCS Board of Trustees authorized the issuance of \$3,600,000 of Student Fees and Facilities Revenue Bond Series 2011. The purpose of the issuance was to finance improvements to PSC's Morgan Hall. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal amount of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$3,600,000 in bonds bear interest at rates from 0.75% to 5.05%, with payments due from fiscal years 2012 to 2032. Bonds maturing on or after July 1, 2017, can be redeemed, in part or in whole, on or after July 1, 2016.

Student Fees and Facilities Revenue and Refunding Bonds Series 2012

In April 2012, the NSCS Board of Trustees authorized the issuance of \$8,750,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2012. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue and Refunding Bonds Series 2002. On July 1, 2012, the net proceeds from Series 2012 bonds were used to redeem the Series 2002 bonds. This advanced refunding reduced total debt service payments over the remaining 15 years by \$2,264,673. Bond refunding resulted in an estimated economic gain of \$1,515,352. The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and is amortized over the remaining life of the new debt, which is the same as the life of the refunded debt. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The amounts for WSC and PSC's portion of the bond obligations were \$6,045,000 and \$2,705,000, respectively, bearing interest at rates from 0.3% to 3.2%, with payments due from fiscal years 2013 to 2028. Bonds maturing on or after July 1, 2018, can be redeemed, in part or in whole, on or after July 1, 2017.

Student Fees and Facilities Revenue Bonds Series 2013

In September 2012, the NSCS Board of Trustees authorized the issuance of \$7,735,000 of Student Fees and Facilities Revenue Bonds Series 2013. The purpose of the issuance was to finance the construction of CSC's Eagle Ridge housing and maintenance to several revenue bond building roofs. Under the bond resolution for Student Fees and Facilities

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Long-term Liabilities (Continued)

Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$7,735,000 in bonds bear interest at rates from 0.6% to 3.0%, with payments due from fiscal years 2014 to 2034. Bonds maturing on or after July 1, 2018, can be redeemed, in part or in whole, on or after January 3, 2018.

Student Fees and Facilities Revenue Refunding Bonds Series 2014

In April 2014, the NSCS Board of Trustees authorized the issuance of \$4,270,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2014. The purpose of the issuance was to redeem in full the outstanding principal amount of CSC's Student Fees and Facilities Revenue and Refunding Bonds Series 2003A. On June 5, 2014, the net proceeds from Series 2014 bonds were used to redeem the Series 2003A bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$1,085,523. Bond refunding resulted in an estimated economic gain of \$654,661. The difference between the reacquisition price and the net carrying amount of the old debt has been deferred and is being amortized over the remaining life of the new debt, which is the same as the life of the refunded debt. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$4,270,000 in bonds bear interest at rates from 0.35% to 4.0%, with payments due from fiscal years 2015 to 2029. Bonds maturing on or after July 1, 2020, can be redeemed, in part or in whole, on or after July 1, 2019.

Student Fees and Facilities Revenue Bonds Series 2015

In November 2015, the Board authorized the issuance of \$8,935,000 of Student Fees and Facilities Revenue Bonds Series 2015. The purpose of the issuance was to finance improvements to Peru State's Delzell Hall. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$8,935,000 in bonds bear interest at rates from 1.1% to 3.75%, with payments due from fiscal years 2017 to 2047. Bonds maturing on or after July 1, 2026, can be redeemed, in part or in whole, on or after July 1, 2025.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Long-term Liabilities** (Continued)

Student Fees and Facilities Revenue Bonds Series 2016

In November 2015, the Board authorized the issuance of \$11,270,000 of Student Fees and Facilities Revenue Bonds Series 2016. The purpose of the issuance was to finance improvements to Wayne State's Bowen Hall. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$11,270,000 in bonds bear interest at rates from 2.0% to 5.0%, with payments due from fiscal years 2017 to 2047. Bonds maturing on or after July 1, 2026, can be redeemed, in part or in whole, on or after January 1, 2026.

Student Fees and Facilities Revenue Refunding Bonds Series 2016B

In January 2016, the Board authorized the issuance of \$3,810,000 of Student Fees and Facilities Revenue and Refunding Bonds Series 2016B. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue Bonds Series 2010. On March 18, 2016, the net proceeds from Series 2016B bonds were used to redeem the Series 2010 bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$611,743. Bond refunding resulted in an estimated economic gain of \$380,673. The reacquisition price equaled the net carrying amount of the old debt and therefore no amount was required to be deferred and amortized. Under the bond resolution for Student Fees and Facilities Bonds, revenues and earnings derived from operations of all revenue facilities and special student fees are pledged for payment of the principal and interest amounts of the bonds. The bonds are not obligations of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The \$3,810,000 in bonds bear interest at rates from 0.65% to 2.8%, with payments due from fiscal years 2017 to 2031. Bonds maturing on or after July 1, 2021, can be redeemed, in part or in whole, on or after March 18, 2021.

Corporation Bonds

In August 2006, the Corporation authorized the issuance of \$21,915,000 of Deferred Maintenance Bonds, Series 2006. Proceeds were used to finance the construction of certain renewal and renovation projects at each of the three Colleges. This bond issue is a general obligation of the Corporation, which is a separate legal entity that is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The financial resources used to repay the bonds are appropriations and special student fees. Payments of bond principal are also secured by an insurance policy issued

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. Long-term Liabilities (Continued)

by a commercial insurer. The bonds bear interest at rates of 3.55% to 5.0% and are due in semiannual installments, which began January 15, 2007. Principal maturities, due in annual installments, began July 15, 2007, and continue until July 15, 2020. Bonds maturing on or after July 15, 2017, are callable at the option of the Corporation beginning July 15, 2016.

In November 2013, the Corporation authorized the issuance of \$13,460,000 of Building Bonds, Series 2014. Proceeds from the issuance of these bonds will be used to help build a portion of the CSC Rangeland Center and will be used to renovate WSC's U.S. Conn Library. This bond issue is a general obligation of the Corporation, which is a separate legal entity that is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The financial resources used to repay the bonds are appropriations. The bonds bear interest at rates of 2.0% to 5.0%, and are due in semiannual installments, which began June 15, 2014. Principal maturities, due in annual installments, began June 15, 2015, and continue until June 15, 2021. The bonds are not subject to redemption prior to maturity.

PSC Loan Obligation

In May 2007, PSC received a loan from the Peru State College Foundation to finance the renovation of the Al Wheeler Activity Center. The loan is a general obligation of PSC. The loan is not an obligation of the State of Nebraska, and no tax funds may be appropriated for payment of principal and interest. The loan bears interest payable annually at the rate of 3.5% and is due in annual installments, which began May 1, 2008. Principal maturities began May 1, 2008, and continue until 2019.

Master Lease Purchasing Program

The State of Nebraska, through the Department of Administrative Services (DAS) – Accounting Division, has a Master Lease Purchasing Agreement to be used by various agencies to purchase equipment. CSC used this financing arrangement to finance the acquisition of non-capitalized equipment in fiscal years 2014 and 2015. One of CSC's master lease obligations bear interest payable at a rate of 1.05% while the other master lease obligation bears interest payable at a rate of 1.45%. PSC used this financing arrangement to finance the acquisition of capitalized equipment in fiscal year 2015. PSC's master lease obligation bears interest payable at a rate of 1.32%. CSC's Master Leases expire in fiscal years 2019 and 2020 while PSC's Master Lease expires in fiscal year 2019. Assets capitalized under this program totaled \$306,019 at June 30, 2016 and 2015, and were net of accumulated depreciation of \$38,252 in 2016 and \$7,650 in 2015.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Long-term Liabilities** (Continued)

Debt service requirements to maturity for all long-term debt of the NSCS are as follows:

CSC Revenue and Refunding Bonds

Year Ending June 30	Principal	Interest	Total
2017	\$ 630,000	\$ 262,786	\$ 892,786
2018	635,000	256,604	891,604
2019	640,000	247,888	887,888
2020	655,000	238,108	893,108
2021	655,000	227,578	882,578
2022-2026	3,520,000	895,914	4,415,914
2027-2031	3,195,000	425,655	3,620,655
2032-2034	1,455,000	66,375	1,521,375
Total	<u>\$ 11,385,000</u>	<u>\$ 2,620,908</u>	<u>\$ 14,005,908</u>

CSC Master Lease Obligation Summary

Year Ending June 30	Principal	Interest	Total
2017	\$ 151,498	\$ 6,591	\$ 158,089
2018	153,532	4,557	158,089
2019	144,213	2,505	146,718
2020	102,475	745	103,220
Total	<u>\$ 551,718</u>	<u>\$ 14,398</u>	<u>\$ 566,116</u>

PSC Loan Obligation Payable

Year Ending June 30	Principal	Interest	Total
2017	\$ 23,334	\$ 2,537	\$ 25,871
2018	24,151	1,720	25,871
2019	24,996	875	25,871
Total	<u>\$ 72,481</u>	<u>\$ 5,132</u>	<u>\$ 77,613</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Long-term Liabilities** (Continued)

PSC Revenue and Refunding Bonds

Year Ending June 30	Principal	Interest	Total
2017	\$ 320,000	\$ 466,552	\$ 786,552
2018	315,000	450,534	765,534
2019	535,000	443,264	978,264
2020	545,000	433,498	978,498
2021	550,000	422,216	972,216
2022-2026	2,990,000	1,885,465	4,875,465
2027-2031	2,810,000	1,388,888	4,198,888
2032-2036	1,760,000	947,953	2,707,953
2037-2041	1,775,000	651,991	2,426,991
2042-2046	2,125,000	293,709	2,418,709
2047	475,000	8,906	483,906
Total	<u>\$ 14,200,000</u>	<u>\$ 7,392,976</u>	<u>\$ 21,592,976</u>

PSC Master Lease Obligation Summary

Year Ending June 30	Principal	Interest	Total
2017	\$ 76,076	\$ 2,514	\$ 78,590
2018	77,089	1,501	78,590
2019	71,567	474	72,041
Total	<u>\$ 224,732</u>	<u>\$ 4,489</u>	<u>\$ 229,221</u>

WSC Revenue and Refunding Bonds

Year Ending June 30	Principal	Interest	Total
2017	\$ 450,000	\$ 519,151	\$ 969,151
2018	845,000	548,215	1,393,215
2019	860,000	535,968	1,395,968
2020	880,000	521,024	1,401,024
2021	890,000	504,476	1,394,476
2022-2026	4,760,000	2,185,591	6,945,591
2027-2031	3,960,000	1,480,499	5,440,499
2032-2036	1,900,000	1,093,675	2,993,675
2037-2041	2,230,000	754,775	2,984,775
2042-2046	2,645,000	339,628	2,984,628
2047	585,000	10,238	595,238
Total	<u>\$ 20,005,000</u>	<u>\$ 8,493,240</u>	<u>\$ 28,498,240</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

4. **Long-term Liabilities** (Concluded)

Corporation Bonds			
Year Ending June 30	Principal	Interest	Total
2017	\$ 3,505,000	\$ 910,318	\$ 4,415,318
2018	3,680,000	742,568	4,422,568
2019	3,850,000	575,434	4,425,434
2020	4,020,000	399,162	4,419,162
2021	5,555,000	213,638	5,768,638
Total	\$ 20,610,000	\$ 2,841,120	\$ 23,451,120

NSCS Loan Obligation and Bond Summary			
Year Ending June 30	Principal	Interest	Total
2017	\$ 5,155,908	\$ 2,170,449	\$ 7,326,357
2018	5,729,772	2,005,699	7,735,471
2019	6,125,776	1,806,408	7,932,184
2020	6,202,475	1,592,537	7,795,012
2021	7,650,000	1,367,908	9,017,908
2022-2026	11,270,000	4,966,970	16,236,970
2027-2031	9,965,000	3,295,042	13,260,042
2032-2036	5,115,000	2,108,003	7,223,003
2037-2041	4,005,000	1,406,766	5,411,766
2042-2046	4,770,000	633,337	5,403,337
2047	1,060,000	19,144	1,079,144
Total	\$ 67,048,931	\$ 21,372,263	\$ 88,421,194

The bond resolutions of the Corporation Bonds, and the Revenue and Refunding Bonds specify the funds that need to be established, the required transfers between funds, and the maximum maturity limits for the funds' investments. The bond resolutions also contain certain covenants, including compliance with a ratio of net revenues to debt service. At June 30, 2016 and 2015, the NSCS was in compliance with these requirements.

5. **Operating Leases**

Noncancellable operating leases related primarily to office space and equipment expire in various fiscal years through 2021. Renewal options for leases containing such provision ranged from one to five years. These operating leases generally require the NSCS to pay all executory costs (property taxes, maintenance, operating, and insurance).

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. **Operating Leases** (Concluded)

Future noncancellable operating lease payments as of June 30, 2016, were:

2017	\$	352,389
2018		266,545
2019		184,223
2020		84,153
2021		35,064
Total	\$	<u>922,374</u>

6. **Revenue Bond Program**

The Board, for the benefit of the Nebraska State Colleges, issues bonds to finance the construction, repair, and maintenance of revenue bond buildings owned and operated by the Board of Trustees of the Nebraska State College System. The Revenue Bond Program (Program) provides funding for general operations as well as funding for various construction and renovation projects as specified by the individual bond documents. The Program is designed to provide greater flexibility to finance revenue bond projects at the three Colleges. The current revenue bond master resolution was approved in 2002 by the Board.

Financial information for the Program for June 30, 2016 and 2015, is summarized as follows:

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. Revenue Bond Program (Continued)

Condensed Statement of Net Position

	<u>2016</u>	<u>2015</u>
Current Assets	\$ 18,357,596	\$ 18,142,606
Non-current Assets		
Capital Assets	40,307,321	39,148,759
Other Non-current Assets	22,187,950	2,235,170
Total Assets	<u>80,852,867</u>	<u>59,526,535</u>
Deferred Outflow of Resources	<u>43,515</u>	<u>47,293</u>
Current Liabilities	4,088,253	3,318,654
Non-current Liabilities	45,150,634	26,678,040
Total Liabilities	<u>49,238,887</u>	<u>29,996,694</u>
Net Position		
Net Investment in Capital Assets	16,114,191	14,002,452
Restricted		
Expendable		
Debt Service	1,401,110	1,516,118
By enabling legislation	14,142,194	14,058,564
Total Net Position	<u>\$ 31,657,495</u>	<u>\$ 29,577,134</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>2016</u>	<u>2015</u>
Operating Revenues	\$ 21,193,277	\$ 20,772,617
Operating Expenses		
Depreciation	1,630,316	1,604,386
Other	16,741,572	15,805,768
Total Operating Expenses	<u>18,371,888</u>	<u>17,410,154</u>
Operating Income	2,821,389	3,362,463
Non-operating Revenues (Expenses)	<u>(741,028)</u>	<u>(461,359)</u>
Increase in Net Position	2,080,361	2,901,104
Net Position, Beginning of Year	<u>29,577,134</u>	<u>26,676,030</u>
Net Position, End of Year	<u>\$ 31,657,495</u>	<u>\$ 29,577,134</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

6. Revenue Bond Program (Concluded)

Condensed Statement of Cash Flows

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities	\$ 4,316,857	\$ 4,795,954
Cash Flows from Capital and Related Financing Activities	15,469,149	(4,831,656)
Cash Flows from Investing Activities	<u>(330,733)</u>	<u>228,700</u>
Increase in Cash and Cash Equivalents	19,455,273	192,998
Cash and Cash Equivalents, Beginning of Year	<u>19,871,094</u>	<u>19,678,096</u>
Cash and Cash Equivalents, End of Year	<u>\$ 39,326,367</u>	<u>\$ 19,871,094</u>

7. Pension Plan

The NSCS has a defined contribution retirement plan currently in effect, which was established by the Board of Trustees and may be amended by the Board in accordance with Neb. Rev. Stat. § 85-320 (Reissue 2014). The Nebraska State College System Defined Contribution Retirement Plan covers all faculty, professional staff, and support staff, and provides investment options and annuity contracts administered by the Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and may be amended by action of the Board of Trustees. Contribution rates for plan members and the NSCS for 2016 and 2015, expressed as a percentage of covered payroll, were 4.5% to 6.0% and 8%, respectively. Contributions actually made for the fiscal years ended June 30, 2016 and 2015, by plan members and the NSCS were \$2,663,638 and \$3,553,022; and \$2,604,107 and \$3,472,058, respectively. At June 30, 2016 and 2015, the plan had 778 and 772 contributing members, respectively.

Membership in the plan was mandatory for all full-time faculty and staff who attained the age of thirty. Voluntary membership is permitted for all full-time faculty and staff upon reaching the second anniversary of their employment and the attainment of age 25. The plan benefits are fully vested at the date of contribution.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. **Pension Plan** (Concluded)

The NSCS also sponsors a supplemental retirement annuity (SRA) plan, Roth individual retirement account (403(b)), and 457 deferred compensation supplemental plan. Plan members contributed \$1,041,962 to the SRA, \$89,350 to the Roth 403(b), and \$65,392 to the 457 plan in 2016 while in 2015 plan members contributed \$1,002,768 to the SRA, \$78,143 to the Roth 403(b), and \$29,231 to the 457 plan. The NSCS does not contribute to these supplemental plans.

8. **Risk Management**

The NSCS is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. Responsibility for the coordination of a risk and insurance management program for the NSCS is assigned to the Chancellor. The responsibility for the development and implementation of the risk and insurance management program is assigned to each of the Colleges' Presidents. Mechanisms for identifying risks and for taking appropriate action to eliminate, abate, transfer, or retain these risks is also the responsibility of each College. DAS – Risk Management Division is responsible for maintaining the self-insurance program for workers' compensation along with the motor vehicle liability insurance.

The NSCS has chosen to purchase insurance for:

- A. Health care and life insurance for eligible employees.
- B. General liability coverage (including employee benefits liability), with limits ranging from \$1,000,000 per occurrence to \$3,000,000 in aggregate.
- C. Educators legal liability, with a limit of \$4,000,000 per each claim, \$4,000,000 annual aggregate, and a self-insured retention of \$150,000.
- D. Real and personal property through the Midwestern Higher Education Compact's (MHEC) property program on a blanket basis for losses up to \$500,000,000, with the program funding a self-insurance pool of \$1,000,000 per loss occurrence and a deductible of \$25,000 for the NSCS. Newly acquired properties are covered up to \$100,000,000 for 90 days from the date the insured takes ownership of the property. The perils of flood, earthquake, and acts of terrorism have various coverages and sublimits. Details of these coverages are available from the NSCS.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded through a combination of employee and State contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each State agency based on total agency payroll

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. Risk Management (Concluded)

and past experience. Tort claims; theft of, damage to, or destruction of assets; errors or omissions; and natural disasters would be funded through the State General Fund or by NSCS assessments, as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the NSCS's financial statements.

9. Commitments and Contingencies

Construction Contracts

The Board of Trustees has approximate remaining construction commitments of \$21,980,000 and \$11,234,000, as of June 30, 2016 and 2015, respectively. These projects will be funded through cash funds, LB 309 task force funds, Foundation gifts, bond proceeds, contingency maintenance funds, and capital improvement fees. Construction commitments are identified by College, as follows:

	2016	2015
CSC	\$ 438,000	\$ 1,202,000
PSC	\$ 9,084,000	\$ 1,871,000
WSC	\$ 12,458,000	\$ 8,161,000

Government Grants

The NSCS is currently participating in numerous grants from various departments and agencies of the Federal and State governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the grant department or agency, the grants are considered closed.

10. Restricted Net Position

Restricted net position reports resources that are owned by the NSCS, but their use or purpose is restricted. Restricted net position reported on the Statements of Net Position is further classified into the following:

Loans represent institutional loans and Federal program loan funds set aside to serve as revolving loan funds for students.

Debt Service represents Corporation and revenue bond balances reserved for debt service payments.

Plant represents funds reserved for capital improvements net of any related liabilities.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

10. Restricted Net Position (Concluded)

Other represents funds restricted through external constraints imposed by creditors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Restricted net position of \$18,049,443 and \$17,962,592 in fiscal years 2016 and 2015, respectively, was restricted due to enabling legislation.

11. Joint Venture

On September 14, 2006, WSC entered into an interlocal agreement with Northeast Community College (NECC) to build and operate College Center in South Sioux City (CCSSC), Nebraska, which offers classes from both NECC and WSC. CCSSC began offering classes during the fiscal year ended June 30, 2011.

NECC administers the accounts payable related to joint operation and maintenance costs. During the first four years, WSC reimbursed NECC for 50% of joint costs. In the fifth year, joint costs included a base charge and the balance was prorated based on each college's percentage of total annual student semester credit hours at CCSSC. CCSSC is governed by CCSSC's Administrative Council, which is a four-member board composed of two appointees from NECC and two appointees from WSC. Ownership of land and facilities are shared 50%-50% by NECC and WSC. Either party can terminate the agreement with a one-year notice, giving the other party right of first refusal on purchase of the exiting party's interest in the building, contents, and land.

12. Subsequent Event

During the 2016 legislative session, the Legislature passed LB 957, which extended the appropriations related to the Corporation Series 2006 bonds to fiscal year 2030. The extension of the appropriation was to allow for the refunding of the Series 2006 bonds and the issuance of new bond proceeds in order to help fund the renovation of the stadium at CSC, the renovation of the Theatre/Event Center at PSC, and the construction of applied technology programmatic space at WSC. At the June 2016, Corporation Board of Directors meeting, the Board approved a resolution to authorize the issuance of deferred maintenance and refunding bonds, Series 2016. On August 17, 2016, the Corporation issued \$26,655,000 in Series 2016 bonds of which \$19,295,000 was related to new bonds and \$7,360,000 was related to refunding bonds. Settlement of these bonds took place on September 1, 2016. The Series 2006 bonds were advanced refunded on September 19, 2016. This advance refunding reduced total debt service payments by \$854,784 and resulted in an estimated economic gain of \$471,674.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

12. Subsequent Event (Concluded)

In addition, at the November 10, 2016, Board of Trustees meeting, the Board approved a resolution to authorize the sale of Student Fees and Facilities Revenue Refunding Bonds in order to refund the PSC Student Fees and Facilities Revenue Bonds Series 2011. On November 14, 2016, the NSCS issued \$2,865,000 in Student Fees and Facilities Revenue Refunding Bonds, Series 2016C. Settlement of these Series 2016C bonds will take place on December 19, 2016, and refunding of the Series 2011 bonds will occur on the same date. This current refunding will reduce total debt service payments by \$604,271 and resulted in an estimated economic gain of \$407,674.

13. Component Unit Disclosures – Foundations

On the following pages are the notes taken from the audited financial statements, for the years ended as indicated below, of the Foundations:

<u>Foundation</u>	<u>Years Ended</u>	<u>Pages</u>
Chadron State	June 30, 2016 and 2015	62 - 79
Peru State	December 31, 2015 and 2014	80 - 89
Wayne State	June 30, 2016 and 2015	90 - 104

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Chadron State Foundation (the Foundation) is a nonprofit organization incorporated in the State of Nebraska in 1963 to promote the education, scientific, and benevolent purposes of Chadron State College (the College). The Foundation acts largely as a fund-raising organization; soliciting and receiving contributions and pledges on behalf of the College. Assets received by the Foundation are used to acquire equipment to be used by the College, to provide financial aid for college students, or to be otherwise expended for the betterment of the College.

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Designation of Unrestricted Net Assets – It is the policy of the Board of Directors of the Foundation to designate appropriate sums of unrestricted net assets to assure adequate reserves are accumulated to help fund specific future events and the general operations of the Foundation. Accordingly, unrestricted net assets of the Foundation are classified and reported as follows:

Operating – The portion of unrestricted net assets that is undesignated and available for the day-to-day operations, support, and management of the Foundation.

CSC General Fund – Represents the annual accumulation of unrestricted gifts of \$4,999 or less received by the Foundation. These funds must first be used to address any operating deficits for the current fiscal year. The remaining balance will be transferred to the beginning fund balance of the CSC Quasi Endowment in the following fiscal year.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designation of Unrestricted Net Assets (Concluded)

CSC Quasi Endowment – Represents unrestricted gifts designated by the Board of Directors that must adhere to the policies and procedures of Section IV of the Chadron State Foundation Endowment Policy & Guidelines.

Greatest Need – Represents unrestricted gifts and pledges of \$5,000 or more that will be allocated per recommendation of the Development Committee and approved by the Board of Directors. Such recommendations will be based on the initiatives and priorities of the Foundation and, when appropriate, campaign leadership committee. Such recommendations must be approved by the Board of Directors each quarter or per special meetings. Upon approval by the Board of Directors, these gifts and pledges will be accounted for in the appropriate board designated fund. The Board of Directors has allocated the entire fund balance to Capital Campaign Initiatives to be used as needed or necessary to complete the current capital projects.

Cash and Cash Equivalents – For the purpose of the Statements of Financial Position and the Statements of Cash Flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. Restricted cash and cash equivalents are limited to use as the Foundation acts as a custodian for clubs and organizations of Chadron State College as further discussed in Note 7.

Investments – Investments are reported at fair value. Fair value is the price that would be received if the Foundation was to sell an asset in an orderly transaction between market participants at the measurement date. Investments are comprised of limited liability investment groups, which invest in debt and equity securities and are carried at fair value determined using the following valuation methods:

- o Securities traded on a national or regional securities exchange are valued at the last sales price if the security is traded on the valuation date.
- o Securities not listed on an exchange or securities in which there were no reported transactions are valued at the mean between the last current closing bid and asking prices.
- o Fixed-income securities are valued at prices obtained from pricing services when such prices are available, subject to review by the respective fund's investment advisor.
- o Securities or other assets for which reliable recent market quotations are not readily available are valued at fair value as determined in good faith by the managing member of the investment advisors.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Concluded)

Security transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses are calculated using the specific identification method. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

Contributions – Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. However, if a restriction is fulfilled in the same time period the contribution is received, the Foundation reports the support as unrestricted. Gifts and contributions are recorded at fair value at the time of donation. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which promises are to be received.

Contributed Materials and Services – The Foundation records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. Total contributed materials and services recognized for the years ending June 30, 2016 and 2015, was \$64,874 and \$49,274, respectively.

Property and Equipment – The purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the donated property and equipment.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. When items are disposed of, the cost and accumulated depreciation are eliminated from the records of account, and a gain or loss is reported in the Statement of Activities. Repairs and maintenance charges that do not increase the useful lives of the assets are charged to expense as incurred.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Concluded)

Capitalization thresholds (the dollar value above which individual asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the financial statements are as follows:

	Capitalization Policy	Estimated Useful Life
Land	N/A	N/A
Office Equipment	\$ 1,000	3 – 15 yrs
Building and Improvements	\$ 1,000	39.5 – 50 yrs

Collections – Collection items acquired either through purchase or donation are not capitalized. Purchases of collection items are recorded as decreases in unrestricted net assets if purchased with unrestricted assets and as decreases in temporarily restricted net assets if purchased with donor restricted assets. Contributions of collection items are not recognized in the Statement of Activities. Proceeds from disposal are reflected on the Statement of Activities based on the absence or existence and nature of donor imposed restrictions.

The Foundation has a collection of artwork and other memorabilia that was donated by several supporters of Chadron State College. The collection is on display and is available to those who are interested in studying Nebraska state history. The Foundation has taken steps to ensure that the collection is protected and preserved. It is the policy of the Foundation that proceeds from the sale of any collection items are to be used to purchase additional collection items. Contributions to the collection are not reflected in the accompanying financial statements since the Foundation does not capitalize collections.

Income Tax Status – The Foundation follows the accounting guidance for uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than not the positions will be sustained upon examination by the taxing authorities.

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(1) and qualifies for deductible contributions under Section 170(b)(1)(A)(vi). The Foundation is not liable for income taxes if it operates within the confines of its exempt status, though the organization may be responsible for taxes on unrelated business activities. In the event of an examination of the income tax returns, the tax liability of the Foundation could be changed if an adjustment in the exempt purpose or income from unrelated business activities is ultimately determined by the taxing authorities.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Income Tax Status (Concluded)

As of June 30, 2016, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Foundation's income tax filings are subject to audit by various tax authorities. The Foundation is no longer subject to federal and state income tax examinations by taxing authorities for years before 2013. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. The Foundation believes their estimates are appropriate based on current facts and circumstances. Interest and penalties assessed by income taxing authorities, if any, are included in interest expense.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition – The Foundation reports contributions as support when assets are received or when an unconditional promise to give has been made. Allowances are provided for amounts estimated to be uncollectible, based on a history of past write-offs and collections. Accounts are written off as uncollectible at the time management determines that collection is unlikely. Revenue from other sources is recorded as earned.

Functional Allocation of Expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – CASH DEPOSITS

The Foundation maintains several bank accounts. The following table is designed to disclose the level of custody credit risk assumed by the Foundation based upon how its deposits were insured. FDIC regulations state time and savings accounts are insured up to \$250,000 at June 30, 2016 and 2015, respectively. The total bank balance represents the amount held by the bank. The carrying balance represents the reconciled general ledger balance at June 30, 2016 and 2015.

Category 1 – Insured by FDIC

Category 2 – Uninsured by FDIC, uncollateralized

Category 3 – Collateralized by United States Government Securities

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 2 – CASH DEPOSITS (CONCLUDED)

June 30, 2016

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>	<u>Custody Credit Risk</u>		
			<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Demand Deposits:					
Bank of the West					
Operating Account	\$ 1,336,583	\$ 1,336,583	\$ 250,000	\$ -	\$ 1,086,583
North Platte Bank					
Operating Account	279,815	258,543	250,000	-	29,815
Credit Card Account	73,723	73,723	-	-	73,723
First National Bank – Chadron					
Custodial Account	28,517	28,350	28,517	-	-
Edward Jones					
Money Market	23,625	23,625	-	23,625	-
	<u>\$ 1,742,263</u>	<u>\$ 1,720,824</u>	<u>\$ 528,517</u>	<u>\$ 23,625</u>	<u>\$ 1,190,121</u>

June 30, 2015

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Balance</u>	<u>Custody Credit Risk</u>		
			<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Demand Deposits:					
Bank of the West					
Operating Account	\$ 842,047	\$ 842,047	\$ 250,000	\$ -	\$ 592,047
North Platte Bank					
Operating Account	119,849	109,865	119,849	-	-
Credit Card Account	74,990	74,990	74,990	-	-
First National Bank – Chadron					
Custodial Account	40,081	39,781	40,081	-	-
Edward Jones					
Money Market	23,621	23,621	-	23,621	-
	<u>\$ 1,100,588</u>	<u>\$ 1,090,304</u>	<u>\$ 484,920</u>	<u>\$ 23,621</u>	<u>\$ 592,047</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 3 – CONTRIBUTIONS

Contributions receivable at June 30, 2016 and 2015, were as follows:

	2016	2015
Receivable in Less Than One Year	\$ 218,595	\$ 212,472
Receivable in One to Five Years	416,277	320,291
Receivable in Six to Ten Years	2,500	5,000
Total Contributions Receivable	\$ 637,372	\$ 537,763
Less Unamortized Discounts to Net Present Value	(13,432)	(14,311)
Less Allowance for Uncollectable Accounts	(62,000)	(37,087)
Net Contributions Receivable	<u>\$ 561,940</u>	<u>\$ 486,365</u>

The discount rates used on long-term promises to give were 1.15% and 1.71% for the years ended June 30, 2016 and 2015, respectively.

NOTE 4 – INVESTMENTS

Investments are stated at fair value and are shown below as of June 30, 2016 and 2015:

	Cost 06/30/2016	Market Value 06/30/2016	Unrealized Appreciation
Mutual Funds			
Large Cap	\$ 4,373,891	\$ 4,507,714	\$ 133,823
Mid Cap	1,051,515	910,013	(141,502)
Small Cap	1,020,944	916,063	(104,881)
International	3,237,206	2,757,907	(479,299)
Emerging Markets	1,401,979	1,274,175	(127,804)
Fixed Income	876,374	856,636	(19,738)
Floating rate corporate loans	1,383,693	1,318,265	(65,428)
Commodities	1,182,394	860,143	(322,251)
Low correlated hedge funds	442,306	432,318	(9,988)
Publicly Traded Limited Partnership	1,074,076	984,895	(89,181)
Hedge Funds	2,110,000	2,199,923	89,923
Total Investments	<u>\$ 18,154,378</u>	<u>\$ 17,018,052</u>	<u>\$ (1,136,326)</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 4 – INVESTMENTS (CONTINUED)

	Cost 06/30/2015	Market Value 06/30/2015	Unrealized Appreciation
Mutual Funds			
Large Cap	\$ 5,500,465	\$ 5,667,425	\$ 166,960
Mid Cap	1,099,486	1,076,072	(23,414)
Small Cap	1,028,223	1,050,739	22,516
Index	3,463,401	3,484,286	20,885
International	1,521,935	1,550,974	29,039
Fixed Income	2,587,470	2,535,515	(51,955)
Publicly Traded Limited Partnership	937,000	891,030	(45,970)
Hedge Funds	2,110,000	2,255,157	145,157
Total Investments	<u>\$ 18,247,980</u>	<u>\$ 18,511,198</u>	<u>\$ 263,218</u>

FASB ASC 820-10, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 4 – INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value.

For the year ended June 30, 2016, the majority of the Foundation's investments are managed in one portfolio fund consisting of bond and equity funds. These funds are priced in an active market (Level 1). The Foundation does hold a portion of the investment pool in hedge funds. These funds are not priced or quoted in the active market, but the assets can be priced in an active market under the valuation methods described in Level 2.

The following table sets forth carrying amounts and estimated fair values for financial instruments as of June 30, 2016 and 2015:

June 30, 2016	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Large Cap	4,507,714	4,507,714	-	-
Mid Cap	910,013	910,013	-	-
Small Cap	916,063	916,063	-	-
International	2,757,907	2,757,907	-	-
Emerging markets	1,274,175	1,274,175	-	-
Fixed Income	856,636	856,636	-	-
Corporate Loans	1,318,265	1,318,265	-	-
Commodities	860,143	860,143	-	-
Low correlated hedge funds	984,895	984,895	-	-
Publicly traded limited partnership	432,318	432,318	-	-
Hedge Funds	2,199,923	-	2,199,923	-
Total Investments	<u>\$ 17,018,052</u>	<u>\$ 14,818,129</u>	<u>\$ 2,199,923</u>	<u>\$ -</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 4 – INVESTMENTS (CONCLUDED)

June 30, 2015	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Large Cap	\$ 5,667,425	\$ 5,667,425	\$ -	\$ -
Mid Cap	1,076,072	1,076,072	-	-
Small Cap	1,050,739	1,050,739	-	-
Index	3,484,286	3,484,286	-	-
International	2,535,515	2,535,515	-	-
Fixed Income	1,550,974	1,550,974	-	-
Publicly traded limited partnership	891,030	891,030	-	-
Hedge Funds	2,255,157	-	2,255,157	-
Total Investments	<u>\$ 18,511,198</u>	<u>\$ 16,256,041</u>	<u>\$ 2,255,157</u>	<u>\$ -</u>

The following schedule summarizes the investment return in the Statement of Activities for the years ended June 30, 2016 and 2015:

	2016	2015
Interest and dividend income	\$ 561,607	\$ 651,132
Net realized/unrealized gains (losses)	(1,534,403)	(317,484)
Management fees	(39,940)	(39,650)
Total	<u>\$ (1,012,736)</u>	<u>\$ 293,998</u>

NOTE 5 – OTHER ASSETS

The Foundation is the beneficiary of various trusts and estates created by donors, the assets of which are not in the possession of the Foundation. The carrying amounts (which are at fair value) of beneficial interests in trusts and estates are based on values provided by an external investment manager, quoted market values, or actuarial valuations. Net realized and unrealized gains and losses related to beneficial interests are reported as changes in net assets based on donor stipulations. The fair value of the beneficial interests at June 30, 2016 and 2015, were as follows:

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 5 – OTHER ASSETS (CONCLUDED)

2016	Fair Value	Level 1	Level 2	Level 3
Cash Surrender Value of Life Insurance	\$ 27,466	\$ -	\$ -	\$ 27,466
Beneficial Interest in Annuity	16,041	-	-	16,041
Total Other Assets	<u>\$ 43,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,507</u>

2015	Fair Value	Level 1	Level 2	Level 3
Beneficial Interest in Richards Estate	\$ 261,839	\$ -	\$ -	\$ 261,839
Cash Surrender Value of Life Insurance	26,600	-	-	26,600
Beneficial Interest in Annuity	19,662	-	-	19,662
Total Other Assets	<u>\$ 308,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,101</u>

Assets measured at fair market value using significant unobservable inputs (level 3) in an inactive market changed as follows:

2016	Beneficial Interest in Richards Estate	Cash Surrender Value of Life Insurance	Beneficial Interest in Annuity
Beginning balance, July 1, 2015	\$ 261,839	\$ 26,600	\$ 19,662
Purchases, issuance, settlements	(261,839)	-	(2,380)
Total gains (realized, unrealized)	-	866	(1,241)
Ending balance, June 30, 2016	<u>\$ -</u>	<u>\$ 27,466</u>	<u>\$ 16,041</u>

2015	Beneficial Interest in Richards Estate	Beneficial Interest in Wilkinson Estate Bequest	Cash Surrender Value of Life Insurance	Beneficial Interest in Annuity
Beginning balance, July 1, 2014	\$ -	\$ 54,516	\$ 25,641	\$ 23,606
Purchases, issuance, settlements	261,839	(54,516)	-	(2,920)
Total gains (realized, unrealized)	-	-	959	(1,024)
Ending balance, June 30, 2015	<u>\$ 261,839</u>	<u>\$ -</u>	<u>\$ 26,600</u>	<u>\$ 19,662</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015, consisted of the following:

	2016	2015
Land	\$ 38,500	\$ 38,500
Office Equipment	97,096	100,644
	\$ 135,596	\$ 139,144
Less Accumulated Depreciation	(93,836)	(96,291)
Property and Equipment, Net of Accumulated Depreciation	\$ 41,760	\$ 42,853

NOTE 7 – RELATED PARTIES

The Foundation, in the normal course of business, engages in transactions with Chadron State College. The College has been designated as the beneficiary of the Foundation. The Foundation pays all scholarships and contributions to the College's students and departments.

The Foundation acts as an agent to the clubs and organizations of Chadron State College. It maintains the cash accounts and provides bookkeeping services for these clubs and organizations. At June 30, 2016 and 2015, the restricted cash balance was \$28,350 and \$39,781, respectively. The total due to other agencies balance was \$25,614 and \$40,332, respectively. The Foundation transferred money from the operating account to the restricted cash account to cover the previous year deficit.

NOTE 8 – ACCOUNTING FOR INVESTMENTS AND ENDOWMENTS

The Foundation follows FASB ASC 958-205-50-1B, which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). It also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

Investments – Board-designated Endowment – As of June 30, 2016 and 2015, the Board of Directors had designated \$554,720 and \$430,698, respectively, of unrestricted net assets as a general quasi endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 8 – ACCOUNTING FOR INVESTMENTS AND ENDOWMENTS (CONTINUED)

Investments – Board-designated Endowment (Concluded)

Gifts assigned to a quasi endowment shall be divided into two separate fund balances. One shall be called the “Initial Fund Balance” and one shall be called the “Quasi Endowment Fund Balance.” The balance for either the Initial Fund Balance or Quasi Endowment Fund Balance shall be determined as of June 30th of each fiscal year. The annual payout from each of these fund balances shall be calculated individually as hereinafter stated:

Initial Fund Balance – The Initial Fund Balance for each fiscal year shall consist of the value of all contributions to a quasi endowment. The annual payout from this segment of the quasi endowment shall be set by action of the Finance Committee and ratified by the Foundation Board and shall be consistent with the long term goal of portfolio growth and perpetual support to Chadron State College (CSC). The annual payout from this portion can be up to but not exceed 50% of the fund balance. Any remaining balance after deducting the annual payout shall be transferred by the Foundation to the Quasi Endowment Fund Balance.

Quasi Endowment Fund Balance – The annual payout from this segment of the endowment shall be set by action of the Finance Committee and ratified or approved by the Foundation Board consistent with the investment policy and long term goal of portfolio growth and perpetual support of CSC. In accordance with accounting principles generally accepted in the United States of America, the Foundation Board has the discretion to allow payouts from the corpus and principal of a Quasi Endowment Fund Balance. However, the Board has chosen by policy to treat a Quasi Endowment Fund Balance as a Named Endowment and pay out accordingly. See Donor Designated Endowments – *Spending Policy*.

Investments – Donor Designated Endowments – The Foundation’s endowment consisted of approximately 337 individual funds established for a variety of purposes. Its endowment includes both donor-restricted and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 8 – ACCOUNTING FOR INVESTMENTS AND ENDOWMENTS (CONTINUED)

Investments – Donor Designated Endowments (Concluded)

permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated from the expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from the income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The Foundation has adopted investment and spending policies, approved by the Board of Directors, for the endowment assets that attempt to provide long-term support to CSC. Accordingly, the investment philosophy of the Foundation is based on a disciplined, consistent, and diversified approach utilizing multiple asset classes and allows for multiple managers. Their intent is to accommodate styles and strategies considered reasonable and prudent. The Foundation has established long-term rates of return, downside risk parameters and asset allocation ranges for each portfolio. If the total return objective is not achieved over a particular measurement period, the shortfall should be explainable in terms of general economic and capital market conditions. A temporary shortfall will not necessarily indicate failure to achieve the long-term objective. An important objective of the Foundation Board of Directors is to create an investment and spending program that allows for growth of the portfolio balance.

Spending Policy – Distributions from Named Endowment are to be according to the Foundation's Endowment policies. Grant levels are based on the weighted average fund balance, using the adjusted pool of awarding endowments during the past three (3) fiscal years. The distribution approved by the Foundation Board shall not exceed five percent (5.0%) of the weighted average fund balance. Distribution from any individual endowment shall be according to restrictions within that controlling endowment. Distributions from the Quasi Endowment shall be according to its controlling restrictions. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 8 – ACCOUNTING FOR INVESTMENTS AND ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2016, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 861,229	\$15,566,578	\$ 16,427,807
Board-designated endowment funds	554,720	-	-	554,720
Total funds	\$ 554,720	\$ 861,229	\$15,566,578	\$ 16,982,527

Changes in endowment net assets as of June 30, 2016, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 430,698	\$ 2,455,943	\$ 15,224,806	\$ 18,111,447
Contributions	3,100	-	337,265	340,365
Investment Income, net of fees	7,986	328,223	-	336,209
Net appreciation	(32,240)	(1,150,854)	-	(1,183,094)
Transfers	156,682	-	4,507	161,189
Amounts appropriated for expenditures	(11,506)	(772,083)	-	(783,589)
Endowment net assets, end of year	\$ 554,720	\$ 861,229	\$15,566,578	\$ 16,982,527

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 2,455,943	\$15,224,806	\$ 17,680,749
Board-designated endowment funds	430,698	-	-	430,698
Total funds	\$ 430,698	\$ 2,455,943	\$15,224,806	\$ 18,111,447

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 8 – ACCOUNTING FOR INVESTMENTS AND ENDOWMENTS (CONCLUDED)

Changes in endowment net assets as of June 30, 2015, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 170,522	\$ 2,969,114	\$14,828,571	\$ 17,968,207
Contributions	-	-	396,235	396,235
Investment Income, net of fees	7,752	487,292	-	495,044
Net appreciation	332	(235,559)	-	(235,227)
Transfers	266,282	-	-	266,282
Amounts appropriated for expenditures	(14,190)	(764,904)	-	(779,094)
Endowment net assets, end of year	<u>\$ 430,698</u>	<u>\$ 2,455,943</u>	<u>\$15,224,806</u>	<u>\$ 18,111,447</u>

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	2016	2015
Scholarships and College Use	\$ 1,834,510	\$ 3,011,635
Total Temporarily Restricted Net Assets	<u>\$ 1,834,510</u>	<u>\$ 3,011,635</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2016	2015
Purpose Restriction Accomplished:		
Scholarships	\$ 645,621	\$ 577,769
College Use	393,326	910,520
Management Fees	467,580	428,568
Investment Fees	32,541	32,349
Total Restrictions Released	<u>\$ 1,539,068</u>	<u>\$ 1,949,206</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

NOTE 10 – PERMANENTLY RESTRICTED NET ASSETS

As of June 30, 2016 and 2015, net assets were permanently restricted for the endowment in the amount of \$15,566,578 and \$15,224,806, respectively. The income from the endowment can be used to support Chadron State College. At June 30, 2016 and 2015, the fair value of investments related to the restricted endowment was \$16,095,941 and \$17,532,802, leaving the amount assigned to individual donor restricted endowments required to be maintained in perpetuity with an excess balance of \$529,363 and \$2,307,996 for 2016 and 2015, respectively.

NOTE 11 – DEFINED CONTRIBUTION PLAN

The Organization participates in the College's defined contribution plan (the Plan) covering all employees with at least three years of service who agree to make contributions to the Plan. Employees may enroll in the Plan if they are employed full time for 9 out of 12 months of the year. Participation in the Plan is voluntary for employees who are 25 years of age and have been employed at least two years by the Foundation. Participation in the Plan is mandatory for employees over the age of 30. Employees contribute 6% of their salary and the College contributes 8%. Total expenses for the years ended June 30, 2016 and 2015, were \$28,428 and \$21,998, respectively.

NOTE 12 – COMMITMENTS

The Foundation agreed to provide the College with \$2 million for the Rangeland Center Project. As of June 30, 2016, \$1,611,387 has been provided to the College.

The Foundation began transferring dollars to the Chadron State College for the Athletic Complex renovation and expansion that was completed in the previous year. The Nebraska Legislature approved \$6.7 million dollars towards the project with the condition of a \$2 million dollar match from the College. The Foundation approved the \$2 million match, plus an additional \$1 million from the Chicoine Fund for the naming of the facility for a total commitment of \$3 million. As of June 30, 2016, \$2,536,281 has been provided to the College.

During the prior year, the board of directors designated \$529,000 from the CSC Quasi endowment plus \$471,000 of earnings from the Chicoine fund to provide the additional \$1 million for the naming. As the Chicoine fund generates earnings, the CSC Quasi endowment will be replenished. As of June 30, 2016, \$117,900 has been paid back to the CSC Quasi Endowment.

In August 2015, the Foundation committed to provide the College with \$2 million for the Math & Science building renovation. In May 2016, the Foundation committed \$1 million to the renovation of the football stadium. Both projects along with the fundraising campaigns are still in the initial planning stages.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Concluded)

NOTE 13 – SUBSEQUENT EVENTS

On August 26, 2016, the Chadron State Foundation Board approved the named endowment and grant to campus payouts for the 2017-2018 academic year. This will result in a liability at December 31, 2016, of \$423,767 for the named endowments, \$820 for quasi endowments and \$15,292 for the grant to campus.

A large portion of the Foundation assets are invested in the stock market. The investment portfolio has had negative returns for the year ended June 30, 2016. However, for the quarter ending September 30, 2016 some recovery of the portfolio has occurred with the portfolio gaining approximately \$562,500.

The Foundation has evaluated subsequent events through October 7, 2016, the date which the financial statements were available to be issued.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION

NOTE A – ACCOUNTING POLICIES

The following summary of certain significant accounting policies of Peru State College Foundation (the Foundation) is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Foundation is a nonprofit foundation incorporated in the State of Nebraska. The purpose of the Foundation is to operate as a charitable and educational foundation for the promotion and support of Peru State College (the College) and its students. The Foundation is governed by a self-perpetuating Board of Directors consisting of volunteer board appointed members, some of whom are significant donors to the Foundation. The Foundation is considered a component unit of Peru State College; therefore, the Foundation's net assets and results of operations are included as a component unit in the Peru State College financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Presentation of Financial Statements of Not-for-Profit Entities*. Under Codification 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets – unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out of the operations of the Foundation in accordance with its bylaws.

Temporarily restricted net assets represent resources subject to donor-imposed restrictions until such time as the restriction is met, whether it is the expiration of a time period or the occurrence of an event. Temporarily restricted net assets are available for various scholarship and departmental expenses for the College.

Permanently restricted net assets represent resources subject to donor-imposed restrictions that do not expire. Earnings from permanently restricted net assets are available for scholarships for qualifying students attending the College.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE A – ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Public Support and Revenues

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor.

Grants and other contributions of cash and other assets are recorded as a temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded as unrestricted net assets. Investment earnings with donor restrictions are recorded as temporarily or permanently restricted net assets based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their estimated fair values in the period received.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services; management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, investments, unconditional promises to give, student loans, notes receivable, accounts payable, accrued expenses, and the long-term liabilities approximate fair value.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE A – ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Foundation considers all investments with a maturity of three months or less to be cash equivalents. The Foundation maintains several bank accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at December 31, 2015 and 2014. At December 31, 2015, cash balances exceeded federally insured limits by \$674,000.

Unconditional Promises to Give

Unconditional promises to give are recorded as receivables and revenues when received. The receivables that are due in the next year are reflected as current promises to give and are recorded at their estimated net realized value. The Foundation regularly reviews the listing of unconditional promises to give to determine collectability.

Property, Equipment, and Depreciation

The Foundation capitalizes all additions, renewals, and betterments at cost whereas expenditures for maintenance and repairs are expensed as incurred.

Depreciation and amortization is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets are:

Office Furniture and Fixtures	3 - 7 years
Vehicles	5 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the asset to a specific purpose.

Endowments and Investments

The Foundation's investments in Westwood Management Corp. LLC's are valued at Level 2 of the hierarchy of investment valuation, see Note D. Unrealized gains and losses are included in the statement of activities as a change in unrestricted net assets.

The Foundation pools its investments for greater flexibility in managing those investments. When investments are pooled, they lose their specific identification with specific contributions. Thus, the income and unrealized and realized gains and losses are allocated to the pool participants using the market value method. The market value method assigns a number of units to each pool participant based on the relationship of the individual investment to the total investments at the time the investments are pooled.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE A – ACCOUNTING POLICIES (CONTINUED)

Endowments and Investments – Concluded

The Foundation follows the guidance of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in accounting for endowed assets. UPMIFA permits, subject to donor intent, appropriation for prudent expenditures as determined by the Foundation for the uses, benefits, purposes, and duration of the established endowment fund. The Foundation has determined that maintaining the historical endowed value is prudent for the use of the funds and any appreciation of the endowment is available for use. The amount of the net appreciation is reported as increases in unrestricted net assets in the statement of activities. Net depreciation in donor-restricted endowments is reimbursed from unrestricted net assets as necessary to replenish the endowment fund to its historic dollar value as established by the Foundation.

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 6.5%, net of management fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for scholarships and administration. The current spending policy is to distribute an amount at least equal to 4% of a moving four-year average of the fair value of the endowment funds. Accordingly, over the long-term, the Foundation expects its current spending policy to allow its endowment assets to grow at an average rate of 2.5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Compensated Absences

Employees of the Foundation are entitled to paid vacation, paid sick, and paid personal time off. Foundation personnel accrue 10 hours of vacation and 8 hours of sick pay per month with a maximum accrual of 35 days vacation and 180 days sick time. The Foundation

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE A – ACCOUNTING POLICIES (CONCLUDED)

Compensated Absences – Concluded

estimates the amount of compensation for future compensated absences and, accordingly, recognizes the liability as part of accrued compensation in the accompanying financial statements.

Income Taxes

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 170(b)(1)(A)(vi). There was no unrelated business income for 2015 and 2014.

The Foundation's federal Exempt Organization Tax Returns (Form 990) for 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

NOTE B – CONCENTRATION OF CREDIT RISK

Financial instruments that are exposed to concentrations of credit risk consist of cash, unconditional promises to give, note receivable, and investments. The Foundation's cash and investments are in high quality institutions and companies with high credit ratings. The Foundation performs ongoing evaluations of outstanding credit balances and collectability. Cash and investments are based on quoted market prices. Unconditional promises to give and the note receivable are carried at estimated net realizable values.

NOTE C – INVESTMENTS

The Foundation's investments at December 31, 2015 consist of the following:

	Cost	Gross Unrealized Gain/(Loss)	Fair Market Value
Fixed Income Funds			
Westwood Cash Reserves, LLC	\$ 710,956	\$ -	\$ 710,956
Westwood Core Income, LLC	1,260,498	127,243	1,387,741
Westwood Total Return, LLC	1,558,323	997,106	2,555,429
Equity Funds:			
Westwood Tactical Opportunity, LLC	311,215	271,652	582,867
Westwood Diversified Core Equity, LLC	1,292,060	1,859,773	3,151,833
Westwood Focused Core Equity, LLC	430,686	790,444	1,221,130
Westwood Diversified Small/Mid Cap Equity, LLC	254,439	524,209	778,648
Westwood Focused Small Cap Equity, LLC	252,122	153,022	405,144
Westwood International Equity, LLC	736,678	437,380	1,174,058
	<u>\$ 6,806,977</u>	<u>\$ 5,160,829</u>	<u>\$ 11,967,806</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE C – INVESTMENTS (CONCLUDED)

The Foundation's investments at December 31, 2014 consist of the following:

	Cost	Gross Unrealized Gain/(Loss)	Fair Market Value
Fixed Income Funds			
Westwood Cash Reserves, LLC	\$ 260,657	\$ -	\$ 260,657
Westwood Core Income, LLC	1,576,303	269,375	1,845,678
Westwood Total Return, LLC	1,304,476	1,952,978	3,257,454
Equity Funds:			
Westwood Tactical Opportunity, LLC	454,250	301,643	755,893
Westwood Diversified Core Equity, LLC	815,421	2,146,794	2,962,215
Westwood Focused Core Equity, LLC	776,299	818,690	1,594,989
Westwood Diversified Small/Mid Cap Equity, LLC	179,439	520,575	700,014
Westwood Focused Small Cap Equity, LLC	222,122	167,781	389,903
Westwood International Equity, LLC	1,121,499	681,601	1,803,100
	<u>\$ 6,710,466</u>	<u>\$ 6,859,437</u>	<u>\$ 13,569,903</u>

Investment expense which consists of management fees totaled \$80,744 and \$90,863 for the years ending December 31, 2015 and 2014, respectively.

The fair value, historical dollar value, and net appreciation of endowed assets included in investments at December 31, are as follows:

	2015	2014
Fair Value of Endowed Assets	\$ 8,920,086	\$ 8,682,013
Historical Dollar Value of Endowed Assets	(6,722,581)	(6,405,730)
Net Appreciation - Endowed Assets	<u>\$ 2,197,505</u>	<u>\$ 2,276,283</u>

NOTE D – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Foundation has the ability to access at the measurement date.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE D – FAIR VALUE MEASUREMENTS (CONCLUDED)

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable; and inputs that are derived principally from or corroborated by observable market data.

All the Foundation's investments, see Note C, are considered to be Level 2 investments. The fair value of the Foundation's investments in the Westwood LLC's is determined by each LLC based on the fair value of the underlying securities held by the LLC. The fair value of the LLC's is determined based on the closing prices of the underlying securities on various actively traded markets. Unit values are determined by dividing the fund's net assets at fair value by the number of units outstanding at the valuation date.

Level 3 – Inputs are unobservable inputs for the asset or liability.

NOTE E – NOTE RECEIVABLE

The Foundation's note receivable consists of the following at December 31:

	2015	2014
The Foundation entered into a purchase lease with the College, whereby the College leased the Al Wheeler Activity Center Renovation for 12 years, payable at \$25,871 per year including interest at 3.5%. The College has the option to purchase the Remodel at the end of the lease term for \$10.	\$ 95,026	\$ 116,809
Less Current Portion of Notes Receivable	22,545	21,783
	\$ 72,481	\$ 95,026

The aggregate maturities of notes receivable are as follows:

2016	\$ 22,545
2017	23,334
2018	24,151
2019	24,996
	\$ 95,026

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE F – REFUNDABLE DEPOSITS

Beginning in 2003, the Peru Booster Club and President’s Account had entered into intermediary agreements with the Foundation. Funds are held in cash accounts by the Foundation as an agent of these organizations to be disbursed at their request. The funds are not owned by the Foundation and are not pooled with the Foundation’s investments. The liability included in the accompanying statements of financial position represents the amount due to these entities totaling \$29,353 and \$28,863 as of December 31, 2015 and 2014, respectively. The President’s Account was closed during 2014.

NOTE G – GIFT ANNUITY

The Foundation has entered into an agreement with a donor in which the donor contributed cash to the Foundation in exchange for the distribution of fixed monthly or quarterly amounts to the donor until the death of the donor. The gift annuity liability of \$783 as of 2014 represents the present value of the future cash flows expected to be paid to the donors. The annuity payable was discounted at 1.97% (7-year Treasury Bill rate at December 31, 2014). In July 2015, the annuity recipient passed away and the outstanding balance was recorded as a contribution.

NOTE H – NOTES PAYABLE

At December 31, 2015, the Foundation has a \$139,969 short-term bank loan that bears interest at 3.50%.

In addition, the Foundation has a non-interest bearing loan of \$833 that is due in 2016.

NOTE I – NET ASSETS

Unrestricted board-designated net assets at December 31, are available for the following uses:

	2015	2014
Designated for scholarship	\$ 600,620	\$ 600,620
Designated for work stipends	532,177	545,013
Designated for campus improvements	5,500	5,500
	<u>\$ 1,138,297</u>	<u>\$ 1,151,133</u>

Temporarily restricted net assets at December 31, are available for the following uses:

	2015	2014
Restricted for scholarships	\$ 609,083	\$ 547,617
Restricted for education and athletic departments	719,579	698,596
	<u>\$ 1,328,662</u>	<u>\$ 1,246,213</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Continued)

NOTE I – NET ASSETS (CONCLUDED)

Permanently restricted net assets consist of endowment fund assets held indefinitely. The income from the assets is used for scholarships and to support the Foundation. Amounts appropriated for scholarships in 2015 and 2014 amounted to \$75,178 and \$154,748, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of the restrictions specified by donors as follows:

	2015	2014
Purpose restriction accomplished:		
Scholarships	\$ 8,567	\$ 48,175
Departmental and athletic gifts to College	54,009	78,984
Oakbowl Renovations and fundraising	5,840	31,971
Management fees	17,059	15,488
	<u>\$ 85,475</u>	<u>\$ 174,618</u>

NOTE J – RELATED PARTY TRANSACTIONS

The Foundation incurs various expenses with the College throughout the year such as payroll reimbursements, gifts, and other departmental expenses. The following is a summary of transactions with the College for the years ended December 31:

	2015	2014
Salary and wage reimbursement	\$ 379,366	\$ 344,497
Gifts and campus improvements	1,386,119	35,246
Departmental expenses	79,464	92,223
	<u>\$ 1,844,949</u>	<u>\$ 471,966</u>

The Foundation owed the College for salary and wage expenses paid to its employees by the College in the amount of \$59,157 and \$63,648 at December 31, 2015 and 2014, respectively.

NOTE K – PENSION PLAN

The College sponsors a defined contribution retirement pension plan, Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), in which the Foundation's employees are allowed to participate. The plan covers all employees upon attaining 30 years of age and having two years of college service. Employee contributions are limited to 6% of gross salary. The Foundation reimburses the College for the retirement fund contributions along with the salary reimbursements. The Foundation's contributions to the plan totaled \$18,244 and \$18,830 for the years ended December 31, 2015 and 2014, respectively, and is included in salaries and wages on the statement of functional expenses.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE FOUNDATION (Concluded)

NOTE L – CONCENTRATIONS

During 2015, the Foundation received approximately 70% of its contributions from three individuals/estates. During 2014, the Foundation received approximately 26% of its contributions from one individual.

NOTE M – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 6, 2016, the date which the financial statements were available to be issued, and has concluded there were no events or transactions occurring between year end and this date that would require recognition or disclosure in the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION

NOTE A – FOUNDATION

The Wayne State Foundation (Foundation) is an independent, non-profit corporation established for the sole purpose of securing private gifts for the benefit and promotion of Wayne State College (College). The Foundation receives contributions from various contributors and provides funding to the College to assist it in fulfilling its mission of educating students. Examples of initiatives funded by the Foundation include scholarships, capital improvements, faculty grants, equipment, and athletic programs. The Foundation funds and publishes, in cooperation with the College, the *Wayne State Magazine* and other communications sent to alumni and friends.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Assets and liabilities are presented in the order of liquidity on the statement of financial position. Net assets, support and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Foundation. Generally, earnings from endowed contributions and investments are restricted for specific purposes.

Prior-Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the years ended June 30, 2015 and 2014, from which the summarized information was derived.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Donations of property are recorded as support and carried at their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose.

Pervasiveness of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers checking accounts to be cash equivalents.

Property

Property is recorded at cost or estimated value at the date of purchase or contribution. Additions in excess of \$2,500 are capitalized. Expenditures for repairs and maintenance are expensed as incurred. Assets are being depreciated using the straight-line method with estimated useful lives of 25-40 years for real property and 5 years for vehicles. Depreciation expense was \$9,729 for the year ended June 30, 2016.

Investments

The Foundation's investments are composed of money market accounts, certificates of deposits, and mutual funds including common trust funds, either at area financial institutions or investment firms. Investments are stated at fair market value. Fluctuations in fair values are reflected in the period they occur. Certain funds have been pooled for ease of management and to achieve greater diversification in investments.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

The Foundation qualifies as a tax-exempt Foundation, other than a private foundation, under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The Foundation files required income tax returns in the U.S. federal jurisdiction and various states. With few exceptions, the Foundation is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2013. The Foundation has concluded no material uncertain tax positions have been taken on any open tax returns. For the current year the Foundation believes all tax positions are fully supportable by existing Federal law and related interpretations and there are no uncertain tax positions to consider.

Collections

Collections, acquired through purchases and contributions since the Foundation's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

Advertising

The Foundation expenses advertising costs as they are incurred. Advertising expenses for the year ended June 30, 2016, was \$12,621.

Subsequent Events

In the normal course of preparing the Foundation's financial statements, management reviews events that occur after the statement of financial position date (June 30, 2016) for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through September 13, 2016, which is the date the financial statements were available to be issued. See Note T for recently issued accounting pronouncements.

NOTE C – CREDIT RISK ARISING FROM CASH DEPOSITS

At times the Foundation may have uninsured bank deposits. At June 30, 2016, the Foundation had bank deposits of \$3,306,615, of which \$1,234,071 was uninsured. The Foundation approved a policy of bank deposits up to \$350,000. All bank deposits were below the approved policy except for Elkhorn Valley Bank & Trust (EVB&T) which had deposits of \$1,242,177. In June 2016 the Finance Committee approved exceeding the approved policy amount for EVB&T.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE D – PROMISES TO GIVE

Unconditional Promises

Unconditional promises are recorded at their net realizable value.

Unconditional promises to give at June 30, 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Unconditional promises to give	\$ -	\$ 1,014,787	\$ 213,512	\$ 1,228,299
Less discount to present value	-	(100,639)	(18,279)	(118,918)
Less allowance for uncollectible prom.	-	(12,890)	-	(12,890)
Net unconditional promises to give	<u>\$ -</u>	<u>\$ 901,258</u>	<u>\$ 195,233</u>	<u>\$ 1,096,491</u>

Estimated future cash flows of unconditional promises are as follows:

	<u>Estimated Cash Flows</u>	<u>Discount</u>	<u>Discounted Value</u>
Due 6/30/2016	\$ 11,750	\$ -	\$ 11,750
6/30/2017	341,411	(13,132)	328,279
6/30/2018	433,464	(32,702)	400,762
6/30/2019	131,084	(14,551)	116,533
6/30/2020	99,200	(14,403)	84,797
6/30/2021	63,500	(11,308)	52,192
More than 5 years 6/30/2022-2028	135,000	(32,822)	102,178
	<u>\$ 1,215,409</u>	<u>\$ (118,918)</u>	<u>\$ 1,096,491</u>

The allowance for uncollectible promises represents the unpaid portion of the Phonathon pledges. All other pledges are considered collectible. At June 30, 2016, \$11,750 of other pledges were past due including \$8,750 that were over 90 days past due. Other pledges written off for the fiscal year ended June 30, 2016, were \$10,000.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE E – INVESTMENTS

Investments as of June 30, 2016 are summarized as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	6/30/16 Total
Money markets	\$ 7,304	\$ 615,955	\$ 995,276	\$ 1,618,535
Certificates of Deposits	35,630	1,377,544	165,000	1,578,174
Commonfund- Equity Fund	1,499,653	2,758,256	9,901,436	14,159,345
Commonfund- Bond Fund	703,355	623,638	3,543,364	4,870,357
Subtotal Commonfund	2,203,008	3,381,894	13,444,800	19,029,702
Other Securities	26,971	119,805	37,157	183,933
Totals	2,272,913	5,495,198	14,642,233	22,410,344
Investments restricted for annuity contracts:				
Commonfund- Equity Fund	279,094	-	373,356	652,450
Commonfund- Bond Fund	109,467	-	147,105	256,572
Totals	388,561	-	520,461	909,022
Investments held in perpetual trust:				
Money Markets	-	-	22,510	22,510
Bonds and notes	-	-	282,138	282,138
Equities	-	-	499,031	499,031
Alternatives	-	-	60,938	60,938
Totals	-	-	864,617	864,617
Total all investments	\$ 2,661,474	\$ 5,495,198	\$ 16,027,311	\$ 24,183,983

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE E – INVESTMENTS (cont'd)

Market Risk from Concentration of Investments with Advisor

At June 30, 2016 the Foundation had investments (including reserved for annuities) with Commonfund of \$19,938,724, which represents approximately 82% of investments.

Fair Value Measurement

The Foundation adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820-10-35, "Fair Value Measurement," effective July 1, 2008. FASB ASC 820-10-35 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1: quoted prices in active markets for identical investments.
- Level 2: other significant observable inputs (including quoted prices for similar investments in active markets, interest rates and yield curves, prepayment speeds, credit risks, etc.)
- Level 3: significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments). The Foundation used the share price in the preferred offering of the private company to value the stock.

The following is a summary of the inputs used as of June 30, 2016 in valuing the Foundation's investments:

<u>June 30, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short Term Cash Investments and Certificates of Deposit	\$ 23,570	\$ 3,196,709	\$ -	\$ 3,220,279
U.S. Equity	571,372	13,003,274	8,988	13,583,634
International Equity	104,761	1,512,284	-	1,617,045
Emerging Markets Equity	10,336	296,236	-	306,572
Fixed Income	329,523	5,126,930	-	5,456,453
Total	<u>\$1,039,562</u>	<u>\$ 23,135,433</u>	<u>\$ 8,988</u>	<u>\$ 24,183,983</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE E – INVESTMENTS (cont'd)

Level 3 Activity

In the fiscal year ended June 30, 2016 the Foundation received private company stock. The stock value of \$8,988 was valued at the current share price in the preferred offering at the date of the gift. There were no realized or unrealized gains or losses and no transfers in or out during the fiscal year.

The Foundation did not hold other financial instruments as of June 30, 2016.

Investments Held in Perpetual Trust

The Foundation is the beneficiary of a perpetual trust. First National Bank – Omaha is the trustee. The trustee may be changed only due to investment performance.

Investment Management Fees

Investment management fees have been deducted from investment income.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment Management Fees	\$ 7,665	\$ 48,785	\$ 10,495	\$ 66,945

NOTE F – PROPERTY

During the year ended June 30, 2012, the Foundation received contributed property which had a life estate attached to it. During the fiscal year ended June 30, 2016 the house was sold for \$135,000 less closing costs of \$7,864 leaving a gain of \$47,136. The vehicle was traded in during the fiscal year ended June 30, 2016 on a leased vehicle. The trade-in allowance was \$9,000 leaving a gain of \$4,657.

	Bressler			
	<u>Alumni House</u>	<u>1308 Main</u>	<u>Vehicle</u>	<u>Total</u>
Land	\$ 20,000	\$ 39,500	\$ -	\$ 59,500
Building	134,417	81,000	-	215,417
Subtotal	154,417	120,500	-	274,917
Accumulated Depreciation	(61,772)	(23,700)	-	(85,472)
Net 6/30/16	<u>\$ 92,645</u>	<u>\$ 96,800</u>	<u>\$ -</u>	<u>\$ 189,445</u>
Depreciation Exp. FYE 6/30/16	<u>\$ 3,555</u>	<u>\$ 2,700</u>	<u>\$ 3,474</u>	<u>\$ 9,729</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE G – LIFE INSURANCE – CASH VALUE

The Foundation is the owner of numerous whole life insurance policies with various insurance companies. Policies with cash values of \$18,658 were cashed in the year ended June 30, 2016. The policies contain cash values, which are summarized as follows:

	Policy Amount	6/30/16 Cash Value	6/30/15 Cash Value	6/30/14 Cash Value
Unrestricted	\$ 347,911	\$ 54,534	\$ 69,920	\$ 67,580
Temporarily Restricted	25,000	1,454	3,508	3,631
Permanently Restricted	130,309	31,829	28,598	21,558
Totals	<u>\$ 503,220</u>	<u>\$ 87,817</u>	<u>\$ 102,026</u>	<u>\$ 92,769</u>

NOTE H – ANNUITY CONTRACTS

The Foundation has entered into several annuity agreements whereby the donor transfers either cash, property, or both and, in consideration, the Foundation agrees to pay the donor a stated dollar amount annually for the remainder of his/her life, at which time the remaining assets are available for their unrestricted (or restricted if so designated by the donor) use by the Foundation. The Foundation records the assets at fair value when received. The liability is recorded at the present value of expected future cash flows to be paid to the annuitant with the difference recorded as an unrestricted or restricted contribution. The liabilities are computed using discount rates varying from 1.2% to 9.6% and life expectancies of annuity beneficiaries based on IRS tables.

Annuity assets and liabilities as of June 30, 2016, are summarized as follows:

	Unrestricted	Permanently Restricted	Total
Investments restricted for annuity contracts	\$ 388,561	\$ 520,461	\$ 909,022
Annuities Payable	<u>\$ 75,006</u>	<u>\$ 295,898</u>	<u>\$ 370,904</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE I – UNRESTRICTED NET ASSETS

The Board has designated a portion of unrestricted net assets as follows:

Board Designated:		
Quasi-Endowment	\$	324,380
Total board designated	\$	324,380

NOTE J – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2016:

Program Activities:		
Scholarships and Grants	\$	3,527,794
Improvements		2,567,587
College Departments		573,481
SSC College Center		13,730
Time Only Restriction (Unrestricted receivables)		235,535
Other Designated Programs		7,455
Total Temporarily Restricted Net Assets	\$	6,925,582

NOTE K – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are endowment funds restricted in perpetuity to provide funding for various scholarships and programs annually. In addition permanently restricted net assets include assets being held to fund future endowments.

NOTE L – ENDOWMENT FUNDS

The Foundation's endowment consists of approximately 342 individual funds established for a variety of purposes. Its endowment includes both donor restricted funds and funds designated by the Executive Committee to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds including funds designated by the Executive Committee to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE L – ENDOWMENT FUNDS (cont'd)

The Executive Committee of the Foundation has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence described by NUPMIFA. In accordance with NUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment Net Asset Composition by Type of Fund as of June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (5,010)	\$ 3,131,631	\$ 14,724,417	\$ 17,851,038
Board-designated endowment funds	324,380	-	-	324,380
Total Funds	<u>\$ 319,370</u>	<u>\$ 3,131,631</u>	<u>\$ 14,724,417</u>	<u>\$ 18,175,418</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE L – ENDOWMENT FUNDS (cont'd)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beg. of year	\$ 325,488	\$ 3,915,047	\$ 12,633,614	\$ 16,874,149
Contributions	-	-	2,058,333	2,058,333
Transfers	-	(25,645)	32,470	6,825
Net investment income	5,086	257,463	-	262,549
Net appreciation (loss)	(11,204)	(329,100)	-	(340,304)
Amounts appropriated for expenditure	-	(686,134)	-	(686,134)
Endowment net assets, end of year	<u>\$ 319,370</u>	<u>\$ 3,131,631</u>	14,724,417	<u>\$ 18,175,418</u>

Other permanently restricted net assets:

Interest in Robert Cunningham Perpetual Trust	864,617
Cash Value of Life Insurance to Fund Permanently Restricted Endowment Funds	31,829
Charitable Gift Annuity Net Assets to Fund Permanently Restricted Endowments at a Future Date	224,563
Promises to Fund Permanently Restricted Endowment Funds	195,233
Total Permanently Restricted Net Assets	<u>\$ 16,040,659</u>

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$5,010 as of June 30, 2016. These deficiencies result from unfavorable market fluctuations that occur after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Executive Committee of the Foundation.

Contributions. Contributions above include the sale of real estate restricted for endowment of \$40,000 less the increase in promises to fund permanently restricted endowment funds (net endowment receivables) of (\$32,263).

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE L – ENDOWMENT FUNDS (cont'd)

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment spending policies, approved by the Executive Committee, for endowment assets that provide a predictable stream of funding to programs supported by its endowment funds while also attempting to maintain the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve a net total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes debt, equity and real estate securities, that is intended to result in a consistent inflation protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value of the prior 3 years through June 30th of the preceding fiscal year in which the distribution is planned. In scenarios where the fair value of the endowment funds have fallen below the permanently restricted balances or if undistributed prior period earnings appear insufficient, the Foundation may, at its discretion set a lower payout rate which appears in line with the current yield from investment and general economic conditions. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

NOTE M – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE N – CONTRIBUTED SERVICES

The Foundation receives donated accounting services, secretarial services and rent from Wayne State College. The estimated fair value for these services are \$170,306 for the year ended June 30, 2016. These amounts have been recognized in the financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE O – PENSION PLAN

The Foundation contributes to a defined contribution retirement plan and is required to contribute 8% of the employee's salary. The Foundation's contributions to the retirement plan were \$23,150 for the year ended June 30, 2016.

NOTE P – VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFIT AMOUNTS

The costs of vacation pay and sick pay are accrued. Up to 25% of accumulated sick pay is payable upon retirement or death. Total accumulated sick pay at June 30, 2016 was \$110,537 and the accrual was \$27,634. Accumulated vacation is payable upon termination and at June 30, 2016 was \$22,192.

NOTE Q – COMMITMENTS

U.S. Conn Library Renovation

A three year renovation of the U.S. Conn Library began in May 2014 and is scheduled to be completed in the summer of 2017. The Wayne State Foundation raised \$3.1 million in gifts and pledges toward the \$21.9 million project while the State of Nebraska, L.B. 301, and Wayne State College funded the difference.

Press Box Replacement

The Wayne State Foundation agreed to raise up to \$1 million toward the approximate \$2 million project. As of June 30, 2016, approximately \$496,000 has been raised in gifts and pledges. A pledge was secured in July 2016 bringing gifts and pledges to \$996,000. Construction is scheduled to begin in spring 2017.

Jeanne Gardner Black and Gold Performing Arts Endowment

During FY 2015, the Wayne State Foundation Executive Board agreed to raise \$500,000 to fund the Jeanne Gardner Black and Gold Performing Arts Endowment to honor Mrs. Gardner's philanthropic legacy. This endowment will help support live performances on campus that provide cultural opportunities for Wayne State College students and the Northeast Nebraska region. As of June 30, 2016, approximately \$470,000 has been raised in gifts and pledges.

Center for Applied Technology

Wayne State College recently secured \$6.6 million through a state bond program underscoring the importance of a \$15.2 million state-of-the-art Center for Applied Technology to address workforce and economic development in Nebraska. The Center for Applied Technology will continue to attract first rate students and faculty and increase the number of industrial technology teachers, diversified manufacturing administrators, construction and safety managers, drafters, and computer programmers. The Wayne State Foundation has agreed to raise funds to help support this project.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

NOTE Q – COMMITMENTS (cont'd)

Criminal Justice Lab

The Wayne State Foundation currently owns property located in Wayne, NE that will be exchanged for like property located in Wayne, NE during FY 2017. This new piece of property is the projected site for the Wayne State College Criminal Justice Lab. As plans progress, the Foundation will gift the new piece of property to Wayne State College.

NOTE R – RELATED PARTIES

For the year ended June 30, 2016 the Foundation provided direct support to Wayne State College of \$3,190,231 and reimbursed the College for \$437,819 for payroll and other operating expenses. Direct support consisted of \$1,924,396 for annual scholarships, \$496,926 for endowed scholarships, \$16,000 for Neihardt stipends, \$372,418 for athletic scholarships; \$170,208 for capital improvements to U.S. Conn Library; \$2,014 for capital improvements for the soccer field; \$177,797 for athletics administration support; and \$30,472 for general budget support college departments. The Foundation also provided \$85,676 of indirect support.

The Foundation had cash and CD's totaling \$314,810, as of June 30, 2016, at State Nebraska Bank & Trust, where one of the board members of the Foundation is the chairman.

The Foundation had cash and CD's totaling \$150,000, as of June 30, 2016, at Siouxland National Bank, where one of the board members of the Foundation is president.

Board members, trustees, and employees may pledge amounts to the Foundation for various projects and campaigns for support. At June 30, 2016 the outstanding pledge balances due from these individuals totaled \$1,027,158.

The Foundation sold to a board member real estate in Arizona that was previously donated with a life estate for net proceeds of \$127,136 in the year ended June 30, 2016.

NOTE S – LEASES

In June of 2016, Wayne State Foundation entered into an interest free, 24 month lease agreement with Ford Motor Credit for the rental of a 2016 Ford Edge expiring in June of 2018. Future lease expense is \$7,893 for each of the years ending June 30, 2017 and 2018.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Concluded)

WAYNE STATE FOUNDATION (Concluded)

NOTE T – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The standard:

Decreases the number of net asset classes from three to two. The new classes will be net assets with donor restrictions and net assets without donor restrictions.

Requires reporting of the underwater amounts of donor-restricted endowment funds in net assets with restrictions and enhances disclosures about underwater endowments.

Requires a not-for-profit to provide in the notes qualitative information on how it manages its liquid available resources and liquidity risks. Quantitative information communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year will be required to be presented on the face of the financial statements and/or in the notes.

Requires reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature.

The standard will take effect for annual financial statements issued for fiscal years beginning after Dec. 15, 2017, and for interim periods within fiscal years beginning after Dec. 15, 2018.

The Foundation does not expect these amendments to have a material effect on its financial statements.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF NET POSITION
June 30, 2016

	CSC	PSC	WSC	NSCS Office	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 5,514,430	\$ 4,333,337	\$ 19,127,687	\$ 3,435,170	\$ 32,410,624
Restricted Cash and Cash Equivalents	7,167,751	3,466,836	9,144,420	5,797,574	25,576,581
Accounts Receivable, Net of Allowance	336,923	931,400	612,836	24,430	1,905,589
State Grants and Appropriations Receivable	-	-	-	205,948	205,948
Other Receivables	267,138	91,242	88,456	16,127	462,963
Inventories	16,068	50,516	16,673	-	83,257
Loans to Students, Net	1,424	-	278,168	-	279,592
Prepaid Expenses	418,453	239,036	272,767	85,689	1,015,945
Deposits with Vendors	-	-	1,310	4,971	6,281
Total Current Assets	<u>13,722,187</u>	<u>9,112,367</u>	<u>29,542,317</u>	<u>9,569,909</u>	<u>61,946,780</u>
Non-current Assets					
Restricted Cash and Cash Equivalents	927,248	9,794,803	11,924,302	2,302,872	24,949,225
Restricted Investments	-	-	605,121	-	605,121
Loans to Students, Net	9,243	-	854,492	-	863,735
Prepaid Expenses	-	-	-	36,369	36,369
Capital Assets, Net	57,423,810	50,111,388	93,370,387	3,262,522	204,168,107
Total Non-current Assets	<u>58,360,301</u>	<u>59,906,191</u>	<u>106,754,302</u>	<u>5,601,763</u>	<u>230,622,557</u>
Total Assets	<u>72,082,488</u>	<u>69,018,558</u>	<u>136,296,619</u>	<u>15,171,672</u>	<u>292,569,337</u>
Deferred Outflow of Resources					
Unamortized Bond Refunding Amount, Net	23,470	7,140	12,905	-	43,515
Total Deferred Outflow of Resources	<u>23,470</u>	<u>7,140</u>	<u>12,905</u>	<u>-</u>	<u>43,515</u>
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	2,250,826	1,353,922	3,969,094	2,555,733	10,129,575
Accrued Compensated Absences	147,962	57,445	152,742	20,298	378,447
Unearned Revenue	81,208	34,420	622,511	110	738,249
Interest Payable	132,471	240,488	242,460	223,412	838,831
Master Lease Payable	151,498	76,076	-	-	227,574
Long-term Debt	630,000	343,334	450,000	3,505,000	4,928,334
Deposits Held in Custody for Others	111,203	17,384	2,867	110,329	241,783
Total Current Liabilities	<u>3,505,168</u>	<u>2,123,069</u>	<u>5,439,674</u>	<u>6,414,882</u>	<u>17,482,793</u>
Non-current Liabilities					
Accrued Compensated Absences	1,221,564	595,174	1,529,420	269,676	3,615,834
Unearned Revenue	-	-	605,668	-	605,668
Master Lease Payable	400,221	148,655	-	-	548,876
Long-term Debt	10,707,391	13,801,743	19,711,526	18,417,119	62,637,779
Total Non-current Liabilities	<u>12,329,176</u>	<u>14,545,572</u>	<u>21,846,614</u>	<u>18,686,795</u>	<u>67,408,157</u>
Total Liabilities	<u>15,834,344</u>	<u>16,668,641</u>	<u>27,286,288</u>	<u>25,101,677</u>	<u>84,890,950</u>
Net Position					
Net Investment in Capital Assets	47,008,174	44,819,560	84,549,592	(17,173,995)	159,203,331
Restricted for:					
Expendable:					
Loans	465,613	-	1,294,451	-	1,760,064
Debt Service	630,567	320,278	450,265	2,137,528	3,538,638
Plant	26,602	479,001	316,412	2,750,763	3,572,778
Other	5,600,026	3,025,010	7,050,621	373,192	16,048,849
Unrestricted	2,540,632	3,713,208	15,361,895	1,982,507	23,598,242
Total Net Position	<u>\$ 56,271,614</u>	<u>\$ 52,357,057</u>	<u>\$ 109,023,236</u>	<u>\$ (9,930,005)</u>	<u>\$ 207,721,902</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF NET POSITION

June 30, 2015

	CSC	PSC As Restated	WSC	NSCS Office	Total As Restated
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 4,304,305	\$ 3,822,656	\$ 18,868,347	\$ 3,400,475	\$ 30,395,783
Restricted Cash and Cash Equivalents	6,942,108	3,469,459	9,668,215	4,750,387	24,830,169
Accounts Receivable, Net of Allowance	453,256	667,562	472,605	21,759	1,615,182
State Grants and Appropriations Receivable	-	-	-	72,331	72,331
Other Receivables	123,642	120,434	66,428	12,646	323,150
Inventories	12,733	48,009	29,937	-	90,679
Loans to Students, Net	58,683	-	263,282	-	321,965
Prepaid Expenses	381,161	276,265	280,778	105,583	1,043,787
Deposits with Vendors	-	-	1,310	3,533	4,843
Total Current Assets	<u>12,275,888</u>	<u>8,404,385</u>	<u>29,650,902</u>	<u>8,366,714</u>	<u>58,697,889</u>
Non-current Assets					
Restricted Cash and Cash Equivalents	1,031,701	777,507	1,631,302	8,311,874	11,752,384
Loans to Students, Net	386,702	-	885,102	-	1,271,804
Prepaid Expenses	-	-	-	44,003	44,003
Capital Assets, Net	58,206,208	47,695,034	88,121,006	4,140,663	198,162,911
Total Non-current Assets	<u>59,624,611</u>	<u>48,472,541</u>	<u>90,637,410</u>	<u>12,496,540</u>	<u>211,231,102</u>
Total Assets	<u>71,900,499</u>	<u>56,876,926</u>	<u>120,288,312</u>	<u>20,863,254</u>	<u>269,928,991</u>
Deferred Outflow of Resources					
Unamortized Bond Refunding Amount, Net	25,426	7,789	14,078	-	47,293
Total Deferred Outflow of Resources	<u>25,426</u>	<u>7,789</u>	<u>14,078</u>	<u>-</u>	<u>47,293</u>
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	1,689,523	1,600,872	3,892,513	3,022,221	10,205,129
Accrued Compensated Absences	103,329	61,026	131,651	18,620	314,626
Unearned Revenue	47,707	24,855	651,536	-	724,098
Interest Payable	134,000	91,202	121,589	260,432	607,223
Master Lease Payable	149,492	75,076	-	-	224,568
Long-term Debt	620,000	327,545	590,000	3,385,000	4,922,545
Deposits Held in Custody for Others	62,016	17,972	8,795	110,154	198,937
Total Current Liabilities	<u>2,806,067</u>	<u>2,198,548</u>	<u>5,396,084</u>	<u>6,796,427</u>	<u>17,197,126</u>
Non-current Liabilities					
Accrued Compensated Absences	1,100,336	579,078	1,455,568	247,387	3,382,369
Unearned Revenue	-	-	883,528	-	883,528
Master Lease Payable	551,719	224,731	-	-	776,450
Long-term Debt	11,335,410	5,324,335	8,820,650	22,188,610	47,669,005
Total Non-current Liabilities	<u>12,987,465</u>	<u>6,128,144</u>	<u>11,159,746</u>	<u>22,435,997</u>	<u>52,711,352</u>
Total Liabilities	<u>15,793,532</u>	<u>8,326,692</u>	<u>16,555,830</u>	<u>29,232,424</u>	<u>69,908,478</u>
Net Position					
Net Investment in Capital Assets	47,155,522	41,761,247	79,305,196	(14,674,183)	153,547,782
Restricted for:					
Expendable:					
Loans	844,342	-	1,319,073	-	2,163,415
Debt Service	621,057	305,032	590,028	1,987,273	3,503,390
Plant	112,588	278,734	1,278,751	1,991,237	3,661,310
Other	5,767,474	3,028,849	6,591,891	365,656	15,753,870
Unrestricted	1,631,410	3,184,161	14,661,621	1,960,847	21,438,039
Total Net Position	<u>\$ 56,132,393</u>	<u>\$ 48,558,023</u>	<u>\$ 103,746,560</u>	<u>\$ (8,369,170)</u>	<u>\$ 200,067,806</u>

Attachment: APA Basic Financial Report for Years Ended June 30, 2016 and 2015 (1894 : Acceptance of Basic Financial Audit Report for Years

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Year Ended June 30, 2016

	CSC	PSC	WSC	NSCS Office	Total
Operating Revenues					
Tuition and Fees, Net of Scholarship					
Allowances and Institutional Waivers	\$ 9,928,380	\$ 6,849,933	\$ 12,935,498	\$ -	\$ 29,713,811
Federal Grants and Contracts	4,164,707	3,201,573	4,827,396	-	12,193,676
State Grants and Contracts	506,500	452,729	1,062,753	-	2,021,982
Private Grants and Contracts	88,401	251,825	257,885	21,535	619,646
Auxiliary Enterprises, Net of Scholarship					
Allowances and Institutional Waivers	6,490,557	3,676,519	8,732,651	-	18,899,727
Other Operating Revenues	893,391	165,327	29,832	-	1,088,550
Total Operating Revenues	22,071,936	14,597,906	27,846,015	21,535	64,537,392
Operating Expenses					
Compensation and Benefits	23,607,040	13,541,153	29,892,119	1,685,669	68,725,981
Contractual Services	1,346,671	1,085,589	2,062,455	710,281	5,204,996
Supplies and Materials	4,039,731	2,825,570	5,249,283	11,020	12,125,604
Scholarships and Fellowships	1,465,333	1,334,340	1,707,767	-	4,507,440
Depreciation	2,332,629	1,745,687	3,184,790	878,141	8,141,247
Utilities	1,518,620	901,066	2,020,789	-	4,440,475
Repairs and Maintenance	1,879,889	361,546	1,900,808	-	4,142,243
Communications	115,553	154,172	163,244	12,436	445,405
Food Service	2,151,791	1,312,672	2,563,359	-	6,027,822
Other	1,934,244	43,904	61,686	261,510	2,301,344
Total Operating Expenses	40,391,501	23,305,699	48,806,300	3,559,057	116,062,557
Operating Loss	(18,319,565)	(8,707,793)	(20,960,285)	(3,537,522)	(51,525,165)
Non-operating Revenue (Expenses)					
State Appropriations	17,402,028	9,808,485	21,642,044	2,025,102	50,877,659
Investment Income	227,238	129,767	696,594	147,634	1,201,233
Interest on Capital Asset-Related Debt	(268,879)	(198,277)	(250,420)	(484,301)	(1,201,877)
Bond Issuance Costs	-	(119,214)	(199,662)	-	(318,876)
Gain (Loss) on Disposal of Asset	17,592	40	(2,774)	-	14,858
Other Non-operating Revenue (Expense)	235,979	14,289	40,066	(23,840)	266,494
Net Non-operating Revenues	17,613,958	9,635,090	21,925,848	1,664,595	50,839,491
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	(705,607)	927,297	965,563	(1,872,927)	(685,674)
Other Revenues, Expenses, or Gains (Losses)					
Capital Facilities Fees	-	-	-	2,058,500	2,058,500
Capital Contributions	94,000	1,976,043	71,873	-	2,141,916
Operating Transfers In (Out)	(1,465,172)	397,340	4,239,240	(3,171,408)	-
Capital Appropriations and Grants	2,216,000	498,354	-	1,425,000	4,139,354
Net Other Revenues, Expenses, or Gains (Losses)	844,828	2,871,737	4,311,113	312,092	8,339,770
Increase (Decrease) in Net Position	139,221	3,799,034	5,276,676	(1,560,835)	7,654,096
Net Position, Beginning of Year	56,132,393	48,558,023	103,746,560	(8,369,170)	200,067,806
Net Position, End of Year	\$ 56,271,614	\$ 52,357,057	\$ 109,023,236	\$ (9,930,005)	\$ 207,721,902

Attachment: APA Basic Financial Report for Years Ended June 30, 2016 and 2015 : Acceptance of Basic Financial Audit Report for Years

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Year Ended June 30, 2015

	CSC	PSC As Restated	WSC	NSCS Office	Total As Restated
Operating Revenues					
Tuition and Fees, Net of Scholarship					
Allowances and Institutional Waivers	\$ 8,858,299	\$ 5,977,497	\$ 11,991,018	\$ -	\$ 26,826,814
Federal Grants and Contracts	4,452,108	3,560,887	5,176,014	-	13,189,009
State Grants and Contracts	539,608	378,230	684,831	-	1,602,669
Private Grants and Contracts	59,409	246,900	236,568	13,183	556,060
Auxiliary Enterprises, Net of Scholarship					
Allowances and Institutional Waivers	6,532,962	3,383,183	8,648,574	-	18,564,719
Other Operating Revenues	866,727	165,611	107,866	-	1,140,204
Total Operating Revenues	21,309,113	13,712,308	26,844,871	13,183	61,879,475
Operating Expenses					
Compensation and Benefits	22,527,601	13,354,981	28,877,742	1,469,070	66,229,394
Contractual Services	1,202,004	1,114,802	1,481,080	886,877	4,684,763
Supplies and Materials	4,551,768	2,371,811	5,235,871	56,280	12,215,730
Scholarships and Fellowships	1,842,325	1,612,272	1,912,935	-	5,367,532
Depreciation	1,981,530	1,619,846	3,108,905	878,142	7,588,423
Utilities	1,384,346	827,354	2,164,959	-	4,376,659
Repairs and Maintenance	970,185	561,734	2,094,505	500	3,626,924
Communications	113,871	166,555	147,027	16,398	443,851
Food Service	2,029,914	1,179,703	2,617,517	-	5,827,134
Other	1,861,234	29,198	63,431	233,374	2,187,237
Total Operating Expenses	38,464,778	22,838,256	47,703,972	3,540,641	112,547,647
Operating Loss	(17,155,665)	(9,125,948)	(20,859,101)	(3,527,458)	(50,668,172)
Non-operating Revenue (Expenses)					
State Appropriations	16,913,568	9,513,954	21,308,966	1,661,098	49,397,586
Investment Income	205,450	107,373	590,315	140,205	1,043,343
Interest on Capital Asset-Related Debt	(255,962)	(186,830)	(246,425)	(546,159)	(1,235,376)
Loss on Disposal of Asset	(10,588)	(116,034)	(462,660)	-	(589,282)
Other Non-operating Revenue (Expense)	-	29,945	27,733	(30,539)	27,139
Net Non-operating Revenues	16,852,468	9,348,408	21,217,929	1,224,605	48,643,410
Loss Before Other Revenues, Expenses, Gains or (Losses)	(303,197)	222,460	358,828	(2,302,853)	(2,024,762)
Other Revenues, Expenses, or Gains (Losses)					
Capital Facilities Fees	-	-	-	2,082,521	2,082,521
Capital Contributions	2,580,093	-	37,441	-	2,617,534
Operating Transfers In (Out)	1,059,443	336,567	6,716,919	(8,112,929)	-
Capital Appropriations and Grants	2,216,000	2,280,940	2,879,735	1,375,000	8,751,675
Net Other Revenues, Expenses, or Gains (Losses)	5,855,536	2,617,507	9,634,095	(4,655,408)	13,451,730
Increase (Decrease) in Net Position	5,552,339	2,839,967	9,992,923	(6,958,261)	11,426,968
Net Position, Beginning of Year	50,580,054	45,718,056	93,753,637	(1,410,909)	188,640,838
Net Position, End of Year	\$ 56,132,393	\$ 48,558,023	\$ 103,746,560	\$ (8,369,170)	\$200,067,806

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS
Fiscal Year Ended June 30, 2016

	CSC	PSC	WSC	NSCS Office	Total
Cash Flows From Operating Activities					
Tuition and Fees	\$ 10,131,361	\$ 6,731,181	\$ 12,746,763	\$ -	\$ 29,609,305
Grants and Contracts	4,761,230	3,940,726	6,141,272	10,973	14,854,201
Payments to Suppliers	(8,815,046)	(5,727,865)	(12,601,822)	(1,429,602)	(28,574,335)
Payments for Utilities	(1,601,086)	(855,878)	(1,898,443)	-	(4,355,407)
Payments to Employees	(23,537,639)	(13,511,220)	(29,665,983)	(1,661,702)	(68,376,544)
Loans Issued to Students	(680)	-	(242,885)	-	(243,565)
Collections of Loans to Students	435,398	-	258,609	-	694,007
Sales and Services of Auxiliary Enterprises	6,484,975	3,569,219	8,468,342	-	18,522,536
Other Payments	(2,506,186)	(1,137,432)	(1,739,621)	(5,897)	(5,389,136)
Net Cash Used in Operating Activities	<u>(14,647,673)</u>	<u>(6,991,269)</u>	<u>(18,533,768)</u>	<u>(3,086,228)</u>	<u>(43,258,938)</u>
Cash Flows From Non-capital					
Financing Activities					
State Appropriations	17,402,028	9,808,485	21,642,044	1,891,455	50,744,012
Receipt of Flex Contributions	-	-	-	307,685	307,685
Payment of Flex Contributions	-	-	-	(308,742)	(308,742)
Direct Lending Receipts	10,375,947	9,077,967	11,710,022	-	31,163,936
Direct Lending Payments	(10,375,947)	(9,077,967)	(11,710,022)	-	(31,163,936)
Other Receipts (Payments)	180,487	(17,291)	42,080	-	205,276
Net Cash Provided by Non-capital Financing Activities	<u>17,582,515</u>	<u>9,791,194</u>	<u>21,684,124</u>	<u>1,890,398</u>	<u>50,948,231</u>
Cash Flows From Capital and Related					
Financing Activities					
Proceeds from Capital Debt	-	8,817,564	15,266,232	-	24,083,796
Capital Contributions	-	1,976,043	71,873	-	2,047,916
Purchase of Capital Assets	(1,551,626)	(4,383,409)	(7,790,236)	-	(13,725,271)
Disposal of Capital Assets	-	40	-	-	40
Principal Paid on Capital Debt	(620,000)	(402,621)	(4,515,000)	(3,385,000)	(8,922,621)
Interest Paid on Capital Debt	(266,471)	(185,799)	(268,451)	(787,812)	(1,508,533)
Bond Issuance Costs	-	(119,214)	(199,662)	-	(318,876)
Capital Facilities Fees	-	-	-	2,058,473	2,058,473
Transfers In (Out)	(1,465,172)	397,340	4,239,240	(3,171,408)	-
Other	(140,429)	-	-	(16,718)	(157,147)
Capital Appropriations	2,216,000	498,354	-	1,425,000	4,139,354
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,827,698)</u>	<u>6,598,298</u>	<u>6,803,996</u>	<u>(3,877,465)</u>	<u>7,697,131</u>
Cash Flows From Investing Activities					
Purchase/Sale of Investments	-	-	(605,000)	-	(605,000)
Investment Income	224,171	127,131	679,193	146,175	1,176,670
Net Cash Provided by Investing Activities	<u>224,171</u>	<u>127,131</u>	<u>74,193</u>	<u>146,175</u>	<u>571,670</u>
Increase (Decrease) in Cash and Cash Equivalents	1,331,315	9,525,354	10,028,545	(4,927,120)	15,958,094
Cash and Cash Equivalents, Beginning of Year	<u>12,278,114</u>	<u>8,069,622</u>	<u>30,167,864</u>	<u>16,462,736</u>	<u>66,978,336</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,609,429</u>	<u>\$ 17,594,976</u>	<u>\$ 40,196,409</u>	<u>\$ 11,535,616</u>	<u>\$ 82,936,430</u>

(Continued)

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS
Fiscal Year Ended June 30, 2016

	CSC	PSC	WSC	NSCS Office	Total
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and Cash Equivalents	\$ 5,514,430	\$ 4,333,337	\$ 19,127,687	\$ 3,435,170	\$ 32,410,624
Restricted Cash and Cash Equivalents - Current	7,167,751	3,466,836	9,144,420	5,797,574	25,576,581
Restricted Cash and Cash Equivalents - Non-current	927,248	9,794,803	11,924,302	2,302,872	24,949,225
Total Cash and Cash Equivalents	<u>\$ 13,609,429</u>	<u>\$ 17,594,976</u>	<u>\$ 40,196,409</u>	<u>\$ 11,535,616</u>	<u>\$ 82,936,430</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$(18,319,565)	\$ (8,707,793)	\$(20,960,285)	\$ (3,537,522)	\$ (51,525,165)
Depreciation Expense	2,332,629	1,745,687	3,184,790	878,141	8,141,247
Changes in Operating Assets and Liabilities					
Receivables, Net	116,333	(200,430)	(124,507)	(2,644)	(211,248)
Inventories	(3,335)	(2,507)	13,264	-	7,422
Accounts Payable and Accrued Liabilities	580,290	115,053	(430,409)	(464,506)	(199,572)
Accrued Compensated Absences	165,861	12,515	94,943	23,967	297,286
Other Assets and Liabilities	480,114	46,206	(311,564)	16,336	231,092
Net Cash Used in Operating Activities	<u><u>\$(14,647,673)</u></u>	<u><u>\$ (6,991,269)</u></u>	<u><u>\$(18,533,768)</u></u>	<u><u>\$ (3,086,228)</u></u>	<u><u>\$ (43,258,938)</u></u>
Supplemental Cash Flows Information					
Accounts Payable Incurred for Capital Asset Purchases	\$ 1,933	\$ 126,659	\$ 762,408	\$ 1,072,409	\$ 1,963,409

(Concluded)

Attachment: APA Basic Financial Report for Years Ended June 30, 2016 and 2015 (1894 : Acceptance of Basic Financial Audit Report for Years

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS
Fiscal Year Ended June 30, 2015

	CSC	PSC As Restated	WSC	NSCS Office	Total As Restated
Cash Flows From Operating Activities					
Tuition and Fees	\$ 8,934,379	\$ 5,910,774	\$ 11,879,561	\$ -	\$ 26,724,714
Grants and Contracts	5,048,805	4,182,990	6,096,532	24,480	15,352,807
Payments to Suppliers	(10,544,466)	(5,360,170)	(10,879,608)	(232,380)	(27,016,624)
Payments for Utilities	(1,391,581)	(827,354)	(1,978,041)	-	(4,196,976)
Payments to Employees	(22,659,119)	(13,386,579)	(28,883,291)	(1,427,230)	(66,356,219)
Loans Issued to Students	(3,876)	-	(213,865)	-	(217,741)
Collections of Loans to Students	352,163	-	294,846	-	647,009
Sales and Services of Auxiliary Enterprises	6,536,220	3,313,069	8,315,439	-	18,164,728
Other Receipts (Payments)	(975,598)	(1,433,884)	(1,868,500)	70,447	(4,207,535)
Net Cash Used in Operating Activities	<u>(14,703,073)</u>	<u>(7,601,154)</u>	<u>(17,236,927)</u>	<u>(1,564,683)</u>	<u>(41,105,837)</u>
Cash Flows From Non-capital Financing Activities					
State Appropriations	16,913,568	9,641,402	21,308,966	1,846,888	49,710,824
Receipt of Flex Contributions	-	-	-	330,799	330,799
Payment of Flex Contributions	-	-	-	(316,592)	(316,592)
Direct Lending Receipts	9,956,223	9,079,196	12,243,080	-	31,278,499
Direct Lending Payments	(9,956,223)	(9,079,196)	(12,243,080)	-	(31,278,499)
Other Receipts	490,732	9,049	25,720	-	525,501
Net Cash Provided by Non-capital Financing Activities	<u>17,404,300</u>	<u>9,650,451</u>	<u>21,334,686</u>	<u>1,861,095</u>	<u>50,250,532</u>
Cash Flows From Capital and Related Financing Activities					
Capital Contributions	2,580,093	-	37,441	-	2,617,534
Purchase of Capital Assets	(10,715,825)	(3,738,580)	(11,801,651)	-	(26,256,056)
Principal Paid on Capital Debt	-	1,610	-	-	1,610
Interest Paid on Capital Debt	-	(326,783)	(580,000)	(3,270,000)	(4,176,783)
Bond Issuance Costs	(223,128)	(186,730)	(245,259)	(853,358)	(1,508,475)
Capital Facilities Fees	-	-	-	2,075,262	2,075,262
Transfers In (Out)	1,059,443	336,567	6,716,919	(8,112,929)	-
Other	(27,369)	-	-	(20,128)	(47,497)
Capital Appropriations	2,216,000	2,280,940	2,879,735	1,375,000	8,751,675
Net Cash Used by Capital and Related Financing Activities	<u>(5,110,786)</u>	<u>(1,632,976)</u>	<u>(2,992,815)</u>	<u>(8,806,153)</u>	<u>(18,542,730)</u>
Cash Flows From Investing Activities					
Investment Income	198,590	107,463	554,225	143,473	1,003,751
Net Cash Provided by Investing Activities	<u>198,590</u>	<u>107,463</u>	<u>554,225</u>	<u>143,473</u>	<u>1,003,751</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(2,210,969)</u>	<u>523,784</u>	<u>1,659,169</u>	<u>(8,366,268)</u>	<u>(8,394,284)</u>
Cash and Cash Equivalents, Beginning of Year	<u>14,489,083</u>	<u>7,545,838</u>	<u>28,508,695</u>	<u>24,829,004</u>	<u>75,372,620</u>
Cash and Cash Equivalents, End of Year	<u>\$ 12,278,114</u>	<u>\$ 8,069,622</u>	<u>\$ 30,167,864</u>	<u>\$ 16,462,736</u>	<u>\$ 66,978,336</u>

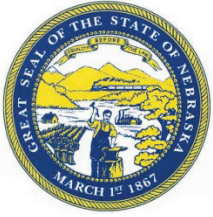
(Continued)

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS
Fiscal Year Ended June 30, 2015

	CSC	PSC As Restated	WSC	NSCS Office	Total As Restated
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and Cash Equivalents	\$ 4,304,305	\$ 3,822,656	\$ 18,868,347	\$ 3,400,475	\$ 30,395,783
Restricted Cash and Cash Equivalents - Current	6,942,108	3,469,459	9,668,215	4,750,387	24,830,169
Restricted Cash and Cash Equivalents - Non-current	1,031,701	777,507	1,631,302	8,311,874	11,752,384
Total Cash and Cash Equivalents	<u>\$ 12,278,114</u>	<u>\$ 8,069,622</u>	<u>\$ 30,167,864</u>	<u>\$ 16,462,736</u>	<u>\$ 66,978,336</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$(17,155,665)	\$ (9,125,948)	\$(20,859,101)	\$ (3,527,458)	\$ (50,668,172)
Depreciation Expense	1,981,530	1,619,846	3,108,905	878,142	7,588,423
Changes in Operating Assets and Liabilities					
Receivables, Net	86,030	(117,363)	(4,038)	3,624	(31,747)
Inventories	(5,027)	5,325	9,470	-	9,768
Accounts Payable and Accrued Liabilities	58,025	126,910	927,275	1,077,110	2,189,320
Accrued Compensated Absences	(43,313)	(3,015)	4,725	41,840	237
Other Assets and Liabilities	375,347	(106,909)	(424,163)	(37,941)	(193,666)
Net Cash Used in Operating Activities	<u><u>\$(14,703,073)</u></u>	<u><u>\$ (7,601,154)</u></u>	<u><u>\$(17,236,927)</u></u>	<u><u>\$ (1,564,683)</u></u>	<u><u>\$ (41,105,837)</u></u>
Supplemental Cash Flows Information					
Accounts Payable Incurred for Capital Asset Purchases	\$ 20,920	\$ 488,663	\$ 255,418	\$ 1,603,162	\$ 2,368,163

(Concluded)

Attachment: APA Basic Financial Report for Years Ended June 30, 2016 and 2015 (1894 : Acceptance of Basic Financial Audit Report for Years



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Charlie Janssen
State Auditor

Charlie.Janssen@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
www.auditors.nebraska.gov

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

Board of Trustees of the Nebraska State College System
Lincoln, NE

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the discretely presented component units of the Nebraska State College System (NSCS) (a component unit of the State of Nebraska), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Nebraska State College System's basic financial statements, and have issued our report thereon dated December 12, 2016. Our report includes a reference to other auditors who audited the financial statements of the Nebraska State College System Foundations, the Nebraska State Colleges Facilities Corporation, and the activity of the Nebraska State College System Revenue and Refunding Bond Program, as described in our report on the NSCS's financial statements. The financial statements of these entities and program were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NSCS's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NSCS's internal control. Accordingly, we do not express an opinion on the effectiveness of the NSCS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the NSCS's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in a our separately issued management letter that we consider to be a significant deficiency: Finding No. 2016-001: Financial Statement Errors.

- The Nebraska State College System (NSCS) submitted draft financial statements that were incomplete and significantly inaccurate. The excessive number of financial statement errors noted resulted in several revisions of the financial statements, including adjustments to 41 of the 59 – or nearly 70% – of the financial statement line items. The financial statement line item changes ranged from (\$24,019,000) to \$11,950,000 for both fiscal years 2015 and 2016. Additionally, the APA noted approximately 30 other errors that were not significant enough to require correction. Lastly, the amounts disclosed in the footnotes were found to contain additional errors. All material adjustments were subsequently corrected by the NSCS.

A good internal control plan requires the NSCS to maintain staff with an adequate knowledge and understanding of the financial records. Furthermore, the NSCS should have sufficient procedures in place to ensure the accuracy of both the financial reports and the information used to prepare the basic financial statements. The NSCS's lack of such knowledge and procedures increases the risk that material misstatements may occur and remain undetected. Details of the adjusted errors are included in the separately issued management letter dated December 12, 2016.

NSCS's Response: The NSCS will look at ways to improve financial statement preparation procedures in order to reduce financial statement errors. The NSCS will consider continued training opportunities, when available and where necessary, to ensure staff are informed and up to date on the proper financial statement line item handling of transactions. In addition, the NSCS will work with the APA to determine if financial statement deadlines can be pushed back or staggered in order to give staff the time needed to internally review the financial statements. Financial statements have historically been due to the APA in early to mid-September. The APA's current deadline does not allow each College the time needed to properly review its financial statements. Since the APA does not review all these statements immediately, the additional time gained through staggered or pushed back deadlines will help the NSCS when preparing/reviewing the basic financials. As noted above by the APA, most of these adjustments

did not have a material effect on net position and mainly affected individual line items. Net position financial statement adjustment was approximately \$500,000, the bulk of which related to one College's prior period adjustment. The NSCS would also like to note that many of the audit adjustments were for items which have been subject to audit by the APA for several years and have been reviewed by multiple audit managers.

APA Response: The financial statements are the responsibility of the NSCS, and the statutory change for the State of Nebraska Comprehensive Annual Financial Report deadline requires the NSCS audit to be done timely. The NSCS should have a strong understanding of its own financial statements with only minimal adjustments required – not changes to 70% of the line items. The NSCS response focuses on net position; however, the evaluation of the fair presentation of the financial statements includes all line items and not only net position. It is neither effective nor cost efficient to perform one hundred percent testing of all items in the audit. Consequently, different items may arise during subsequent audits, and the rotation of audit managers is always a good auditing practice.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NSCS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Nebraska State College System's Findings

We also noted in our separately issued management letter dated December 12, 2016, certain other matters that we reported to management of the NSCS.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the NSCS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NSCS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kris Kucera, CPA, CFE
Audit Manager

December 12, 2016

ITEMS FOR DISCUSSION AND ACTION
FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: **Approve Acceptance of the Single Audit for Year Ended June 30, 2016**

BKD has completed the Nebraska State College System (NSCS) Single (federal) audit for the year ending June 30, 2016. A copy of the audit is attached.

The System Office recommends approval of the Acceptance of the Single Audit for Year Ended June 30, 2016.

ATTACHMENTS:

- Single Audit for Year Ended June 30, 2016(PDF)

Nebraska State College System
A Component Unit of the State of Nebraska
Single Audit Reports
June 30, 2016

Attachment: Single Audit for Year Ended June 30, 2016 (1895 : Acceptance of the Single Audit for Year Ended June 30, 2016)



Nebraska State College System
A Component Unit of the State of Nebraska
June 30, 2016

Contents

Independent Auditor’s Report 1

Schedule of Expenditures of Federal Awards 3

Notes to Schedule of Expenditures of Federal Awards..... 7

**Report on Compliance for Each Major Program and Report on
Internal Control Over Compliance – Independent Auditor’s Report..... 8**

Schedule of Findings and Questioned Costs..... 10

Summary Schedule of Prior Audit Findings..... 13

Attachment: Single Audit for Year Ended June 30, 2016 (1895 : Acceptance of the Single Audit for Year Ended June 30, 2016)

Independent Auditor's Report

The Board of Trustees
 Nebraska State College System
 Lincoln, Nebraska

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the Nebraska State College System (System) for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a schedule of expenditures of federal awards that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule of expenditures of federal awards based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of expenditures of federal awards is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of expenditures of federal awards. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of expenditures of federal awards, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of expenditures of federal awards in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of expenditures of federal awards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of expenditures of federal awards referred to above presents fairly, in all material respects, the expenditures of federal awards of the Nebraska State College System for the year ended June 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Lincoln, Nebraska
January 3, 2017

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass-Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2016 Expenditures	Passed Through to Subrecipients
<i>Student Financial Aid Cluster:</i>									
<i>U.S. Department of Education:</i>									
Federal Supplemental Educational Opportunity Grant	Office of Federal Student Aid		84.007	P007A1424690					
				P007A1524690					
				P007A1424810					
				P007A1524810					
				P007A1424400					
				P007A1524400	\$ 60,329	\$ 59,813	\$ 48,384	\$ 168,526	\$ -
				P033A1424690					
				P033A1524690					
				P033A1624690					
				P033A1424810					
Federal Work-Study Program	Office of Federal Student Aid		84.033	P033A1524810					
				P033A1424400	104,795	82,900	309,576	497,271	-
Federal Perkins Loans Program	Office of Federal Student Aid		84.038	P033A1524400	1,533,985	-	445,585	1,979,570	-
				P063P1417840					
Federal Pell Grant Program	Office of Federal Student Aid		84.063	P063P1517840					
				P063Q1517840					
				P063P1417870					
				P063P1517870					
				P063Q1517870					
				P063P1402640					
				P063P1502640					
				P063Q1502640	4,241,001	2,699,843	3,195,526	10,136,370	-

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2016

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass-Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2016 Expenditures	Passed Through to Subrecipients
				P268K1517840					
				P268K1617840					
				P268K1517870					
				P268K1617870					
				P268K1502640					
Federal Direct Student Loans	Office of Federal Student Aid		84.268	P268K1602640	\$ 11,710,022	\$ 9,077,967	\$ 10,375,947	\$ 31,163,936	\$ -
Teacher Education Assistance for College & Higher Education Grants (TEACH Grants)	Office of Federal Student Aid		84.379	P379T1617870	18,540	-	-	18,540	-
Total Student Financial Aid Cluster					<u>17,668,672</u>	<u>11,920,523</u>	<u>14,375,018</u>	<u>43,964,213</u>	<u>-</u>
Trio Cluster:									
<i>U.S. Department of Education:</i>									
				P042A1003470					
				P042A1504830					
				P042A1010430					
				P042A1511580					
				P042A1003640					
Trio - Student Support Services	Office of Postsecondary Education		84.042	P042A1504220	279,759	253,382	233,921	767,062	-
Trio - Upward Bound	Office of Postsecondary Education		84.047	P047A1201560	-	-	253,535	253,535	-
Total Trio Cluster					<u>279,759</u>	<u>253,382</u>	<u>487,456</u>	<u>1,020,597</u>	<u>-</u>
		Coordinating Commission for Postsecondary Education (CCPE)							
Improving Teacher Quality State Grants	Office of Elementary & Secondary Education		84.367	S367B140024	7,761	-	-	7,761	-
College Access Challenge Grant Program	Office of Postsecondary Education	CCPE	84.378	P378A140002	15,750	11,450	8,500	35,700	-
Total U.S. Department of Education					<u>17,971,942</u>	<u>12,185,355</u>	<u>14,870,974</u>	<u>45,028,271</u>	<u>-</u>

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2016

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass- Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2016 Expenditures	Passed Through to Subrecipients
<i>Research & Development Cluster:</i>									
<i>National Science Foundation:</i>									
Biological Sciences				1019419 1253129 1442507	\$ 1,500	\$ 89,761	\$ -	\$ 91,261	\$ -
Office of Experimental Program to Stimulate Competitive Research		Nebraska EPSCoR	47.081	95-3101-0040-937	-	-	2,167	2,167	-
<i>Total National Science Foundation</i>					<u>1,500</u>	<u>89,761</u>	<u>2,167</u>	<u>93,428</u>	<u>-</u>
<i>U.S. Department of Health & Human Services:</i>									
Biomedical Research & Research Training	National Institutes of Health	University of Nebraska Medical Center (UNMC) & NE Health & Human Services	93.859	3P20GM103427-13S1 2P20GM103427-14A1 5P20GM103427-15 34-5150-2057-015	<u>36,277</u>	<u>-</u>	<u>30,283</u>	<u>66,560</u>	<u>-</u>
<i>Total Research & Development Cluster</i>					<u>37,777</u>	<u>89,761</u>	<u>32,450</u>	<u>159,988</u>	<u>-</u>

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2016

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass- Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2016 Expenditures	Passed Through to Subrecipients
<i>Other Programs:</i>									
<i>National Aeronautics & Space Administration:</i>									
Science		NASA NE Space Grant Consortium	43.001	44-0307-1012-531	\$ -	\$ -	\$ 848	\$ 848	\$ -
Education		NASA NE Space Grant Consortium	43.008	44-0307-1019-320	-	-	4,676	4,676	-
<i>Total National Aeronautics & Space Administration</i>					-	-	5,524	5,524	-
<i>U.S. Small Business Administration:</i>									
Small Business Development Centers		University of Nebraska - Omaha (UNO)	59.037	SBAHQ-15-B-0041/0001 SBAHQ-16-B-0055 2015-031-SC1 45-0606-1088-201	60,938	-	31,727	92,665	-
<i>U.S. Department of Health & Human Services:</i>									
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Centers for Disease Control & Prevention	NE Health & Human Services	93.323	26352-Y3	-	-	7,122	7,122	-
Block Grants for Prevention and Treatment of Substance Abuse	Health Services Administration	Nemaha Against Drug and Alcohol Abuse (NADAA)	93.959	TI010034-16	-	550	-	550	-
<i>Total U.S. Department of Health & Human Services</i>					-	550	7,122	7,672	-
Total Other Programs					<u>60,938</u>	<u>550</u>	<u>44,373</u>	<u>105,861</u>	<u>-</u>
Total Expenditures of Federal Awards					<u>\$ 18,070,657</u>	<u>\$ 12,275,666</u>	<u>\$ 14,947,797</u>	<u>\$ 45,294,120</u>	<u>\$ -</u>

Nebraska State College System
A Component Unit of the State of Nebraska
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Notes to Schedule

Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Nebraska State College System (System) under programs of the federal government for the fiscal year ended June 30, 2016. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net asset or cash flows of the System.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions* or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The System has elected not to use the ten percent de minimis cost rate allowed under the Uniform Guidance.

Loans Outstanding

The federal loan programs listed subsequently are administered directly by the System, and balances and transactions relating to these programs are included in the System's basic financial statements, which are issued separately. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2016 consists of:

Program Title

Federal Perkins Loan Program	CFDA #84.038
Chadron	\$ 10,667
Wayne	\$1,132,659

Report on Compliance for Each Major Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Board of Trustees
Nebraska State College System
Lincoln, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Nebraska State College System (the System), a component unit of the State of Nebraska, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the System's compliance.

Opinion on Each Major Federal Program

In our opinion, the System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the types of auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Lincoln, Nebraska
January 3, 2017

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2016

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? Yes No

7. The System's major programs were:

Cluster/Program	CFDA Number
Student Financial Assistance Cluster	
Federal Supplemental Education Opportunity Grants	84.007
Federal Direct Student Loans	84.268
Federal Work Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Teacher Education Assistance for College and Higher Education (TEACH) Grant	84.379
TRIO Cluster	
TRIO – Student Support Services	84.042
TRIO – Upward Bound	84.047

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The System qualified as a low-risk auditee? Yes No

Attachment: Single Audit for Year Ended June 30, 2016 (1895 : Acceptance of the Single Audit for Year Ended June 30, 2016)

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2016

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
	The Nebraska Auditor of Public Accounts issued under separate cover the report in accordance with <i>Government Auditing Standards</i> related to the financial statements of the System. See that report for the significant deficiency identified.

Findings Required to be Reported by Uniform Guidance

Reference Number	Finding
	No matters are reportable.

Nebraska State College System
A Component Unit of the State of Nebraska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016

Reference Number	Summary of Finding	Status
---------------------	--------------------	--------

No matters are reportable.

Attachment: Single Audit for Year Ended June 30, 2016 (1895 : Acceptance of the Single Audit for Year Ended June 30, 2016)

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: Approve Continuation of Bookstore Contracts

Chadron State contracted with MBS Direct Corporation to provide a full service online bookstore to serve the College beginning July 1, 2016 through June 30, 2019 with up to 2 one-year renewal terms ending on June 30, 2021. For 2017-18, the College will continue to receive a commission of 10% on sales of print course materials, 2% on digital course materials, and 20-25% commission on books purchased at wholesale during book buyback; plus \$2,500 in textbook scholarships. Chadron State respectfully requests that the Board approve continuance of the online bookstore contract with MBS Direct Corporation for the period of July 1, 2017 through June 30, 2018.

Peru State College entered into a three-year bookstore contract for fiscal year 2016-17 through 2018-19, with an option to enter into two additional one year contracts following the initial three year term. Peru State recommends continuation of its bookstore contract with Akademos for the operation of the online bookstore. For 2017-18, Akademos agrees to continue to pay the College 7.5% of Gross Sales for the right to operate the bookstore, as per an amendment to the contract. In addition, the College receives two \$500 internships and \$2,000 in textbook scholarships annually. Peru State respectfully requests that the Board approve continuance of the online bookstore contract with Akademos for the period of July 1, 2017 through June 30, 2018.

Wayne State recommends continuation of an Agreement with Follett Higher Education Group, Inc. (Follett) for the operation of the bookstore. The initial term of the Agreement is for the period of July 1, 2016 through June 30, 2019; and allows for one successive two-year renewal term from July 1, 2019 through June 30, 2021. For the right to operate the bookstore, Follett will continue to pay commission of 11.6% of Net Revenue up to \$1 Million; 12.6% of Net Revenue over \$1 Million, but less than \$1.5 Million; 13.6% of Net Revenue over \$1.5 Million. There is a commission guarantee of an amount equal to 95% of the calculated commission on net revenue of the immediately preceding year. In addition, Follett will provide a \$4,000 annual accounts receivable account. Wayne State respectfully requests that the Board approve continuance of its bookstore contract with Follett for the period of July 1, 2017 through June 30, 2018.

The System Office recommends approval of the Continuation of Bookstore Contracts.

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: **Approve Revised Write-Off of Uncollectible Accounts for Peru State College**

The Board approved write-offs for uncollectible accounts at its September 2016 meeting. Peru State later realized that its full write-off amounts were not included in the Board's action. The College's worksheet for write-offs had two sections, and the amount picked up for the write-offs were the amount at the bottom of the worksheet, which was actually a sub-total. Peru's revised total amounts are:

<u>Peru State College (revised)</u>	
Cash Fund Accounts (Tuition and Fees)	\$63,528.02
Other Fund Accounts (CIF and Trust)	3,271.29
Revenue Bond Accounts	<u>39,217.33</u>
	\$106,016.64

The following is Peru State College's "bad debt" designation authorized by the Board in September 2016.

<u>Peru State College</u>	
Cash Fund Accounts (Tuition and Fees)	\$23,891.46
Other Fund Accounts (CIF and Trust)	1,254.50
Revenue Bond Accounts	<u>21,962.79</u>
	\$47,108.75

Approval is requested for the revised write-off amount for uncollectible accounts at Peru State College.

Background Information:

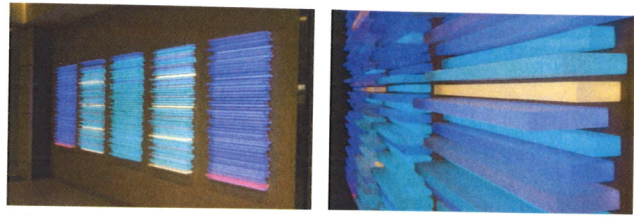
Board Policy 6008 provides for the write-off of bad debts. At the end of each fiscal year, the Colleges review the status of their student accounts and determine which are uncollectible. The criteria adopted by the Board for writing off uncollectible accounts requires that accounts be over two years old and that the institution exhaust all reimbursement means, including turning the unpaid account over to a collection agency for accounts over \$100.

Following is a summary of write-off amounts for the past 4 years along with current year requests, as corrected:

	CSC	PSC	WSC	NSCS Total
2012	\$70,343	\$39,800	\$77,159	\$187,302
2013	\$51,964	\$14,588	\$75,710	\$142,262
2014	\$117,572	\$45,369	\$56,665	\$219,606

2015	\$78,756	\$46,757	\$46,867	\$172,380
2016	\$131,243	\$106,017	\$63,323	\$300,583

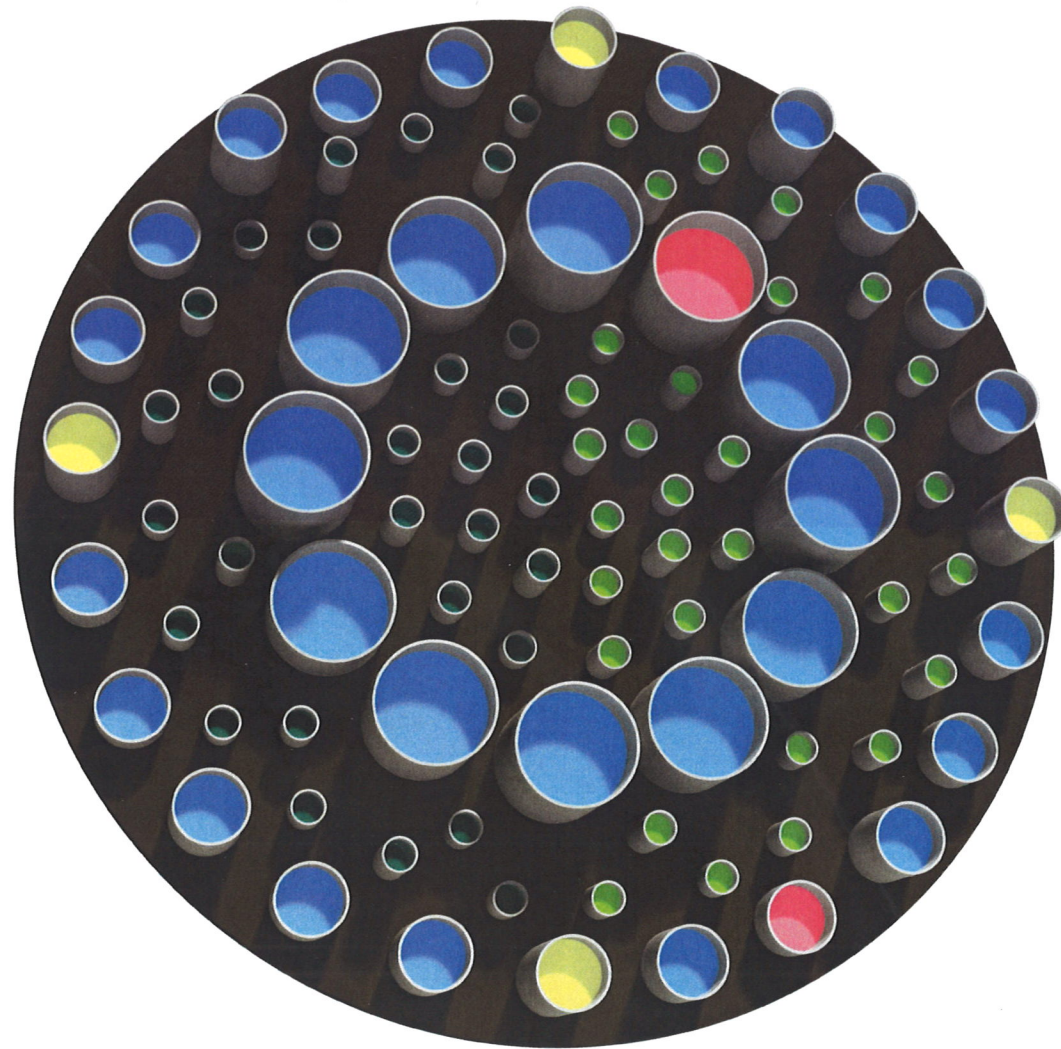
The System Office and Peru State College recommend approval of the Revised Write-Off of Uncollectible Accounts for Peru State College.



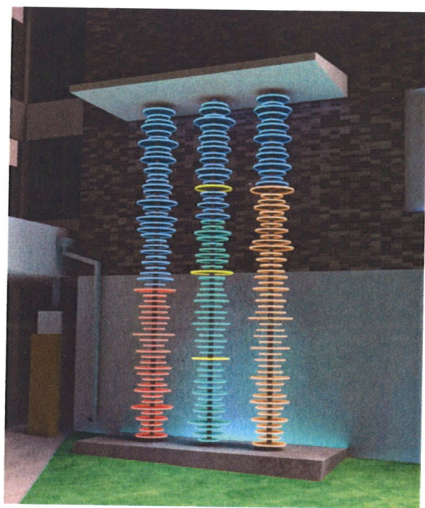
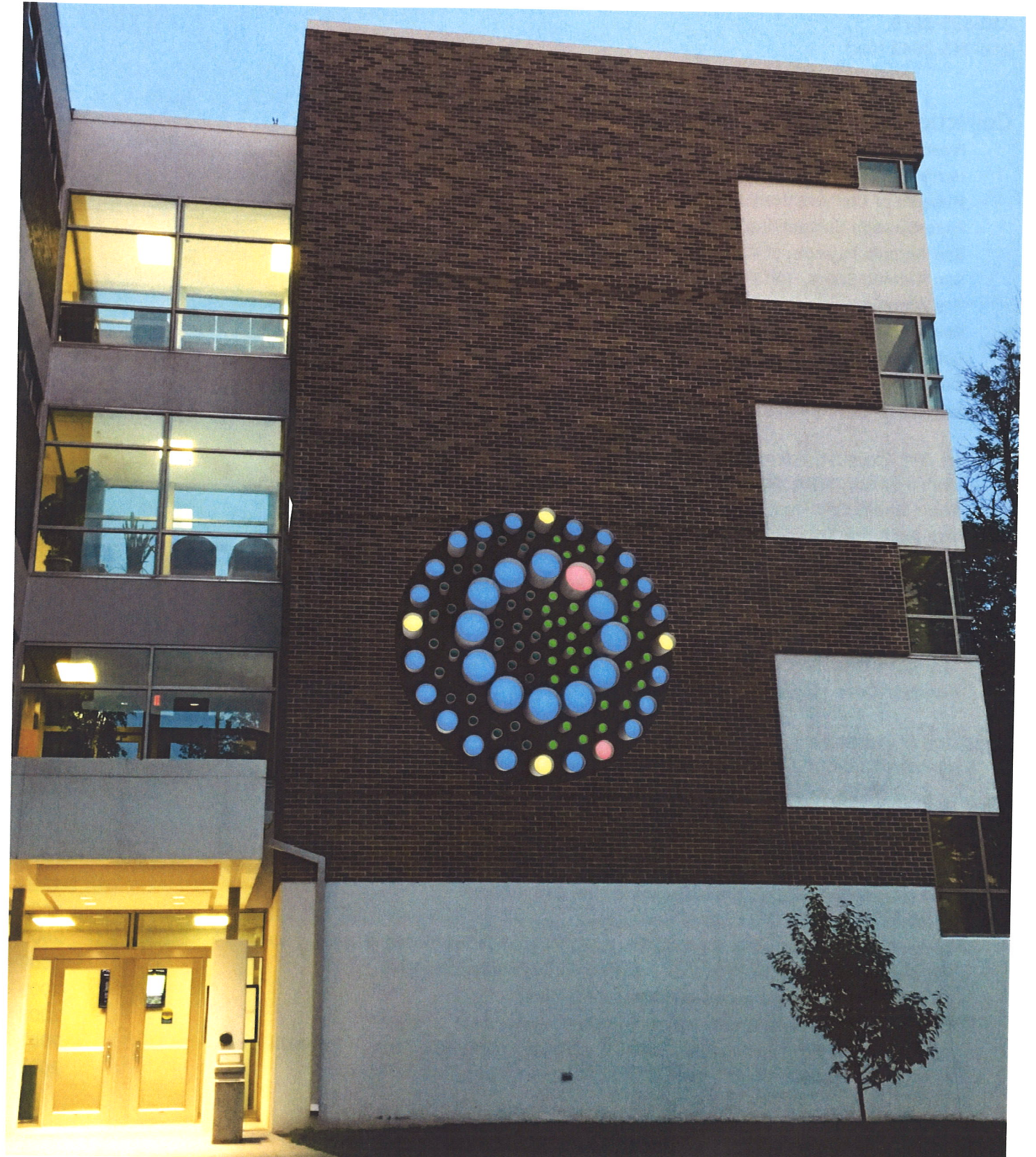
Time is Money, Frost Bank Call Center, San Antonio, Texas 2016



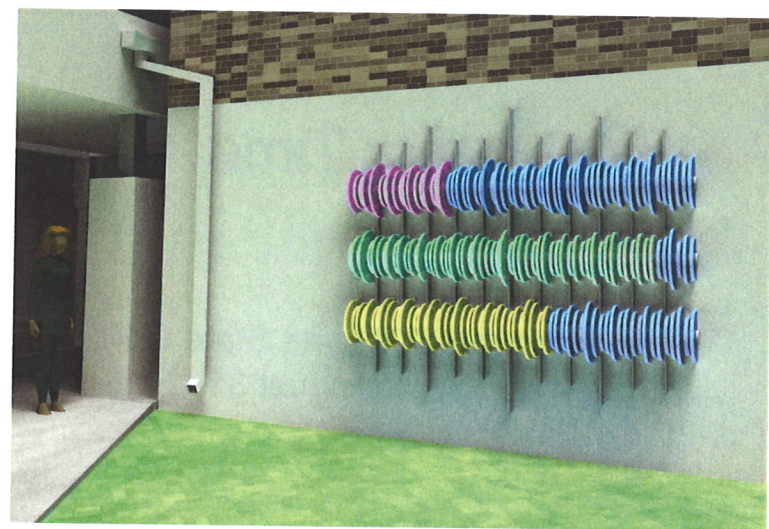
We're Good, Right Here, AT&T Center, San Antonio, Texas, 2016



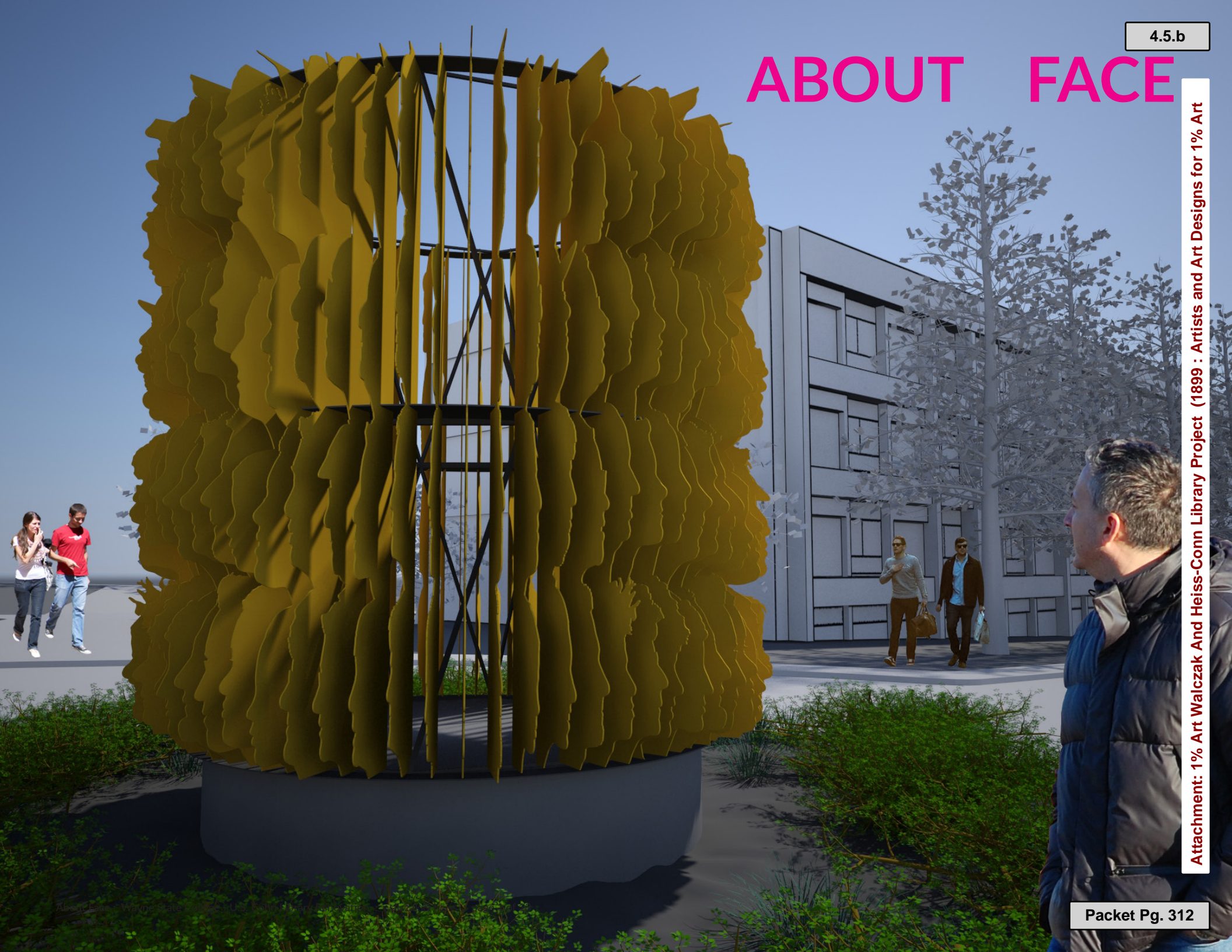
Nebraska Time
Aluminum, LEDs, controller, acrylic
12 ft. diameter, Depth 12 inches.



Nebraska Time, alternate designs




ABOUT FACE



Attachment: 1% Art Walczak And Heiss-Conn Library Project (1899 : Artists and Art Designs for 1% Art

ABOUT FACE

An architectural rendering of a roundabout at Wayne State College. The roundabout is a circular paved area with a central island. In the center of the island is a tall, cylindrical sculpture made of vertical yellow rods, resembling a drum. The island is surrounded by a low concrete curb and contains some greenery. The roundabout is surrounded by a light-colored paved area with several paths leading to different buildings. The buildings are rendered in a detailed, textured style. There are some trees and landscaping elements scattered around the roundabout. The overall scene is a top-down view of the roundabout and its immediate surroundings.

About Face is a record of the people who make a time and place, a way of both eulogizing the present - and a way to look forward. The roundabout is a pivot into the college, with multiple paths crossing from classroom to dorm to lab. On this roundabout we place a drum with profiles of people at the school - anyone who signs up can get their profile placed there - a welcoming committee to all and a symbol of sorts for an egalitarian community.

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: **Approve Use of Sports Facility Cash Funds for October 1, 2018 and 2019**

The Board is requested to approve the use of Sports Facility Cash Funds received October 1, 2018 and October 1, 2019 for the CSC Track project, with the approvals pending receipt of the funding from the State of Nebraska.

As part of LB 969 (2011), the Nebraska State College System (NSCS) was provided \$250,000 on each October 1, 2012, October 1, 2013, and October 1, 2014 designated for the Sports Facility Cash Fund. The NSCS was to begin receiving \$400,000 annually beginning October 1, 2015. As part of LB 661 (2015), the Nebraska State College System (NSCS) portion of the funds was reduced. Therefore, the NSCS began receiving \$300,000 on October 1, 2015, for the Sports Facility Cash Fund, and subsequent amounts of \$300,000 each October thereafter. It has been the Board's intention to approve projects well in advance in order to utilize the funds as soon as they become available every October.

Previous project awards of the Sports Facility Cash Fund:

- *Year 1 projects (10/1/12 funding) included the PSC baseball field renovation (\$56,500), fitness center equipment (\$23,500), and fitness trail planning (\$15,000), and the WSC track renovation (\$155,000).
- *Year 2 project (10/1/13 funding) was the CSC Armstrong renovation (\$250,000).
- *Year 3 project (10/1/14 funding) included CSC Armstrong (\$147,000); WSC Intramural Field Lighting (\$100,000); and WSC Sand VB Court Lighting (\$3,000).
- *Year 4 project (10/1/15 funding) was the PSC field house project.
- *Year 5 project (10/1/16 funding) has been approved for the WSC Press Box.
- *Year 6 project (10/1/17 funding) has been approved for the CSC Stadium project.

This request is to commit funds received in Years 7 and 8 (FY19 and FY20) to the CSC Track Project, which could not be accommodated within the Stadium Replacement Project Budget. It is assumed that donations or other funds will eventually be raised for the balance of the CSC Track Project, which is currently estimated at approximately \$2.5 million.

The System Office recommends approval of the Use of Sports Facility Cash Funds for October 1, 2018 and 2019.

ITEMS FOR DISCUSSION AND ACTION
FISCAL, FACILITIES AND AUDIT

January 17, 2017

ACTION: **First and Final Round Approval of Revisions to Board Policy 3400; Tuition Remission**

The revisions to Board Policy 3400 include an increase in the maximum number of credit hours per semester available for waivers from sixteen (16) credit hours to eighteen (18) credit hours for Board of Trustees' Scholarships, Governor's Opportunity Awards, TeamMates Program Awards and Cooperative Schools Scholarships. These revisions will be in effect beginning with the Fall 2017 semester.

The System Office recommends approval of the Revisions to Board Policy 3400; Tuition Remission.

ATTACHMENTS:

- Revisions to Board Policy 3400 (PDF)

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 1 of 7

BOARD POLICY

It is the policy of the Board that financial assistance be made available to all qualifying students. In some instances, such assistance may be provided as tuition remission and/or scholarships. Remissions may be awarded up to the limits specified (if any) in each individual category below. For each semester, the total of all tuition waivers provided by a College to an individual student cannot exceed the amount of tuition charged to that student. Any tuition waivers outside the enumerated categories or beyond the limits specified in this policy require the written approval of the Chancellor. Tuition remissions awarded for online courses will not exceed the comparable amount provided for an on-campus course for a resident student. By November 30 of each year, the Colleges shall provide the Chancellor with a summary of the remission funds awarded by category. The Chancellor shall provide a summary of remissions to the Board.

SYSTEM-WIDE REMISSIONS

Board of Trustees' Scholarships

The Board of Trustees' Scholarships are awarded by each College to students who are graduating from a Nebraska high school or who are residents of Nebraska who meet the following criteria:

1. Have standardized test scores of at least 25 for the ACT or 1700 composite for SAT;
2. Are enrolling for the first time in a postsecondary institution; and
3. Such other factors which may be considered including grade point average and rank in class as appropriate.

The number of new Board of Trustees' scholarships to be awarded by each College for each academic year is based on the full-time equivalent (FTE) enrollment at that College for the fall semester of the preceding academic year. Each College shall receive twenty (20) scholarships for the first one thousand (1,000) FTE students and one (1) additional scholarship for every two hundred (200) FTE beyond one thousand (1,000) for each academic year. The number of scholarships offered should be determined by each College based on the number of scholarships available and the yield experienced in prior years. It is the intent of the Board that the full number of scholarships be awarded but not exceeded each year. The Colleges shall report to the Board by November 30 of each year the number of scholarships offered and the number actually in effect for that academic year, for each academic class (freshman, sophomore, junior, senior).

The scholarships are not transferable from one College to another. The scholarship will be the waiver of resident tuition up to ~~sixteen (16)~~ eighteen (18) credit hours per semester to a maximum of one hundred twenty-eight (128) hours toward an undergraduate degree. All announcements and publicity will be in the name of the Board of Trustees of the Nebraska State Colleges, specifically the Chair of the Board. All authority for the scholarship is the responsibility of the Board. Each President, financial aid officer and/or scholarship committee shall act as an agent of the Board in administering the program as directed by the Board.

The scholarship is renewable to the total value of the equivalent of eight (8) semesters, up to one hundred twenty-eight (128) hours. The recipient may use the scholarship during the five (5) academic years following the initial use with a one (1) year delay in initial use allowable with the College's permission. Should original recipients terminate their education before using the full value of the scholarship, the balance of the scholarship's value may be re-awarded.

Board of Trustees' scholarships are renewable each academic year, provided the recipient maintains a 3.25 GPA and standards are met. The President may approve a waiver of this requirement for extenuating circumstances in the case of a first-year student only. Each College scholarship committee will review all renewal candidates and recommend action to the President, who will report such decisions to the Board.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 2 of 7

The System Office shall have responsibility for administering the program, including the distribution of scholarships, announcements, press releases and certificates. From September 15 to January 30 each year, the Colleges shall submit a weekly report to the System Office, which includes the number of new scholarships authorized, offered and accepted.

Corporate and Business Partnership Incentive

A tuition remission may be provided to employees of Corporate and Business Partners taking online courses as part of an agreement approved in advance by the Board of Trustees. Colleges considering such an agreement must work with the Chancellor in advance of any discussions with potential partners.

Governor's Opportunity Award

The Governor's Opportunity Award is awarded by each College to one (1) resident student annually who graduated from a Nebraska high school or is a Nebraska resident and meets the following criteria:

1. Has a standardized test score of 21-24 for the ACT or 1500-1650 composite for SAT; and
2. Is enrolling for the first time in a postsecondary institution.

One (1) student from each College is provided this award each year. The award is not transferable from one (1) College to another. The award will be a waiver of one-half of resident tuition for four (4) years (up to ~~sixteen~~ eighteen [+6]18 credit hours per semester up to a maximum of one hundred twenty-eight [128] hours toward an undergraduate degree.) The Governor's Opportunity Award is renewable each academic year, provided the recipient maintains a 3.25 GPA and standards are met.

NSCS Advantage Program

The NSCS Advantage program is a system effort designed for students who enroll at one (1) of the Colleges as new first time freshmen and receive a federal Pell Grant. This program assures that qualified students will pay no tuition at any of the Nebraska State Colleges. Each participant in this program must:

- Be a Nebraska Resident;
- Receive a federal Pell Grant;
- Enroll as a new first-time freshman at one (1) of the Colleges; and
- Be enrolled in at least twelve (12) on-campus credit hours.

The award is limited to a maximum of sixteen (16) credit hours per semester. Additional limitations are in place for the award of any remissions for online courses taken in addition to the twelve (12) on-campus credit hours.

The award is not available for transfer students. A high school student who earns college credit while in high school is considered a first-time freshman when he or she enrolls at one of the State Colleges following high school graduation.

Participation is renewable for students as long as they meet the above criteria during all semesters they receive a Pell Grant. Continuation in the program requires the student to remain a federal Pell Grant recipient and continue to enroll in at least twelve (12) on-campus credit hours.

For eligible participants, the program provides the difference between the cost of tuition and the amount of all other awards. Other awards include, but are not limited to: Pell, Supplemental Educational Opportunity Grant (SEOG), Nebraska Opportunity Grant (NOG), institutional waivers, and foundation scholarship assistance.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 3 of 7

TeamMates Program Award

The TeamMates Program Award is a collaborative program with TeamMates designed for students who enroll as first-time freshmen at one (1) of the Colleges. Recipients are identified by TeamMates and must meet TeamMates criteria. The College award will be a waiver of one-half resident tuition for four (4) years (up to ~~sixteen-eighteen~~ [4618] credit hours per semester up to a maximum of one hundred twenty-eight [128] hours toward an undergraduate degree).

It is the responsibility of each recipient to confer with a financial aid representative from the College granting the award to discuss details of the award and the impact of any other financial aid. This conversation should occur as soon as possible following notification of the award.

Each College is authorized to award three (3) new waivers annually to TeamMates students who are:

- Nebraska Residents
- Enrolled as new first-time freshmen at one (1) of the Colleges
- Enrolled in at least twelve (12) on-campus semester credit hours
- In good academic standing with a minimum of a 2.5 GPA
- Partnered with a TeamMates postsecondary mentor

The award is renewable each academic year for TeamMates students as long as they meet the following criteria during all semesters they are enrolled:

- Be a Nebraska Resident
- Be enrolled in at least twelve (12) on-campus semester credit hours
- Be in good academic standing with a minimum of a 2.5 GPA
- Be an active member of TeamMates, including being partnered with a TeamMates postsecondary mentor

Additional limitations are in place for online courses taken in addition to the twelve (12) on-campus credit hours.

The scholarships are not transferable from one College to another.

Cooperative Schools Scholarships

Each College is authorized to award scholarships to students entering college for the first time from schools providing student teaching facilities, such scholarships to be for one-half of the tuition costs per semester for up to ~~sixteen-eighteen~~ (4618) credit hours per semester, not to exceed one hundred twenty-eight (128) credit hours toward undergraduate degrees. The College may authorize the cooperating school to designate one (1) such scholarship for each three (3) student teachers served based on recommendations by the high school principal. Criteria for the award includes academic ability (top one-half of class), service to the school and leadership qualities. Scholarships are renewable each academic year, provided the recipient maintains a 2.5 GPA.

Student Teacher Supervision Scholarships

Teachers who will be supervising the College's teacher-training students in their classrooms will receive a tuition waiver for the Student Teacher Supervision Course.

Public Health Early Admission Student Track (PHEAST) Waivers are a cooperative program between the University of Nebraska Medical Center's College of Public Health (UNMC CoPH) and the Colleges to provide full tuition waivers for selected students accepted into PHEAST. Selection of participants, participation requirements and waiver provisions are governed by the Program Agreement with the UNMC CoPH.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 4 of 7

Employee Tuition Waivers

The employee waivers provide tuition waivers for one (1) course for each term to eligible employees. See Policies 5102, 5103 and 5104 and Collective Bargaining Agreements for details.

Immediate Family Tuition Remission

The immediate family tuition waivers provide a sixty-seven percent (67%) reduction in tuition for immediate family (spouse and children who are twenty-four [24] years of age or younger) of eligible employees. See Policies 5102, 5103 and 5104 and Collective Bargaining Agreements for details.

Survivors of Deceased Employees

These are full tuition waivers to spouse and/or children of College employees who die while under full-time, permanent system employment. Children must have been in a dependent status at time of employee's death. Waivers may be used only toward an undergraduate degree or to complete a graduate degree in progress. This remission is offered on a space available basis only, but may be used at any College.

Yellow Ribbon GI Education Enhancement Program (Yellow Ribbon Program)

The Nebraska State College System is to provide tuition (and fees) assistance to eligible military veterans through the Yellow Ribbon Program. The Colleges will provide assistance in accordance with agreements in place with the Department of Veteran Affairs and in conjunction with education benefits provided by the federal government as a provision of the Post 9/11 Veterans Educational Act of 2008.

Family of Deceased or Disabled Veterans (tuition and fees waiver)

This remission program is provided to Nebraska residents pursuant to the terms of Neb. Rev. Stat. §80-411. Effective beginning with the 2013 Fall Term, in addition to the tuition remission, the Colleges shall waive all fees remaining due after subtracting awarded federal financial aid grants and state scholarships and grants. Remission recipients must have a parent, stepparent, or spouse who was a member of the United States armed forces who:

- died of a service-connected disability, injury or illness (either before or subsequent to discharge);
- is permanently and totally disabled as a result of military service; or
- while a member of the United States armed forces is classified as missing in action or as a prisoner of war during armed hostilities.

Member of Active Selected Reserve

This remissions program is provided to Nebraska residents pursuant to the terms of Neb. Rev. Stat. §80-901. Those who qualify are entitled to a credit of fifty percent (50%) of tuition charges.

In the Line of Duty Dependent Education Benefit (tuition and fees waiver)

This remission program is provided pursuant to the terms of Neb. Rev. Stat. §85-2304. The In the Line of Duty Dependent Education Benefit is established for children of law enforcement officers and firefighters killed in the line of duty on or after April 23, 2009. The benefit is for full-time undergraduate students pursuing a baccalaureate degree. The Colleges will waive tuition and fees remaining after the application of federal financial aid grants and state scholarships and grants awarded to the eligible dependent. To remain eligible, the dependent must comply with all requirements of the institution for continued attendance and award of a baccalaureate degree. Verification of dependent eligibility is also made by obtaining a certificate of eligibility. Dependent eligibility includes children of members of emergency medical services ambulance squads that are not associated with a paid or volunteer fire department.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 5 of 7

Law Enforcement Education Waiver

This remission program is provided to eligible law enforcement officers, pursuant to the terms of LB906 (2016). Those who qualify are entitled to a credit of 30% of tuition charges after subtracting awarded federal financial aid grants and state scholarships and grants. For purposes of the program, a law enforcement officer is any person who is responsible for the prevention or detection of crime or the enforcement of the penal, traffic, or highway laws of the State of Nebraska or any political subdivision of the state for more than one hundred (100) hours per year and who is authorized by law to make arrests.

A law enforcement officer interested in the program is required to complete an application form and must provide a certificate verifying his or her satisfactory performance in accordance with LB906 (2016) as part of the application.

LB906 states that to qualify for the waiver, the law enforcement officer must be pursuing a baccalaureate degree program related to a career in law enforcement. The NSCS believes that all of its baccalaureate degree programs would benefit law enforcement officers in furtherance of their careers; and therefore, the tuition waiver can be applied toward any baccalaureate program whether the officer is enrolled full or part-time.

A law enforcement officer must comply with all College requirements for continued attendance. The officer may receive the waiver for up to five (5) years if he or she otherwise continues to be eligible for participation. The officer must reapply for the waiver annually.

Within forty-five (45) days after receipt of a completed application, the College shall give the officer written notice of his or her eligibility or ineligibility for the tuition waiver. If the officer is determined not to be eligible for the tuition waiver, the notice shall include the reason or reasons for such denial and the procedure for seeking reconsideration of the decision by the President. A copy of the notice shall also be sent to the President and the Chancellor.

An officer seeking reconsideration of a denial, must send a letter to the President within ten (10) business days of the date of the denial. The President shall provide written notice of the decision to the officer. If the President determines that the officer is not eligible for the waiver, the notice shall include the reason or reasons for the denial and the procedure for appealing the decision to the Chancellor. A copy of the notice shall also be sent to the Chancellor.

An officer seeking to appeal a denial, must send a letter to the Chancellor within thirty (30) business days of the date of the denial. The letter must include the reasons the officer believes the denial to be in error.

The Chancellor shall provide written notice of the decision to the officer consistent with the requirements set forth in LB906 (2016). If the Chancellor determines that the officer is eligible for the tuition waiver, the tuition waiver shall be provided as if the original application had been approved.

COLLEGE-BASED REMISSIONS

The Colleges are, at the President's discretion, authorized to provide College-Based remissions. Beginning in fiscal 2014-15, total College-based remissions generally shall not exceed sixteen percent (16%) of the College's gross tuition before any refunds and remissions. Each College shall establish minimum guidelines and requirements for such remissions in addition to continued good academic standing for any renewal and any other requirements specifically spelled out below. Categories may include the following and policies and procedures for these awards shall be set by each College, approved by the President, and reported to the Board.

Athletic Awards are provided in accordance with College-established allocations each year.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 6 of 7

The Colleges, based on funding available, may award up to the equivalent of sixty (60) FTE resident tuition waivers. A College may, with the Chancellor's approval, increase its athletic awards up to the maximum allowed by the conference or athletic association to which each College belongs. Full or partial awards to male or female athletes, residents or nonresidents, may be made at the discretion of each College within funding allocation. Student athletes receiving renewable awards must maintain the minimum GPA requirements of the conference or athletic association.

Graduate Assistantships provide a stipend established by the College and are adjusted as necessary, in addition to a waiver of up to eighteen (18) hours of tuition per academic year and the immediately following summer session, depending upon workload and term of appointment, while employed as a graduate assistant. Each College shall report its stipend policy to the Chancellor.

International Student Scholarships may be provided to qualified undergraduate students who are citizens of other countries. The purpose is to provide opportunities to interact with the international community and bring diversity to the College.

Need-Based Tuition Waivers are awarded based upon financial need and in most cases supplement available federal financial assistance.

Phi Theta Kappa Community College Transfer Scholarship provides tuition waivers to graduates of community colleges who have maintained a 3.5 grade point average and who were inducted into the Phi Theta Kappa Society. The purpose of the scholarship is to encourage outstanding community college graduates to attend a State College. The scholarships are renewable each academic year, provided the recipient maintains a 3.25 GPA at the College. The scholarships are the waiver of basic tuition to a maximum of sixty-four (64) credit hours toward the baccalaureate degree.

Special Activity Awards are used to attract students who have talent in activities such as music, art, theatre, journalism, etc.

Rural Health Opportunities Program (RHOP) Waivers are a cooperative program between the University of Nebraska Medical Center (UNMC) and the Colleges to provide full tuition waivers for selected students accepted into RHOP. Selection of participants is determined by representatives of UNMC and the Colleges.

Other Discretionary Waivers may be awarded by each College. Examples include Presidential Scholarships, the Peru State One Rate Any State waiver, and Senior Citizen waivers.

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3400 Tuition Remission

Page 7 of 7

Legal Reference: RRS 80-411 Waiver of tuition at institutions of higher education; qualifications; application; Director of Veterans' Affairs; approval; effect; rules and regulations.
 RRS 85-504 State education institutions; fees; waiver
 RRS 85-501 State educational institutions; nonresident fees
 RRS 85-2304 *In the Line of Duty Dependent Education Benefit*; established; eligibility; waiver of tuition and fees; application; notice; determination; effect
 LB906 (2016) Law Enforcement Education Act

Policy Adopted: 1/28/77
 Policy Revised: 2/7/83
 Policy Revised: 10/16/86
 Policy Revised: 6/5/93
 Policy Revised: 9/26/97
 Policy Revised: 11/12/98
 Policy Revised: 4/13/00
 Policy Revised: 2/12/04
 Policy Revised: 6/2/06
 Policy Revised: 1/13/09
 Policy Revised: 4/17/09
 Policy Revised: 9/11/09
 Policy Revised: 1/12/10
 Policy Effective: 7/1/11
 Policy Revised: 3/25/11
 Policy Revised: 11/4/11
 Policy Revised: 6/15/12
 Policy Revised: 9/7/12
 Policy Revised: 9/6/13
 Policy Revised: 1/14/14
 Policy Revised: 4/25/14
 Policy Revised: 9/6/14
 Policy Revised: 11/7/14
 Policy Revised: 6/10/16

Approved: 1/19/11

Policy Effective: Fall Semester 2017 Approved:

Attachment: Revisions to Board Policy 3400 (1853 : Revisions to Board Policy 3400; Tuition Remission)

ITEMS FOR INFORMATION AND DISCUSSION\ACADEMIC AND PERSONNEL

January 17, 2017

INFORMATION ONLY: Reports of Personnel Actions

The Personnel action reports are provided to the Board for information.

Board Policy 5021 states that all full-time (0.75 FTE or more) and part-time (less than 0.75 FTE) personnel appointments must be reviewed and approved by the President and reported to the Chancellor. All full-time employment separations are also reported to the Chancellor. The Chancellor is required to report these changes along with changes to the System Office staffing to the Board on a regular basis.

ATTACHMENTS:

- CSC Personnel Report January 2017 (PDF)
- PSC Personnel Report January 2017 (PDF)
- WSC Personnel Report January 2017 (PDF)

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR**COLLEGE:** Chadron State College**MEETING DATE:** January 17, 2017**RANKED FACULTY**

(FULL-TIME/.75 FTE OR MORE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Blundell, Patricia	Education	Professor	\$1,000	State	08/22/2016-10/26/2016	NA	Course Development EDUC 329 2 cr hrs	Special
Bolze, Ronald	Applied Sciences	Associate Professor	\$5,000	State	09/01/2016-06/30/2017	NA	Additional duties- C.F. Coffee Gallery	Special
Cary, Phil	Mathematical Sciences	Associate Professor	\$75,470	State	08/17/2001-08/31/2017	1.000	Retirement	NA
Knight, Robert	Social & Communication Arts	Professor	\$59,012	State	01/17/2017-05/07/2017	NA	Sabbatical Leave	NA
Koza, Richard	Business	Professor	\$3,000	State	07/01/2016-06/30/2017	NA	Faculty Athletic Representative Duties	Special
Madison, Lara	Physical & Life Sciences	Assistant Professor	\$50,859	State	08/22/2011-08/31/2017	1.000	Resignation	NA
Nobiling, Tracy	Justice Studies	Professor	\$6,663	State	09/01/2016-05/07/2017	NA	New Faculty Orientation AY 2016-2017	Special
Stephens, Michael	Music	Professor	\$59,011	State	01/17/2017-05/07/2017	NA	Sabbatical Leave	NA
Schaefer, George	Music	Professor	\$72,842	State	08/20/1999-08/31/2017	1.000	Retirement	Special

NON-RANKED FACULTY

(PART-TIME/LESS THAN .75 FTE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Aslanian, Artour	Adjunct	NA	\$2,505	State	10/24/2016-12/16/2016	NA	PS 101 3 cr hrs	Special
Whitney, William	Adjunct	NA	\$2,167	State	10/23/2016-11/19/2016	NA	AGR 461 1 cr hr; Additional Duties as Coffee Practitioner in Residence	Special

UNIONIZED PROFESSIONAL STAFF

(FULL-TIME/.75 FTE OR MORE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Bullington, Justy	Admissions Representative	NA	\$31,930	State	05/12/2014-11/14/2016	1.000	Resignation	NA

Attachment: CSC Personnel Report January 2017 (1904 : Reports of Personnel Actions)

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR

COLLEGE: Chadron State College

MEETING DATE: January 17, 2017

UNIONIZED PROFESSIONAL STAFF
(FULL-TIME/.75 FTE OR MORE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Mitchell, Cassie	Coordinator of Admissions Services	NA	\$33,949	State	05/11/2015-11/30/2016	1.000	Resignation	NA
Mitchell, Cassie	Director-Student Activities & Recreation	NA	\$52,000 prorated \$30,333	50% State Revenue Bond	12/01/2016-06/30/2017	1.000	New Appointment	Special

NON-UNIONIZED PROFESSIONAL STAFF
(PART-TIME/LESS THAN .75 FTE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Kittell, Connie	Project Coordinator	NA	\$15,600	State 50% Revenue Bond 50%	08/09/2016-11/09/2016	0.500	Resignation	NA

UNIONIZED SUPPORT STAFF
(FULL-TIME/.75 FTE OR MORE)

Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Bradley, Kimberly	Accounting Clerk III	NA	\$2,709	State	10/18/2016	1.000	Reclassification	NA
Hughes, Lisa	Maintenance Repair Worker II	NA	\$2,187	State	02/22/2016-11/01/2016	1.000	Resignation	NA
Smith, Brandon	Custodian	NA	\$1,780	Revenue Bond	11/30/2015-01/06/2017	1.000	Resignation	NA
Toof, Angela	Accounting Clerk III	NA	\$2,261	State	11/8/2016	1.000	Reclassification	NA
Walgreen, Cynthia	Accounting Clerk III	NA	\$3,096	State	10/18/2016	1.000	Reclassification	NA

Attachment: CSC Personnel Report January 2017 (1904 : Reports of Personnel Actions)

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: PERU STATE COLLEGE
MEETING DATE: January 17, 2017

RANKED FACULTY (Full-time/.75 FTE or more)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Trout, Kate	School of Arts and Sciences	Assistant Professor	\$52,500 (pro rated \$26,250)	State	1/5/17 - 5/6/17	1.0	New Appointment	Special

NON-RANKED FACULTY (Part-time/less than .75 FTE)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Brand, Lesa	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 605 OCCX	Special
Brand, Lesa	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 605 OCBX	Special
Brizuela, Francisco	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 605 OCDX	Special
McGee, Mary	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 569 OBEX	Special
Muthersbaugh, Kelly	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 569 OBDX	Special
Weichel, Mark	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 569 OBBX	Special
Weichel, Mark	Adjunct	N/A	\$2,505	State	9/3/16 - 9/30/16	N/A	EDUC 569 OBAX	Special

UNIONIZED PROFESSIONAL STAFF (Full-time/.75 FTE or more)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Hartman, Shelley	Student Activities Coordinator	N/A	\$36,050	.84 State, .16 Rev Bond	7/15/15 - 11/23/16	1.0	Resignation	N/A
Hull, Brandi	Digital Graphic Designer	N/A	\$36,836 (\$24,557 prorated)	State	11/1/16 - 6/30/17	1.0	New Appointment	Special

UNIONIZED SUPPORT STAFF (Full-time/.75 FTE or more)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Connell, David	Custodian	N/A	\$1728/mo	State	1/19/15 - 10/1/16	1.0	Termination	N/A
Hockabout, Andrew	Custodian	N/A	\$1728/mo	State	11/15/16 - 6/30/17	1.0	New Hire	Probationary
Mangus, Jensena	Custodian	N/A	\$1780/mo	State	11/1/16 - 6/30/17	1.0	New Hire	Probationary

Attachment: PSC Personnel Report January 2017 (1904 : Reports of Personnel Actions)

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 17, 2017

Non-Ranked Faculty (Part-Time/less than .75 FTE)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Beach, Gerald	Adjunct	N/A	\$804.00	State	08/19/16-12/20/16	N/A	EDU 786-60 (3 cr hrs) and EDU 790-60 (3 cr hr)	Special
Case, Timothy	Adjunct	N/A	\$2,651.00	State	10/17/16-12/20/16	N/A	CNA 101-W0 (1.58 cr hrs) and CNA/ENG 333-W0 (1.58 cr hrs)	Special
Calkin, Lauren	Adjunct	N/A	\$900.00*	State	08/19/16-12/20/16	N/A	*Assist with Marching Band, up to a max of 60 hours at a rate of \$15/hr. {change from November report}	Special
Dion, Lora	Adjunct	N/A	\$835.00	State	10/19/16-12/20/16	N/A	GST 196B-ND02 (1 cr hr)	Special
Familetti, Megan	Adjunct	N/A	\$832.50*	State	08/18/16-12/20/16	N/A	*Assist as Performance Reservation Coordinator up to a max of 55.5 hours at a rate of \$15/hr.	Special
Garwood, Cheri	Adjunct	N/A	\$413.00	State	10/24/16-12/20/16	N/A	EDU 440-W0 (.49 cr hr)	Special
Guenther, Lisa	Adjunct	N/A	\$835.00	State	08/18/16-12/20/16	N/A	EDU 335-03 (1 cr hr) {change from September report}	Special
Gustafson, Cheryl	Adjunct	N/A	\$783.00	State	10/20/16-11/22/16	N/A	EDU 409 (.94 cr hr)	Special
Kriekemeier, Cheryl	Adjunct	N/A	\$2,505.00	State	11/03/16-12/20/16	N/A	CSL 568-H0 (3 cr hrs)	Special
Lawton, April	Adjunct	N/A	\$1,206.00	State	10/24/16-12/20/16	N/A	EDU 698-60 (3 cr hrs)	Special
Magnuson, Grant	Adjunct	N/A	\$2,505.00	State	10/19/16-12/20/16	N/A	ITE 510-W0 (3 cr hrs)	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
 COLLEGE: Wayne State College
 MEETING DATE: January 17, 2017

Mitchell, Kathleen	Adjunct	N/A	\$2,349.00	State	10/19/16-11/21/16	N/A	FCS 107-01 (1.88 cr hr) and FCS 207-01 (.94 cr hr)	Special
Plager, Tiffany	Adjunct	N/A	\$2,250.00*	State	08/18/16-12/20/16	N/A	*Serve as coordinator for the NENTA program up to a max of 150 hours at a rate of \$15/hr.	Special
Schlickbernd, Sara	Adjunct	N/A	\$3,340.00	State	08/18/16-12/20/16	N/A	EDU 332-02 (3 cr hrs) and EDU 435-03 (1 cr hr) {change from September report}	Special
Sprakel, Mari	Adjunct	N/A	\$343.00	State	08/19/16-10/07/16	N/A	EDU 440-W0 (.41 cr hr) {change from November report}	N/A
Tucker, Anne	Adjunct		\$835.00	State	10/19/16-12/16/16	N/A	CSL 457/557-W2 (1 cr hr)	Special
Wipperling, Lisa	Adjunct	N/A	\$2,355.00	State	10/24/16-12/20/16	N/A	CNA 223 (1.41 cr hr) and CNA 318 (1.41 cr hr)	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 17, 2017

Unionized Professional Staff (Full-Time/.75 FTE or More)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
DePew, Kim	Assistant Coach	N/A	\$9,231.13	State	05/29/16-07/10/16	N/A	2016 Summer Camp	Special
Kielsmeier, Kelly	Assistant Coach	N/A	\$2,544.02	State	06/08/16-06/12/16	N/A	2016 Summer Camp	Special
Kreikemeier, Kaleb	Admissions Representative	N/A	\$31,930.00	State	09/28/15-10/12/16	1.0	Resignation	Special
Masters, Logan	Football Offensive Coordinator	N/A	\$2,097.97	State	06/24/16-06/28/16	N/A	2016 Summer Camp	Special
McLaughlin, Scott	Football Defensive Coordinator	N/A	\$2,606.54	State	06/24/16-06/28/16	N/A	2016 Summer Camp	Special
Miles, James	Assistant Coach	N/A	\$1,947.91	State	06/24/16-06/28/16	N/A	2016 Summer Camp	Special
Mohlfeld, Kathy	Licensed Student Counselor	N/A	\$100.00	State	10/08/16	N/A	Compensation for duties associated with organizing and administering the Counselor Preparation Comp Exam (CPCE)	Special
Nelson, Kristi	Marketing Coordinator	N/A	\$52,000.00; prorated \$34,667.00	State	11/01/16-06/30/17	1.0	New appointment, replaced Tricia Moyer	Special
Piper, Jessie	Internship Coordinator	N/A	\$550.00*	State	09/17/16-11/30/16	N/A	*Volleyball Line judge up to a max of 22 hours at a rate of \$25/hr.	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 17, 2017

Non-Unionized Professional Staff (Full-Time/.75 FTE or More)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Gustafson, Heather	Interim Assistant Registrar	N/A	\$43,000.00; \$28,667.00	State	11/01/16- 06/30/17	1.0	Interim Appointment	Special
Harycki, David	Dean	N/A	\$108,150.00	State	08/01/14- 06/30/17	1.0	Resignation	N/A
Hix, Karla	Interim Registrar	N/A	\$65,000.00; \$43,334.00	State	11/01/16- 06/30/17	1.0	Interim Appointment	Special
Kielsmeier, Chris	Head Coach	N/A	\$3,814.28	State	06/08/16- 06/12/16	N/A	2016 Summer Camp	Special
Kneifl, Scott	Head Coach	N/A	\$13,799.63	State	05/29/16- 07/10/16	N/A	2016 Summer Camp	Special
Parramore, Cheri	Registrar	N/A	\$77,250.00	State	07/01/15- 10/31/16	1.0	Resignation	N/A
Quance, Marilyn	Librarian-Technical Services	N/A	\$1,670.00	State	08/19/16- 12/20/16	N/A	Adjunct assignment for IDS 120-W0 (2 cr hrs)	Special
Weekley, Matthew	Assistant Dean of Students	N/A	\$72,100.00	State	07/01/10- 10/14/16	1.0	Resignation	N/A

Unionized Support Staff (Full-Time/.75 FTE or More)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Beckman, Nick	Custodian	N/A	\$1,728.17/mo.	Revenue Bond	11/21/16	1.0	New Hire, replaced Jason Jensen	Probationary
Jacobsen, Renee	Facility Operations Assistant	N/A	\$2,597.50/mo.	State	03/20/13- 12/01/16	1.0	Resignation	N/A
Moody, Loretta	Custodian	N/A	\$1,851.25/mo.	Revenue Bond	11/14/16	1.0	New Hire, replaced Douglas Carlson	Probationary
Reinke, Shannon	Office Assistant II	N/A	\$2,120.83/mo.	State	11/30/16	1.0	New Hire, replaced Amy Weekley	Probationary
Spurling, Andrea	Custodian	N/A	\$1,728.17/mo.	State	10/02/16	1.0	New Hire, replaced Deb Hernandez	Probationary
Spurling, Andrea	Custodian	N/A	\$1,728.17/mo.	State	10/02/16- 10/31/16	1.0	Termination	N/A

ITEMS FOR INFORMATION AND DISCUSSION\ACADEMIC AND PERSONNEL

January 17, 2017

INFORMATION ONLY: **Foundation Employee Compensation Report for Peru State College**

The Peru State College Foundation employee compensation report is provided to the Board for information.

ATTACHMENTS:

- Peru State Foundation Compensation Report (PDF)

Peru State College

Employee Name	Rank or Position	FTE	2015-16 Salary Base	Salary Increase	2015-16 Total Annual	Notes
Cole, Kelly	Office Manager	1	\$39,000.00		\$39,000.00	
Jewell, Rebecca	Advancement Officer	1	\$69,600.00	\$2,440.00	\$72,040.00	
Simpson, R. Todd	Chief Executive Officer	1	\$134,000.00		\$134,000.00	
Solie, Deoborah	Director of Alumni Relations and Annual Giving	1	\$60,000.00		\$60,000.00	

**ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING,
AND ENROLLMENT**

January 17, 2017

***INFORMATION ONLY:* Senator's Reception Reminder**

The Senator's Reception will be held Tuesday, January 17, 2017, from 4:00-7:00 p.m. at the Ferguson Center. The Senator's Reception is an excellent opportunity for the Board and others to discuss the State Colleges with the Senators. The Governor, Lt. Governor and other state leaders are also invited to attend.

**ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING,
AND ENROLLMENT**

January 17, 2017

INFORMATION ONLY: Scholarship Luncheon

The seventh annual Nebraska State College System (NSCS) Scholarship Luncheon will be held Friday, April 21, 2017, from 12:00-1:30 p.m. at Hillcrest Country Club in Lincoln. Please mark your calendars.

Invitees include the 2017-2018 Board of Trustees scholars and their parents, Governor's Opportunity Award recipients and their parents, as well as Nebraska's state senators, NSCS Board of Trustees, College presidents, admissions and marketing staff from the Colleges, and System Office staff. Discussion continues regarding who will be invited to serve as the keynote speaker.

**ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING,
AND ENROLLMENT**

January 17, 2017

INFORMATION ONLY: Student Trustees' Selection

Jon Hansen, CSC; Jesse Dorman, PSC; and Jeff Carstens, WSC, will coordinate the 2017-2018 Student Trustees' nomination process at their respective colleges. The nominations will be sent to the NSCS Office and will be forwarded to the office of Governor Ricketts. The appointed students along with College personnel will be notified of the Governor's selections upon receipt of the information.

ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING, AND ENROLLMENT

January 17, 2017

INFORMATION ONLY: **Fall Enrollment Reports**

The fall enrollment reports from each of the Colleges are provided to the Board for information.

	2015 FTE Enrollment	2016 FTE Enrollment	Percent Change	2015 Headcount	2016 Headcount	Percent Change
Chadron	2,203	2,126	-3.50%	3,038	2,998	-1.32%
Peru	1,586	1,609	1.42%	2,510	2,584	2.95%
Wayne	2,855	2,740	-4.03%	3,453	3,361	-2.66%
System Total	6,644	6,475	-2.54%	9,001	8,943	-0.64%

	% of Full-Time Students (Headcount)	% of Undergraduate Students (Headcount)	% of On-Campus Students (Headcount)	% of Resident Students (Headcount)
Chadron	61%	78%	53%	54%
Peru	49%	86%	39%	78%
Wayne	77%	84%	79%	84%
2016 System Totals	63%	83%	58%	72%
2015 System Totals	65%	83%	61%	73%

ATTACHMENTS:

- CSC Enrollment Report (PDF)
- PSC Enrollment Report (PDF)
- WSC Enrollment Report (PDF)

END OF TERM ENROLLMENT REPORT*
CHADRON STATE COLLEGE
 TERM: Fall 2016

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Lower Division	1,324	1,228	-7%	871	357	1030	919
Upper Division	1,080	1,124	4%	828	296	893	918
Graduate Division	634	646	2%	117	529	280	289
TOTALS	3,038	2,998	-1%	1,816	1,182	2,203	2,126
						Change in FTE	Percent Change
Degree Seeking	2,666	2,561	-3.94%				
Non-Degree Seeking	372	437	17.47%			-77	-3.50%
Class Location							
Class Location	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
On-Campus Students							
Undergrads	1,608	1,547	-4%	1,451	96	1,535	1,435
Graduates	48	30	-38%	20	10	25	20
TOTALS	1,656	1,577	-5%	1,471	106	1,560	1,455
Off-Campus Students							
Undergrads	796	805	1%	248	557	388	402
Graduates	586	616	5%	97	519	255	269
TOTALS	1,382	1,421	3%	345	1,076	643	671
*Class Location is determined by course format. "On-campus" students are taking at least one face-to-face course. "Off-Campus" students are taking courses through other delivery formats, including online and additional location courses.							
Resident Status	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Resident Students							
Undergrads	1,380	1,335	-3%	884	451	1,050	987
Graduates	288	289	0%	56	233	125	127
TOTALS	1,668	1,624	-3%	940	684	1,175	1,114
Non-Resident Students							
Undergrads	1,024	1,017	-1%	815	202	873	850
Graduates	346	357	3%	61	296	155	162
TOTALS	1,370	1,374	0%	876	498	1,028	1,012

END OF TERM ENROLLMENT REPORT
PERU STATE COLLEGE
 TERM: 2016 FALL

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Lower Division	1300	1378	6%	605	773	739	773
Upper Division	862	845	-2%	573	272	660	654
Graduate Division	348	361	4%	78	283	187	181
TOTALS	2,510	2,584	2.95%	1,256	1,328	1,586	1,609
						Change in FTE	Percent Change
						23	1.42%
Class Location	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
On-Campus Students							
Undergrads	984	1,006	2%	922	84	914	927
Graduates	1	1	0%	0	1	0	0
TOTALS	985	1,007	2%	922	85	914	928
Off-Campus Students							
Undergrads	1,178	1,217	3%	256	961	485	500
Graduates	347	360	4%	78	282	187	181
TOTALS	1,525	1,577	3%	334	1,243	672	681
Resident Status	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Resident Students							
Undergrads	1,687	1,729	2%	813	916	1,026	1,034
Graduates	260	292	12%	66	226	142	146
TOTALS	1,947	2,021	4%	879	1,142	1,168	1,180
Non-Resident Students							
Undergrads	475	494	4%	365	129	373	393
Graduates	88	69	-22%	12	57	45	35
TOTALS	563	563	0%	377	186	418	429

*Totaling errors may occur as a result of rounding

END OF TERM ENROLLMENT REPORT
WAYNE STATE COLLEGE
 TERM: 2016 FALL

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Lower Division	1,579	1,489	-6%	1,278	211	1,407	1,281
Upper Division	1,341	1,347	0%	1,178	169	1,216	1,219
Graduate Division	533	525	-2%	140	385	232	240
TOTALS	3,453	3,361	-3%	2,596	765	2,855	2,740
						Change in FTE	Percent Change
						-115	-4.03%
Class Location	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
On-Campus Students							
Undergrads	2,729	2,576	-6%	2,434	142	2,558	2,423
Graduates	89	71	-20%	27	44	44	39
TOTALS	2,818	2,647	-6%	2,461	186	2,602	2,462
Off-Campus Students							
Undergrads	191	260	36%	22	238	65	77
Graduates	444	454	2%	113	341	188	201
TOTALS	635	714	12%	135	579	253	278
Resident Status	Headcount		Percent Change	Full Time	Part Time	FTE	
	2015	2016				2015	2016
Resident Students							
Undergrads	2,560	2,446	-4%	2,090	356	2,295	2,143
Graduates	391	389	-1%	92	297	166	171
TOTALS	2,951	2,835	-4%	2,182	653	2,461	2,314
Non-Resident Students							
Undergrads	360	390	8%	366	24	328	357
Graduates	142	136	-4%	48	88	66	69
TOTALS	502	526	5%	414	112	394	426

NOTE: Beginning in Fall 2012, Undergrad/Grad breakdowns now follow IPEDS definitions where students who have already earned a bachelor's degree but are taking undergraduate courses for credit are included as undergraduates. In past years, all Post-baccs were counted as Graduates.

**ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING,
AND ENROLLMENT**

January 17, 2017

INFORMATION ONLY: Chancellor's Summary Report

The Chancellor's Summary Report (CSR) was developed to provide data regarding the NSCS in a summary format for the Board of Trustees and the general public. The data is a snapshot of information taken from various reports submitted by the Colleges at different times during the year.

Data on the report indicates that systemwide enrollment slightly decreased at the undergraduate level with an increase at the graduate level when compared to enrollment numbers from last year. When combined, there has been a slight decrease (-0.18 percent) of the total undergraduate and graduate enrollment compared to data reported last year.

The Colleges continue their efforts toward improving the retention and graduation rates of their students. The freshmen retention rates are reported for first-time full-time freshmen (those enrolling Fall 2014 and returning Fall 2015). The systemwide retention rate is sixty six percent (66%), which is an increase of two percent (2%) from last year. The national retention rate for similar institutions (open enrollment offering baccalaureate and master's degrees only) is fifty five percent (55%).

The success rates that are reported represent the entering class for Fall 2000, which includes full- and part-time students as well as transfer students. The systemwide success rate is eighty percent (80%) which is consistent across several years.

ATTACHMENTS:

- NSCS Chancellor's Summary Report (PDF)

NSCS Chancellor's Summary Report 2016

6.5.a

Enrollment by Headcount¹ (unduplicated)

<i>Undergraduate</i>				
	CSC	PSC	WSC	NSCS
Fall 2015 Total	2,404	2,162	2,920	7,486
One year change	-2.48%	-1.23%	-1.75%	-1.81%
Five year change	3.31%	2.9%	1.32%	2.40%
On campus	1,608	985	2,729	5,322
Off campus	796	1,178	191	2,165
<i>Graduate</i>				
Fall 2015 Total	634	348	533	1,515
One year change	10.64	12.25%	4.5%	8.5%
Five year change	5.0%	30.34%	-16.33%	0.46%
On campus	48	1	89	137
Off campus	586	347	444	1,377
Total	3,038	2,510	3,453	9,001 (-0.18%)

¹Source: End of term enrollment report for Fall 2015, 2014 & 2011

Enrollment by FTE¹

<i>Undergraduate</i>				
	CSC	PSC	WSC	NSCS
Fall 2015 Total	1,923	1,399	2,623	5,945
One year change	-2.58%	-2.03%	-2.38%	-2.36%
Five year change	0.63%	-1.69%	-2.52%	-1.32%
On campus	1,535	914	2,558	5,007
Off campus	388	485	65	938
<i>Graduate</i>				
Fall 201 Total	280	187	232	699
One year change	10.8%	19.11%	1.75%	9.39%
Five year change	5.66%	35.51%	-0.2%	0.862%
On campus	25	0	44	69
Off campus	255	187	188	630
Total	2,203	1,586	2,855	6,644 (-1.25%)

¹Source: End of term enrollment report for Fall 2015, 2014 & 2011

Student Credit Hour Production¹ Fall 2015

	CSC	PSC	WSC	NSCS
On Campus²	19,218	11,198	36,348	66,764
Off Campus³	961	1,833	1,621	4,415
Online/Hybrid⁴	12,005	10,199	4,115	26,319
Other Asynchronous⁵	21	0	37	58
Total	32,205	23,230	42,121	97,556
One year change	-1.4%	-0.3%	-2.14%	-1.46%
Five year change	1.14%	1.06%	-3.94%	-1.14%

¹Source: Instructional Load Report for Fall 2015, 2014 & 2011

²Definition: Face-to-face at each of the respective colleges

³Remote college locations, traditional format, interactive distance learning origination from off-campus location

⁴At least 50% or more delivery is by Internet

⁵Definition: CD and video

Attachment: NSCS Chancellor's Summary Report (1893 : Chancellor's Summary Report)

Faculty

	CSC	PSC	WSC	NSCS
Full-time Faculty¹	98	54	126	278
Adjunct Faculty²	25	41	43	109
Total	123	95	169	387
Adjunct Online/Hybrid^{2,3}	17	21	8	46
Faculty Student Ratio⁴	18:1	17:1	17:1	NA

¹Source: June 2016 Employee Salary Recommendations

²FTE adjunct - not including graduate assistants and professional staff with teaching responsibilities - instructional load report Fall 2015

³FTE adjunct online/hybrid from instructional load report Fall 2015; included in adjunct faculty numbers above

⁴Undergraduate/Graduate

Annual Graduation Summary¹ (Spring 2015 - Dec 2015) (Degrees Awarded)

	CSC	PSC	WSC	NSCS
Baccalaureate Degrees	388	269	535	1,192
Graduate Degrees	170	89	188	447
Total	558	358	723	1,639

¹Graduation Summary Reports

First to Second Year Retention Rates¹

	CSC	PSC	WSC	NSCS
Percent Returning	65%	53%	68%	66%
One year change	0%	-5%	0%	2%

¹As reported by college personnel: Fall 2014 - Fall 2015

2009 Cohort Graduation and Success Rates¹

	CSC	PSC	WSC	NSCS
% Graduate in 6 years	41%	36%	50%	42%
Good Standing²	38%	36%	40%	38%
Success rate³	79%	72%	90%	80%

¹As reported by college personnel

²Good standing is based on the entering class, including full and part time; first time freshmen; transfer students

³Still enrolled or left the institution but eligible to re-enroll or enroll elsewhere or already transferred to another institution

General Fund Appropriation per Nebraska State College System Student^{1,2}

FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
\$6,313	\$6,262	\$6,335	\$6,535	\$6,921	\$7,199
1.08%	-0.81%	1.17%	3.16%	5.19%	4.02%

¹GF appropriation ÷ Annual FTE from October 2016 supplemental budget materials

²Change over prior year

COST OF ATTENDANCE

NCS Tuition Rate^{1,2}

Undergraduate	\$160.00
Graduate Resident	\$200.00
Undergraduate Non-Res	\$320.00
Graduate Non-Res	\$400.00
PSC & CSC UG, Non-Res	\$161.00

¹Approved Board of Trustees, May 3, 2016²Tuition per credit hourNCS Online Rate¹

Online Undergraduate	\$260.00
Online Graduate	\$325.00

¹Approved Board of Trustees, May 3, 2016Room and Board^{1,2}

	CSC ³	PSC ³	WSC ³
Room	\$1,601	\$2,058	\$1,735
Board	\$1,575	\$1,575	\$1,820

¹Approved Board of Trustees, May 3, 2016²Double Room Rate per semester³14 or 15 Meal/7 day planFees (Mandatory) 2016-2017 Academic Year^{1,2}

	CSC	PSC	WSC
Health Service	\$53.40	\$75.00	\$63.00
Capital Improve Fee	\$157.50	\$157.50	\$157.50
Facilities Fee	\$315.00	\$390.00	\$244.20
Student Activity Fee	\$84.00	\$90.00	\$75.00
Event Fee	\$162.00	\$116.25	\$135.00
Technology Fee	\$150.00	\$150.50	123.75
Record/Publication	\$6.15	\$15.00	\$15.00
Total	\$928.05	\$995.25	\$813.45

¹Approved Board of Trustees, May 3, 2016²Computed at 15 credit hours per semesterApproximate Cost of attending for Fall and Spring 2016-2017^{1,2}

	CSC	PSC	WSC
Tuition	\$4,800.00	\$4,800.00	\$4,800.00
Mandatory Fees	\$1,856.10	\$1,990.50	\$1,626.90
Room & Board	\$6,352.00	\$7,266.00	\$7,110.00
Total^B	\$13,008.10	\$14,056.50	\$13,536.90

¹Approved Board of Trustees, May 3, 2016²Resident Undergraduate enrolled in 15 semester credit hours³Books, course materials and living expenses are not included

ITEMS FOR INFORMATION AND DISCUSSION FISCAL, FACILITIES, AND AUDIT

January 17, 2017

INFORMATION ONLY: Grant Applications and Awards for Information

The following grant application and award is provided to the Board for information.

Wayne State Application

- Improving Social Studies Instruction Using the *Student Atlas of Nebraska, 2017-18* (U.S. Department of Education) -- \$17,300

Wayne State Award

- Nebraska Business Development Center (U.S. Small Business Administration) -- \$9,500 additional funding

ATTACHMENTS:

- WSC Grant Application-Improving Social Studies Instruction (PDF)
- WSC Grant Acceptance-Additional NBDC 2016 (PDF)

NOTICE OF INTENT TO APPLY FOR, OR TO ACCEPT, AWARDS OF NON-STATE CONTRACTS OR GRANTS

College: Wayne State College		Date: January 17, 2017
Notice of Intent	Application: X	Accept Award:
Name of Program: Improving Social Studies Instruction Using the <i>Student Atlas of Nebraska, 2017-18</i>		
Funding Source: U.S. Department of Education Also indicate if the source is federal, state or private: Federal		
Is this grant a Sub-Award ?		Yes: X No:
If a sub-award, indicate the agency the sub-award is through: Coordinating Commission for Post Secondary Education		
Amount Requested: \$17,300	Amount Awarded:	Funding Period: 02/02/17-08/15/18 Please indicate specific dates for the grant.
Closing Date for Application Submission: November 8, 2016		
When reporting Grant Award-- Has Grant Application been approved/reviewed by the Board?		Date Approved/Reviewed:
Does this grant include Indirect Cost Funds for the College's use?		Yes: No: X
If yes, indicate dollar amount and/or percentage rate allowed:		
Will this grant require State Matching Funds ?		Yes: No: X
If yes, indicate dollar amount and specific uses of funds (i.e., salaries, honorariums, travel, office supplies, phone, postage, space rental, equipment, etc.):		
Will this grant require In-Kind Support ?		Yes: X No:
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.): In-kind support includes the time commitment of several staff members.		
Is State Maintenance of Effort or Future Fiscal Responsibility required?		Yes: No: X
If yes, describe briefly		
Are there restrictions imposed by regulation on claiming indirect costs?		Yes: No: X
How many FTE positions will the grant fund?		FTE: 0.0
How many of these are new positions?		New FTE: 0.0
Briefly describe the purpose(s) of this application/award: This proposal requests funding for five workshops at five different ESU's during Summer 2017 to train 4 th grade teachers how to use the <i>Student Atlas of Nebraska</i> for lessons on the history, geography, government and economy of Nebraska. Five more workshops will be presented during Summer 2018 with different teachers at five different ESU's. The funds would provide stipends for teacher participants, stipend/travel costs for workshop director and supplies for the workshops. Each participant will receive free copies of the <i>Student Atlas of Nebraska</i> to use in their classrooms. Mutual of Omaha will provide the funding to print these copies of the <i>Student Atlas of Nebraska</i> in honor of the state's 150 th birthday. The second edition of the <i>Student Atlas of Nebraska</i> has been updated to address the Hispanic presence in Nebraska as well as specialty crops grown in the Panhandle.		
Is this grant a continuation of a previous/existing grant?		Yes: No: X
If a continuation grant, describe the previous grant in terms of amount, funding period, and any differences in program: While technically not a continuation, this grant is similar to those funded in 2009-2011 and 2015-2016.		
Has this grant application been previously denied?		Yes: No: X
If yes, please state the reason:		
Person responsible for the preparation of the application: Dr. Randy Bertolas, Professor - History, Politics and Geography Department		
Administrator responsible for approving the application: Ms. Angie Fredrickson, Vice President, Administration and Finance		

NOTICE OF INTENT TO APPLY FOR, OR TO ACCEPT, AWARDS OF NON-STATE CONTRACTS OR GRANTS

College: Wayne State College		Date: January 17, 2017
Notice of Intent	Application:	Accept Award: X
Name of Program: Nebraska Business Development Center		
Funding Source: U.S. Small Business Administration Also indicate if the source is federal, state or private: Federal		
Is this grant a Sub-Award ?		Yes: X No:
If a sub-award, indicate the agency the sub-award is through: University of Nebraska at Omaha		
Amount Requested: \$9,500 Additional Funding	Amount Awarded: \$9,500 in addition to original \$65,000 award	Funding Period: 01/01/16-12/31/16 Please indicate specific dates for the grant.
Closing Date for Application Submission:		
When reporting Grant Award-- Has Grant Application been approved/reviewed by the Board? No		Date Approved/Reviewed:
Does this grant include Indirect Cost Funds for the College's use?		Yes: No: X
If yes, indicate dollar amount and/or percentage rate allowed:		
Will this grant require State Matching Funds ?		Yes: X No:
If yes, indicate dollar amount and specific uses of funds (i.e., salaries, honorariums, travel, office supplies, phone, postage, space rental, equipment, etc.): Matching funds of \$18,971 includes a portion of salary and benefits of the director as well as communications, supplies and travel expenses.		
Will this grant require In-Kind Support ?		Yes: X No:
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.): In-Kind support includes the College's indirect cost rate with the U.S. Small Business Administration.		
Is State Maintenance of Effort or Future Fiscal Responsibility required?		Yes: No: X
If yes, describe briefly		
Are there restrictions imposed by regulation on claiming indirect costs?		Yes: No: X
How many FTE positions will the grant fund?		FTE: 0.91
How many of these are new positions?		New FTE: 0.0
Briefly describe the purpose(s) of this application/award: This amendment to the award from the University of Nebraska-Omaha is for funding to continue the operation of a regional center of the Nebraska Business Development Center at Wayne State College. It provides funding for salary and benefits for 0.91 FTE of a director.		
Is this grant a continuation of a previous/existing grant?		Yes: No: X
If a continuation grant, describe the previous grant in terms of amount, funding period, and any differences in program: While not technically a continuation, the subcontract continues to fund the Nebraska Business Development Center at Wayne as it has for a number of years. This amendment of \$9,500 increases the amount of the subcontract from \$65,000 to \$74,500.		
Has this grant application been previously denied?		Yes: No: X
If yes, please state the reason:		
Person responsible for the preparation of the application: Mr. Loren Kucera, Director of Nebraska Business Development Center		
Administrator responsible for approving the application: Ms. Angie Fredrickson, Vice President, Administration and Finance		

ITEMS FOR INFORMATION AND DISCUSSION FISCAL, FACILITIES, AND AUDIT

January 17, 2017

INFORMATION ONLY: **Contracts and Change Orders for Information**

The following contracts and change orders reported by each of the Colleges are provided to the Board for information.

Chadron State Contracts

- Old Administration Building (Social Science event speaker) -- \$500 plus local lodging and meals and mileage
- Residence Halls (refinish and recover lobby chairs) -- \$235
- Student Center (guest speaker in conjunction with CSC's Election Forum) -- \$1,820
- Market Development Office (recruitment of international students) - not to exceed 10% of out-of-state tuition
- Marketing Department (promotional CSC banner and mailing) - \$15,000
- Nelson Physical Activity Center (bongo ball and battle ball activities) -- \$3,750
- Evans Plunge, Hot Springs, SD (charter bus transport for swim class) -- \$900/trip
- Memorial Hall (guest artist in concert and guest speaker in class) -- \$300 plus local lodging
- Coffee Agriculture Pavilion (hay for rodeo team livestock-delivered) -- \$100 per ton up to 40 tons
- Athletic Field (install fence and concrete around track and field hammer throw ring) -- \$6,973
- Andrews Hall (design fire sprinkler installation) -- \$13,000
- High Rise (shower renovation design - floors 4 and 5) -- \$625
- High Rise (shower renovation design - floors 2 and 3) -- \$625
- Kent Hall (design fire sprinkler install) -- \$13,000
- Math/Science Building (instructional sessions to FYI 169H-Mathletics Class) -- \$400
- School of BEAMSS (marketing and consultation services - instructor/assistant professor of marketing) - not to exceed \$12,500, up to 100 hours plus maximum expenses up to \$1,000
- School of BEAMSS (marketing and consultation services - instructor/assistant professor of accounting) - not to exceed \$12,500, up to 100 hours plus maximum expenses up to \$1,000
- VP of Academics Office (marketing and consultation services - AVP Teaching/Learning Technologies) - not to exceed \$16,000, up to 128 hours plus maximum expenses up to \$1,200
- School of BEAMSS (marketing and consultation services - instructor/assistant professor of math) - not to exceed \$12,500, up to 100 hours plus maximum expenses up to \$1,000
- Chadron Community Hospital (provide PA or Nurse Practitioner to see students referred by CSC Nurse) -- \$70/hour per service day
- Market Development (social media pages management for currently enrolled CSC students) -- \$8,000 annually
- IT Department (network upgrade; post implementation wireless survey) -- \$9,000
- Student Services (EMP subscription services - outreach, application, enrollment) -- \$62,750 annually

- Chicoine Event Center (wrestling officiating services) -- \$150 per day plus mileage at the NCAA rate of .53/mile, 500 miles maximum
- Memorial Hall (AHU1 control repairs) -- \$5,066.30
- Market Development Office (recruitment of international students) - not to exceed 10% of out-of-state tuition
- Rangeland Lab Building (professional design fees - lower level classrooms and offices) - not to exceed \$6,800
- Coffee Agriculture Pavilion (lease of roping calves) -- \$27 calves @\$1.50/day for 80 days for \$3,240 total
- Coffee Agriculture Pavilion (lease of tie down roping calves) -- \$10 head @1.50/day for 80 days for \$1,200 total
- Coffee Agriculture Pavilion (lease of rodeo team steers) - 15 head @\$1.00/day for 80 days for \$1,200 total
- Student Center (speaker for Social Work Fall Conference) - airfare \$423.96; lodging \$186
- Coffee Agriculture Pavilion (lease of rodeo team calves) - 8 head @\$1.00/day for 80 days for \$640 total
- Student Center (speaker) -- \$2,500

Peru State Contract

- Sesquicentennial Plaza (architectural design) -- \$11,860

Peru State Change Orders

- Student Center Room (#1-fascia metal flashing and wood blocking to accommodate taper system) -- \$3,240

Wayne State Contracts

- Student Center (abatement) -- \$554
- Campus (snow removal) -- \$8,000
- Brandenburg Education (install carpet) -- \$242
- Carlson Natatorium (pool assessment to determine cause of leakage) -- \$15,500
- Center for Applied Technology (topographical survey) -- \$2,000
- Carlson Natatorium (window graphics) -- \$16,024
- Peterson Fine Arts (exterior building repairs) -- \$5,935
- Energy Plant (repairs to Boiler #1) -- \$5,473
- Berry Hall (exterior building repairs) -- \$1,675
- Memorial Stadium (add extension to storm sewer) -- \$12,442
- Parking Lot 4 (repair sidewalk) -- \$7,368
- Willow Bowl (install sidewalk across stage area) -- \$7,944
- Humanities (fire sprinkler system repairs) -- \$340
- Pile Hall (fire sprinkler system repairs) -- \$460
- Humanities (window replacement) -- \$36,000
- Connell Hall (south elevation exterior wood veneer/ornamental replication) -- \$23,350
- Berry Hall (fire sprinkler project) -- \$20,600
- Anderson Hall (fire sprinkler project) -- \$25,300

- Rice Auditorium (egress study) -- \$6,740
- Carlson Natatorium (exterior building repairs) -- \$6,340
- Bowen Hall (construction materials testing and special inspection services) -- \$8,355
- Center for Applied Technology (design services) -- \$1,011,025
- Carlson Natatorium (flooring in women's restroom) -- \$615
- Carlson Natatorium (demo floor in women's restroom) -- \$4,440

Wayne State Change Orders

- US Conn Library (addendum 3-additional design services) -- \$15,703
- US Conn Library (#14-changes to art gallery walls) -- \$3,124.45
- Bowen Hall (#1-design services for precast structural repairs and renderings) -- \$8,230
- Bowen Hall (#2-design services for exposed rebar and mesh repairs) -- \$4,905
- Humanities (#2-replace precision exit device touchbar assembly) - (\$890)

Nebraska State College System Office

- System Office (weekly cleaning service) -- \$220/month
- Nebraska State College System and Colleges (employee assistance program) -- \$24.70 per employee per year

ATTACHMENTS:

- CSC Contracts and Change Orders for Information (PDF)
- PSC Contracts and Change Orders for Information (PDF)
- WSC Contracts and Change Orders for Information (PDF)
- NSCS Contracts and Change Orders for Information (PDF)

**CHADRON STATE COLLEGE
CONTRACTS AND CHANGE ORDERS FOR INFORMATION**

January 17, 2017

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$65,000; c) consultant contracts for less than \$70,000 (between \$35,000 and \$70,000 must have Chancellor's approval); d) exempt contracts over \$50,000; e) legal counsel, auditor, lobbyist and search consultant contracts for durations greater than 5 days, requiring Chancellor's approval; and f) contracts that the Board has authorized the Chancellor to approve.

Chadron State College	
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Old Administration Building Social Science Event Speaker \$500 plus local lodging & meals & mileage Cash Jeff Wells
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Residence Halls Refinish and recover lobby chairs \$235 Cash Judy Hawthorne
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Student Center Guest Speaker in conjunction with CSC's Election Forum \$1,820 Cash Dr. Chris Towler
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Market Development Office Recruitment of International Students Not to exceed 10% of out-of-state tuition Cash International Education Window
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Marketing Department Promotional CSC Banner and mailing \$15,000 Cash LifeCare, Inc., Delaware Corp.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Nelson Physical Activity Center Bongo Ball and Battle Ball Activities \$3,750 Student Fees CEP, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Evans Plunge, Hot Springs, SD Charter Bus transport for Swim Class \$900/trip Cash Dakota Bus Service, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Memorial Hall Guest Artist in Concert and Guest Speaker in Class \$300 plus local lodging Cash Margaret Miller
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Coffee Agriculture Pavilion Hay for Rodeo Team Livestock-delivered \$100 per ton up to 40 Tons Cash Honey Creek Ranch & Hay Co., LLC
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Athletic Field Install fence and concrete around track & field hammer throw ring \$6,973 Cash Van Pelt Fencing

Attachment: CSC Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

**CHADRON STATE COLLEGE
CONTRACTS AND CHANGE ORDERS FOR INFORMATION**

January 17, 2017

Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Andrews Hall Residence Hall Design Fire Sprinkler Install \$13,000 Contingency Maintenance Lee Davies Architecture
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	High Rise Residence Hall Shower Renovation Design—floors 4 and 5 \$625 Contingency Maintenance Lee Davies Architecture
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	High Rise Residence Hall Shower Renovation Design—floors 2 and 3 \$625 Contingency Maintenance Lee Davies Architecture
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Kent Hall Residence Hall Design Fire Sprinkler Install \$13,000 Contingency Maintenance Lee Davies Architecture
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Math/Science Building Instructional Sessions to FYI 169H-Mathletics Class \$400 Cash Fossil Trace Golf Course
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	School of BEAMSS Marketing & Consultation Services—Instructor/Asst. Prof. of Marketing Not to exceed \$12,500, up to 100 hours plus max. expenses up to \$1,000 Cash Summit Search Solutions, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	School of BEAMSS Marketing & Consultation Services—Instructor/Asst. Prof. of Accounting Not to exceed \$12,500, up to 100 hours plus max. expenses up to \$1,000 Cash Summit Search Solutions, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	VP of Academics Office Marketing & Consultation Services—AVP Teaching/Learning Technologies Not to exceed \$16,000, up to 128 hours plus max. expenses up to \$1,200 Cash Summit Search Solutions, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	School of BEAMSS Marketing & Consultation Services—Instructor/Asst. Prof. of Math Not to exceed \$12,500, up to 100 hours plus max. expenses up to \$1,000 Cash Summit Search Solutions, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Chadron Community Hospital Provide PA or Nurse Practitioner to see students referred by CSC Nurse \$70/hour per service day Cash Chadron Community Hospital
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Market Development Social media pages management for currently enrolled CSC students \$8,000 annually Cash Merit Pages, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	IT Department Network Upgrade; Post Implementation Wireless Survey \$9,000 Cash Sirius Computer Solutions, Inc.

Attachment: CSC Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

**CHADRON STATE COLLEGE
CONTRACTS AND CHANGE ORDERS FOR INFORMATION**

January 17, 2017

Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Student Services EMP subscription services—outreach, application, enrollment \$62,750 Annually Cash Liaison International, LLC
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Chicoine Event Center Wrestling Officiating Services \$150 per day plus mileage at the NCAA rate of .53/mile, 500 miles max. Cash Doug Hoops
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Memorial Hall AHU1 Control Repairs \$5,066.30 Cash Johnson Controls
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Market Development Office Recruitment of International Students Not to exceed 10% of out-of-state tuition Cash AVA Education Foundation
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Rangeland Lab Building Professional design fees—lower level classrooms & offices Not to exceed \$6,800 Cash Engineering Technologies, Inc.
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Coffee Agriculture Pavilion Lease of Roping Calves 27 calves @ \$1.50/day for 80 days for \$3,240 total Cash Craig Wyatt
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Coffee Agriculture Pavilion Lease of Tie Down Roping Calves 10 head @ 1.50/day for 80 days for \$1,200 total Cash Donna Kern
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Coffee Agriculture Pavilion Lease of rodeo team steers 15 head @ 1.00/day for 80 days for \$1,200 total Cash Joseph Farella
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Student Center Speaker at Social Work Fall Conference Airfare = \$423.96; lodging = \$186.00 Cash Jay Dobyys
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Coffee Agriculture Pavilion Lease of Rodeo Team Calves 8 head @ 1.00/day for 80 days for \$640 total Cash Clark Kissack
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Student Center Speaker \$2,500 Cash Quinton Aaron Foundation

Attachment: CSC Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

CONTRACTS AND CHANGE ORDERS FOR INFORMATION

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$65,000; c) consultant contracts for less than \$70,000 (between \$35,000 and \$70,000 must have Chancellor’s approval); d) exempt contracts over \$50,000; e) legal counsel, auditor, lobbyist and search consultant contracts for durations greater than 5 days, requiring Chancellor’s approval; and f) contracts that the Board has authorized the Chancellor to approve.

Peru State College	
Location on Campus:	Sesquicentennial Plaza
Contracted Work:	Architectural design
Contract Amount:	\$11,860.00
Fund Source:	Foundation
Contractor:	Architectural Design Associates (ADA)

CHANGE ORDERS – (including architect/engineer fees, construction contracts, equipment purchases and all other miscellaneous expenditures) which are equal to \$50,000. If approval of change order is critical to project schedule, \$50,000 to \$100,000 range change orders may be approved by the Chancellor and reported for ratification at the next Board meeting.

Peru State College	
Location on Campus:	Student Center Roof
No. & Description:	Change Order #1-Fascia metal flashing and wood blocking to accommodate taper system
Change Order Amount:	\$3,240.00
Fund Source:	Contingency Maintenance
Contractor:	10 Men, LLC

Attachment: PSC Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

CONTRACTS AND CHANGE ORDERS FOR INFORMATION

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$65,000; c) consultant contracts for less than \$70,000 (between \$35,000 and \$70,000 must have Chancellor’s approval); d) exempt contracts over \$50,000; e) legal counsel, auditor, lobbyist and search consultant contracts for durations greater than 5 days, requiring Chancellor’s approval; and f) contracts that the Board has authorized the Chancellor to approve.

Wayne State College	
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Student Center Abatement \$554.00 Revenue Bond Environmental Services, Inc., Norfolk, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Campus Wide Snow removal \$8,000.00 Cash/Revenue Bond Milo Meyer Construction, Inc., Wayne
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Brandenburg Education Install carpet \$242.00 Cash Phipps Commercial Flooring, Wayne, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Carlson Natatorium Pool assessment to determine cause of leakage \$15,500.00 Revenue Bond Kenneth Lathrum & Associates, Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Center for Applied Technology Topographical Survey \$2,000.00 Cash Olsson Associates, S. Sioux City, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Carlson Natatorium Window graphics \$16,024.00 Revenue Bond Signworks, Inc., Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Peterson Fine Arts Exterior building repairs \$5,935.00 Cash Mid-Continental Restoration Co., Parkston, SD
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Energy Plant Repairs to Boiler #1 \$5,473.00 Cash Rasmussen Mechanical Services, Sioux City, IA
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Berry Hall Exterior building repairs \$1,675.00 Revenue Bond Mid-Continental Restoration Co., Parkston, SD

Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Memorial Stadium Add extension to storm sewer \$12,442.00 Cash Christiansen Construction Co., Pender, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Parking Lot 4 Repair sidewalk \$7,368.00 Contingency Maintenance Christiansen Construction Co., Pender, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Willow Bowl Install sidewalk across stage area \$7,944.00 Contingency Maintenance Christiansen Construction Co., Pender, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Humanities Fire sprinkler system repairs \$340.00 Cash Midwest Auto Fire Sprinkler Co., Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Pile Hall Fire sprinkler system repairs \$460.00 Revenue Bond Midwest Auto Fire Sprinkler Co., Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Humanities Window Replacement \$36,000.00 LB309 Jackson Jackson & Associates, Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Connell Hall S. Elevation Exterior wood veneer/ornamental replication \$23,350.00 LB309 Jackson Jackson & Associates, Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Berry Hall Fire sprinkler project \$20,600.00 Contingency Maintenance AES, Lincoln, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Anderson Hall Fire sprinkler project \$25,300.00 Contingency Maintenance AES, Lincoln, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Rice Auditorium Egress study \$6,740.00 LB309 The Clark Enersen Partners, Lincoln, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Carlson Natatorium Exterior building repairs \$6,340.00 Revenue Bond Mid-Continental Restoration Co., Parkston, SD
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Bowen Hall Construction materials testing & special inspection services \$8,355.00 Revenue Bond Construction Fund Schemmer Associates, Lincoln, NE

Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor	Center for Applied Technology Design Services \$1,011,025.00 Bond Funds/Cash BVH Architects, Lincoln, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor	Carlson Natatorium Flooring in women's restroom \$615.00 Revenue Bond Phipps Commercial Flooring, Wayne, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor	Carlson Natatorium Demo floor in women's restroom \$4,440.00 Revenue Bond Christiansen Constr. Co., Pender, NE

CHANGE ORDERS – (including architect/engineer fees, construction contracts, equipment purchases and all other miscellaneous expenditures) which are equal to \$50,000. If approval of change order is critical to project schedule, \$50,000 to \$100,000 range change orders may be approved by the Chancellor and reported for ratification at the next Board meeting.

Wayne State College	
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	US Conn Library Addendum #3, additional design services \$15,703.00 Bond Fund/Cash/Foundation Jackson Jackson & Associates, Omaha, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	US Conn Library 14, Changes to art gallery walls \$3,124.45 Bond Fund/Cash/Foundation Beckenhauer Construction, Norfolk, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	Bowen Hall 1, Design services for precast structural repairs & renderings \$8,230.00 Revenue Bond Schemmer Associates, Lincoln, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	Bowen Hall 2, Design services for exposed rebar & mesh repairs \$4,905.00 Revenue Bond Schemmer Associates, Lincoln, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	Humanities 2, Replace Precision Exit Device Touchbar Assembly (\$890.00) LB309 Stonebrook Roofing, Lincoln, NE

Attachment: WSC Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

CONTRACTS AND CHANGE ORDERS FOR INFORMATION

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$65,000; c) consultant contracts for less than \$70,000 (between \$35,000 and \$70,000 must have Chancellor’s approval); d) exempt contracts over \$50,000; e) legal counsel, auditor, lobbyist and search consultant contracts for durations greater than 5 days, requiring Chancellor’s approval; and f) contracts that the Board has authorized the Chancellor to approve.

Nebraska State College System Office	
Location on Campus:	System Office
Contracted Work:	Weekly cleaning services
Contract Amount:	\$220/month
Fund Source:	Cash Funds
Contractor:	Attention to Detail Cleaning
Location on Campus:	Nebraska State College System and Colleges
Contracted Work:	Employee Assistance Program
Contract Amount:	\$24.70 per employee per year
Fund Source:	Cash Funds
Contractor:	Continuum Employee Assistance, Training, Consulting, Lincoln, NE

Attachment: NSCS Contracts and Change Orders for Information (1882 : Contracts and Change Orders for Information)

Chancellor's Report

What are our former student trustees doing now?

Every year, we have the opportunity to work with students from Chadron, Peru and Wayne State as they spend a year (or two) with us serving as student trustees. These students spend their time on the Board working with college, system office staff members, as well as the board members to try to unravel the mysteries of college financing, policy development, and postsecondary education. A few weeks ago, I started wondering, "What are former student trustees doing now?" As a result of our sleuthing, we have uncovered information about many of our past student trustees.

Chadron State College

Sara Beth Ramsey (2003-04) From Buffalo, Wyoming and currently employed with the Sheridan County School District as a teacher

Kari Daly (2004-05) Living in Arizona and employed with the Maricopa County Attorney's Office as an Attorney

Carla Giger (2005-06) Living in Alliance, Nebraska and employed as the City of Alliance HR Director

Tyler Pribbeno (2006-07) Living in Imperial, Nebraska and employed as an attorney at Burke Law Office

Tyler Thompson (2007-08) From Scottsbluff, Nebraska and is an English teacher in Gering.

Doug Liewer (2009-10) Lives in Columbus, Nebraska and is an Assistant Manager at Hy-Vee

Riley Machal (2011-12) Graduate of UNMC with a Doctorate of Medicine (M.D.)

Morgan Nelson (2012-13) Student at the University of South Dakota School of Law

Danny Reynaga (2013-14) Will graduate from UNL School of Law spring 2017; Danny was in the NSCS TV commercial

Jacob Rissler (2014-15) Currently employed by Chadron State Foundation as the Development Officer; will soon have his MBA and is planning on continuing his education

Mikayla Gallagher (2015-16) Still enrolled at Chadron; Member of the Student Senate

Peru State College

Hilary Koso (2003-04) Married another Peru alum, Michael Weiss, and is working as an accountant

Wendy Alexander (2004-05) Married and lives in southeast Nebraska

Heath Christiansen (2005-06) Worked at Peru State College in marketing, admissions and now works at Cooper Nuclear Power Plant; Married Cori Harmon

Crystal Ellis (2006-07) Married Taylor Dunekacke; Crystal is the Mayor of Humboldt and works in economic development

Cori Harmon (2007-08) Completed a graduate degree at Kansas State and is mom to three children; Married Heath Christiansen

Taylor Dunekacke (2008-09) Lives in Humboldt; Married to Crystal Ellis; a teacher at Humboldt Table Rock Steinauer (HTRS) in southeast Nebraska

Samantha Meyer (2009-2010) Is now Samantha Goodrich; Lives in Lincoln; Works in Human resources at Sandhills Publishing; has been alumni speaker at the Scholarship Luncheon

Will Jackson (2011-2012) Teaching at Nebraska City

Joseph Fauver (2012-2013) Is a Ph.D. candidate at Colorado State University studying Microbiology and Medical Entomology

Jessica Merrill (2013-14) Lives in Orange City, Iowa and is employed at Staples Promotional Products

Rachel Henry (2014-15) Lives in Lincoln, Nebraska and is employed at Nelnet

Millie Anderson (2015-16) Lives in Lincoln and is an administrative coordinator at Marshalls Convenience Stores

Wayne State College

Rachel Arterburn (2003-04) Married and lives in Albuquerque, New Mexico; A teacher at an elementary school

Norman Small (2004-05) Lives in Norfolk, Nebraska and works for Madison County as a GIS Specialist

Lucas Virgil (2005-06) Director of Laurel Economic Development in Laurel, Neb.

Michael Jacobsen (2006-07) Lives in Salt Lake City, Utah; Graduate student at the University of Utah

Jennifer Myers (2007-08) Lives in Wahoo, Nebraska; Works at Intometal

Amanda Gehle (2008-09) Lives in Chester, Nebraska

David Seger (2009-10) Grad Student (dental) at UNL

Isaac French (2010-11) Lives in Omaha, Nebraska and is a social worker for Community Alliance in Omaha

Madison Becker (2012-14) Student at UNMC in Perfusion Science; Madison was an RHOP student

Matthew Mullins (2014-16) Still enrolled at Wayne; president of the Student Senate

Presidents' Reports

Chadron State College Cultural Enrichment January 2017

Chadron State College continues to demonstrate its commitment to providing the campus community, the local community, and the panhandle area of Nebraska with diversity-related educational experiences that emphasize the value and importance of diversity. The Presidentially-Appointed Diversity Committee is responsible for coordinating or sponsoring many of the campus diversity events, although all members of the campus community are encouraged to take an active role in promoting diversity-related events on and off campus.

The Diversity Committee is comprised of faculty, staff, and students. It is the responsibility of the committee to promote educational opportunities that emphasize the value and worth of diversity. The committee meets regularly, at least once a month during the school year, to discuss and plan events. The committee also works with others on the campus to promote events which, if not created by the Diversity Committee, are supported and advertised by the committee.

To further the opportunity for diversity-related experiences, especially for students, the Student Activities Director provides essential support for multicultural activities at Chadron State, as does the Campus Activity Board, which emphasizes student participation in the creation of events. One of the essential functions of the Student Activities Director is to coordinate efforts and events that emphasize diversity awareness/appreciation. Along with the efforts of the Diversity Committee and the Campus Activity Board, the Student Activities Director is instrumental in providing the students with life-enriching experiences that emphasize the value of living and learning on a campus rich with diversity.

GOALS:

Aside from the specific goals that Chadron State College has regarding diversity, the Diversity Committee has designed its own specific goals. These goals, while allowing for flexibility, remain constant year-to-year:

1. Diversity will be encouraged and welcomed at CSC.
2. Recognition of the worth of diversity will be promoted at CSC.
3. Diversity will be obvious in its representation at CSC.
4. Chadron State College will be recognized at the System level as doing all things appropriate and possible to promote diversity at CSC as well as in the greater Chadron community.

CHALLENGES:

Regarding the four goals listed above, the Committee believes the college is meeting all the goals but also believes there is much more work to be done before goal number four, more-or-less a summation of the first three goals, can be stated as being met. The challenges to fully presenting as a campus with full diversity involvement can be broken down into three areas: first, the rural nature of the college, second, the lack of the influence of a large metropolitan city/area, and, third, the nature of the student body at CSC.

Chadron State is in a rural area many miles from any other larger community. Even those larger communities are small by any standards. While faculty and students representing diversity may appreciate the beauty that surrounds the campus and even have some appreciation of the area's historical significance in the development of this nation, they often find the unending and treeless plains to be uninviting.

The lack of the influence of a large metropolitan city/area causes the impact of trending societal changes to reach the college with less force than what might be felt elsewhere where these societal trends are a part of everyday evolving life circumstances. Of course, while there is social media, television, and other ways to instantly communicate what is happening outside the confines of Chadron, hearing about it or seeing it on a screen is not the same thing as experiencing it. The campus is more apt to hear about what is important to the LGBT community, the African-American community, or the differently-abled community than it is to experience what is important to these diverse communities. The marches, the protests, the police involvement—all that happens “out there,” and what the campus experiences, despite the wealth of media sources, is far from the real thing.

Regarding the nature of the student body as it relates to increased involvement of diversity at the college has to do with the changing roles of the teacher and the classroom. More and more classes are being held online, becoming “virtual.” Obviously, this means that the opportunities to fully experience diversity in a personal way are more and more limited. A student can remain at home on the farm or ranch, helping his/her parents as they struggle to be successful in these economic hard times, and miss all the opportunities to experience diversity as it might have been experienced, for example, in 1971. There is a continuing number of students who graduate from Chadron State College without stepping foot on campus. This does not necessarily mean that they cannot experience diversity, but it does mean that providing them with diversity experiences as part of their college experiences needs to be considered in a way as unique as social media is unique—but perhaps without the impersonal nature of social media.

So, there are challenges to introducing and integrating diversity across the college. The Committee wants to emphasize, however, that the support and guidance of the CSC administration is always present without fail, and every year there is clear evidence that diversity is more than welcome and always nurtured everywhere on the campus.

Evidence of the Planned Promotion of Diversity:

Along with promoting appreciation of diversity in general, the Diversity Committee emphasizes and targets specific categories of diversity with designated months devoted to each although events related to any of the categories can occur at any time during the school year:

Hispanic Heritage—September
 Differently-Abled Awareness—October
 LGBT Pride—October
 Native American Heritage—November
 Martin Luther King, Jr.—January
 African American/Black History—February
 Women and Leadership—March
 Asian-Pacific-American Heritage—April

Integrating Diversity into the Curriculum:

Chadron State faculty incorporate multicultural perspectives into classroom curriculum through the selection of textbooks, required readings, class discussions, classroom activities, debates, speakers, and video presentations. Whenever possible, faculty also include field trips to regional and international locations as a way to incorporate diverse topics into the educational experience.

Peru State College
A Legacy of Inclusion and a Year of Opportunity
January 2017

As part of the celebration of Peru State College's sesquicentennial, a coffee table book is being written about the long history of the college. A large part of that history has been the inclusion of women, African-Americans and other students of color in our educational opportunities. Our earliest classes included women and black veterans that had served with Colonel T.J. Majors. Today, with more women than men on campus and thirty percent of this year's freshman class from underrepresented groups, this tradition continues at Peru State College.

President's Advisory Council

Ten students, recommended by faculty and staff as leaders and role models on campus, have been selected to serve on the President's Advisory Council. This group of students will meet with the President and the Council for Inclusion three times a semester. The Council for Inclusion is an ongoing group of faculty, staff and students that promotes acceptance for the uniqueness of individuals. The President's Advisory Council will provide advice to the College on ways to build positive relationships on campus, in the community and throughout the surrounding area. Specific purposes are as follows:

- Provide insight into the student experience at Peru State College and the surrounding community.
- Advise the President and Council for Inclusion on proactive ways to create an inclusive environment.
- Give the President and the Council for Inclusion guidance on ways to respond to events and occurrences impacting PSC students.

The first meeting was held with the group and members of the Council for Inclusion on November 17 over dinner at the President's home.

Black Student Union

The Black Student Union continues to be an active and productive group on campus. This past year it hosted the successful NSCS Leadership and Diversity Conference. The theme of the conference was "Look Inside the Person, Think Outside the Box". They hosted St. Louis spoken-word poet Brandon Thornton for a campus-wide Open Mic Night. His poetry explores a variety of topics including responsible college living, financial responsibility, credit cards, family and relationship struggles and black history. The group also provides service throughout the region including assisting with Feeding 44, picking up trash along Highway 67, participating in Bobcats Give Back, working with Project Response and volunteering at the Auburn Good Samaritan Home.

Hispanic Latino Student Association

In its second year, the Hispanic Latino Student Association has been active on campus and in the community. Members volunteered at Cargill in Nebraska to assist with adult English Language classes, assisting in a canned food drive for Nebraska City Food Pantry, another canned food drive for Southeast Nebraska Community Action (SENCA) and a toy drive. They have also hosted movie viewing and discussions focused on creating Hispanic and Latino awareness.

Speakers and Events

Being a home to a population more diverse than the general public is an important aspect of the Peru State College experience. The College also continues to provide opportunities for its students to discover new perspectives and engage with men and women of national importance. In a world where diversity includes more than the color of your skin, Peru State students continue to seek new experiences and better understanding.

Amy Van Dyken: Six-time Olympic gold medalist and national sports announcer Amy Van Dyken visited campus as part of the Distinguished Speaker Series. The record-breaking swimmer came back from a shoulder injury to win a pair of gold medals at the 2000 Summer Olympics — adding to the four she had already won in 1996. Fourteen years later, Van Dyken was in an ATV accident that severed her spine. The 43-year-old wasn't breathing when her husband found her and doctors only gave her a 20 percent chance of surviving the surgery. Van Dyken survived and she told Peru State College her story of breaking records, beating the odds and loving life.

Fred Kader: Members of Student Success Services visited the Institute for Holocaust Education in Ashland, Nebraska. As part of the visit, students were immersed in several different opportunities to learn about the Holocaust perpetuated by the Nazis and their allies. Following the tour, Fred Kader, one of the Holocaust's hidden children, spoke to the students about his heart-rending experiences and how he is piecing together his past and survival of the Shoah in Belgium.

Naser Alsharif: Dr. Naser Alsharif spoke about "Being Muslim in America" to Peru State students. In addition to his address on Islamic relations, his visit included closed presentations to Peru State classes including Human Growth and Development, International Business and Abnormal Psychology. In addition to serving as Director of the Middle East Cultural and Educational Services in Omaha, Dr. Alsharif has served as a moderator for the Muslim Student Association at Creighton University; President of the Arab-American Heritage Society; and as a member of many other Islamic relations groups.

Wes Moore: In March, author and motivational speaker Wes Moore visited Peru State. He spoke on the importance of opportunity and hard work. Wes Moore is a youth advocate, Army combat veteran, social entrepreneur and host of *Beyond Belief* on the Oprah Winfrey Network. His first book *The Other Wes Moore* became an instant New York Times and Wall Street Journal bestseller.

Other speakers and events included Tim Mousseau on cyber-bullying; Retired Rear Admiral Dr. Ali Khan on his role as former Assistant U.S. Surgeon General; and Core Ensemble's performance of *Ain't I A Woman*.

One report is never enough to list all the wonderful opportunities to engage and learn at Peru State College. With an eye on its historical legacy, the College continues to be a regional leader in its efforts to support the educational efforts of a diverse student population and its efforts to engage students in new experiences outside their everyday understanding of the world. Inclusion, and its products of respect and empathy, continues to be among the most important results at Peru State College.

**Wayne State College
Cultural Enrichment
January 2017**

Wayne State promotes and delivers cultural enrichment through a powerful combination of the work of the President's Council for Diversity, Office of Student Activities, student clubs and organizations, Residence Life, the Office of Multicultural Affairs, and academic initiatives. These activities include planning and assessment, guest speakers, workshops, and a wide range of cultural events and opportunities that showcase the human experience and serve the college's region. A Wayne State education presents a sustained, dynamic encounter with cultural enrichment through a broad curriculum that explores human history, the sciences, global economics, technology, educational pedagogy, counseling, literature, sociology, psychology, music, art, and communications.

President's Council for Diversity and Data Management

The President's Council for Diversity works in collaboration with the Office of Multicultural Affairs to provide guidance and leadership to create and maintain an environment of inclusion that recognizes and values all individuals and cultures. The council regularly analyzes the strengths and weaknesses of diversity on campus, then works with college administration to make recommendations aimed at cultural enrichment at Wayne State. The council recently advocated for the development of Key Performance Indicators, which were used to make the following recommendations: increase the number of bilingual faculty/staff; increase the number of scholarships aimed at supporting first-generation and low-income students; and improve support of diversity efforts.

Student Activities Office and Student Clubs and Organizations

The Office of Student Activities and WSC's clubs and organizations annually have the opportunity to educate the campus, the community, and our region with intercultural efforts. The Office of Student Activities works with a variety of student organizations to coordinate and oversee an avenue for promoting awareness, understanding and acceptance. Student Activities is looking to provide students with a co-curricular transcript and data collection of programmatic efforts for Fall 2017. Efforts during the past year included:

- Native American Heritage Month
- African Student Association made clothing items for an orphanage in Bamako, Mali
- Drag Show hosted by PRIDE

Residence Life Programs

The Office of Residence Life provides educational and social programs to help promote the understating of others and maintain a supportive environment within residential communities. Professional staff members present workshops, lectures, and other activities that enhance cultural awareness. One of residence life's big events is Just Words. Just Words is an interactive theater experience designed to display oppression and sensitive subject matter. Programs addressing understanding and awareness during the past year also included residence hall mixers, "Battle of the Genders", Thankful Trees, roommate workshops, and holiday celebrations.

Office of Multicultural Affairs Provides Variety of Events

The Office of Multicultural Affairs seeks to develop the college's commitment to cultural enrichment and academic excellence through promotion of inclusion and multiculturalism. The Office of Multicultural Affairs provides a variety of programmatic initiatives through the office and its student organizations. During the past year these events included:

- Dr. Martin Luther King, Jr. Day of Service
- Changing Cultural Landscape: Refugee Resettlement and Implications for Education and Services in Nebraska, a talk by Alana Shriver
- Road to Peace and Development in South Sudan: The Impact of South Sudanese American Partnerships Transcending Tribal Divisions, a talk by Buey Tut
- Vietnam: 40 Years Later, a talk by Ellie Tran
- Religious Diversity Panel, a campus discussion led by the Interfaith Action Group and Native American Student Alliance

Academic Initiatives

Each academic department at Wayne State annually provides opportunities for students to step outside of their own culture and engage in other experiences. During the past year, academic experiences included:

- Ecuador and study abroad: WSC alumnus Dean Jacobs '86 led a group of 18 students to the Amazon rainforest in Ecuador from June 2-16 to learn about different cultures and geography while also practicing Service-Learning in Ecuadorean communities
- Omaha-Ponca language: Language and Literature faculty hosted a month-long seminar on Omaha-Ponca language with graduate students from around the world participating
- Newtonian Physics: A physical science professor in collaboration with Japanese scholars is researching how cultural differences may affect the way students understand Newtonian Physics. They plan to develop a more reliable survey for assessing faculty instruction relative to the cultural background of the students.
- New Public Health minor: A new minor program of study in Public and Global Health challenges students to understand the biological and social determinants of health. These biological and social determinants include geographic, ethnic, racial, economic, political, religious and cultural diversity.
- STEM: exemplary teaching activities by faculty in math and sciences explore genetic and epigenetic mechanisms of human diseases to address biological diversity, such as malarial resistance and sickle cell disease; the study of ethnobotanical practices of indigenous populations exposes the challenges of modernization to cultural identity; social and environmental consequences of development and industrialization are discussed in physical sciences; making STEM education accessible to children of all backgrounds is addressed in math and science education courses.