



Nebraska State College System

CHADRON | PERU | WAYNE

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 and System Office, Lincoln, Nebraska on January 15, 2019

Executive Session	January 15 –	8:30 a.m.
	1327 H Street, 3 rd Floor Conference Room	
Business Meeting	January 15 –	1:30 p.m.
	9401 E 'O' Street, Ballroom Section A	

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 15, 2019
NEBRASKA STATE COLLEGE SYSTEM OFFICE
1327 H STREET, 3rd FLOOR
HILLCREST COUNTRY CLUB – 9401 E 'O' STREET
LINCOLN, NEBRASKA

MONDAY, JANUARY 14

10:00 – 5:00 Council of Business Officers Meeting Carolyn Murphy Office

10:00 – 1:00 Council of Academic Officers and Student Affairs Officers Joint Meeting 3rd Floor Conference Room

1:00 – 5:00 Council of Student Affairs Officers Meeting 3rd Floor Conference Room

1:00 – 5:00 Council of Academic Officers Meeting Jodi Kupper Office

TUESDAY, JANUARY 15

8:30 – 9:30 BOARD EXECUTIVE SESSION 1327 H Street, Lincoln, NE 3rd Floor Conference Room
Legal Advice, Pending Litigation & Negotiations

11:30 – 12:30 BOARD COMMITTEE MEETINGS Hillcrest Country Club
Academic and Personnel Committee Ballroom Section A
Student Affairs, Marketing & Enrollment Committee President's Room
Fiscal, Facilities & Audit Committee Ballroom Section B

12:45 – 1:15 Lunch Ballroom Section C-D

1:30 BOARD OF TRUSTEES BUSINESS MEETING 9401 'O' Street, Lincoln, NE Ballroom Section A

4:00 – 7:00 SENATORS' RECEPTION Ferguson House

Call to Order

Approval of Meeting Agenda

Public Comments

Minutes Approval

- 1 Board of Trustees of the Nebraska State Colleges - Regular Meeting - Nov 16, 2018 8:00 AM

1. Items for Consent Agenda

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

Items for Discussion and Action

2. Academic and Personnel

- 2.1 Approve 2019-2021 Agreements Between the Board of Trustees of the Nebraska State Colleges and SCEA, NSCPA and NAPE/AFSCME Bargaining Units
- 2.2 Approve Designation of Chancellor Associate for Mrs. Shelly Turman
- 2.3 Approve Memorandum of Understanding with ESU 13 for Chadron State College
- 2.4 Internship Agreement with Nebraska Department of Health and Human Services for Practicum Experiences for Chadron State College
- 2.5 Approve Memorandum of Agreement for UNO Master of Arts in Athletic Training Program for Peru State College
- 2.6 Approve Memorandum of Understanding with Casper College for Peru State College
- 2.7 Approve Addition of Health Sciences Education Supplemental Endorsement for Peru State College
- 2.8 Approve Student Teaching Agreement with Plattsmouth Community School District for Peru State College
- 2.9 Approve Memorandum of Agreement with College of Agricultural Sciences and Natural Resources (CASNR), University of Nebraska-Lincoln (UNL), Nebraska Technical College of Agriculture (NCTA), University of Nebraska, and Wayne State College for Agricultural Degree Programs

3. Student Affairs, Marketing, and Enrollment

- 3.1 First and Final Round Approval of Revisions to Board Policy 3601; Posthumous Degrees

4. Fiscal, Facilities and Audit

- 4.1 Approve Acceptance of Basic Financial Audit Report for Year Ended June 30, 2018 and 2017
- 4.2 Approve Acceptance of Single Audit for Year Ended June 30, 2018
- 4.3 Approve Continuation of Bookstore Contracts
- 4.4 Approve Reallocation of Contingency Maintenance Funds for Chadron State College

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 Marketing Activities and Events Update
- 6.2 Fall Enrollment Reports
- 6.3 Chancellor's Summary Report

7. Fiscal, Facilities, and Audit

- 7.1 Grant Applications and Awards
- 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 Presidents' Reports

iii. Student Trustees' Report

Adjournment



Nebraska State College System

CHADRON | PERU | WAYNE

Executive Session - November 15, 2018

Call to Order - Executive Session

The meeting was called to order at 11:03 AM by Chair Bieganski.

Motion was made by Trustee Peterson and seconded by Trustee Suarez to go into executive session as authorized by Neb. Rev. Stat. §84-1410 for receiving or discussing:

- Legal advice
- Pending litigation
- Negotiations

Vice Chair Bieganski declared that the executive session would be strictly limited to receiving or discussing:

- Legal advice
- Pending litigation
- Negotiations

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

The Board went into executive session at 11:04 AM. The Board reconvened the open meeting at 12:01 PM.

Adjournment - Executive Session

There being no further business, the meeting was adjourned by Chair Bieganski at 12:01 PM.

November 16, 2018

Call to Order

The meeting was called to order at 8:00 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 Chaney and seconded by Trustee Suarez to approve the Meeting Agenda. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

Public Comments

No public comment.

Minutes Approval

Board of Trustees of the Nebraska State Colleges - Regular Meeting - Sep 15, 2018 8:00 AM

A motion was made by Trustee Engles and seconded by Trustee Blomstedt to approve the minutes of the September 15, 2018 and September 30-October 1, 2018 meetings. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

1. Items for Consent Agenda

A motion to approve the Consent Agenda items was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss

1.1 Approve Authorization for Chancellor to Sign Easement Agreement for Chadron State College

Chadron State requested authorization for the Chancellor to sign an Easement Agreement with the City of Chadron for relocation of an existing City water main on campus. Relocation of the water main was necessary to facilitate construction of Phase II of the Stadium Complex project. The Track would be constructed in the field immediately south of the Chicoine Center.

1.2 LB 309 Allocations and Retrievals

Chadron State

1. Allocation of \$35,000 for air handling unit repair in Science and Mathematics Building		
Allocation Date/Amount	8/6/18	\$35,000.00
College Contribution		<u>00.00</u>
Estimated Project Cost		\$35,000.00

Items for Discussion and Action**2. Academic and Personnel**

No action items.

3. Student Affairs, Marketing, and Enrollment**3.1 First and Final Round Approval of Revisions to Board Policy 3250; Rights and Responsibilities; Students**

Revisions to Board Policy 3250 removed references to the Family Education Rights and Privacy Act not necessary to the policy. Additional revisions clarified student's rights and responsibilities with respect to freedom of expression in the classroom and other instructional settings, instructional and grading procedures, faculty-student consultation and student evaluation of instruction.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 3250; Rights and Responsibilities; Students was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

3.2 First and Final Round Approval of Revisions to Board Policy 3400; Tuition Remission

The revisions to Board Policy 3400 included the addition of discretionary language that allowed the College presidents to waive requirements to renew Board of Trustees and Governor's Opportunity Award scholarships. The TeamMates Program Award was revised to indicate that students must have participated in the program for a minimum of three (3) years to be eligible for a TeamMates scholarship.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 3400; Tuition Remission was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

3.3 First and Final Round Approval of Revisions to Board Policy 3700;
Accommodations for Students with Disabilities

Policy 3700 had been updated to clarify provisions related to reasonable accommodations for students with disabilities, service animals, and assistance animals, including revisions to the process and documentation required for requesting accommodation; clarifications regarding the student's responsibility for the care and supervision of the service or assistance animal; and requirements that the student provide vaccination records for service and assistance animals.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 3700; Accommodations for Students with Disabilities was recommended by the committee to the full Board, which approved the motion. Voting **AYES**: Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4. **Fiscal, Facilities and Audit**

4.1 Acceptance of Revenue Bond Audit Report for the Fiscal Year Ending June 30, 2018

BKD had completed the audit report for the revenue bond programs at the Colleges for years ending June 30, 2018 and June 30, 2017. 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 2011, 2012, 2013, 2014, 2015, 2016, 2016B, and 2016C supplemental issues. The audit was completed on an accrual basis.

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

DEBT SERVICE COVERAGE

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
CSC	331%	875%	206%	191%	150%
PSC	292%	332%	320%	233%	290%
WSC	272%	371%	364%	235%	249%

BKD indicated that the financial statements “presented 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, 2018 and 2017

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 the Fiscal Year Ending June 30, 2018 was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.2 Use of Sports Facilities Cash Funds for October 1, 2020 through 2024

The Board was requested to approve the use of Sports Facility Cash Funds to be received each October 1st of 2020 through 2024 for the PSC Indoor Sports Facility project, and WSC Natatorium Renovation project, with the approvals pending receipt of the funding from the State of Nebraska.

A motion to approve the Use of Sports Facilities Cash Funds for October 1, 2020 through 2024 was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.3 Approve Use of Unappropriated Cash Funds on a One-Time Basis for Stadium Complex Phase II Track Project for Chadron State College

Chadron State requested Board approval for the use of \$594,000 of unappropriated cash funds on a one-time basis for the Stadium Complex Project Phase II Track construction.

Chadron State has adequate cash funds to support the request, which would increase the total cash funds committed for the Phase II Track to \$750,000 and to \$900,000 for the overall Stadium Complex project.

A motion to approve the Use of Unappropriated Cash Funds on a One-Time Basis for the Stadium Complex Phase II Track Project for Chadron State College was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.4 Approve Use of Bond Proceeds from LB957 (2016) Bond Issue for Stadium Complex Phase II Track Project for Chadron State College

Approval was requested for the use of Deferred Maintenance Bonds 2016 remaining proceeds estimated at \$150,000 for the Stadium Complex Project Phase II Track at Chadron State College.

LB957 (2016) extended state funding that was made available in LB605 (2006) for an additional ten years. That extension of funding, combined with continued contributions from the Capital Improvement Fee, allowed the Facilities Corporation to sell bonds to refinance the remaining balance of bonds issued after LB605 (2006) to allow for

additional projects to be financed.

The bond sale for LB957, as approved by the Board and the Facilities Corporation on June 10, 2016, was held on August 17, 2016. The issue yielded \$21,275,000 of funds for design and construction. On September 9, 2016, the Board of Trustees approved the distribution of the bond proceeds as such:

CSC Stadium Complex Phase I	\$ 6,205,766
PSC Theatre/Event Center Renovation and Addition	\$ 6,138,234
WSC Center for Applied Technology	\$ 8,931,000
 Total Funds Approved 9/9/2016	 \$21,275,000

This Board item approved that all of the interest earnings and residual funds from the original bond proceeds, estimated at \$150,000, be distributed to the Stadium Complex Project Phase II Track at Chadron State College.

A motion to approve the Use of Bond Proceeds from LB957 (2016) Bond Issue for the Stadium Complex Phase II Track Project for Chadron State College was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.5 Approve Change Order and Revised Project Funding for Stadium Complex Project Phase II Track for Chadron State College

Chadron State requested approval from the Board for Change Order #3 from A-P Mountain States, LLC to include Stadium Complex Phase II Track Facility for \$1,827,845. Funds are available within the existing Stadium Complex project budget, along with an additional minimum commitment of \$233,723 from the Foundation. Additional funding to be approved in separate Board items included the remaining unobligated LB957 bond proceeds estimated at \$150,000, and an additional \$594,000 in un-appropriated CSC Cash Funds.

A motion to approve the Change Order and Revised Project Funding for the Stadium Complex Project Phase II Track for Chadron State College was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.6 Approve Naming of an Area in Chicoine Center for Chadron State College

Board Policy 8020 provided for the naming of NSCS buildings and other facilities. According to paragraph 4 of the policy, "The proposed name shall come to the Board as a recommendation of the College President." Pursuant to this policy, Chadron State proposed to name an area in the Chicoine Center in recognition of substantial contributions designated for the project. Chadron State proposed to

name the following area in honor of the donor who provided substantial financial gifts to the College.

"In Memory of Mack Peyton" for Assistant Men's Basketball Coaches Office

The naming request brings honor to the donor and family members, to Chadron State and to the Nebraska State College System.

The Chancellor supported this request and recommended approval.

A motion to approve the Naming of an Area in the Chicoine Center for Chadron State College was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

4.7 First and Final Round Approval of Revisions to Board Policy 6005; Establishing and Use of Reserves

Board Policy 6005 was being revised to indicate that the Colleges must maintain an 8% reserve beginning in 2019-2020.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6005; Establishing and Use of Reserves was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Suarez, Bieganski, Chaney, Engles, Peterson, Blomstedt, and Zeiss.

Items for Information and Discussion

5. Academic and Personnel

5.1 Online Programs Reports

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 Marketing Activities and Events Updates

Counselor's Updates

The 2018 Counselor Tour was a joint initiative with the University of Nebraska. Admission representatives from Chadron, Peru, and Wayne State teamed up with UNL, UNK, UNO, and NCTA to inform high school counselors about important scholarship and admission dates and information. EducationQuest also presented on college planning, FAFSA and resources available for high school students and counselors. 350 high school representatives attended one of the meetings at Chadron, Kearney, Omaha, Lincoln and Wayne during the September event.

NSCA Academy

NSCS will once again sponsor the award luncheon for the NSCA Academy in November. The 2018 Counseling Excellence Award will be announced at the luncheon. Peru, Chadron, and Wayne State admissions staff will be at the event and will participate in the tradeshow portion of the Academy.

Senators Reception

The 2019 Senators Reception was scheduled in conjunction with the January Board of Trustees Meeting on January 15th. The reception is a great event to meet the new Senators and reconnect with returning Senators.

Marketing Campaign

Content for the upcoming marketing campaign is in final approval, and images are coming in from the Colleges that will be used in the campaign.

6.2 Summer Enrollment Reports

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

6.3 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 above on the ACT. Recipients must be Nebraska residents. The

number of scholarships available to each College would be calculated from the full-time equivalent enrollment from the previous fall semester. The Colleges were required to report to the Board the number of scholarships offered and the number actually in effect. The Board of Trustees Scholarship report for Fall 2018 indicated that the total number of scholarships in effect had decreased from the Fall 2017 report.

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

6.4 NSCS Advantage Report

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

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 were 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, Nebraska Access, and the Dual Enrollment programs. Further information was provided at the meeting.

7.3 Physical Plant Status Reports

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

7.4 Capital Construction Quarterly Reports

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

Chadron

1. Stadium Renovation - Interim report

Peru

1. Delzell Renovation - Interim report
2. Field House Phase I - Final report
3. Field House Phase II - Interim report
4. Park Avenue Campus Entrance - Final report
5. Theater Renovation - Interim report

Wayne

1. Carhart Renovation, Phase III - Final report
2. Center for Applied Technology - Interim report
3. Press Box Replacement - Interim report
4. U.S. Conn Library Renovation - Interim report

7.5 Year-End Revenue Bond Expenditure Reports

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

7.6 Contracts and Change Orders for Information

Chadron State Contracts

- Rita King Library (window replacement) -- \$222,900
- Chicoine Center (video board) -- \$136,850

Peru State Contracts

- Campuswide (building signage) -- \$32,276.20
- Administration Building (install concrete parking lot) -- \$69,021

Peru State Change Order

- Centennial Complex (#1-asbestos removal in Pate, delete room 13, add storage room) -- \$1,620

Wayne State Contracts

- Central Energy Plant (design services for energy upgrades) -- \$43,100
- Campus Network (IT consulting services for slate implementation) - not to exceed \$29,900
- Campus Network (IT consulting services for network configuration) -- \$55,450
- Admissions (consulting services for staff training) -- \$7,600
- Admissions (consulting services for Application Generation and Search Program) -- \$66,330
- Student Center (HVAC design and construction administration services) -- \$57,500

Wayne State Change Orders

- Criminal Justice Facility (#4-sod installation) -- \$4,700
- Center for Applied Technology (#8-wall rating change, insulation credit, mechatronics lab revisions, entrance footings/stoop change, storefront sill change, soffit in vestibule) -- \$44,571.32
- Center for Applied Technology (#9-rough carpentry protection, ladders at light monitors, wall fur-out, high bay painting) -- \$49,395.85
- Neihardt Hall (#1-water heater install changes-reroute condensate drain, add unions for easier removal of heater, drain water lines, move valves up higher and replace valve on bypass) - \$2,545
- Neihardt Hall (#1-regROUT showers on 1st floor) -- \$4,114
- Stadium Press Box (#2-deduct one set of variable frequency drives and door hardware changes) -- \$576
- Berry Hall (#2-reroute 2½" sprinkler main in the lower level) -- \$999.60
- Fine Arts Building (#1-additional excavation) -- \$1,028
- Center for Applied Technology (#10-door changes, ductwork change, lighting change, drywall changes) -- \$32,507.31
- Parking Lot 4 (#1-additional demo, paving and drainage) -- \$3,696
- Student Center (#1-urinal waste replacement) -- \$1,210
- Morey Hall (#1-deduct removal of existing carpet) -- \$82
- Berry Hall (#1-modify drawings and specifications for Phase 2 West Wing work) -- \$5,000

Nebraska State College System

- Nebraska State College System (Title IX/Human Resources training for faculty and staff) -- \$12,500 annually for 3 years
- Nebraska State College System Office (weekly cleaning services) -- \$220/month

7.7 Grant Applications and Awards

Chadron State Grant Awards

- CSC-JPL Collaboration to Assist Rover Mapping of Mars Geology (NSA Space Grant) -- \$1,500
- NASA Nebraska Space Grant Fellowships 2018-2019 [Chance Adolf, Isaac Langan and Jessica Rowshandel] (NSA Space Grant) -- \$12,000
- CSC Study Abroad Expansion Exploration (Darold A. Newblom Foundation) -- \$1,000
- 2018 Surveys for the Regal Fritillary in Nebraska (Nebraska Game and Parks Commission) -- \$13,600
- TRIO - Student Support Services (U.S. Department of Education) -- \$247,344

- Upward Bound (U.S. Department of Education) -- \$275,151 year two of five-year grant
- Nebraska Business Development Center (U.S. Small Business Administration) -- \$21,000

Wayne State Grant Applications

- Discovering the Gendered Language of Leadership (American Association of University Women [AAUW] Campus Action Project Grants) -- \$5,000
- Pathways to Engineering Program (Engineering Information Foundation) -- \$20,942

7.8 Insurance Report to the Board

The renewal of the Board of Trustees insurance program for the System was complete. The total costs for liability and travel were \$315,265.

The total cost of property insurance secured through the MHEC program for 2018-19 was \$215,178. Additionally, the Board secured liability and property insurance for the College Center at a cost of \$7,046 for liability and \$3,691 for property. These costs were allocated solely to Wayne. The costs for both have remained steady.

The Board secured certain athletic coverage for all three colleges. Despite the addition of the two club sports, we saw a reduction in the overall costs to \$284,257.

If the Board would like additional information regarding the insurance coverages or costs, please contact the System Office.

8. Miscellaneous Action and Information Items

i. Chancellor's Report

8.1.1 Chancellor's Report

Chancellor Carpenter reported that Randy Rhine and Steve Hotovy were not in attendance at the meeting because they were meeting with Governor Ricketts for lunch and a tour of the Math-Science Building at Chadron State.

Chancellor Carpenter also reported on the many meetings the presidents had held with business leaders and community stakeholders across the state to share the NebraskaFWD initiative. The Chancellor, Vice Chancellors Murphy and Kupper had also met with many state agencies including the Dept. of Labor, Dept. of Economic Development, and Dept. of Corrections. They were also scheduled to meet with the Nebraska Chamber and the Blueprint Nebraska Initiative. The meetings provided information on the need of graduates with four-year degrees to enter the workforce in rural Nebraska.

Chancellor Carpenter and Vice Chancellor Murphy are scheduled to meet with the Governor in early December to share their findings regarding the NebraskaFWD initiative.

The Senator's Reception will be held January 15, 2019 at the Ferguson House from 4:00-7:00 p.m. following the Board meeting. Pictures of Board members and staff are scheduled to be taken after the Board meeting.

Chancellor Carpenter thanked the Board for allowing him to serve the Nebraska State College System for the past 18 years.

ii. **Presidents' Report**

8.2.1 Presidents' Reports

PSC President Hanson reported that it had been a record year in donations for the Peru State College Foundation. This enables the College to provide additional scholarships and improve additional facilities.

The Peru State College Foundation had also worked with the Omaha World Herald and the PSC Marketing and Communications Department to produce the Sesquicentennial Anniversary History Book, which won two prestigious awards.

PSC President Hanson also noted that May 3rd would be the Theatre/Event Center grand opening ceremony. He also reported that students attending the Student Orientation events indicated that the best event, during the Orientation, had been packaging food for the Omaha Food Bank.

WSC President Rames reported that the women's soccer team had won an award for the athlete's achieving an average grade point average of 3.57 for the 2017-2018 academic year.

WSC President Rames shared a story regarding a non-traditional WSC student, in the Safety Management program. This student had a difficult time finding an internship so he formed his own company, Full Faith Safety Consulting, LLC. Through his company, he had been hired by many companies in the Omaha and Lincoln area because of his excellent work on developing individualized safety programs, tool box talks and safety checklists.

President Rames also reported on the importance of the Wayne State Foundation. Through the help of the Wayne State Foundation, Wayne State can achieve its recruiting and retention goals and provide opportunities for students to flourish in their athletic and academic pursuits. The Foundation also supports the development of new facilities and renovation of current facilities.

President Rames noted that the official ribbon cutting for the Center for Applied Technology would be held in the spring.

iii. **Student Trustees' Report**

PSC Student Trustee Stratman reported that with the fall semester almost over students had already registered for spring classes.

There were many events at PSC designed to keep students involved on campus and they were very successful. Events had been hosted in the new Performing

Arts Center including a debate and hypnotist. Several new student organizations were being developed which helps to improve student involvement on campus. Such groups included a Book Club, Bowling Club, C^2 Spirit Club, Pokemon Go Club and Turning Point USA Club.

Several events had been held during Mental Health Awareness Month (October) to help make students more aware of mental health and to reduce the stigma attached to mental health issues. The Mental Health First Aid was developed to train faculty, staff and students to help reduce the stigma, address prevention and increase the use of counseling services for mental health. Currently 36 faculty, staff and students have been trained. Stratman also noted that over 300 students had participated in the Glow Walk held to raise awareness of mental health on campus.

Student Trustee Stratman also thanked Chancellor Carpenter for his time as Chancellor for the Nebraska State College System and for all he has done for the students.

WSC Student Trustee Pedersen reported that WSC Student Senate hosted the NSCS Student Leadership Conference this year. She also reported that the WSC Student Senate had received feedback from students regarding the implementation of the new smoking policy which designated smoking areas throughout campus. The Senate reviewed the feedback and concerns and decided to forward the original recommendation to the Support Staff, Professional Staff and Faculty Senates for review. The Senate also created the Student Trustee Application Review Committee to review the applications for the 2019-2020 Student Trustee.

Students are registering for classes for spring 2019. Many festive traditions also have and will be occurring which include the 24th Annual Turkey Drop, the Winter Wonderland event, and the 15th Annual Festival of Trees.

Several events on the WSC campus have focused on the serious and relevant issue of mental health. A mental health panel was conducted by the Student Athletic Advisory Committee, suicide prevention training was offered to interested students and community members and the QPR (Question, Persuade, Refer) program was offered as well.

WSC Student Trustee Pedersen thanked Chancellor Carpenter for what he had done for the students during his time as Chancellor and wished him a relaxing retirement.

CSC Student Trustee Brunswick reported that eight (8) Chadron State ROTC cadets traveled to Arlington, Virginia to participate in the Army 10 miler—CSC ranked 41st out of 96 teams with over 34,000 participants.

Twelve Phi Beta Lambda (PBL) students attended the inaugural Career Connections Conference in New York City. The conference included a tour of Wall Street, a networking reception with New York City area professionals and LinkedIn workshops. Four PBL members attended the fall leadership conference in Omaha at Gallup's Riverside campus. Alex Gorynski, a 2007 PSC graduate, was the keynote speaker at the conference.

One focus on campus has been mental health awareness. Project Strive/TRiO purchased a mental health awareness documentary by Kevin Hines, a well-known mental health awareness speaker, who spoke at CSC last year. The CSC Social Work 435 class held its annual social work conference with its focus on mental health awareness also.

The football team finished its inaugural season in the new facility undefeated at home and finished the year 7-3.

The residence life association turned Brooks Hall, a temporarily closed residence hall, into a spectacular haunted house with 343 students attending the event. A Mini Big Event was held to raise awareness of The Big Event that takes place in the spring.

CSC Student Trustee Brunswick thanked Chancellor Carpenter for his time as Chancellor and for what he has done for the students over the years.

Chair Bieganski noted that Cap Peterson will provide greetings from the Board at the commencement ceremonies at Wayne and he was talking to Jess Zeiss about providing greetings from the Board at the commencement ceremonies at Chadron on December 14.

Chair Bieganski noted the next meeting for the Board would be held January 15, 2019 in Lincoln. The Senator's Reception would follow the meeting from 4-7 at the Ferguson House in Lincoln.

Adjournment

The meeting was adjourned at 9:24 AM

Stan Carpenter, Chancellor

ITEMS FOR CONSENT AGENDA

January 15, 2019

ACTION: **Approve Authorization for Chancellor to Sign Contracts for Wayne State College (FFA)**

Wayne State respectfully requests authorization for the Chancellor to sign contracts for the following upcoming projects:

Berry Hall Fire Sprinkler Installation-Phase 2
Morey Hall Fire Sprinkler Installation
Bowen Exterior Sealant Replacement
Energy Plant Efficiency Chillers and Controls Upgrades

The first three projects are funded through contingency maintenance and the final project is being funded by the 309 Task Force for Building Renewal.

Authorization for the Chancellor to sign contracts in amounts not to exceed available funding for these 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 Contracts for Wayne State College (FFA).

ITEMS FOR CONSENT AGENDA

January 15, 2019

ACTION: LB 309 Allocations and Retrievals (FFA)

Chadron State

1. Retrieval of \$10,100 for Memorial Hall HVAC compressor replacement

Allocation Date/Amount	6/18/18	\$60,000.00
Retrieval Date/Amount	10/23/18	<u>10,100.00</u>
Estimated Project Cost		\$49,900.00

2. Retrieval of \$12,096 for Math Science Building air handling unit repair

Allocation Date/Amount	8/9/18	\$35,000.00
Retrieval Date/Amount	10/23/18	<u>12,096.00</u>
Estimated Project Cost		\$22,904.00

3. Retrieval of \$23,825.86 for King Library lighting upgrade

Allocation Date/Amount	3/13/17	\$180,000.00
Retrieval Date/Amount	10/23/18	<u>23,825.86</u>
Estimated Project Cost		\$156,174.14

4. Allocation of an additional \$1,010,000 for roof replacement on Armstrong Gymnasium

Allocation Date/Amount	10/30/18	\$1,010,000.00
Previous Allocation(s)	8/14/17	90,000.00
College Contribution		<u>00.00</u>
Estimated Project Cost		\$1,100,000.00

Wayne State

1. Allocation of an additional \$50,000 for Energy Plant efficiency improvements

Allocation Date/Amount	5/15/18	\$50,000.00
Previous Allocation(s)	8/14/17	10,000.00
College Contribution		<u>00.00</u>
Estimated Project Cost		\$60,000.00

The System Office recommends approval of the LB 309 Allocations and Retrievals (FFA).

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve 2019-2021 Agreements Between the Board of Trustees of the Nebraska State Colleges and 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 2019-2021 Agreements with SCEA, NSCPA and NAPE/AFSCME.

ATTACHMENTS:

- SCEA TA Document 12.6.18 (PDF)
- NSCPA TA Document 12.19.18 (PDF)
- NAPE TA Document 12.20.18 (PDF)

2019-2021 SCEA Agreement

AGREEMENT 2019-2021

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

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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

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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) business day prior to the first day of classes of the Fall semester until the completion of the final examination 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. 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.

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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-four (24) will receive overload compensation per Section 10.6. Instructional loads with fewer than twenty-four (24) 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 than August 1 for fall semester and December 15 for spring semester unless exceptional circumstances exist that prevent meeting those deadlines.

5.2.4 Directed Study, and Independent Study

Directed study, and independent study assignments will be offered with the approval of the faculty member and at the Dean's discretion. Faculty teaching 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

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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 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

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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.

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

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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) 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.

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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.

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.

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;

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- 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.

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. 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

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member within thirty (30) 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 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 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.

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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 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

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remaining portion will be paid by the faculty member.

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.

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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 – TA 11/13/18

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. The professional development budget shall be funded annually at an amount no less than \$200 times the number of members in the SCEA bargaining unit.

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 faculty members to take courses.

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

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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.

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:

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- a) **Step 1.** A formal grievance shall be filed in writing with the Vice President for Academic Affairs within twenty (20) 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) 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) 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) 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) business days from receipt of the Academic Vice President's determination to appeal by filing the grievance and all prior responses with the President.

Within ten (10) 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) 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

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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) 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) business days following receipt of the recommendation of the Grievance Advisory Committee.

- c) **Step 3.** The grievant shall have ten (10) 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) 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.

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.

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Section 10.3 Base Salary Adjustments

Salary dollars will be distributed as follows:

- a) For 2019-2020, each returning faculty member with overall satisfactory performance shall receive a two and one-half (2.5%) percent increase above the prior year base salary. TA 12/6/18
- b) For 2020-2021, each returning faculty member with overall satisfactory performance shall receive a two and one-half (2.5%) percent increase above the prior year base salary. TA 12/6/18
- c) Faculty earning new doctorates will be awarded an additional three thousand dollars (\$3,000) upon receipt by the 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. 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 2019-2020 and for 2020-2021 as noted below. TA – 11/4/18

The following 2019-2020 and 2020-2021 rank base salaries (promotion base ~~or salary minimums~~) shall apply to all faculty members beginning work prior to the Fall 2019 semester. TA – 11/4/18

	2019-2020 Increase	2019-2020 Rank Promotion Base Salaries
Professor	<u>2.5%</u>	<u>\$73,200.26</u>
Associate	<u>2.5%</u>	<u>\$62,313.79</u>
Assistant	<u>2.5%</u>	<u>\$53,405.49</u>

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Instructor	—%	\$
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TA – 11/4/18

	2020-2021 Increase	2020-2021 Rank Promotion Base Salaries
Professor	<u>2.5%</u>	<u>\$75,030.27</u>
Associate	<u>2.5%</u>	<u>\$63,871.64</u>
Assistant	<u>2.5%</u>	<u>\$54,740.62</u>
Instructor	—%	\$

TA – 11/4/18

- 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 2019-2020 and for 2020-2021 as noted below.

The following 2019-2020 and 2020-2021 new hire rank base salaries shall apply to all faculty members hired to begin work in the first semester of the 2019-2020 or 2020-2021 academic years:

	2019-2020 Increase	2019-2020 New Hire Rank Base Salaries
Professor	<u>2.5%</u>	<u>\$66,989.10</u>
Associate	<u>2.5%</u>	<u>\$57,058.31</u>
Assistant	<u>2.5%</u>	<u>\$48,881.99</u>
Instructor	<u>2.5%</u>	<u>\$39,439.88</u>

	2020-2021 Increase	2020-2021 New Hire Rank Base Salaries
Professor	<u>2.5%</u>	<u>\$68,663.83</u>
Associate	<u>2.5%</u>	<u>\$58,484.76</u>
Assistant	<u>2.5%</u>	<u>\$50,104.04</u>

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Instructor	2.5%	\$40,425.87
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- 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 – TA 11/13/18

Annual employment contracts specifying salaries shall be issued to bargaining unit faculty members as soon as possible following the Board's June meeting. Faculty members shall be notified of the expected date of contract delivery each year no later than April 30th by email to their College email address. 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.

Annual employment contracts shall be sent to faculty by email to their College email address. Faculty members who have received the annual employment contract but willfully refuse to sign and return the signed contract within twenty (20) calendar days may be considered to have resigned. Employment contract forms shall contain a warning regarding the voluntary resignation provision. Attempts to contact faculty members and evidence that the contract was sent and received shall be documented by the Human Resources Office.

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 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 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. Any credit hours beyond twenty-four (24) will be considered an overload.

The overload rate for graduate courses during the regular academic semester shall be computed at the rate of two and one-quarter percent (2.25%) of the faculty member's academic year salary per credit hour. When a faculty member has an overload, the overload will be considered a graduate overload to the extent that the faculty member teaches graduate courses that particular semester. Dual-listed courses (courses that enroll

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both undergraduate and graduate students) are excluded from this rate. TA 12/6/18

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. Credit hours shall be adjusted for laboratory and/or graduate courses in a manner consistent with course load practice during the regular term.

Section 10.8 Summer Contracts – TA 11/8/18

Faculty are not obligated to accept summer teaching or non-instructional assignments. If faculty agree to accept summer teaching or non-instructional assignments during the summer, compensation shall be provided and an employment contract shall be signed by the faculty member and President.

Campus administrations shall attempt equitable distribution of summer employment, consistent with the demand of individual programs. Summer contracts will be issued prior to the start of each semester and/or course start date.

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

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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 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 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.

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 TA -11/4/18

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

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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 by the Board 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 TA – 11/4/18

~~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. 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 PPO dental plan will be provided which covers 100% of preventive, diagnostic, maintenance, and restorative services of in-network providers. Non-PPO provided services will be covered at a reduced rate of eighty percent (80%). Maintenance and restorative dental services will require a calendar year deductible. Orthodontic services are not covered. The Board will contribute eighty-five percent (85%) toward the cost of individual employee dental coverage and seventy-five percent (75%) toward the cost of family, employee/children or employee/spouse dental coverage. Faculty members who elect insurance coverage must enroll in both the medical and dental plans.

When both members of a married couple are employed by the Board and request family coverage, each faculty member will be required to contribute an amount equal to the individual employee plan premium.

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,

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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 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) 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

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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.

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.

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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 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.

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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:

- 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 three (3) days of accrued sick leave per leave

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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.

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

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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 TA 11/4/18

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 149, 2020. 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 149, 2020. Alternate team members may be identified at a later date if the need arises.

Section 13.2 Leave To 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 TA 11/8/18

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 the reduction in force ~~recommendations regarding program viability based on pre-determined viability standards and~~ within the time limits established by the Board. The President shall provide the advisory committee with criteria and data that will be considered to determine program viability. The advisory committee shall also consider academic programs and academic services. It is specifically agreed that the faculty advisory committee recommendation shall be advisory only and that

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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:

- 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 TA 11/4/18

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.

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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.

Faculty members who are recalled within two (2) years following the layoff, will have tenure, rank, and salary held at the time of layoff reinstated. Service time accrued at the time of layoff will also be restored.

Section 14.7 Reassignment TA – 11/4/18

~~Before laying off a faculty member, Once a faculty member has received a layoff notice,~~ the Board shall provide an opportunity for the faculty member to be interviewed for alternative employment in current faculty, professional staff and support staff vacant positions ~~make a reasonable effort to place that individual in another vacant position~~ for which the faculty member is qualified within the College. This opportunity for employment in professional and support positions can be provided to the faculty member only after the Board has complied with contract rights guaranteed to employees covered by the NAPE/AFSCME and NSCPA Bargaining Agreements.

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.

Section 14.9 Unemployment TA 11/4/18

Human resource information provided in response to unemployment claims for faculty members who have been laid off will clearly identify the layoff, not misconduct, as the reason for the separation from employment.

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

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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

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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 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

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- 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 TA 11/4/18

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 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

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- (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;
 - 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;
 - ix) student recruitment and retention activities; and
 - x) representing the College at events and activities.

Section 16.4 Promotion Process

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Each College shall have its own internal process for recommending 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 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 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.

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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 a review process with recommendations submitted on March 15th by the Academic Vice President. Tenure review will include:

- a) peer 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. 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

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recommendations of the 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.

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.

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- 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.

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

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Section 17.1 Non-Tenured Faculty – Non-Renewal Notices TA 11/4/18

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
Prior to December 15	Personal conference and written notice of non-renewal in 2 nd year of service
Prior to May 30	Personal conference and 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) disregard for established policies or procedures, to the detriment of students, employees, or the College itself;
- e) insubordination; and,
- f) neglect of duty.

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Section 17.3 Personal Conference

Prior to submitting a Recommendation for Dismissal to the President, the Dean and the Academic Vice President shall meet and discuss a draft of the Recommendation for Dismissal with the faculty member. 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 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 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 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 17.5 Advisory Committee Selection Process

An Advisory Committee will conduct hearings requested by faculty members pursuant to Section 17.4. 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 17.6 Advisory Committee Procedures

The President shall 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

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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 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 17.7 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 17.8 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 17.9 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 17.10 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

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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 shall submit a recommendation to the Chancellor at the conclusion of the hearing, as to whether or not the 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 Chancellor, on behalf of the Board, shall issue a written decision stating the reasons therefore within thirty (30) business days.

Section 17.11 Hearing Date

The date for a hearing 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 17.12 Chancellor Decision

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

Section 17.13 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, College administrators, or witnesses shall be avoided. As a personnel proceeding, the hearing proceedings are confidential. Hearings will be closed to the public.

Section 17.14 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 17.15 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

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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, 2019, and shall continue in full force and effect until the thirtieth (30) day of June, 2021.

ARTICLE XXI. HIRING

Section 21.1 Candidates Informed of Negotiated 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.

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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.

NSCS-NSCPA BARGAINING AGREEMENT July 1, 2019 - June 30, 2021

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 Chief

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Negotiator or designee before posting of such position, reclassification of the position, or change in the job title.

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, 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

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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, Human Resources shall post notice of the vacancies on its website. Such notices shall include the job title, description, qualifications, date of availability, proposed salary or 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. TA 11/20/18

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.

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.

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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. The Human Resource Director will notify the local NSCPA President of the new hire within thirty (30) calendar days of the start date. TA 11/20/18

Section 2.7 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

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)~~ One hundred five (105) calendar days prior to expiration during the second (2nd) year of employment as a unit member; or, TA 11/20/18
- c) One hundred eighty (180) calendar days prior to expiration during the third (3rd) and subsequent years of employment as a unit member.

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- 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.

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.

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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.

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) twenty-five (25) working 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. TA 11/20/18

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.

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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. 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 will maintain their service date in relation to any leave/vacation benefits. 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 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 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.

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:

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(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

(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

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Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

Last Monday in May
July 4
First Monday in September
Fourth Thursday in November
Friday following
December 25

Employees with less than a 1.0 FTE position shall earn holiday leave at a proportional pro-rated amount. TA 11/20/18

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.

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Files must be reviewed in the presence of the Human Resource Director/AVP or designated Human Resource staff member.

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.

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

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evaluation with a copy placed along with the evaluation in the unit member's official personnel file.

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) working 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. TA 11/13/18

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

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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 <u>1,000</u>
Masters Degree	\$ 1,0 <u>5</u> 00
Doctoral or appropriate terminal Degree	\$ 2,500
TA 11/20/18	

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 members with the supervisor or administrator who made the decision at issue. Any disposition satisfactory

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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 argument or evidence. The grievant shall also have the right to assistance by NSCPA or an attorney at

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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 2019-2020 Base Salary Increase

For the 2019-20 fiscal year, the amount of the annual base salary increase for each unit member shall be two and one-half percent (2.5%) above each unit member's prior year annual base salary. TA 12/13/18

Section 12.2 2020-2021 Base Salary Increase

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For the 2020-21 fiscal year, the amount of the annual base salary increase for each unit member shall be two and one-half percent (2.5%) above each unit members prior year annual base salary. TA 12/13/18

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~~ each local NSCPA President and the Chief Negotiator with the list of all NSCPA classification titles with corresponding salary ranges annually in July and any time it changes-the list is updated. TA 11/20/18

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.

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 by the Employer and request family coverage, each individual will be required to contribute an amount equal to the contribution a unit member makes toward single coverage. TA 11/20/18

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.

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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.~~

A PPO dental plan will be provided which covers 100% of preventive, diagnostic, maintenance, and restorative services of in-network providers. Non-PPO provided services will be covered at a reduced rate of eighty percent (80%). Maintenance and restorative dental services will require a calendar year deductible. Orthodontic services are not covered. The Employer will contribute eighty-five percent (85%) toward the cost of individual employee dental coverage and seventy-five percent (75%) toward the cost of family, employee/children or employee/spouse dental coverage. Unit members who elect insurance coverage must enroll in both medical and dental plans.

When both members of a married couple are employed by the Employer and request family coverage, each unit member will be required to contribute an amount equal to the individual employee plan premium. TA 11/20/18

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

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carrier. The Employer will provide seventy-five percent (75%) of the aggregate costs of this coverage.

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

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resident tuition rate for an on-campus course (beyond one dollar (\$1.00)). Waivers are subject to the following conditions:

- 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, and dependents will be allowed to use, free of charge during non-working hours, those facilities belonging to the College that are used to promote wellness. Although there is no membership fee to access the facilities, the College may charge spouses and dependents (17 years and older) a fee for an identification card to access the facilities. Dependents under the age of 17 must be accompanied by an adult to use the facilities. 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. TA 11/20/18

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
<u>11th year</u>	<u>21 days</u>

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<u>12th year</u>	<u>22 days</u>
<u>13th year</u>	<u>23 days</u>
<u>14th year</u>	<u>24 days</u>
<u>15th year</u>	<u>25 days</u>

~~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 basis for computation of twenty (20) vacation days per calendar year is the accrual of 1.667 vacation days per month of employment. TA 11/20/18~~

Unit members with appointments less than 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.

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- 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
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 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.

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- 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 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.

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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 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

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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.

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), 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 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.

Section 14.9 Civic Duty Leave

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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 [per Board Policy 5608](#). TA 11/20/18

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.

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.

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- 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~~ TA 11.13.18

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. TA 12.13.18

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. TA 11.13.18

Section 15.3 Distribution of Unit Information

Unit members ~~will~~ shall 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 on campus,~~ including email and 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. TA 12.13.18

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.

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.

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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. TA 11.13.18

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

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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.

- 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

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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.

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

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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. 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

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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.

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.

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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.

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 geographic location, 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. TA 11/20/18
- b) When a layoff is contemplated, the President will consult ~~inform the local NSCPA President and provide an opportunity to meet with the local NSCPA President, on behalf of the chapter as soon as possible to discuss potential layoffs. The Human Resources Director/AVP shall attend the meeting. After the meeting, the chapter will have up to ten (10) working days to shall make submit written recommendations regarding potential layoffs to the President and act in an advisory capacity only. The local NSCPA President or designee will forward the chapter's written recommendation to the President. No action regarding layoffs shall proceed until this process has been completed. TA 12/19/18~~

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- 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 at each geographic location for each classification selected for layoff. TA 11/20/18
 - 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.
- 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. Five (5) of the ten (10) days shall be with pay. TA 11/20/18

ARTICLE 18 MANAGEMENT

Section 18.1 Management Authority

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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.

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

2019-2021 NSCPA Agreement

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, 2019, and shall continue in full force and effect until the thirtieth (30th) day of June, 2021.

2019-2021 NAPE Agreement

AGREEMENT 2019-2021

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 2019, and shall continue in full force and effect until the thirtieth (30th) day of June 2021.

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(s) in the Human Resources Office
- b) Office Assistant to Vice President for Administration or Business
- c) Secretary Support Staff position assigned to the President – TA 11/21/18
- 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.

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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 VI, VII, IX, and Section 504. 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 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,

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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

- 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~~

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~~a probation period.~~ Probationary employees shall have no grievance rights under this Agreement but shall retain all applicable rights under state and federal law. TA 10/25/18

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

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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 at least 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. TA 10/25/18

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

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. TA 11/21/18~~

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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 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

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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 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.

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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

Employees with less than a 1.0 FTE position shall earn holiday leave at a proportional pro-rated amount. TA 10/25/18

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.

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

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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.
- 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

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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.

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.

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- 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.

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.

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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.
- 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.

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- 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.

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

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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 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.

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Section 12.2 Layoffs. The Employer decides when a layoff is necessary, and which classes of employees and positions and geographic locations 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. – TA 11/21/18

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 geographic location and classification(s) targeted for layoff has (have) been determined, the employee(s) in the geographic location and 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). – TA 11/21/18

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 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.

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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.

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 in the Human Resource Office for each employee. TA 10/25/18

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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 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

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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.

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.

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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 2019-2020 Annual Salary Increase. For the 2019-2020 fiscal year, each employee will receive a two and one-half percent (2.5%) salary increase above his or her prior year base salary of July 1, 2019. Increases shall be provided to all employees with satisfactory or better performance evaluation reports. TA 12/20/18

Section 16.1 2020-2021 Annual Salary Increase. For the 2020-2021 fiscal year, each employee will receive a two and one-half percent (2.5%) increase above his or her prior year base salary on July 1, 2020. Increases shall be provided to all employees with satisfactory or better performance evaluation reports. TA 12/20/18

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 ~~zero~~ two and one-half percent (2.5%) each year of this Agreement. TA 12/20/18

Section 16.4 Service Date Salary Adjustments. To be effective July 1, 2019: - TA 10/9/18

Employees who have worked five (5) or more years of continuous service in a listed position will receive, at a minimum, the salary identified in salary category two (2) of the Salary Guide. Note: Prior, non-continuous service shall not apply for service date salary adjustments. – TA11/29/18

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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.

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, 2019 and July 1, 2020 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

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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 bids to insurance carriers, the Employer shall meet and confer with the Union in regard to specifications of such contracts.~~ TA 10/25/18

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, ~~maintenance and restorative~~ services, ~~maintenance dentistry, and restorative dentistry of in-network providers.~~ Such coverage will include dental services ranging from examinations, cleaning and fillings to caps, crowns, bridges and root canals. ~~Maintenance and restorative dental services will require a calendar year deductible.~~ Orthodontic services ~~are not covered will not be provided.~~ The Employer will contribute eighty-five percent (85%) toward the cost of ~~single dental coverage individual employee dental coverage and~~ . 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 ~~both~~ the ~~group medical and dental plans plan to be eligible for dental plan coverage.~~

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

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individual employee plan premium contribution an employee makes toward single coverage. TA 11/21/18

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, 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.

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- a) Voluntary Retirement Settlement Program. Eligible employees who elect to surrender their right to continued employment and retire on June 30, 2016~~20~~²⁰, 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. TA 12/20/18

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 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

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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, ~~and dependents~~ will be allowed to use, ~~free of charge during non-working hours,~~ those facilities belonging to the College that are used to promote wellness. ~~Although there is no membership fee to access the facilities, the College may charge spouses and dependents (17 years and older) a fee for an identification card to access the facilities. Dependents under the age of 17 must be accompanied by an adult to use the facilities. 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 - TA 11/21/18

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

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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.

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. Accrual of sick leave shall begin the first day of employment.

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. Accrual of sick leave shall begin the first day of employment. 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: TA10/25/18

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

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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 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

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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 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. Accrual of vacation shall begin the first day of employment. 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]

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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. Accrual of vacation shall begin the first day of employment. 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: TA 10/25/18

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
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.

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- 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 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,

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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 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~~. [TA 10/25/18](#)

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. Generally, bereavement leave is taken immediately following the death, however, there

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may be circumstances when more flexibility is needed, for example, if a memorial service is scheduled at a time in the future. TA 10/25/18

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 or compensatory 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.

If College classes will be canceled or if the College will be closed, the President shall make every reasonable effort to notify all employees as soon as possible. Employees who are required to report to work to provide emergency or other essential services shall be clearly identified and notified as soon as possible. – TA 11/21/18

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 if a claim has been approved by the workers' compensation program administrator. 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. – TA 11/21/18

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 per Board Policy 5608.

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According to the terms of the Family Military Leave Act (Neb. Rev. Stat. §§55-501 to 507), an eligible employee 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 employee 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 employee 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. Employees taking family military leave for less than five (5) consecutive days shall give the Employer advanced notice as is practicable. The employee 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 employee's eligibility for the family military leave requested.

For benefit purposes, employees taking Family Military Leave will be treated the same as other employees taking unpaid Family and Medical Leave. TA 10/25/18

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.

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

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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 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.

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- 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 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.

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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.

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.

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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/AVP 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 Assigned Equipment, 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. – TA 10/9/18

Section 24.3 Uniforms. Whenever full or partial uniforms are required, employees shall be consulted and given an opportunity to provide input regarding the style, fit and utility of any required uniforms. – TA 11/29/18

Appendix A

Delete Automotive Mechanic (SG 8) - TA 10/25/18

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Delete Academic Records Clerk (SG 4) – TA 11/29/18

Delete Academic Credentials Technician (SG 7) – TA 11/29/18

Delete Publications Technician (SG 8) - TA 1025/18

Add Financial Aid Technician in SG 7 and retitle the two Accounting Clerk IIIs at PSC (Tammy Sommerhalder and Tracey Winkelhake) and one OA III (Britney Hart) at WSC into that classification. They keep their service time for longevity increases. – TA 11/29/18

Charts will be calculated from the annual salary amount so that the numbers match our budget prep system - TA 10/25/18

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NAPE TA 12.20.18

Attachment: NAPE TA Document 12.20.18 (2370 : 2019-2021 Agreements with SCEA, NSCPA and NAPE/AFSCME)

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Designation of Chancellor Associate for Mrs. Shelly Turman**

In accordance with Board Policy 5024, the spouse of the Chancellor may be designated as the Associate of the Chancellor if approved by the Board of Trustees. This appointment acknowledges the Associate's responsibility as an official agent of the System for the purpose of performing services. The appointment as an Associate is without salary or benefits and conveys no rights associated with employment by the Nebraska State College System or the State of Nebraska except as specifically provided in policy.

The System Office recommends approval of the Designation of Chancellor Associate for Mrs. Shelly Turman.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Memorandum of Understanding with ESU 13 for Chadron State College**

The Memorandum of Understanding supports collaboration opportunities for CSC to provide undergraduate and graduate level continuing education/professional development course credit with Education Service Unit 13.

Chadron State respectfully requests approval of this Memorandum of Understanding.

The System Office and Chadron State College recommend approval of the Memorandum of Understanding with ESU 13 for Chadron State College.

ATTACHMENTS:

- CSC ESU 13 MOU (PDF)

**MEMORANDUM OF UNDERSTANDING
BETWEEN
EDUCATIONAL SERVICE UNIT 13
AND
THE BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES D.B.A. CHADRON STATE COLLEGE**

This MOU is made by and between the Board of Trustees of the Nebraska State Colleges doing business as Chadron State College ("CSC"), and Educational Service Unit 13 ("ESU 13").

INTENT OF MOU: It is the intent of CSC and ESU 13 is to collaborate to provide CSC undergraduate and graduate-level continuing education/professional development credit for ESU 13 courses. In addition, to allow ESU 13 office space on CSC's campus and use of facilities and technological resources for those ESU 13 employees based in Chadron, NE.

EFFECTIVE DATE: This MOU shall be in effect from February 1, 2019 until June 30, 2024.

COURSES: All courses will be developed and taught by ESU 13, and remain the sole property of ESU 13. Within any applicable governmental or accreditation approvals or regulations, CSC will offer undergraduate and graduate-level continuing education credit for all CSC-approved ESU 13 courses. CSC makes no guarantee that ESU 13 courses can be applied to any degree program at CSC or otherwise, without prior approval from CSC or another accredited institution of higher education.

COURSE APPROVAL: ESU 13 will email the syllabi for the proposed course offering and other documentation as requested, to the CSC Office of Market Development (OMD) at least thirty (30) days prior to the start date of the proposed course. The CSC OMD will serve as the liaison between ESU 13 and the appropriate CSC Academic Dean(s) to request approval. After reviewing course syllabi provided by ESU 13 and providing the courses meet established CSC standards, the appropriate CSC Academic Dean(s) will approve courses for applicable undergraduate or graduate-level continuing education or professional development semester credit. The CSC OMD will then notify ESU 13 of the approval.

INSTRUCTORS & EVALUATORS: All instructors/evaluators will be hired by and be the responsibility of ESU 13. All instructors/evaluators teaching undergraduate courses will hold a minimum of a master's degree with at least eighteen (18) graduate credit hours in the content area of instruction. All instructors/evaluators teaching graduate courses must hold a terminal degree.

REGISTRATION: Upon notification of course approval, the CSC OMD will provide ESU 13 with application and enrollment instructions to distribute to interested students wishing to take the course for CSC undergraduate or graduate credit. Payment must be received from the student, prior to enrollment in undergraduate or graduate credit at CSC and at such time as payment is due, CSC will contact the student with instructions for making payment. CSC will be responsible for managing processes pertaining to application, registration, tuition payment, refunds, transcripts, and course-swapping or course-extension requests. Students will follow all CSC processes and policies for application and enrollment as dictated by the CSC OMD and CSC will collect all course fees.

COURSE DELIVERY: ESU 13 will facilitate the course either on-site or online as approved by CSC.

CUSTOMER SERVICE: Requests will be dealt with on a case-by-case basis, dependent on the concern. ESU 13 and CSC will work together to resolve any issues when necessary.

COURSE CANCELLATIONS: ESU 13 will have the sole responsibility in electing to cancel courses due to low-enrollment or other appropriate reasons. Should ESU 13 elect to cancel a course, ESU 13 must notify CSC two (2) weeks prior to the course start date. CSC will be responsible for notifying any students enrolled of the cancellation. Any student payments CSC received prior to the course cancellation will be refunded to the student.

GRADE REPORTING: CSC will provide ESU 13 with a course roster indicating the students enrolled in the course for CSC undergraduate or graduate credit when enrollment is finalized. ESU 13 will return the roster, complete with student grades, to the CSC OMD within five (5) business days from receiving the course roster.

GRADES & TRANSCRIPTS: CSC will post students grades as reported by ESU 13 within five (5) business days of receiving the graded roster from ESU 13. Following established CSC guidelines, final course grades will be transcribed by CSC with appropriate semester credit using CSC's undergraduate or graduate-level continuing education/professional development course designation. Students will be responsible for requesting transcripts by following the instructions provided on CSC's website.

CONSIDERATION FOR COURSES: Within ten (10) days after the final graded roster has been submitted to CSC, CSC will generate a Request for Payment to ESU 13 which authorizes payment to ESU 13 in the amount of 50% of the current per credit hour tuition rate for the course (not to include fees), per registrant on the final graded roster. At least one student must complete the course and receive a grade to generate payment. ESU 13 will sign the Request for Payment and return to CSC. Upon receipt of the signed Request for Payment, CSC will initiate payment to ESU 13.

MARKETING: ESU 13 will have permission to use the name "Chadron State College", the trademark "CSC", or the CSC logo for the purpose of marketing course offerings. ESU 13 will verify the name, trademark and/or logo usage with CSC, prior to release of any materials to ensure it follows CSC Identity Standards. When appropriate, CSC will include the ESU 13 logo and course descriptions in print materials, CSC webpages and other marketing channels as necessary, with approval from ESU 13. ESU 13 acknowledges that, except for the permission granted herein, it has no right or interest in any of CSC's trademarks or copyrights and will not represent that it has such rights. Upon termination of this MOU, regardless of the reasons, the permission granted herein will automatically terminate and ESU 13 will no longer be authorized to use the CSC name or logo. CSC recognizes the same policy applies to ESU 13 trademarks and copyrights.

FACILITIES: CSC will provide ESU 13 with four (4) offices within Crites Hall. ESU 13 may utilize conference room space within Crites Hall and will reserve space via the Crites Hall building manager as needed. CSC will provide ESU 13 with a dedicated classroom (Miller Hall Room 309). ESU 13 staff will be provided with individual keys to access Crites Hall and their respective offices within, in addition to one key to access the classroom (Miller Hall 309). Access to Miller Hall outside of normal business

hours (M-F 6:00 a.m. – 9:00 p.m.) can be pre-arranged through the Chief Information Officer, who serves as the building manager, or the Associate CIO. ESU 13 will reserve conference room/meeting room space not included in this agreement as needed and as available through the CSC Conferencing Office. All room reservation fees associated with such requests will be waived. Food and/or beverage requests will be subject to standard fees as stated by the CSC Dining Service and must be coordinated via the CSC Conferencing Office. ESU 13 employees based at CSC will be included on any trainings or meetings pertaining to campus safety and/or facility usage. New, additional or requests to change office or classroom space allocated to ESU 13 should be submitted to the OMD via email (marketdevelopment@csc.edu) by the ESU 13 Administrator. Requests should include the number of offices and/or classrooms needed, who will occupy the office and explain the need for the additional space. The CSC OMD will review the requests, arrange for additional space (if available) and will update this MOU to reflect changes.

CAMPUS TECHNOLOGICAL RESOURCES: CSC will provide ESU 13 staff assigned to office space in Crites Hall, with access to the CSC network as per the standard campus network service and CSC printers/scanners/copiers via the computers provided by ESU 13 from their respective Crites Hall offices. Miller Hall MFP service is excluded. ESU 13 computers connected to the campus network for access to network resources will be under the monitoring services of the CSC IT department. This monitoring allows visibility into application software running on ESU 13 computers for support services and adherence to policy. Updated operating systems and active antivirus software are required of all computers. ESU 13 will supply distance learning equipment in Miller Hall Room 309 and the 2nd floor conference room at Crites Hall which is owned and maintained by ESU 13 but is available for use by CSC staff upon request by contacting the ESU 13 staff at CSC. CSC will provide a desktop computer integrated with the distance learning equipment in Miller Hall 309. Normal access (non-administrative) credentials to the desktop computer will be supplied by CSC to ESU 13. CSC technical service will be provided to the Miller Hall 309 computer and limited to CSC standard image network service, operating system and application software. ESU 13 staff will be responsible for technical support of all distance learning equipment. ESU 13 staff occupying Crites Hall offices may submit requests for assistance to the CSC IT Help Desk related specifically to the Miller Hall 309 computer, and Crites Hall printing and network services. ESU 13 will be included on any network outage notifications by way of a CSC ESU issued e-mail account. Additional resource usage requests will be directed to the OMD for review. ESU 13 staff utilizing CSC technology facilities agree to comply with all CSC Information Technology policies.

CONSIDERATION FOR FACILITIES AND TECHNOLOGICAL RESOURCES: CSC will invoice ESU 13 annually on February 1 of each year, for the use of facilities and campus technological resources at the flat-rate of \$9,476. Payment is due to CSC within thirty (30) days of the invoice date.

PROMPT PAYMENT ACT: In the event any amount due under this MOU remains unpaid for forty-five (45) days after the due date, the unpaid amount shall bear interest from the 31st day after the due date at the rate specified in the Prompt Payment Act, Neb. Rev. Stat. §§81-2401 to 81-2408.

NEW EMPLOYEE WORK ELIGIBILITY STATUS: - One box below must be selected and marked.

- ☒ **Employee Work Eligibility Status.** ESU 13 is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.
- ☐ ESU 13 is an individual or sole proprietorship. ESU 13 must complete the "United States Citizenship Attestation Form," available on the Department of Administrative Services website at http://das.nebraska.gov/lb403/attestation_form.pdf. If ESU 13 indicates on such attestation form that he or she is a qualified alien, ESU 13 agrees to provide US Citizenship and Immigration Services (USCIS) documentation required to verify ESU 13 lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program. *The attestation form and USCIS documents (if applicable) must be attached to the MOU.*

ESU 13 understands and agrees that lawful presence in the United States is required and ESU 13 may be disqualified or the MOU terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

FERPA: Both parties affirm that they will comply with the Family Educational Rights to Privacy Act for sharing student information.

ADA & DRUG-FREE WORKPLACE REQUIREMENTS: All provisions of this MOU are subject to the Americans with Disabilities Act (ADA). Further, ESU 13 certifies that it operates a drug-free workplace and, during the term of this MOU, will be in compliance with the provisions of the Drug-Free Workplace Act of 1988.

RELATIONSHIP OF PARTIES: No agent, employee, representative, or subcontractor of either party shall be deemed to be an agent, employee, representative, or subcontractor for the other party. Each party will be solely responsible at all times for its acts and the acts of its agents, employees, representative, or subcontractor.

LIABILITY INSURANCE REQUIREMENTS: One box below must be selected and marked.

- ☐ ESU 13 is required to carry liability insurance in the amount of one (1) million dollars per occurrence with a five (5) million dollar umbrella. ESU 13 insurance policy shall be primary and non-contributory. CSC shall be named as an additional insured party on the policy and the certificate of insurance shall reflect that the policy waives its right of subrogation against CSC. A copy of the certificate shall be provided to CSC.

- ☐ ESU 13 is required to carry liability insurance in the amount of one (1) million dollars per occurrence with a three (3) million dollar umbrella. ESU 13 insurance policy shall be primary and non-contributory. CSC shall be named as an additional insured party on the policy and the certificate of insurance shall reflect that the policy waives its right of subrogation against CSC. A copy of the certificate shall be provided to CSC.
- ☒ ESU 13 is required to carry liability insurance in the amount of one (1) million dollars per occurrence. ESU 13 insurance policy shall be primary and non-contributory. CSC shall be named as an additional insured party on the policy and the certificate of insurance shall reflect that the policy waives its right of subrogation against CSC. A copy of the certificate shall be provided to CSC.
- ☐ ESU 13 is not required to carry liability insurance as a condition of this MOU.

AUTHORIZATION & REPORTING: It is the sole responsibility of CSC to obtain and maintain any and all approvals needed to offer ESU 13 courses for undergraduate or graduate credit. CSC is responsible for any applicable IRS Form 1098-T reporting required by law as it relates to this MOU. CSC assumes full responsibility for operating in accordance with existing state and federal laws governing student registrations for credit and reporting.

MODIFICATION OF MOU: Renewal, extension or amendment of this MOU in any way shall be subject to mutual written consent of both parties.

TERMINATION OF MOU: So that ESU 13 can maintain the integrity and consistency of their programs, CSC will give ESU 13 a six month advanced notice in writing if CSC should decide to terminate this MOU, and will allow current registrants for CSC credit to finish their course(s) within normal CSC timelines. Should ESU 13 decide to terminate this MOU, it will afford CSC the same six months advanced written notice.

NOTICES: All notices, demands, requests, or other communications required to be given or sent by either party will be in writing and will be mailed by first-class mail or transmitted by facsimile or e-mail addressed as follows:

Educational Service Unit #13
 Attention: Jeff West
 4215 Avenue I
 Scottsbluff, NE 69361
 Phone: 308-633-3712
 Fax: 308-635-3696
 E-mail: jeffwest@esu13.org

Chadron State College
 Market Development
 Attention: Jon Hansen
 1000 Main St., Crites Hall Rm 335
 Chadron, NE 69337
 Phone: 308-432-6078
 Fax: 308-432-6424
 E-mail: jhansen@csc.edu

Each party may designate a change of address by notice in writing. All notices, demands, requests, or communications that are not hand-delivered will be deemed received three days after deposit in the U.S. Mail, postage prepaid; or upon confirmation of successful facsimile transmission.

NON-EXCLUSIVITY: This MOU does not imply exclusivity on the part of either party, meaning that ESU 13 may maintain similar working partnerships with other universities and colleges and CSC may maintain working relationships with other providers of continuing education courses/programs. Signatures, where indicated, shall constitute an agreement to terms and conditions between the parties.

FORCE MAJEURE: Neither party to this MOU will be liable to the other party for delays in performing the responsibilities, or for the direct or indirect cost resulting from such delays, that may result from acts of God, acts of government authorities, extraordinary weather conditions or other natural catastrophes, or any other causes beyond the reasonable control of either party.

SEVERABILITY AND SURVIVAL: If any one or more of the provisions of this MOU are found to be invalid, illegal, or unenforceable in any way, the validity, legality, and enforceability of the remaining provisions will not be affected.

GOVERNING LAW: This MOU shall be governed in all respects, by the laws of the State of Nebraska.

DESIGNATED CSC REPRESENTATIVE: The designated CSC representative for purposes of monitoring and oversight of this MOU is: Jon Hansen, 308-432-6078, jhansen@csc.edu.

PARTY SIGNATURES:

Educational Service Unit #13

Signature

Date

Title

Printed Name

Chadron State College

Signature

Date

Title

Printed Name

The Board of Trustees of the Nebraska State Colleges

Signature

Date

Title

Printed Name

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Internship Agreement with Nebraska Department of Health and Human Services for Practicum Experiences for Chadron State College**

Chadron State requests approval of this Internship Agreement which is an educational partnership under Board Policy 7015. This partnership will allow students to complete practicum experiences that are part of their graduation requirements.

The System Office and Chadron State College recommend approval of the Internship Agreement for Practicum Experiences for Chadron State College.

ATTACHMENTS:

- CSC - DHHS Affiliation Agreement (PDF)

BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES DBA CHADRON STATE COLLEGE

This Agreement establishes the relationship between the BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES DBA CHADRON STATE COLLEGE and _____ (referred to as the “Agency”).

The Chadron State College Social Work Program requires all social work students to complete a social work practicum in accordance to their academic plan of study and degree requirements. Social work practicum greatly enhances the student’s practical understanding of traditional classroom experience, and is the “signature pedagogy” of social work education.

For this Agreement, the Agency shall provide practical experience pursuant to the terms of this Agreement and serve as a practicum site offering facilities, resources, and supervision to an agreed number of students. Both parties acknowledge that students placed with the Agency shall enter into a separate 'Unpaid Intern Learning Agreement' prior to arrival at the Agency.

Both parties agree to the following:

I. Duties and Responsibilities of the Chadron State College Social Work Program

A. The Chadron State Social Work Program (referred to as the “College”) will be responsible for a practicum that is conducted during a regular academic semester. The College and the Agency agree to schedule the practicum hours to mutually benefit all parties involved and to conform to the scheduling of 34-36 hours a week for a total of not less than 450 hours of total practicum hours for the duration of the practicum.

B. The College shall certify eligibility for students applying for practicum placements. Approved students will have the appropriate educational background and skills. The College will notify the Agency regarding the student’s interest in completing a practicum at the Agency.

C. The College establishes all academic requirements the student must meet in order to earn academic credit for the practicum course (the Learning Contract). The College establishes a grading system and criteria to earn the grade upon completion of the practicum.

D. The College will assign a faculty liaison to monitor and provide input regarding the student’s performance during the practicum. A minimum of two liaison meetings will take

place during the time the student is in practicum. The College will assume all costs associated with faculty liaison monitoring of the student.

E. The College, prior to the student beginning practicum, will provide practicum instructor training material for Agency practicum instructors. The training will cover information the practicum instructor needs to know about the Learning Contract, evaluation of the student and supervision.

F. The College agrees to advise students of any known policies, procedures, and requirements of the practicum as specified by the Agency, i.e. background investigations, drug testing, health screenings, etc.

G. The College understands that the social work practicum at the Agency will not interfere with the primary mission of the Agency. The College shall require its students and faculty liaison to adhere to the Agency's rules, regulations, policies and procedures while on Agency premises.

H. The College may request termination of the practicum for any student not complying with College's policies, procedures, and guidelines outlined in the Student Handbook or Practicum Manual.

I. The College represents and warrants that at all times during the term of this Agreement, the College shall maintain through its self-insurance risk-loss trust comprehensive general liability coverage, including coverage for bodily and personal injury, property damage, and products liability, with limits of not less than \$1,000,000 for each claim and \$3,000,000 for each occurrence.

J. The College shall instruct students in the importance of confidentiality and will produce a signed document at Agency request showing student's willingness to adhere to all Agency policies regarding confidentiality.

K. The College shall inform each student desiring to participate in a practicum with the Agency that the student may be required to undergo a background check and drug screening at the student's expense prior to being accepted into a practicum with the Agency. The results of the background check and drug screening shall be shared with the Agency.

The College extends liability insurance coverage to students under this Agreement if student is acting for or on behalf of the College or when rendering services to another as part of his or her teaching or training by the College.

Upon request by the Agency, the College shall provide a certificate of insurance evidencing such coverage of the College. The College immediately shall notify Agency of any intent to modify or cancel such insurance coverage.

II. Duties and Responsibilities of the Agency

A. The Agency agrees to prepare a general practicum job description that outlines the duties and responsibilities of the practicum student. Should changes to the job description be necessary after the practicum is approved, the Agency agrees to notify the College of the changes.

B. The Agency agrees to notify the College of their selection criteria and any requirements of the selection process including but not limited to background investigations, drug testing, health screenings, etc.

C. The Agency selects practicum students based on the Agency's needs and preferences as well as availability of job tasks and supervision.

D. The Agency will work with the practicum student to determine the student's practicum work schedule. Students are required to complete a minimum of 450 practicum hours. Senior Seminar is required for all BSW level students and is normally offered on Fridays from 2-4 pm for the total length of the practicum.

E. The Agency shall not be required to pay wages to students for activities in the practicum nor workers' compensation benefits for any injury sustained during a practicum placement.

F. The Agency agrees to provide suitable workspace and resources for the practicum student to complete their practicum assignments. The Agency will also provide orientation, training, supervision and evaluation of the practicum student.

G. The Agency shall provide all reasonable information requested by the College on the student's practicum performance. Students are evaluated at mid-term of the semester and at the conclusion of the semester. The College Field Director will assist with these evaluations.

H. The Agency retains the right to terminate the use of its facilities, equipment, or supplies by any student or faculty liaison when deemed necessary by the Agency. Should the Agency become dissatisfied with the performance of a practicum student, the Agency may

request removal of the practicum student. This should occur only after the College has been notified in advance and a satisfactory resolution cannot be obtained, unless, in the Agency's sole discretion, removal of a student is necessary to maintain operation of its facilities free from disruption."

III. Mutual Terms and Conditions

A. This Agreement shall last for five (5) years from the date of the last signature below. Either the College or the Agency may terminate this Agreement with thirty (30) days' notice. Should the Agency wish to terminate the Agreement prior to the completion of a semester/term, any practicum student(s) will have the opportunity to complete their practicum elsewhere. In the event of a substantial breach, either party may terminate this Agreement.

B. The parties agree to continue their respective policies of nondiscrimination in regard to sex, age, race, color, creed, national origin, sexual orientation, as well as provisions of the Americans with Disabilities Act.

C. The relationship between the parties to this Agreement to each other is that of independent contractors. The relationship of the parties to this contract to each other shall not be construed to constitute a partnership, joint venture or any other relationship, other than that of independent contractors.

D. **INDEMNIFICATION:** Each party agrees that it will be responsible for its own acts and the results thereof and shall not be responsible for the acts of the other party and the results thereof. Each party therefore agrees that it will assume all risk and liability to itself, its agents or employees for any injury to persons or property resulting in any manner from the conduct of its own operations and the operations of its agents or employees under this Agreement, and for any loss, cost, or damage caused thereby during the performance of this Agreement.

E. **VOLUNTEER STATUS:** Participating students are volunteers of the Agency and are required to complete all documentation required of volunteers of the Agency. As volunteers, participating students are subject to any and all requirements of the Agency's Safe From Harm program.

F. **AGENCY:** This Agreement does not create an agency relationship between the Agency and the College. The Agency is not authorized to act on behalf of the College. Neither party has any authority to control how the other conducts its business based on any actual or implied theory of agency.

G. GOVERNING LAW AND FORUM: This Agreement shall be governed by the laws of the State of Nebraska. Any legal actions brought by either party hereunder shall be in the District Court of Lancaster County, Nebraska.

H. This Agreement represents the entire understanding between the parties. This Agreement shall only be modified in writing with the same formality as the original Agreement.

The authorized representatives of the parties have executed this Agreement as of the last date indicated below.

AGENCY	BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES DBA CHADRON STATE COLLEGE
Signature	Signature
Printed Name:	
Title:	
Date	Date

Recommended by:
Signature
Date

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Memorandum of Agreement for UNO Master of Arts
in Athletic Training Program for Peru State College**

Peru State requests approval of the Memorandum of Agreement with the University of Nebraska-Omaha (UNO) for a graduate program in Athletic Training. This MOU allows students at Peru State to have access to early application and admission opportunities for UNO's Athletic Training MA program during their senior year at PSC.

The System Office and Peru State College recommend approval of the Memorandum of Agreement for UNO Master of Arts in Athletic Training Program for Peru State.

ATTACHMENTS:

- PSC-UNO Memorandum of Agreement (PDF)

MEMORANDUM OF AGREEMENT

Between the
 BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES
 doing business as
 PERU STATE COLLEGE
 and the
 BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA
 doing business as the
 UNIVERSITY OF NEBRASKA AT OMAHA

This Memorandum of Agreement, referred to as “Agreement”, is entered into by and between the Board of Regents of the University of Nebraska, a public body corporate, for and on behalf of the Athletic Training Program at the University of Nebraska at Omaha (Omaha, NE), hereafter referred to as “UNO ATP”, and the Board of Trustees of the Nebraska State Colleges d.b.a Peru State College (Peru, NE), referred to as “PSC”. This Memorandum of Agreement that the UNO ATP and PSC enter into permits select and qualified PSC students access to an early review process for admission into the Master of Arts in Athletic Training offered by Graduate Studies in the School of Health and Kinesiology at the University of Nebraska at Omaha.

1.0 Terms and Renewal.

- 1.1 This Agreement shall be for a term of three (3) years commencing on August 1, 2019 and ending on July 31, 2022. The Agreement may be renewed per the written mutual agreement of both parties. This Agreement may be terminated for any reason by either party upon one hundred eighty (180) days’ written notice.

2.0 UNO ATP

- 2.1 The UNO ATP will annually consider applications from admitted PSC students for the UNO ATP.
- 2.2 In consultation with PSC, the UNO ATP will establish requirements for application and admission, performance standards for maintaining good standing while at PSC, criteria for progressing from provisional acceptance to matriculation at UNO ATP, and a maximum number of applicants to be accepted for the next admissions cycle. No later than June 15th of each year, these current, program-specific requirements, including the application and acceptance notification timeline, will be provided to PSC for students who are seniors and wish to apply for admission to UNO for matriculation in the summer of the following year.
- 2.3 PSC students accepted into the UNO ATP by UNO during their senior year of college at PSC will be given provisional admittance to the UNO ATP.
- 2.4 Admission to the program is at the discretion of the University of Nebraska at Omaha Athletic Training Program Graduate Selection Committee in conformity with Graduate Studies standards.
- 2.5 The UNO ATP agrees to hold a minimum of two (2) class seats per year in the program for PSC students who meet the application criteria set forth in this Agreement, and as

amended in the future. Should there be more than two PSC students each year who apply for admission and fully meet all requirements for admission to the UNO APT, the top two students will be awarded early admission and the remaining students will automatically be added to the general application pool.

- 2.6 The UNO ATP is not required to admit any PSC student who does not meet the application criteria associated with this Agreement, or any future amended versions.

[Signature Page Follows]

Approvals

IN WITNESS THEREOF, the authorized representative(s) of both parties have duly executed this Agreement hereto, and each party acknowledges the receipt of a duly executed copy of this Program Agreement.

For the Board of Trustees of the Nebraska State Colleges doing business as Peru State College:

Daniel Hanson, President Peru State College

Date

Paul Turman, Chancellor of the Nebraska State Colleges

Date

For the Board of Regents of the University of Nebraska, a public body corporate, for and on behalf of the University of Nebraska at Omaha:

UNO Department: School of Health and Kinesiology, Athletic Training Program

Adam Rosen, Graduate Program Chair

Date

UNO College of Education

Nancy Edick
Dean of College of Education

Date

UNO Graduate Studies:

Deborah Smith-Howell, Associate Vice Chancellor for Academic Affairs
Dean of Graduate Studies

Date

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Memorandum of Understanding with Casper College
for Peru State College**

Peru State requests approval of the Memorandum of Understanding with Casper College to facilitate the transfer of degrees and credits between Casper College and Peru State College for Accounting students.

The System Office and Peru State College recommend approval of the Memorandum of Understanding with Casper College for Peru State College.

ATTACHMENTS:

- PSC-Casper College Memorandum of Understanding (PDF)

**Memorandum of Understanding between
The Board of Trustees of the Nebraska State Colleges
doing business as Peru State College
and
Casper College**

This Memorandum of Understanding is designed to create the “Casper College to Peru State College Accounting Program Agreement” to facilitate the transfer of degrees and credits between THE BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES doing business as PERU STATE COLLEGE (PSC) and CASPER COLLEGE (CC), collectively (Parties).

This Agreement sets forth the entire agreement of the Parties and supersedes all previous agreements, prior negotiations, discussions and proposals.

PERU STATE COLLEGE and CASPER COLLEGE have reached an agreement on the following areas of cooperation, pertaining to the application process for and transfer of students from CC to PSC:

1. Total credit hours required for a Bachelor of Science in Business Administration—Accounting degree from PSC is 120 credit hours. The 120 credit hours will include general studies (40 credit hours—18 of which are required by the major), Business Administration with Accounting option major (57 credit hours), and general electives (23 credit hours). A minimum of 40 credit hours of upper-level course work (300 level or above) must be completed for graduation and 30 credits must be taken from PSC, including 24 of the last 30. Equivalent courses from CC that count for upper division PSC courses are not counted towards the upper division credit requirement. For transfer to the Bachelor of Science program, the following conditions apply:
 - a. Students fully graduated from CC with the Associate in Business degree will have fully met PSC’s General Studies requirements without the completion of further coursework in the General Studies area. Students will be required to complete all specific program requirements for the chosen area of study.
 - b. Students fully graduated from CC with the Associate in Applied Science degree will be required to fulfill the General Studies requirements from PSC for the BS degree as well as all specific program requirements for the chosen area of study.
 - c. CC students who complete the Accounting certificate will be required to complete additional general studies credit hours from PSC to meet the General Studies requirements for the BS degree as well as all specific program requirements for the chosen area of study.
2. Students from each CC program are eligible for transfer to the Bachelor of Applied Science in Management (BAS) program at PSC. Without an AA or AS degree, thirty (30) semester hours of General Studies are required which may be met through transfer of CC coursework. A minimum of one course must be selected from each of the five General Studies topic areas. A minimum cumulative grade point average of 2.0 (4.0 scale) is required for all coursework completed at PSC. To fulfill graduation requirements, 20 of the 120 hours must be in upper division classes; and grades

- lower than "C" will not satisfy core requirements. In addition to General Studies requirements, students would also need to complete the requirements for the BAS degree.
3. Students, even those without an Associate degree, will receive transfer credit for all college-level courses completed at Casper College with a grade of "C" or higher. Credit from other accredited institutions and standardized tests may also be considered for transfer credit. All PSC grade point average computations involve only courses taken for credit at PSC. PSC will allow no more than 80 semester hours of transfer credit from CC.
 4. CC and PSC will update courses regularly in the Transfer Equivalency System in order to promote the timely communication of program changes to students.
 5. Students entering the "Casper College to Peru State College Accounting Program" will be allowed to complete the program under the degree requirements listed in the PSC Catalog in effect at the time of their program initiation at CC.
 6. Students may earn a minor in a number of subjects by completing 18-21 hours of specified coursework. At least nine of the hours must be earned at PSC. In the event that a student transfers in enough minor course credit hours that fewer than 9 credits are remaining, the appropriate Dean will endeavor to allow course substitutions so that the student may complete 9 credit hours to count toward the minor credential.
 7. Students transferring into PSC must meet PSC's admission standards.
 8. Students enrolled in online courses at PSC pay the online rate. The online rate will be inclusive of tuition and fees. Students attending classes on campus pay the "One Rate Any State" rate. The "One Rate Any State" tuition rate for undergraduate, non-resident, on-site students at Peru State College is one dollar (\$1.00) above the undergraduate, resident rate. In addition, every student who matriculates to any College for the first time shall pay a matriculation fee.
 9. PSC staff will be available to assist CC students with appropriate academic advising related to the student's intended plan of study while at CC.
 10. Upon request of the student, PSC will provide transcripts to CC of work completed at PSC so that eligible students may complete reverse transfer requirements at CC, if desired.
 11. CC students will be eligible for transfer scholarships at PSC.
 12. Transfer students from CC are eligible to be on the PSC Dean's list each semester by obtaining 12 PSC semester-graded hours with a minimum grade point average of 3.5 or above.
 13. Transfer students from CC must earn a minimum of 54 PSC semester credit hours in order to be eligible to graduate with Honors.

14. Term and Termination of Agreement. The term of the Agreement shall be effective on January 15, 2019 and be in effect until either Party wishes to terminate the Agreement by written notification signed by the appropriate official of the Party initiating the termination. Such notification must be received by the other Party at least six months prior to the effective termination date.
15. Amendment of Agreement. This Agreement may be amended at any time by the written agreement of both Parties. Any amendments to this Agreement shall be in writing and approved in the same manner as was used to approve this Agreement.
16. Indemnification. To the maximum extent permitted by law, each Party agrees to indemnify and defend the other Party against, and to hold it harmless from, all claims, suits, liability, expense or damage (including reasonable attorneys' fees and court costs) for damage to property, injury to persons (including death) and any other claims, suits, or liability resulting from the negligence of such party or any of its employees or agents; provided however, the indemnification under this Section IV. C. shall not apply if such claims, suits, liability, expense or damage is the direct result of the willful misconduct or gross negligence of either Party. In no event shall either party be liable for any punitive, consequential, or special damages or lost profits incurred or alleged to have been incurred.
17. Both parties affirm that they will comply with the Family Educational Rights and Privacy Act (FERPA) for sharing student information.
18. The designated representatives of the parties for the purposes of monitoring and oversight of this Memorandum of Agreement are:

Dr. Tim Borchers
 Vice President for Academic Affairs
 Peru State College
 600 Hoyt Street, Peru, NE 68421
 (402) 872-2222, tborchers@peru.edu

Mark Oxley, MPA
 Accounting Department Head and Accounting Faculty
 Casper College
 Division of Business
 Casper College
 125 College Drive, Casper WY 82601
 (307) 268-2414, moxley@caspercollege.edu

In WITNESS WHEREOF, this Memorandum of Understanding has been executed on behalf of PERU STATE COLLEGE and CASPER COLLEGE.

PERU STATE COLLEGE

CASPER COLLEGE

By:

By:

Paul Turman, Chancellor
Nebraska State Colleges

Roberta Marvel
Dean, School of Business and Industry

Date:

Date:

By:

By:

Dan Hanson, President
Peru State College

Brandon Kosine
Interim Vice President for Academic
Affairs

Date:

Date:

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Addition of Health Sciences Education
Supplemental Endorsement for Peru State College**

The proposed supplemental endorsement in Health Sciences Education is designed to allow applicants who hold a subject or field endorsement in Science, Biology, Health and Physical Education, Physical Education, Agriculture Education or Family and Consumer Sciences Occupational to teach Health Sciences courses and be eligible for the Work-Based Learning endorsement.

The System Office and Peru State College recommend approval of the Addition of Health Sciences Education Supplemental Endorsement for Peru State College.

ATTACHMENTS:

- PSC Health Sciences Sup End Proposal (PDF)

Peru State College Proposal to Add Supplemental Endorsement Health Sciences Education

1. Descriptive information

A. Name of institution

Peru State College (PSC)

B. Name of program

Teacher Education – Health Sciences Education Supplemental Endorsement

C. Degrees/credentials to be awarded graduates of the program

Health Sciences Supplemental Endorsement for those who already hold or are concurrently ~~see~~ earning a subject or field endorsement in Science, Biology, or Health and Physical Education.

D. Other programs offered in this field by the institution

None

E. CIP code

13.1399

F. Administrative units for the program

School of Education

G. Proposed delivery site(s) and type(s) of delivery, if applicable

Peru State College

Courses will be offered in face-to-face, hybrid, and online formats.

Chadron State College (one course - online):

CTE 438-79A1 Coordinating Techniques/Work Base Learning

H. Proposed date (term/year) the program will be initiated

Fall, 2019

I. Description, including credit hours and other requirements (program of study) and purpose of the proposed program.

The Health Sciences Education Supplemental Endorsement will prepare an individual for certification by the Nebraska Department of Education to teach Health Science courses in grades 6 – 12. Students completing this program are required to be completing a teacher education

endorsement in 7-12 Science Education or P-12 Health and Physical Education, as this is a supplemental endorsement.

Program Outcomes aligned to the following Interstate New Teacher Assessment and Support Consortium (InTASC) Standards:

InTASC Standards

InTASC Standard #3: Learning Environments. The teacher works with others to create environments that support individual and collaborative learning, and that encourage positive social interaction, active engagement in learning, and self-motivation.

InTASC Standard #4: Content Knowledge

The teacher understands the central concepts, tools of inquiry, and structures of the discipline(s) he or she teaches and creates learning experiences that make these aspects of the discipline accessible and meaningful for learners to assure mastery of the content.

InTASC Standard #5: Application of Content

The teacher understands how to connect concepts and use differing perspectives to engage learners in critical thinking, creativity, and collaborative problem solving related to authentic local and global issues.

InTASC Standard #10: Leadership and Collaboration. The teacher seeks appropriate leadership roles and opportunities to take responsibility for student learning, to collaborate with learners, families, colleagues, other school professionals, and community members to ensure learner growth, and to advance the profession.

Program Outcomes

1. Possess content knowledge upon which to build the Health Science curriculum (InTASC 4).
2. Apply knowledge of core academic areas (English Language Arts, Mathematics, Science, and Social Studies) within the Health Science Curriculum (InTASC 5).
3. Incorporate an understanding of historical, current, and evolving domestic and global Health Science trends, including Health Science career possibilities and associated career preparation (InTASC 3, 10).
4. Demonstrate knowledge of, and the ability to develop student skills for successful employment in the Health Science industry (InTASC 10).
5. Demonstrate knowledge of health and safety policies/guidelines, regulatory standards, legal and ethical practices, and safety procedures related to Health Science occupations (InTASC 4).

Health Sciences Education Supplemental Endorsement Courses

In compliance with the Nebraska Department of Education Rule 24, the Health Sciences Education Supplemental Endorsement requires the courses below and should total a minimum of 15 credit hours. The equivalent courses offered at Peru State and its sister college are written in brackets and underlined next to the requirement.

- A) A minimum of 3 semester hours in foundations of career education; [Career education offered online by Chadron State College, 3 credits]
- B) A minimum of 6 semester hours that includes:
 - a: 3 hours in human anatomy or physiology; [BIOL 210: Human Anatomy; or BIOL 312: Human Physiology]
 - b: 3 hours in an additional health science area; [HPER 322: Community Health: Program Planning and Implementation; and HPER 360: Physiology of Exercise]
- C) A minimum of 3 semester hours of career exploration or independent work-based study in the Health Sciences industry under the direction of the college or university recommending the endorsement; [HPER 441: HPER Internship]
- D) A minimum of 3 semester hours in coursework designed to develop educator competencies including, but not limited to, student development, learning differences, learning environments, content knowledge and its application, classroom management, student assessment, planning for instruction, instructional strategies, collaboration, and ethical practice; [Since the Supplemental Endorsement can only be added to students accepted into and enrolled in the Teacher Education program, the education core (which totals 34 credits) will meet this requirement.]

HEALTH SCIENCES ENDORSEMENT

Course	No.	Title	Hours
BIOL	210 or 312	Human Anatomy or Human Physiology	4
HPER	322 or 360	Community Health: Program Planning and Implementation or Physiology of Exercise	3
HPER	441	HPER Internship	3
CTE	434	Principles and Philosophy of Career and Technical Education*	3
Supplemental Endorsement Total (not including Education Core)			13

*Indicates that the course is offered online at Chadron State College

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 Health Sciences Education 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 Health Sciences Education program also purports to fulfill the components of the Nebraska Coordinating Commission for Postsecondary Education Chapter Three: "Higher 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 Health Sciences Education supplemental endorsement 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 Health Sciences Education 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 of Peru State College

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;

Career education programs (i.e., a sequence of credit-bearing academic and career technical courses which reflect a career cluster selected in response to local, regional or state employment needs) are growing across high schools in the state of Nebraska and across the country. Career education in Health Sciences has specifically become a high-need area. According to the Nebraska

Department of Education, teacher shortages in career education at the secondary level are a primary concern.

ii. Job and educational advancement opportunities for graduates; and

Recent evidence from the job sector indicates that four of the current top 10 “H3” jobs (High Wage, High Skill, High Demand) in Nebraska are in the healthcare field (reference: <http://h3.ne.gov/H3/>). Teachers with this supplemental endorsement are therefore more likely to become gainfully employed following graduation from a teacher education program.

iii. Potential for the program to contribute to society and economic development, where appropriate.

The Health Sciences Education supplemental endorsement will provide teacher candidates and practicing teachers with the skills to serve students on a career and technical education (CTE) pathway in the area of health services. According to Nebraska workforce projections, four of the six occupations with greatest percentage of job growth between 2014 and 2024 are in the following professions:

Personal Care Aides:	25.9%	Registered Nurses:	16.0%
Home Health Aides	38.1%	Nursing Assistants	17.6%

(reference: Bureau of Labor Statistics, Employment Projections: 2014-24. December 8, 2015. <https://www.bls.gov/news.release/pdf/ecopro.pdf>)

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 104 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 15 students with an increase of two (additional students) per year for the next five years.

ii. Minimum number of students required to make the program viable.

This supplemental endorsement consists of existing courses, one via an online format through Chadron State College with the rest from Peru State College. Ten 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 from the School of Education and the School of Arts and Sciences with no increased load as all courses currently exist.

b. Physical Facilities

i. Location of the proposed program;

Peru State College (with an online offering through Chadron State College)

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.**

No need for additional resources as this program will utilize current technological equipment, library holdings, data services, and 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 program will utilize current faculty members, facilities and equipment, and library holdings. The program is a repackaging of courses currently being offered. There is no need for additional faculty members or other resources 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, this program does not 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 Science Education and Health and Physical Education.

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Student Teaching Agreement with Plattsmouth Community School District for Peru State College**

This Agreement provides opportunities for Peru State College teacher candidates to serve as student teachers in the Plattsmouth Community Schools District. Student teacher placements are necessary in order to provide qualified teachers for the state. The Plattsmouth Community Schools District has been a long-time partner of Peru State and the College places many student teachers at its schools.

The System Office and Peru State College recommend approval of the Student Teaching Agreement with Plattsmouth Community Schools for Peru State College.

ATTACHMENTS:

- PSC Plattsmouth Agreement (PDF)

Student Teaching Agreement
BETWEEN
The Board of Trustees of the Nebraska State Colleges doing business
as
Peru State College
AND
Plattsmouth Community Schools District

THIS AGREEMENT is made and entered into this **15th day of January, 2019** by and between the **Plattsmouth Community Schools District** (the "District") and the **Board of Trustees of the Nebraska State Colleges doing business as Peru State College** (the "College").

WHEREAS, the College seeks to provide opportunities to **Teacher Candidate and/or Practicum Students** in order to allow them to student teach and complete practicum hours in a public or private school setting.

WHEREAS, the District is able and willing to provide such opportunities to the College student who meets appropriate requirements as set forth herein.

NOW WHEREFORE, in consideration of the mutual promises herein contained, the parties enter into the Agreement as follows:

1. The College agrees that:

- A. It shall place at the District only Teacher Candidate and/or Practicum Students who are eligible for such placement under College and District rules.
- B. It shall provide student teaching or practicum supervision by College faculty as defined by the College and Title 92 Nebraska Administrative Code Rule 20 005.03A2c1.
- C. It shall offer and require that the College supervisors attend instructional seminars related to student teaching supervision.
- D. It shall instruct the Teacher Candidate and/or Practicum Student on the necessity of maintaining the confidentiality of all student records and other such information to which they may have access while at the facility.
- E. It shall withdraw any College supervisor or Teacher Candidate and/or Practicum Student from the District when the College supervisor or Teacher Candidate and/or Practicum Student is unacceptable to the District for reasons of professional conduct, performance of duties, or other reasonable causes.

- F. It shall assume and maintain full responsibility for the planning and execution of the Student Teaching Program.
- G. It shall forward to the District any paperwork and/or specific instructions required by the District for Criminal Offender Record Inquiry checks.
- H. The College agrees to inform the Teacher Candidate and/or Practicum Students to complete the all-required Plattsmouth District and Nebraska Department of Education background checks at his/her own expense. It is understood that the results must be received by the Plattsmouth Community School District and approval of the Teacher Candidate and/or Practicum Student be made before the student begins the student teaching or practicum experience.

2. The District agrees that:

- A. It shall supply to the Teacher Candidate and/or Practicum Student so placed by the College an opportunity to work in a teaching-learning situation under the supervision of a professional teacher appropriately certified during the placement.
- B. It shall cooperate with the College School of Education in the development and implementation of the Student Teaching Program.
- C. It shall implement the Student Teaching Program at its location in accordance with the policies and procedures set forth in the *Student Teaching Handbook*. These policies and procedures are hereby incorporated into and become a part of this Agreement.
- D. It shall provide appropriate supervision of the Teacher Candidate and/or Practicum Student.
- E. It shall, within reasonable time, notify the College if there is a change in the certification status of any professional teacher providing supervision to any Teacher Candidate and/or Practicum Student assigned, which would place in jeopardy the Teacher Candidate and/or Practicum Student's future eligibility for certification.
- F. It shall not replace any of its employees nor fill any vacancies normally filled by an employee with a Teacher Candidate and/or Practicum Student under this Agreement. Therefore, a Teacher Candidate and/or Practicum Student will not be asked to act as a substitute teacher unless it is time not considered as required for completion of student teaching and the Teacher Candidate and/or Practicum Student would be eligible to substitute teach and be paid as per usual for a substitute teacher in the district.
- G. It shall consider and treat all records and data regarding a Teacher Candidate and/or Practicum Student as confidential records and data,

according to FERPA laws.

- H. It shall facilitate Teacher Candidate and/or Practicum Student professional growth through educational assignments and shall provide adequate space, equipment and supplies to meet the objectives of training.
- I. It shall provide to the College Director of Field Experience any paperwork required for Criminal Offender Record Inquiry for Teacher Candidate and/or Practicum Students at the time of assignment.

3. General Provisions:

- A. The parties agree that each shall comply with all federal and state anti-discrimination laws and regulations.
- B. This Agreement may be terminated by either party hereto should the other party fail substantially to perform in accordance with the terms hereof through no fault of the terminating party and such failure continues for thirty (30) days after notice thereof is delivered by the non-defaulting party.
- C. The term of this Agreement shall conclude on **May 31, 2025.**
- D. The District shall neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the College.
- E. Any amendments to this Agreement shall be in writing.

Peru State College

Plattsmouth Community Schools District

By:

By:

Paul Turman, Chancellor
Nebraska State Colleges

Date:

Date:

By:

By:

Dan Hanson, President
Peru State College

Date:

Date:

ITEMS FOR DISCUSSION AND ACTION\ACADEMIC AND PERSONNEL

January 15, 2019

ACTION: **Approve Memorandum of Agreement with College of Agricultural Sciences and Natural Resources (CASNR), University of Nebraska-Lincoln (UNL), Nebraska Technical College of Agriculture (NCTA), University of Nebraska, and Wayne State College for Agricultural Degree Programs**

Wayne State requests approval of the Memorandum of Agreement (MOA) with the College of Agricultural Sciences and Natural Resources (CASNR), University of Nebraska-Lincoln (UNL) and Nebraska Technical College of Agriculture (NCTA), University of Nebraska, and Wayne State College (WSC). The intent of this Agreement is for WSC, CASNR, and NCTA to co-create seamless education pathways for WSC students to continue their education with CASNR to complete degrees in Animal Systems, Plant Systems, Applied Science and other related agriculture programs at the undergraduate and graduate level to prepare the next generation of professionals, problem-solvers, innovators, entrepreneurs, and leaders in resilient food, energy, water, and societal systems that align with career advancement opportunities.

The System Office and Wayne State College recommend approval of the Agreement for University of Nebraska (UNL) Agricultural Degree Transfer Programs for Wayne State.

ATTACHMENTS:

- WSC CASNR and NCTA Memorandum of Agreement (PDF)

MEMORANDUM OF AGREEMENT
 Between the
 BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES
 doing business as
 WAYNE STATE COLLEGE
 and the
 BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA
 for the
 COLLEGE OF AGRICULTURAL SCIENCES AND NATURAL RESOURCES
 UNIVERSITY OF NEBRASKA-LINCOLN
 and
 NEBRASKA COLLEGE OF TECHNICAL AGRICULTURE
 UNIVERSITY OF NEBRASKA

This Memorandum of Agreement is designed to foster a collaborative partnership through the creation of undergraduate and graduate agriculture transfer initiatives between the Board of Trustees of the Nebraska State Colleges doing business as Wayne State College (WSC), the College of Agricultural Sciences and Natural Resources (CASNR), University of Nebraska-Lincoln, and Nebraska Technical College of Agriculture (NCTA), University of Nebraska. The intent of this partnership is for WSC, NCTA and CASNR to co-create seamless education pathways for:

- WSC students to continue their education with CASNR to complete degrees in Animal Systems, Plant Systems, Applied Science, and other related agriculture programs to prepare the next generation of professionals, problem-solvers, innovators, entrepreneurs, and leaders in resilient food, energy, water, and societal systems.
- The next generation of professionals, problem-solvers, innovators, entrepreneurs, and leaders in resilient food, energy, water, and societal systems.
- Life-long learners in resilient food, energy, water, and societal systems that align with career advancement opportunities.

Under the provisions of this Memorandum of Agreement made this 15th day of January, 2019, WSC, NCTA, and CASNR agree to the following conditions:

- 1) CASNR, NCTA, and WSC agree to collaborate on the development of Animal Systems, Plant Systems, Applied Science, and other related agriculture program articulations, and will provide the information necessary to successfully promote, develop, and maintain the partnership.
- 2) Transfer courses will include content courses in Animal Systems, Plant Systems, Applied Science, and other related agriculture programs equivalent to courses in the NCTA and CASNR, and will be periodically evaluated through the exchange of course syllabi and examination by NCTA, CASNR, and WSC. It is the responsibility of WSC to submit changes in course offerings for review to CASNR and NCTA. Likewise, it is the responsibility of CASNR and NCTA to submit changes in course offerings and/or changes to the curriculum to WSC.
- 3) Courses will include UNL's Achievement-Centered Education (ACE) courses identified as transferable by UNL's Undergraduate Studies as stated in the Course Transfer Equivalency List on the UNL website: <http://admissions.unl.edu/nebraska/equivalency.aspx>

- 4) To assist prospective transfer students with their academic planning, students from WSC are strongly encouraged to work with an academic advisor at WSC and an academic advisor at CASNR. CASNR and WSC will collaborate on recruitment, advising, and retention efforts mutually beneficial to both institutions.
- 5) WSC will meet annually with CASNR and NCTA to evaluate this Memorandum of Agreement and the articulation agreements developed through the partnership.
- 6) Students transferring to CASNR from WSC must have a minimum cumulative grade point average of C (2.0 on a 4.0 scale) and at least a C average in the last semester of college enrollment.
- 7) Students transferring into CASNR must meet UNL's admission standards.
- 8) Transfer students from WSC will have the opportunity to compete for UNL transfer student scholarships.
- 9) Amendments to this Memorandum of Agreement will be, if deemed necessary by either CASNR, NCTA, or WSC, negotiated annually.
- 10) This Memorandum of Agreement shall commence when properly signed by both parties and shall expire July 31, 2022.
- 11) Both parties affirm that they will comply with the Family Educational Rights and Privacy Act (FERPA) for sharing student information.

For the Board of Trustees of the Nebraska State Colleges doing business as Wayne State College:

Dr. Marysz P. Rames, President Wayne State College

Date

Dr. Paul Turman, Chancellor of the Nebraska State Colleges

Date

College of Agricultural Sciences and Natural Resources:

Dr. Tiffany Heng-Moss
Dean, College of Agricultural Science and Natural Resources

Date

For the Board of Regents of the University of Nebraska - Lincoln:

Dr. Michael Boehm
NU Vice President and IANR Harlan Vice Chancellor
University of Nebraska-Lincoln

Date

Nebraska College of Technical Agriculture:

Dr. Ron Rosati
Dean, College of Agricultural Science and Natural Resources

Date

For the Board of Regents of the University of Nebraska:

Dr. Michael Boehm
NU Vice President and IANR Harlan Vice Chancellor
University of Nebraska-Lincoln

Date

ITEMS FOR DISCUSSION AND ACTION\STUDENT AFFAIRS, MARKETING, AND ENROLLMENT

January 15, 2019

ACTION: **First and Final Round Approval of Revisions to Board Policy 3601; Posthumous Degrees**

Revisions to the Board Policy clarify that the award of the posthumous degree is noted in the commencement program for the first term after approval or the term for which the degree is awarded, whichever is later.

The System Office recommends approval of the Revisions to Board Policy 3601; Posthumous Degrees.

ATTACHMENTS:

- Revisions to Board Policy 3601 (PDF)

STUDENT AFFAIRS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 3601 Posthumous Degrees

Page 1 of 1

BOARD POLICY

A College may, at the request of the immediate family of a deceased student and at the discretion of the college's administration upon the recommendation of the faculty of the college, award a posthumous degree if the following conditions are met.

PROCEDURE

At the time of his/her death, or at the time of withdrawal from the College due to medical necessity relating to a terminal illness, the student:

1. Was enrolled in a degree bearing program and in good standing at the college; and
2. Had attained senior status.

The posthumously awarded degree shall be granted upon the request of immediate family for the term in which the degree would have been earned had the student been able to complete the courses for which he/she was registered. The request for conferral of a posthumous degree must be presented to the College of the student's attendance within two years of the death of the student. Prior to the granting of a posthumous degree, the President shall notify the Chancellor of plans to note; the degree in the commencement program for the first term after approval of the posthumous award or the term for which the degree is awarded, whichever is later. The degree posting becomes a permanent entry on the student's transcript.

Legal reference: RRS 85-306. State Colleges; president; duties
RRS 85-308.01 State Colleges; degree of bachelor of arts or bachelor of science; confer

Policy Adopted: 4/1/99
Policy Revised: 3/25/11
Policy Revised: 4/20/18
Policy Revised:

Attachment: Revisions to Board Policy 3601 (2383 : Revisions to Board Policy 3601; Posthumous Degrees)

ITEMS FOR DISCUSSION AND ACTION/FISCAL, FACILITIES AND AUDIT

January 15, 2019

ACTION: **Approve Acceptance of Basic Financial Audit Report for Year Ended June 30, 2018 and 2017**

The Auditor of Public Accounts (APA) has completed the Nebraska State College System (NSCS) basic financial audit for the fiscal years ending June 30, 2018 and 2017. The audit is attached.

The audit contains an unmodified opinion from the APA and 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, 2018 and 2017, and December 31, 2017 and 2016, (Peru State College 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 16, 2018.

A separate audit of the Revenue Bond program was also completed by BKD and accepted by the Board of Trustees at its November 16, 2018 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.

One significant deficiency is included in the report, and the NSCS has responded to the finding. Several improvements have been made to financial reporting from last year.

The System Office recommends approval of the Acceptance of Basic Financial Audit Report for Year Ended June 30, 2018 and 2017.

ATTACHMENTS:

- Nebraska State College System Audit Report FY18 and FY17 (PDF)

**AUDIT REPORT
OF THE
NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)**

For the Years Ended June 30, 2018 and 2017

**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 14, 2018

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

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NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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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, NE

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, 2018 and 2017, 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 the Chadron State, Peru State College, and Wayne State Foundations (Foundations), discretely presented component units of the NSCS, as of and for the years ended June 30, 2018 and 2017, December 31, 2017 and 2016, and June 30, 2018 and 2017, respectively. Those statements are presented separately on pages 20 through 22, 24 through 28, and 31 through 33. 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 represent 28 percent and 33 percent, respectively, of total assets, and 86 percent and 89 percent, respectively, of total liabilities, and 2 percent and 7 percent, respectively, of total net position at June 30, 2018 and 2017, and total revenues constituting 20 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, along with the Foundations' reports, which appear herein, 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, 2018 and 2017, and December 31, 2017 and 2016, (Peru State College 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.

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 10 through 17, 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.

Other 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NCSC's 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, 2018



Stephanie Todd, CPA, CFE
Audit Manager



Gardner, Loutzenhiser, and Ryan, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Chadron State Foundation
Chadron, Nebraska

We have audited the accompanying financial statements of the Chadron State Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Chadron State Foundation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors of
Chadron State Foundation
Page -2-

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statements of Activities by Fund on pages 27-28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gardner, Loutzenhiser & Ryan PC

Chadron, Nebraska
October 19, 2018



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Peru State College Foundation

We have audited the accompanying financial statements of Peru State College Foundation (the foundation) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Peru State College Foundation as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of the Foundation as of December 31, 2016 were audited by other auditors whose report dated April 26, 2017 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements which it has been derived.



Hayes & Associates, L.L.C.
Omaha, Nebraska
June 15, 2018



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Wayne State Foundation
Wayne, Nebraska

We have audited the accompanying financial statements of the Wayne State Foundation (a nonprofit foundation) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne State Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Wayne State Foundation's 2017 and 2016 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our reports dated September 15, 2017 and September 13, 2016, respectively. In our opinion, the summarized comparative information presented herein as of and for the years ended June 30, 2017 and 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMill CPA PC

McMill CPA PC
Certified Public Accountants

September 7, 2018

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, 2018 and 2017. 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 College 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

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.

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

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

(Continued)

authorized under LB 198, passed in 2013, and LB 957, passed in 2016. 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 College 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 20 through 22, 24 through 28, and 31 through 33 of this report.

Condensed statements are presented below for the NSCS for the years ended June 30, 2018, 2017, and 2016.

**Nebraska State College System
Net Position as of June 30**

	2018	2017	2016
	2018	As Restated	As Restated
Current Assets	\$ 68,843,724	\$ 61,913,666	\$ 61,727,482
Non-current Assets			
Capital Assets, Net	234,841,616	220,659,478	204,168,107
Other Non-current Assets	13,378,157	29,688,578	26,454,022
Total Assets	<u>317,063,497</u>	<u>312,261,722</u>	<u>292,349,611</u>
 Deferred Outflow of Resources	 <u>35,959</u>	 <u>39,737</u>	 <u>43,515</u>
 Current Liabilities	 21,272,732	 16,856,339	 17,319,901
Non-current Liabilities	76,527,843	83,275,397	67,571,049
Total Liabilities	<u>97,800,575</u>	<u>100,131,736</u>	<u>84,890,950</u>
 Deferred Inflow of Resources	 <u>23,060</u>	 <u>34,355</u>	 <u>-</u>
 Net Position			
Net Investment in Capital Assets	163,790,577	162,506,457	159,203,331
Restricted	26,109,022	22,819,277	24,984,626
Unrestricted	29,376,222	26,809,634	23,314,219
Total Net Position	<u>\$ 219,275,821</u>	<u>\$ 212,135,368</u>	<u>\$ 207,502,176</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**

	2018	2017 As Restated	2016 As Restated
Operating Revenues			
Tuition and Fees, Net	\$ 30,798,783	\$ 30,618,960	\$ 29,438,090
Federal and State Grants and Contracts	14,529,239	13,938,455	14,217,826
Private Grants and Contracts	798,969	1,217,839	962,338
Auxiliary Enterprises, Net	17,561,674	17,395,090	18,888,599
Other Operating Revenues	1,502,607	1,445,984	1,613,651
Total Operating Revenues	65,191,272	64,616,328	65,120,504
Operating Expenses	118,803,627	118,585,964	116,551,489
Operating Loss	(53,612,355)	(53,969,636)	(51,430,985)
Non-operating Revenues (Expenses)			
State Appropriations	51,091,162	50,357,756	50,744,042
Investment Income	1,493,775	1,362,963	1,201,233
Interest on Capital Asset-Related Debt	(2,024,124)	(1,254,799)	(1,211,649)
Gain (Loss) on Disposal of Asset	(16,117)	20,733	14,858
Bond Issuance Costs	-	(384,096)	(318,876)
Other Non-operating Revenues (Expenses)	(44,557)	(14,221)	(63,433)
Net Non-operating Revenues	50,500,139	50,088,336	50,366,175
Loss before Other Revenues, Expenses, Or Gains (Losses)	(3,112,216)	(3,881,300)	(1,064,810)
Other Revenues (Expenses) or Gains (Losses)			
Capital Facilities Fee	2,102,454	2,093,812	2,058,500
Capital Contributions	2,975,634	1,855,690	2,364,254
Capital Appropriations and Grants	5,174,581	4,564,990	4,139,354
Net Other Revenues (Expenses) or Gains (Losses)	10,252,669	8,514,492	8,562,108
Increase in Net Position	7,140,453	4,633,192	7,497,298
Net Position, Beginning of Year	212,135,368	207,502,176	200,004,878
Net Position, End of Year	\$ 219,275,821	\$ 212,135,368	\$ 207,502,176

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

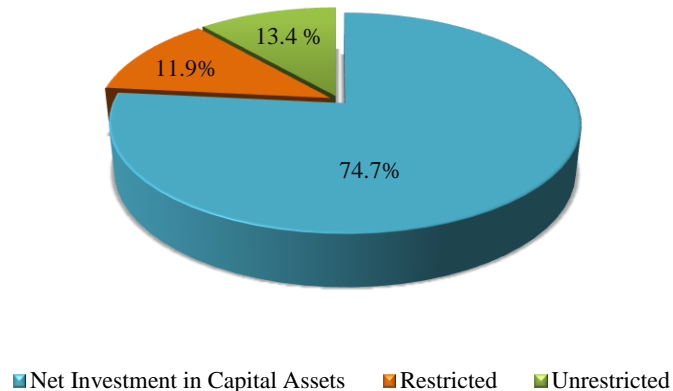
NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

CHANGES IN NET POSITION

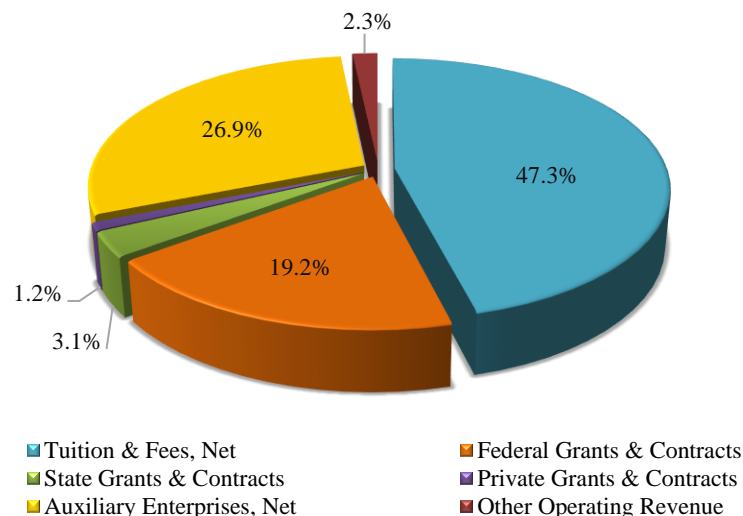
At June 30, 2018, the NSCS had a net position of \$219.3 million, an increase of \$7.1 million or 3.4% over 2017, and up 5.7% from 2016. Net position was comprised of unrestricted – \$29.4 million; restricted – \$26.1 million; and net investment in capital assets – \$163.8 million.

Net Position at June 30, 2018



Operating revenues for fiscal year 2018 were \$65.2 million compared to \$64.6 million in 2017, a 0.9% increase, and were 0.1% over fiscal year 2016 operating revenues. Operating revenues for 2018 include \$30.8 million in net tuition and fees, Federal grants and contracts of \$12.5 million, State grants and contracts of \$2.0 million, private grants and contracts of \$0.8 million, net auxiliary enterprises of \$17.6 million, and other operating revenues of \$1.5 million.

Fiscal Year 2018 Operating Revenues

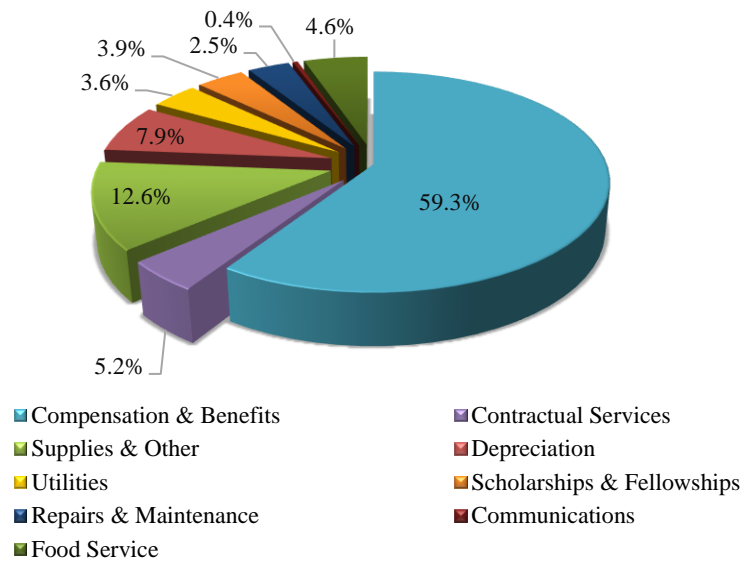


NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

Operating expenses for the year ended June 30, 2018, amounted to \$118.8 million, compared to \$118.6 million in 2017, and \$116.6 million in 2016. Compensation and benefits accounted for \$70.5 million, or 59.3% of the total; contractual services were \$6.2 million; supplies, materials and other, \$14.9 million; depreciation, \$9.4 million; and utilities, \$4.3 million. Other operating expenses consisted of scholarships and fellowships, \$4.6 million; repairs and maintenance, \$3.0 million; communications, \$0.4 million; and food service, \$5.5 million.

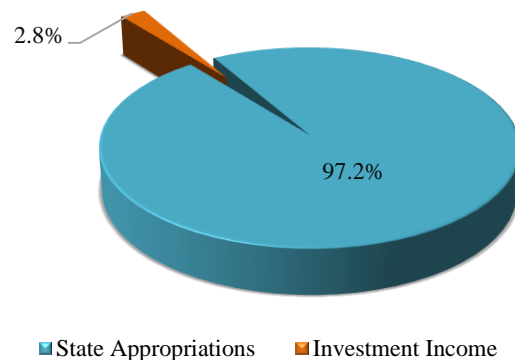
Fiscal Year 2018 Operating Expenses



The current year operating loss amounted to \$53.6 million, compared to an operating loss of \$54.0 million in 2017 and \$51.4 million in 2016.

Non-operating revenues consist of State appropriations and investment income.

Fiscal Year 2018 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, 2016, to the fiscal year ended June 30, 2017, was an increase in capital assets, non-current restricted cash and cash equivalents, and an increase in long-term debt. The changes in cash and long-term debt related to the issuance of Corporation bonds during the fiscal year. The proceeds of these bonds were used to refund LB 605 (2006) debt and were also used for capital construction projects related to the Stadium renovation at CSC, the Theatre/Event Center renovation at PSC, and the construction of the Center for Applied Technology at WSC. The \$16.5 million increase in net capital assets during fiscal year 2017 was also the result of work related to the PSC Delzell Hall and Field House renovations, WSC Bowen Hall and U.S. Conn Library renovations, and the Lindahl Drive street project.

The most significant change in the schedule of net position from the fiscal year ended June 30, 2017, to the fiscal year ended June 30, 2018, was a decrease in non-current restricted cash and cash equivalents, an increase in capital assets, and an increase in accounts payable. The change in these three accounts is related to bond funds used for capital construction projects related to the Stadium at CSC, the Theatre at PSC, and the Center for Applied Technology at WSC. The \$14.2 million increase in net capital assets during fiscal year 2018 was mostly the result of the completion of work related to the three projects.

Fiscal year 2018 operating revenues increased from prior fiscal year, tuition and fee income by \$0.2 million or 0.6%, auxiliary enterprise revenues increased \$0.2 million or 1.0%, and Federal, State, and private grants and contracts increased \$0.2 million or 1.1%. From 2016 to 2018, increases in tuition and fees of 4.6% and Federal, State, and private grants of 1.0%, while a decrease in auxiliary enterprise from 2016 to 2018 was 7.0%.

Fiscal year 2018 non-operating revenues reflect a \$0.7 million or 1.5% increase in State appropriations and a 9.6% increase in investment income over fiscal year 2017. State appropriations increased 0.7% and investment income increased 24.4% between fiscal years 2018 and 2016.

Operating expenses for the year ended June 30, 2018, increased by \$0.2 million or 0.2% from the previous fiscal year. Within the operating expenses category, compensation and benefits increased approximately \$0.4 million, contractual services increased \$0.5 million, depreciation increased \$1.1 million, repairs and maintenance decreased \$2.2 million, food service decreased \$0.4 million, and all other operating expenses increased \$0.8 million. Health insurance premiums increased slightly in 2015-2016, 2016-2017, and 2017-2018, with the overall composite rates for medical and dental insurance increasing 1.9%, 4.9%, and 8.0%, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2018, the NSCS had recorded \$352.1 million in gross capital assets. During the fiscal year ended June 30, 2018, the investment in buildings and improvements increased by \$22.9 million; infrastructure increased by \$2.8 million; equipment increased by \$0.3 million; and construction in progress decreased by \$2.8 million. At the end of the fiscal year, the NSCS had \$117.3 million in accumulated depreciation that left \$234.8 million in net capital assets. Accumulated depreciation for fiscal years 2017 and 2016 were \$108.2 million and \$100.6 million, respectively, and net capital assets were \$220.7 million and \$204.2 million, respectively.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Continued)

The NSCS had \$83.0 million in long-term liabilities at the end of the 2018 fiscal year. These long-term liabilities consisted primarily of outstanding bonded indebtedness of \$75.1 million and \$3.9 million in accrued compensated absences. Long-term liabilities were \$88.6 million and \$73.3 million at the end of fiscal years 2017 and 2016, respectively. Additional debt of \$29.5 and \$24.0 million was issued in fiscal year 2017 and 2016, respectively. Previously existing bond obligations were reduced by \$16.2 million and \$8.8 million, respectively, during fiscal years 2017 and 2016.

Several construction projects have been completed at the Colleges, including the Boiler House Roof Replacement, and Crites Hall Windows Replacement projects at CSC; Delzell Hall Renovation, Field House Renovation, Park Avenue Campus Entrance, and Hoyt HVAC Upgrade projects at PSC; and Bowen Hall Renovation, Humanities Hall Windows Replacement, U.S. Conn Library Renovation & Addition, and the Lindahl Drive projects at WSC. Projects were completed using Facilities Corporation bonds, College cash funds, revenue bond funds, LB 309 building renewal task force funds, contingency maintenance funds, capital improvement fee funds, and/or privately raised funds. Renovation and construction was also in progress for several projects, including the Stadium Replacement project at CSC, the Theater/Event Center Renovation & Addition project, and the Fire Alarm Upgrade projects at six campus buildings at PSC; and the Stadium Press Box Replacement project and the Center for Applied Technology (CAT) project at WSC. 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 & Design was in process for the Stadium Replacement Phase II Track project at CSC; the Field House Renovation Phase II at PSC; and the Connell Hall Windows Replacement project at WSC.

All projects using bond proceeds from LB 605 (2006) have been completed. The Rangeland Complex project utilizing LB 198 (2013) funding was completed during the 2016 fiscal year while the U.S. Conn Library project, also utilizing LB 198 funding, was substantially completed during the 2017 fiscal year. The Legislature passed LB 957 (2016) which extended the appropriations related to the LB 605 bonds to fiscal year 2030. The extension of the appropriation was to allow for the refunding of the LB 605 bonds and the issuance of new bond proceeds in order to help fund the replacement of the Stadium at CSC, the renovation/addition of the Theatre/Event Center at PSC, and the construction of applied technology programmatic space at WSC. The bonds resulting from LB 957 provided \$21.3 million in capital project funds. 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.

ECONOMIC OUTLOOK AND SUBSEQUENT EVENTS THAT WILL AFFECT THE FUTURE

The Governor and Legislature initially approved State funding for 2017-2018 and 2018-2019 at \$52,142,227. However, LB 944 (2018), reduced the fiscal year 2018 appropriation 2% to \$51,099,382 and the fiscal year 2019 appropriation 1% to \$51,620,804.

The Board of Trustees increased tuition rates for 2018-2019. Tuition rates for 2018-2019 are \$177 for undergraduate resident, \$221.25 for graduate resident, \$354 for undergraduate non-resident, and \$442.50 for graduate non-resident. Online rates are \$289 for undergraduate and \$361.25 for graduate. Tuition

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
(Concluded)

rates for 2017-2018 were \$172 for undergraduate resident, \$215 for graduate resident, \$344 for undergraduate non-resident, and \$430 for graduate non-resident. Online rates were \$279 for undergraduate and \$348.75 for graduate.

In accordance with the NSCS Bargaining Unit agreements for 2017-2019, each unit member of professional staff will receive a 1.5% increase in both the 2017-2018 and 2018-2019 fiscal years. Faculty will receive a 1.5% increase for both the 2017-2018 and 2018-2019 fiscal years. Support staff will also receive a 1.0% increase for both the 2017-2018 and 2018-2019 fiscal years, while maintaining longevity increases.

In addition to receiving notification that there is no additional increase in health insurance premium rates for the 2018-2019 year, the NSCS has been notified that there will be a 4.99% increase in premium rates for the 2019-2020 year.

Enrollment at the State Colleges (annual FTE) declined for 2017-2018. Fall enrollments are expected to slightly decline for 2018-2019. The NSCS continues to engage in an increased emphasis on enrollment management and marketing.

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017 As Restated
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 38,677,484	\$ 34,094,591
Restricted Cash and Cash Equivalents	26,854,443	24,903,455
Accounts Receivable, Net of Allowance	1,055,360	1,126,620
Other Receivables	1,119,559	439,412
Inventories	67,229	77,175
Loans to Students, Net	186,289	222,437
Prepaid Expenses	879,925	1,044,561
Deposits with Vendors	3,435	5,415
Total Current Assets	<u>68,843,724</u>	<u>61,913,666</u>
Non-current Assets		
Restricted Cash and Cash Equivalents	11,089,240	27,222,925
Restricted Investments	1,319,295	1,345,206
Loans to Students, Net	819,320	898,169
Prepaid Expenses	150,302	222,278
Capital Assets, Net	234,841,616	220,659,478
Total Non-current Assets	<u>248,219,773</u>	<u>250,348,056</u>
Total Assets	<u>317,063,497</u>	<u>312,261,722</u>
Deferred Outflow of Resources		
Unamortized Bond Refunding Amount, Net	35,959	39,737
Total Deferred Outflow of Resources	<u>35,959</u>	<u>39,737</u>
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	12,905,791	9,705,410
Accrued Compensated Absences	569,904	351,133
Unearned Revenue	938,661	817,655
Interest Payable	1,021,374	1,046,262
Master Lease Payable	215,779	230,621
Long-term Debt	5,299,996	4,399,151
Deposits Held in Custody for Others	321,227	306,107
Total Current Liabilities	<u>21,272,732</u>	<u>16,856,339</u>
Non-current Liabilities		
Accrued Compensated Absences	3,356,515	3,835,606
Unearned Revenue	-	249,424
Master Lease Payable	102,476	318,255
Long-term Debt	73,068,852	78,872,112
Total Non-current Liabilities	<u>76,527,843</u>	<u>83,275,397</u>
Total Liabilities	<u>97,800,575</u>	<u>100,131,736</u>

(Continued)

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
 (A COMPONENT UNIT OF THE STATE OF NEBRASKA)
STATEMENTS OF NET POSITION
 June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u> As Restated
Deferred Inflow of Resources		
Unamortized Bond Refunding Amount, Net	23,060	34,355
Total Deferred Inflow of Resources	<u>23,060</u>	<u>34,355</u>
Net Position		
Net Investment in Capital Assets	163,790,577	162,506,457
Restricted for:		
Expendable:		
Loans	1,164,032	1,280,398
Debt service	3,887,960	2,959,120
Plant	4,931,877	4,197,958
Other	16,125,153	14,381,801
Unrestricted	<u>29,376,222</u>	<u>26,809,634</u>
Total Net Position	<u>\$ 219,275,821</u>	<u>\$ 212,135,368</u>
		(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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and Cash Equivalents - Unrestricted	\$ 1,476,589	\$ 1,070,890
Cash and Cash Equivalents - Restricted	-	27,423
Investments	19,904,450	18,730,821
Contributions Receivable, Net of Allowance for Uncollectible Pledges of \$53,500 for 2018 and \$84,000 for 2017	1,140,784	837,253
Prepaid Expenses	5,375	6,750
Other Assets	1,026,322	57,311
Certificates of Deposit	765,703	755,809
Property and Equipment, Net of Accumulated Depreciation	39,282	39,808
Total Assets	<u>\$ 24,358,505</u>	<u>\$ 21,526,065</u>
Liabilities and Net Assets		
Accounts Payable	\$ 4,619	\$ 4,872
Accrued Salaries and Benefits	14,269	53,992
Scholarships Payable	476,503	486,515
Deferred Revenue	11,483	13,385
Due to Other Agencies	-	25,183
Total Liabilities	<u>506,874</u>	<u>583,947</u>
Unrestricted Net Assets:		
Operating Fund	(80,772)	(196,756)
CSC General Fund	534,972	556,962
CSC Quasi Endowment	841,044	648,939
Greatest Need	410,519	449,968
Total Unrestricted Net Assets	<u>1,705,763</u>	<u>1,459,113</u>
Temporarily Restricted Net Assets:		
Expendable Funds	2,166,058	1,320,140
Named Endowment Activity	2,409,815	1,988,424
Total Temporarily Restricted Net Assets	<u>4,575,873</u>	<u>3,308,564</u>
Permanently Restricted Net Assets:		
Named Endowment	17,569,995	16,174,441
Total Net Assets	<u>23,851,631</u>	<u>20,942,118</u>
Total Liabilities and Net Assets	<u>\$ 24,358,505</u>	<u>\$ 21,526,065</u>

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 COLLEGE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)
STATEMENT OF FINANCIAL POSITION

December 31, 2017
(With comparative totals for 2016)

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 622,356	\$ 590,151
Unconditional promises to give	80,000	14,608
Interest receivable	1,727	1,783
Prepaid expenses	-	102,635
Current portion of note receivable	24,151	23,334
Total Current assets	728,234	732,511
Property and Equipment		
Land	60,947	60,947
Office furniture and fixtures	35,681	35,681
Vehicles	31,754	23,650
Less accumulated depreciation	(45,141)	(59,122)
Total Property and Equipment	83,241	61,156
Other Assets		
Investments	13,178,850	11,776,794
Real estate held for future college use	338,862	337,062
Note receivable, less current portion	24,996	49,147
Total Other Assets	13,542,708	12,163,003
Total Assets	\$ 14,354,183	\$ 12,956,670
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 94,915	\$ 190,050
Accrued compensation	76,494	96,869
Refundable deposits	21,274	20,347
Short term note payable	85,086	115,086
Total Current Liabilities	277,769	422,352
NET ASSETS		
Unrestricted net assets		
Operating	3,673,603	2,901,713
Board-designated	1,094,164	1,114,164
Total unrestricted net assets	4,767,767	4,015,877
Temporarily restricted	2,043,652	1,646,991
Permanently restricted	7,264,995	6,871,450
Total Net Assets	14,076,414	12,534,318
Total Liabilities and Net Assets	\$ 14,354,183	\$ 12,956,670

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents-unrestricted	\$ 186,378	\$ 178,278
Cash and cash equivalents-restricted	2,208,734	2,260,182
Total cash & cash equivalents	<u>2,395,112</u>	<u>2,438,460</u>
Accrued interest receivable	925	768
Net unconditional promises to give	728,791	1,259,944
Prepays & other receivables	-	5,100
Investments	26,037,431	24,380,701
Property	95,445	89,090
Cash value life insurance	84,169	79,856
Assets restricted for annuity contracts		
Annuity investments	682,357	911,635
Assets held in perpetual trust		
Perpetual trust investments	<u>945,371</u>	<u>915,623</u>
TOTAL ASSETS	<u><u>\$ 30,969,601</u></u>	<u><u>\$ 30,081,177</u></u>
LIABILITIES & NET ASSETS		
Accounts & faculty grants payable	\$ 69,753	\$ 62,247
Payable for capital improvements	671,067	-
Deferred (unearned) event revenue	1,700	2,600
Annuities payable	302,915	336,581
Total liabilities	<u>1,045,435</u>	<u>401,428</u>
Net Assets:		
Unrestricted:		
Undesignated	3,071,692	2,796,147
Endowment funds deficit	(125)	-
Designated	402,814	369,893
Total unrestricted net assets	<u>3,474,381</u>	<u>3,166,040</u>
Temporarily restricted	8,553,383	9,325,606
Permanently restricted	17,896,402	17,188,103
Total net assets	<u>29,924,166</u>	<u>29,679,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 30,969,601</u></u>	<u><u>\$ 30,081,177</u></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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Years Ended June 30, 2018 and 2017

	2018	2017 As Restated
Operating Revenues		
Tuition and Fees Net of Scholarship Allowances and Institutional Waivers Totaling \$12,363,774 in 2018 and \$11,351,727 in 2017	\$ 30,798,783	\$ 30,618,960
Federal Grants and Contracts	12,487,500	11,842,444
State Grants and Contracts	2,041,739	2,096,011
Private Grants and Contracts	798,969	1,217,839
Auxiliary Enterprises Net of Scholarship Allowances and Institutional Waivers Totaling \$4,597,810 in 2018 and \$4,179,177 in 2017	17,561,674	17,395,090
Other Operating Revenues	1,502,607	1,445,984
Total Operating Revenues	65,191,272	64,616,328
Operating Expenses		
Compensation and Benefits	70,494,372	70,065,693
Contractual Services	6,200,132	5,758,546
Supplies, Materials, and Other	14,916,166	14,636,274
Scholarships and Fellowships	4,588,428	4,450,191
Depreciation	9,426,904	8,277,124
Utilities	4,312,322	3,881,994
Repairs and Maintenance	2,949,995	5,170,478
Communications	440,094	454,920
Food Service	5,475,214	5,890,744
Total Operating Expenses	118,803,627	118,585,964
Operating Loss	(53,612,355)	(53,969,636)
Non-operating Revenues (Expenses)		
State Appropriations	51,091,162	50,357,756
Investment Income	1,493,775	1,362,963
Interest on Capital Asset-Related Debt	(2,024,124)	(1,254,799)
Gain (Loss) on Disposal of Asset	(16,117)	20,733
Bond Issuance Costs	-	(384,096)
Other Non-operating Revenue (Expense)	(44,557)	(14,221)
Net Non-operating Revenues (Expenses)	50,500,139	50,088,336
Loss Before Other Revenues, Expenses, or Gains (Losses)	(3,112,216)	(3,881,300)
Other Revenues (Expenses) or Gains (Losses)		
Capital Facilities Fees	2,102,454	2,093,812
Capital Contributions	2,975,634	1,855,690
Capital Appropriations and Grants	5,174,581	4,564,990
Net Other Revenues (Expenses) or Gains (Losses)	10,252,669	8,514,492
Increase in Net Position	7,140,453	4,633,192
Net Position, Beginning of Year	212,135,368	207,502,176
Net Position, End of Year	\$ 219,275,821	\$ 212,135,368

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, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains (Losses), and Other Support				
Fundraising Income	\$ 287,167	\$ 1,101,437	\$ -	\$ 1,388,604
Principle Contributions to Named Endowments	-	-	1,381,969	1,381,969
Management Fees	414,257	-	-	414,257
State Income	216,273	-	-	216,273
Unrealized Gain (Loss) on Investments	148,148	831,186	-	979,334
Realized Gain (Loss) on Investments	(2,249)	(51,891)	-	(54,140)
Interest and Dividend Income	107,529	388,400	-	495,929
Event Income	-	70,446	-	70,446
Miscellaneous Income	3,173	8,450	-	11,623
Total Revenues, Gains (Losses), and Other Support	1,174,298	2,348,028	1,381,969	4,904,295
Transfer Between Net Assets	(13,790)	205	13,585	-
Net Assets Released From Restrictions	1,080,924	(1,080,924)	-	-
Total Support and Reclassifications	2,241,432	1,267,309	1,395,554	4,904,295
Expenses				
Program Services	\$ 941,782	\$ -	\$ -	\$ 941,782
General and Management	579,676	-	-	579,676
Fundraising	473,324	-	-	473,324
Total Expenses	1,994,782	-	-	1,994,782
Increase (Decrease) in Net Assets	246,650	1,267,309	1,395,554	2,909,513
Net Assets, Beginning of Year	1,459,113	3,308,564	16,174,441	20,942,118
Net Assets, End of Year	<u>\$ 1,705,763</u>	<u>\$ 4,575,873</u>	<u>\$ 17,569,995</u>	<u>\$ 23,851,631</u>

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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains (Losses), and Other Support				
Fundraising Income	\$ 325,260	\$ 893,592	\$ -	\$ 1,218,852
Principle Contributions to Named Endowments	-	-	586,150	586,150
Management Fees	371,971	-	-	371,971
State Income	194,998	-	-	194,998
Unrealized Gain (Loss) on Investments	395,498	1,687,942	-	2,083,440
Realized Gain (Loss) on Investments	(71,072)	(243,983)	-	(315,055)
Interest and Dividend Income	96,591	353,941	-	450,532
Event Income	-	61,683	-	61,683
Miscellaneous Income	5,621	6,336	-	11,957
Total Revenues, Gains (Losses), and Other Support	1,318,867	2,759,511	586,150	4,664,528
Transfer Between Net Assets	-	(21,713)	21,713	-
Net Assets Released From Restrictions	1,263,744	(1,263,744)	-	-
Total Support and Reclassifications	2,582,611	1,474,054	607,863	4,664,528
Expenses				
Program Services	\$ 1,163,221	\$ -	\$ -	\$ 1,163,221
General and Management	557,790	-	-	557,790
Fundraising	512,266	-	-	512,266
Total Expenses	2,233,277	-	-	2,233,277
Increase (Decrease) in Net Assets	349,334	1,474,054	607,863	2,431,251
Net Assets, Beginning of Year	1,109,779	1,834,510	15,566,578	18,510,867
Net Assets, End of Year	\$ 1,459,113	\$ 3,308,564	\$ 16,174,441	\$ 20,942,118

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 COLLEGE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)

STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2017
(With comparative totals for 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2016
REVENUES, GAINS, AND OTHER SUPPORT					
Contributions	\$ 248,328	\$ 602,674	\$ 349,858	\$ 1,200,860	\$ 922,606
Special Events	29,755	4,495	-	34,250	25,314
Interest and dividends	305,851	-	10,317	316,168	293,677
Realized gain on sale of investments	677,902	-	-	677,902	372,987
Unrealized Gain on investments	973,311	-	32,800	1,006,111	224,837
Miscellaneous income	52,279	6,447	570	59,296	4,720
Net assets released from restrictions	216,955	(216,955)	-	-	-
Total revenues and other support	2,504,381	396,661	393,545	3,294,587	1,844,141
EXPENSES					
Program services	771,924	-	-	771,924	1,894,842
Management & General	345,598	-	-	345,598	270,281
Fundraising	634,969	-	-	634,969	458,354
Total expenses	1,752,491	-	-	1,752,491	2,623,477
CHANGE IN NET ASSETS	751,890	396,661	393,545	1,542,096	(779,336)
NET ASSETS, BEGINNING OF YEAR	4,015,877	1,646,991	6,871,450	12,534,318	13,313,654
NET ASSETS AT END OF YEAR	\$ 4,767,767	\$ 2,043,652	\$ 7,264,995	\$ 14,076,414	\$ 12,534,318

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, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:				
Gifts/Contributions income	\$ 562,551	\$ 3,462,038	\$ 665,657	\$ 4,690,246
Interest and dividends	96,303	342,449	6,871	445,623
Net gain (loss) on investments	208,583	1,370,578	65,932	1,645,093
Other non gift income	2,059	65,244	2,088	69,391
Total revenue and other support	869,496	5,240,309	740,548	6,850,353
Assets released from restrictions/transfers	5,806,928	(5,846,171)	39,243	-
Expenses:				
General and administrative	295,487	-	-	295,487
Fundraising	304,320	-	-	304,320
Program expenses	5,920,815	-	-	5,920,815
Total expenses before amortization	6,520,622	-	-	6,520,622
Amortization of annuity contracts	13,822	-	71,492	85,314
Total expenses	6,534,444	-	71,492	6,605,936
Administrative support fee	166,361	(166,361)	-	-
Net increase (decrease) in net assets	308,341	(772,223)	708,299	244,417
Net assets, beginning of year	3,166,040	9,325,606	17,188,103	29,679,749
NET ASSETS, END OF YEAR	\$ 3,474,381	\$ 8,553,383	\$ 17,896,402	\$ 29,924,166

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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:				
Gifts/Contributions income	\$ 507,824	\$ 4,514,537	\$ 1,062,405	\$ 6,084,766
Interest and dividends	70,892	257,782	6,659	335,333
Net gain (loss) on investments	320,695	2,287,354	111,751	2,719,800
Other non gift income	14,105	130,993	3,286	148,384
	<u>913,516</u>	<u>7,190,666</u>	<u>1,184,101</u>	<u>9,288,283</u>
Total revenue and other support				
Assets released from restrictions/transfers	4,604,523	(4,638,195)	33,672	-
Expenses:				
General and administrative	242,802	-	-	242,802
Fundraising	302,972	-	-	302,972
Program expenses	4,829,207	-	-	4,829,207
	<u>5,374,981</u>	<u>-</u>	<u>-</u>	<u>5,374,981</u>
Total expenses before amortization				
Amortization of annuity contracts	14,327	-	70,329	84,656
	<u>5,389,308</u>	<u>-</u>	<u>70,329</u>	<u>5,459,637</u>
Total expenses				
Administrative support fee	152,447	(152,447)	-	-
Net increase in net assets	281,178	2,400,024	1,147,444	3,828,646
Net assets, beginning of year	2,884,862	6,925,582	16,040,659	25,851,103
NET ASSETS, END OF YEAR	<u>\$ 3,166,040</u>	<u>\$ 9,325,606</u>	<u>\$ 17,188,103</u>	<u>\$ 29,679,749</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, 2018 and 2017

	2018	2017 As Restated
Cash Flows From Operating Activities		
Tuition and Fees	\$ 30,896,361	\$ 30,838,026
Grants and Contracts	15,348,548	15,234,923
Payments to Suppliers	(29,228,621)	(31,224,777)
Payments for Utilities	(4,177,346)	(4,051,071)
Payments to Employees	(69,759,780)	(71,249,196)
Loans Issued to Students	(72,356)	(148,672)
Collections of Loans to Students	179,713	203,550
Sales and Services of Auxiliary Enterprises	17,299,984	17,327,505
Other Payments	(3,095,751)	(2,946,839)
Net Cash Used in Operating Activities	(42,609,248)	(46,016,551)
Cash Flows From Non-capital Financing Activities		
State Appropriations	51,091,162	50,357,756
Receipt of Flex Contributions	289,575	289,575
Payment of Flex Contributions	(272,605)	(292,834)
Direct Lending Receipts	30,915,747	31,427,557
Direct Lending Payments	(30,915,747)	(31,427,557)
Other Receipts (Payments)	(125,765)	(77,226)
Net Cash Provided by Non-capital Financing Activities	50,982,367	50,277,271
Cash Flows From Capital and Related Financing Activities		
Proceeds from Capital Debt	-	32,067,551
Capital Contributions	2,302,761	1,855,690
Purchase of Capital Assets	(21,987,274)	(23,293,579)
Disposal of Capital Assets	(30,524)	20,622
Principal Paid on Capital Debt	(4,476,240)	(16,309,410)
Interest Paid on Capital Debt	(2,559,793)	(2,483,583)
Bond Issuance Costs	-	(44,103)
Capital Facilities Fees	2,091,271	2,084,928
Other	(2,195)	32,402
Capital Appropriations	5,174,581	4,564,990
Net Cash Used by Capital and Related Financing Activities	(19,487,413)	(1,504,492)
Cash Flows From Investing Activities		
Purchase/Sale of Investments	-	(737,000)
Investment Income	1,514,490	1,357,255
Net Cash Provided by Investing Activities	1,514,490	620,255
Increase (Decrease) in Cash and Cash Equivalents	(9,599,804)	3,376,483
Cash and Cash Equivalents, Beginning of Year	86,220,971	82,844,488
Cash and Cash Equivalents, End of Year	\$ 76,621,167	\$ 86,220,971

(Continued)

NEBRASKA STATE COLLEGE SYSTEM – PRIMARY GOVERNMENT
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

STATEMENTS OF CASH FLOWS

Fiscal Years Ended June 30, 2018 and 2017

	2018	2017 As Restated
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and Cash Equivalents	\$ 38,677,484	\$ 34,094,591
Restricted Cash and Cash Equivalents - Current	26,854,443	24,903,455
Restricted Cash and Cash Equivalents - Non-current	11,089,240	27,222,925
	<u>\$ 76,621,167</u>	<u>\$ 86,220,971</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	(53,612,355)	\$ (53,969,636)
Depreciation Expense	9,426,904	8,277,124
Changes in Operating Assets and Liabilities:		
Receivables, Net	161,391	650,883
Inventories	9,946	6,082
Accounts Payable and Accrued Liabilities	1,592,834	(831,860)
Accrued Compensated Absences	(260,320)	8,691
Other Assets and Liabilities	72,352	(157,835)
	<u>\$ (42,609,248)</u>	<u>\$ (46,016,551)</u>
Net Cash Used in Operating Activities		
	<u>\$ (42,609,248)</u>	<u>\$ (46,016,551)</u>
Supplemental Cash Flows Information		
Accounts Payable Incurred for Capital Asset Purchases	\$ 4,152,138	\$ 2,544,777
		(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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 2,909,513	\$ 2,431,251
Adjustments to Reconcile Increase (Decrease) in Net Assets		
To Net Cash Provided (Used) by Operating Activities		
Depreciation	526	1,952
Change in Allowance for Doubtful Accounts	(30,500)	22,000
Unrealized Loss (Gain) on Investments	(979,334)	(2,083,440)
Realized Loss (Gain) on Investments	54,140	315,055
Reinvested earnings on investments	(430,592)	(402,460)
Change in Estate Bequests	(969,000)	-
Change in Beneficial Interest in Annuity	1,902	2,656
Proceeds from Contributions Restricted for		
Investment in Named Endowments	(1,381,969)	(586,150)
(Increase) Decrease In:		
Contributions Receivable	(273,031)	(297,313)
Prepaid assets	1,375	(2,750)
Increase (Decrease) In:		
Accounts Payable	(253)	23
Accrued Salaries and Benefits	(39,723)	(80,701)
Scholarships Payable	(10,012)	(211,504)
Deferred Revenue	(1,902)	(2,656)
Due to Other Agencies	(25,183)	(431)
Net Cash Provided (Used) by Operating Activities	<u>(1,174,043)</u>	<u>(894,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Cash Surrender Value of Life Insurance	(1,913)	(16,460)
Contributions to investment account	(57,843)	(36,924)
Distributions from investment account	240,000	495,000
Purchases of Certificates of Deposit	(9,894)	(755,809)
Net Cash Provided (Used) by Investing Activities	<u>170,350</u>	<u>(314,193)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for		
Investment in Named Endowments	<u>1,381,969</u>	<u>586,150</u>
Net Cash Provided by Financing Activities	<u>1,381,969</u>	<u>586,150</u>
Net Increase (Decrease) in Cash and Cash Equivalents	378,276	(622,511)
Cash And Cash Equivalents, Beginning of Year	<u>1,098,313</u>	<u>1,720,824</u>
Cash And Cash Equivalents, End of Year	<u><u>\$ 1,476,589</u></u>	<u><u>\$ 1,098,313</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash and Cash Equivalents - Unrestricted	1,476,589	1,070,890
Cash and Cash Equivalents - Restricted	-	27,423
Total Cash and Cash Equivalents	<u><u>\$ 1,476,589</u></u>	<u><u>\$ 1,098,313</u></u>

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 COLLEGE FOUNDATION
(A COMPONENT UNIT OF THE NEBRASKA STATE COLLEGE SYSTEM)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017

(With comparative totals for 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,542,096	\$ (779,336)
Adjustments to reconcile change in net assets to net		
Cash from operating activities:		
Depreciation	4,668	1,164
Unrealized (gain)/loss on investments	(1,006,111)	(224,837)
Realized (Gain)/Loss on investments	(677,902)	(372,987)
(Increase)/decrease in unconditional promise to give	(65,392)	1,296
Dividends/interest on investment	(316,168)	-
Investment fees	102,716	-
Change in interest receivable	56	1,543
Change prepaid expenses	102,635	(100,000)
Change in accounts payable	(95,135)	42,858
Change in accrued compensation	(20,375)	(35,749)
Change in refundable deposits	927	(9,006)
NET CASH FROM OPERATING ACTIVITIES	(427,985)	(1,475,054)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investment sales	495,409	1,779,687
Purchase of investments	-	(990,851)
Purchase of Equipment	(26,753)	-
Purchase of real estate	(1,800)	-
Payments received on notes receivable	23,334	22,545
NET CASH FROM INVESTING ACTIVITIES	490,190	811,381
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt	(30,000)	(25,716)
NET CASH FROM FINANCING ACTIVITIES	(30,000)	(25,716)
CHANGE IN CASH AND CASH EQUIVALENTS	32,205	(689,389)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	590,151	1,279,540
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 622,356	\$ 590,151

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 244,417	\$ 3,828,646
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	4,358	4,905
Amortization of annuity obligations	85,314	84,656
Non-cash contributions	(389,053)	(329,139)
Net loss (gain) on investments & (reinvested income)	(1,645,093)	(2,719,800)
Net loss (gain) on exchange/sale of assets	-	95,450
(Increase) decrease in operating non-cash assets:		
Accrued interest receivable, prepaids & other receivables	4,944	4,890
Unconditional promises to give	531,153	(163,453)
Cash value life insurance	(4,312)	7,961
Increase (decrease) in operating non-cash liabilities:		
Accounts & faculty grants payable	6,606	(3,797)
Payable for capital improvements	671,067	-
Net cash provided (used) by operating activities	<u>(490,599)</u>	<u>810,319</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property & equipment	(10,713)	-
Net sales (purchases) of investments	576,944	1,024,964
Net cash provided (used) by investing activities	<u>566,231</u>	<u>1,024,964</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on annuity contracts	(118,980)	(118,980)
Net cash (used) by financing activities	<u>(118,980)</u>	<u>(118,980)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(43,348)	1,716,303
Cash & cash equivalents, beginning of year	<u>2,438,460</u>	<u>722,157</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,395,112</u>	<u>\$ 2,438,460</u>

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, 2018 and 2017

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. The NSCS is also considered financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the NSCS regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

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

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)

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.

Condensed statements showing NSCS and Corporation balances and transactions are as follows for fiscal year ended June 30, 2018:

Condensed Statement of Net Position

	NSCS	Corporation	2018 Total
Current Assets	\$ 66,509,881	\$ 2,333,843	\$ 68,843,724
Non-current Assets			
Capital Assets, Net	234,841,616	-	234,841,616
Other Non-current Assets	5,408,995	7,969,162	13,378,157
Total Assets	306,760,492	10,303,005	317,063,497
 Deferred Outflow of Resources	 35,959	 -	 35,959
 Current Liabilities	 14,341,329	 6,931,403	 21,272,732
Non-current Liabilities	43,797,009	32,730,834	76,527,843
Total Liabilities	58,138,338	39,662,237	97,800,575
 Deferred Inflow of Resources	 -	 23,060	 23,060
 Net Position			
Net Investment in Capital Assets	194,975,652	(31,185,075)	163,790,577
Restricted	24,306,239	1,802,783	26,109,022
Unrestricted	29,376,222	-	29,376,222
Total Net Position	\$ 248,658,113	\$ (29,382,292)	\$ 219,275,821

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 Revenues, Expenses, and Changes in Net Position

	NSCS	Corporation	2018 Total
Operating Revenues			
Tuition and Fees, Net	\$ 30,798,783	\$ -	\$ 30,798,783
Federal and State Grants and Contracts	14,529,239	-	14,529,239
Private Grants and Contracts	798,969	-	798,969
Auxiliary Enterprises, Net	17,561,674	-	17,561,674
Other Operating Revenues	1,502,607	-	1,502,607
Total Operating Revenues	65,191,272	-	65,191,272
Operating Expenses			
Depreciation	9,426,904	-	9,426,904
Other Operating Expenses	109,376,723	-	109,376,723
Total Operating Expenses	118,803,627	-	118,803,627
Operating Loss	(53,612,355)	-	(53,612,355)
Non-operating Revenues (Expenses)			
State Appropriations	51,091,162	-	51,091,162
Investment Income	1,297,818	195,957	1,493,775
Interest on Capital Asset-Related Debt	(1,193,811)	(830,313)	(2,024,124)
Gain (Loss) on Disposal of Asset	(16,117)	-	(16,117)
Other Non-operating Revenues (Expenses)	(31,532)	(13,025)	(44,557)
Net Non-operating Revenues (Expenses)	51,147,520	(647,381)	50,500,139
Loss Before Other Revenues, Expenses, Or Gains (Losses)	(2,464,835)	(647,381)	(3,112,216)
Other Revenues (Expenses) or Gains (Losses)			
Capital Facilities Fee	2,102,454	-	2,102,454
Capital Contributions	2,975,634	-	2,975,634
Operating Transfers In (Out)	12,672,445	(12,672,445)	-
Capital Appropriations and Grants	4,049,581	1,125,000	5,174,581
Net Other Revenues (Expenses) Or Gains (Losses)	21,800,114	(11,547,445)	10,252,669
Increase (Decrease) in Net Position	19,335,279	(12,194,826)	7,140,453
Net Position, Beginning of Year	229,322,834	(17,187,466)	212,135,368
Net Position, End of Year	\$ 248,658,113	\$ (29,382,292)	\$ 219,275,821

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	2018 Total
Cash Flows from Operating Activities	\$ (42,609,248)	\$ -	\$ (42,609,248)
Cash Flows from Non-capital Financing Activities	50,982,367	-	50,982,367
Cash Flows from Capital and Related Financing Activities	(6,737,306)	(12,750,107)	(19,487,413)
Cash Flows from Investing Activities	1,315,991	198,499	1,514,490
Increase (Decrease) in Cash and Cash Equivalents	2,951,804	(12,551,608)	(9,599,804)
Cash and Cash Equivalents, Beginning of Year	63,472,578	22,748,393	86,220,971
Cash and Cash Equivalents, End of Year	\$ 66,424,382	\$ 10,196,785	\$ 76,621,167

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, 2017:

Condensed Statement of Net Position

	NSCS As Restated	Corporation	2017 Total As Restated
Current Assets	\$ 60,156,930	\$ 1,756,736	\$ 61,913,666
Non-current Assets			
Capital Assets, Net	220,659,478	-	220,659,478
Other Non-current Assets	8,577,329	21,111,249	29,688,578
Total Assets	289,393,737	22,867,985	312,261,722
 Deferred Outflow of Resources	 39,737	 -	 39,737
 Current Liabilities	 13,287,594	 3,568,745	 16,856,339
Non-current Liabilities	46,823,046	36,452,351	83,275,397
Total Liabilities	60,110,640	40,021,096	100,131,736
 Deferred Inflow of Resources	 -	 34,355	 34,355
 Net Position			
Net Investment in Capital Assets	180,904,423	(18,397,966)	162,506,457
Restricted	21,608,777	1,210,500	22,819,277
Unrestricted	26,809,634	-	26,809,634
Total Net Position	\$ 229,322,834	\$ (17,187,466)	\$ 212,135,368

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 Revenues, Expenses, and Changes in Net Position

	NSCS As Restated	Corporation	2017 Total As Restated
Operating Revenues			
Tuition and Fees, Net	\$ 30,618,960	\$ -	\$ 30,618,960
Federal and State Grants and Contracts	13,938,455	-	13,938,455
Private Grants and Contracts	1,217,839	-	1,217,839
Auxiliary Enterprises, Net	17,395,090	-	17,395,090
Other Operating Revenues	1,445,984	-	1,445,984
Total Operating Revenues	64,616,328	-	64,616,328
Operating Expenses			
Depreciation	8,277,124	-	8,277,124
Other Operating Expenses	110,308,840	-	110,308,840
Total Operating Expenses	118,585,964	-	118,585,964
Operating Loss	(53,969,636)	-	(53,969,636)
Non-operating Revenues (Expenses)			
State Appropriations	50,357,756	-	50,357,756
Investment Income	1,342,614	20,349	1,362,963
Interest on Capital Asset-Related Debt	(872,381)	(382,418)	(1,254,799)
Gain on Disposal of Asset	20,733	-	20,733
Bond Issuance Costs	(44,103)	(339,993)	(384,096)
Other Non-operating Revenues (Expenses)	2,057	(16,278)	(14,221)
Net Non-operating Revenues (Expenses)	50,806,676	(718,340)	50,088,336
Loss Before Other Revenues, Expenses, Or Gains (Losses)	(3,162,960)	(718,340)	(3,881,300)
Other Revenues (Expenses) or Gains (Losses)			
Capital Facilities Fee	2,093,812	-	2,093,812
Capital Contributions	1,855,690	-	1,855,690
Operating Transfers In (Out)	(704,863)	704,863	-
Capital Appropriations and Grants	3,439,990	1,125,000	4,564,990
Net Other Revenues (Expenses) Or Gains (Losses)	6,684,629	1,829,863	8,514,492
Increase in Net Position	3,521,669	1,111,523	4,633,192
Net Position, Beginning of Year	225,801,165	(18,298,989)	207,502,176
Net Position, End of Year	\$ 229,322,834	\$ (17,187,466)	\$ 212,135,368

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	2017 Total As Restated
Cash Flows from Operating Activities	\$ (46,016,551)	\$ -	\$ (46,016,551)
Cash Flows from Non-capital Financing Activities	50,277,271	-	50,277,271
Cash Flows from Capital and Related Financing Activities	(19,575,531)	18,071,039	(1,504,492)
Cash Flows from Investing Activities	<u>607,327</u>	<u>12,928</u>	<u>620,255</u>
Increase (Decrease) in Cash and Cash Equivalents	(14,707,484)	18,083,967	3,376,483
Cash and Cash Equivalents, Beginning of Year	<u>78,180,062</u>	<u>4,664,426</u>	<u>82,844,488</u>
Cash and Cash Equivalents, End of Year	<u>\$ 63,472,578</u>	<u>\$ 22,748,393</u>	<u>\$ 86,220,971</u>

Discretely Presented Component Units

In implementing GASB Statement No. 39, the NSCS determined Chadron State, Peru State College, 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, 2018 and 2017, Chadron State, Wayne State, and Peru State College Foundations distributed \$678,255, \$5,720,892, and \$449,151; and \$1,047,218, \$4,475,833 and \$1,217,802, 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.

Unrestricted Net Position – Net position not subject to stipulation, including designated departmental balances, encumbrances, and working capital funds.

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)

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 \$6,533,644 and unrestricted net position deficit of \$31,185,075 in 2018. Reclassifications for 2017 included the Corporation's current restricted cash and cash equivalents of \$19,664,900 and unrestricted net position deficit of \$18,397,966. 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, \$511,823 of interest expense related to Corporation debt was capitalized in 2017. There was no capitalization of interest expense in 2018 due to the early implementation of GASB 89.

Certain other reclassifications have been made to the 2017 financial statements to conform to the 2018 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 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, 2018 and 2017.

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)

The NSCS considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2018 and 2017, 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 mainly 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 \$1,476,042 and \$1,444,551 at June 30, 2018 and 2017, respectively, and is identified by College as follows:

	2018	2017
CSC	\$ 832,885	\$ 846,310
PSC	456,494	393,583
WSC	164,226	189,448
NSCS Office	22,437	15,210

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, 2018 and 2017, was \$515,418 and \$557,651 for premiums and \$12,155 and \$12,154 for discounts, respectively, and it is identified by College as follows:

	2018		2017	
	Premiums	Discounts	Premiums	Discounts
CSC	\$ 2,787	\$ 4,768	\$ 2,787	\$ 4,768
PSC	-	4,941	-	4,940
WSC	6,114	2,446	6,114	2,446
NSCS Office	506,517	-	548,750	-
Total	\$ 515,418	\$ 12,155	\$ 557,651	\$ 12,154

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 was \$105,008 and \$97,369 at June 30, 2018 and 2017, respectively, at Wayne State College.

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. Prior to fiscal year 2018, interest cost incurred during the construction phase of capital assets was included as part of the capitalized value of the assets constructed. For 2018, NSCS adopted GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which requires such costs to be expensed in the period incurred. GASB 89 provisions have been applied prospectively in accordance with the transition provisions of the pronouncement. Accordingly, adoption of GASB 89 had no effect on beginning net position at July 1, 2016, or change in net position for the year ended June 30, 2017. 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 inflows and outflows of resources of the NSCS consist of unamortized bond refunding amounts.

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.

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.

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)

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, 2018 and 2017, as calculated under the NACUBO method, were \$12,363,774 and \$4,597,810; and \$11,351,727 and \$4,179,177, respectively, and are identified by College as follows:

	2018		2017	
	Tuition and Fees	Auxiliary Enterprises	Tuition and Fees	Auxiliary Enterprises
CSC	\$ 4,171,896	\$ 1,511,466	\$ 3,987,648	\$ 1,365,042
PSC	3,057,010	1,094,242	2,857,093	1,005,928
WSC	5,134,868	1,992,102	4,506,986	1,808,207

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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, 2018 and 2017, cash and cash equivalents of \$64,279,748 and \$54,549,091, 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). A copy of this report may be obtained on the Nebraska Department of Administrative Services' (DAS) website at das.nebraska.gov. Information may also be obtained by writing to DAS, 1526 K Street, Suite 240, Lincoln, NE 68508, or by calling 402-471-6500.

Cash on hand at June 30, 2018 and 2017, was \$6,750 and \$6,750, respectively. The carrying amount of the NSCS's deposits not with the State Treasurer at June 30, 2018 and 2017, were \$2,005,638 and \$1,998,121, respectively, and the bank balances were \$2,003,690 and \$1,990,548, respectively. Of the carrying amounts noted above, \$121,283 and \$128,228, 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.

Investments

Management of the assets of the Corporation, the revenue bond program, and the Flex Spending program is 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.

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)

The NSCS's investments consisted of money market mutual funds and debt securities. At June 30, 2018 and 2017, money market mutual funds totaling \$10,329,031 and \$29,667,009, respectively, were held by the trustees, and had weighted average maturities of 8-46 days and 37-53 days, respectively. All money market mutual funds were reported as cash equivalents.

At June 30, 2018, 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	\$ 602,259	\$ -	\$ 602,259	\$ -
Fixed income:				
Negotiable CD	717,036	-	717,036	-
Total	<u>\$ 1,319,295</u>	<u>\$ -</u>	<u>\$ 1,319,295</u>	<u>\$ -</u>

At June 30, 2017, 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	\$ 604,238	\$ -	\$ 604,238	\$ -
Fixed income:				
Negotiable CD	740,968	-	740,968	-
Total	<u>\$ 1,345,206</u>	<u>\$ -</u>	<u>\$ 1,345,206</u>	<u>\$ -</u>

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. Negotiable certificates of deposit were classified in Level 2 of the fair value hierarchy description of valuation technique and are valued using quoted prices for markets that are not active.

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. Two money market mutual funds are rated Aaa-mf by Moody's and AAAm by S&P, and the other is rated Aaa by Moody's and AAAm by S&P. The one investment in the Federal National Mortgage Association is rated Aaa by Moody's and AA+ by S&P. The investments in negotiable certificate of deposits are unrated.

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, 88% and 95% were in U.S. Treasury Money Market Funds, 1% and 1% were in Government Money Market Funds, 5% and 2% were in Federal National Mortgage Association Securities, and 6% and 2% were in negotiable certificate of deposits at June 30, 2018 and 2017, 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>2018</u>	<u>2017</u> <u>As Restated</u>
Carrying Value		
Cash	\$ 6,750	\$ 6,750
Deposits:		
Bank Deposits	2,005,638	1,998,121
Short Term Investment Pool	64,279,748	54,549,091
Trustee Debt Securities	602,259	604,238
Trustee Money Market Mutual Funds	10,329,031	29,667,009
Negotiable Certificates of Deposit	717,036	740,968
Total as of June 30	<u>\$ 77,940,462</u>	<u>\$ 87,566,177</u>
Included in the Statements of Net Position		
Cash and Cash Equivalents	\$ 38,677,484	\$ 34,094,591
Restricted Cash and Cash Equivalents	37,943,683	52,126,380
Restricted Investments	1,319,295	1,345,206
Total	<u>\$ 77,940,462</u>	<u>\$ 87,566,177</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, 2018, was:

Capital Assets

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 1,116,493	\$ 8,140	\$ -	\$ -	\$ 1,124,633
Building and Improvements	248,663,659	717,887	(296,574)	22,443,202	271,528,174
Infrastructure	34,115,415	99,130	(7,688)	2,764,567	36,971,424
Furniture, Fixtures, and Equipment	18,135,901	467,685	(179,671)	-	18,423,915
Construction in Progress	26,890,974	22,365,413	-	(25,207,769)	24,048,618
Total Capital Assets	<u>\$ 328,922,442</u>	<u>\$ 23,658,255</u>	<u>\$ (483,933)</u>	<u>\$ -</u>	<u>\$ 352,096,764</u>

Accumulated Depreciation

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Building and Improvements	\$ (78,992,760)	\$ (6,302,454)	\$ 267,103	\$ -	\$ (85,028,111)
Infrastructure	(16,303,131)	(1,537,567)	-	-	(17,840,698)
Furniture, Fixtures, and Equipment	(12,967,073)	(1,586,883)	167,617	-	(14,386,339)
Total Accumulated Depreciation	<u>(108,262,964)</u>	<u>(9,426,904)</u>	<u>434,720</u>	<u>-</u>	<u>(117,255,148)</u>
Net Capital Assets	<u>\$ 220,659,478</u>	<u>\$ 14,231,351</u>	<u>\$ (49,213)</u>	<u>\$ -</u>	<u>\$ 234,841,616</u>

Net Capital Assets by College

	CSC	PSC	WSC	NSCS Office	Total
Land	\$ 49,395	\$ 17,761	\$ 1,057,477	\$ -	\$ 1,124,633
Building and Improvements	48,178,639	50,778,054	87,543,370	-	186,500,063
Infrastructure	3,868,697	4,845,399	10,416,630	-	19,130,726
Furniture, Fixtures, and Equipment	1,191,397	478,188	861,762	1,506,229	4,037,576
Construction in Progress	5,467,663	4,978,674	13,602,281	-	24,048,618
Net Capital Assets	<u>\$ 58,755,791</u>	<u>\$ 61,098,076</u>	<u>\$ 113,481,520</u>	<u>\$ 1,506,229</u>	<u>\$ 234,841,616</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, 2017, was:

Capital Assets

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 1,102,993	\$ 13,500	\$ -	\$ -	\$ 1,116,493
Building and Improvements	229,506,488	-	(369,520)	19,526,691	248,663,659
Infrastructure	30,246,475	-	-	3,868,940	34,115,415
Furniture, Fixtures, and Equipment	17,929,117	391,466	(298,364)	113,682	18,135,901
Construction in Progress	26,035,368	24,483,223	(118,304)	(23,509,313)	26,890,974
Total Capital Assets	<u>\$ 304,820,441</u>	<u>\$ 24,888,189</u>	<u>\$ (786,188)</u>	<u>\$ -</u>	<u>\$ 328,922,442</u>

Accumulated Depreciation

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Building and Improvements	\$ (74,562,835)	\$ (5,391,135)	\$ 369,520	\$ 591,690	\$ (78,992,760)
Infrastructure	(14,481,788)	(1,229,653)	-	(591,690)	(16,303,131)
Furniture, Fixtures, and Equipment	(11,607,711)	(1,656,337)	296,975	-	(12,967,073)
Total Accumulated Depreciation	<u>(100,652,334)</u>	<u>(8,277,125)</u>	<u>666,495</u>	<u>-</u>	<u>(108,262,964)</u>
Net Capital Assets	<u>\$ 204,168,107</u>	<u>\$ 16,611,064</u>	<u>\$ (119,693)</u>	<u>\$ -</u>	<u>\$ 220,659,478</u>

Net Capital Assets by College

	CSC	PSC	WSC	NSCS Office	Total
Land	\$ 49,395	\$ 17,761	\$ 1,049,337	\$ -	\$ 1,116,493
Building and Improvements	49,666,904	42,603,593	77,400,402	-	169,670,899
Infrastructure	4,140,522	5,217,532	8,454,230	-	17,812,284
Furniture, Fixtures, and Equipment	1,362,585	483,676	938,194	2,384,373	5,168,828
Construction in Progress	812,301	10,244,106	15,834,567	-	26,890,974
Net Capital Assets	<u>\$ 56,031,707</u>	<u>\$ 58,566,668</u>	<u>\$ 103,676,730</u>	<u>\$ 2,384,373</u>	<u>\$ 220,659,478</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

3. Capital Assets (Concluded)

Interest costs capitalized, net of related interest income, was \$0 due to early implementation of GASB 89 (Note 1) for the fiscal year ended June 30, 2018, and \$885,084 for the fiscal year ended 2017.

4. Accounts Payable and Accrued Liabilities

The NSCS accounts payable and accrued liabilities are presented in aggregate in the financial statements at June 30, and consist of the following:

2018				
	Payroll and Withholdings	Payables to Vendors	Payable to Other Government	Total Payables
CSC	1,402,568	594,476	-	1,997,044
PSC	707,878	461,479	-	1,169,357
WSC	1,871,482	3,141,124	-	5,012,606
NSCS Office	-	4,592,566	134,218	4,726,784
Total	<u>3,981,928</u>	<u>8,789,645</u>	<u>134,218</u>	<u>12,905,791</u>

2017				
	Payroll and Withholdings	Payables to Vendors	Payable to Other Government	Total Payables
CSC	1,414,248	1,121,072	-	2,535,320
PSC	711,365	1,312,528	-	2,023,893
WSC	1,915,348	2,313,688	-	4,229,036
NSCS Office	-	713,790	203,371	917,161
Total	<u>4,040,961</u>	<u>5,461,078</u>	<u>203,371</u>	<u>9,705,410</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. Long-term Liabilities

The following is a summary of long-term obligation transactions for the NSCS for the year ended June 30, 2018:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Loan Obligations Payable	\$ 49,147	\$ -	\$ (24,151)	\$ 24,996	\$ 24,996
Master Lease Payable	548,876	-	(230,621)	318,255	215,779
Revenue and Refunding Bonds	44,150,000	-	(1,740,000)	42,410,000	2,060,000
Corporation Bonds	35,360,000	-	(2,635,000)	32,725,000	3,215,000
Total Long-term Debt	80,108,023	-	(4,629,772)	75,478,251	5,515,775
Accrued Compensated Absences	4,186,739	165,894	(426,214)	3,926,419	569,904
Unamortized Bond Premium	3,935,322	-	(515,418)	3,419,904	-
Unamortized Bond Discount	(223,206)	-	12,155	(211,051)	-
Other Liabilities	610,135	111,287	(360,711)	360,711	360,711
Total Other Long-term Liabilities	8,508,990	277,181	(1,290,188)	7,495,983	930,615
Total Long-term Liabilities	\$ 88,617,013	\$ 277,181	\$ (5,919,960)	\$ 82,974,234	\$ 6,446,390

The following is a summary of long-term obligation transactions for the NSCS for the year ended June 30, 2017:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Loan Obligations Payable	\$ 72,481	\$ -	\$ (23,334)	\$ 49,147	\$ 24,151
Master Lease Payable	776,450	-	(227,574)	548,876	230,621
Revenue and Refunding Bonds	45,590,000	2,865,000	(4,305,000)	44,150,000	1,740,000
Corporation Bonds	20,610,000	26,655,000	(11,905,000)	35,360,000	2,635,000
Total Long-term Debt	67,048,931	29,520,000	(16,460,908)	80,108,023	4,629,772
Accrued Compensated Absences	3,994,281	536,758	(344,300)	4,186,739	351,133
Unamortized Bond Premium	1,528,992	2,963,981	(557,651)	3,935,322	-
Unamortized Bond Discount	(235,360)	-	12,154	(223,206)	-
Other Liabilities	920,225	12,160	(322,250)	610,135	360,711
Total Other Long-term Liabilities	6,208,138	3,512,899	(1,212,047)	8,508,990	711,844
Total Long-term Liabilities	\$ 73,257,069	\$ 33,032,899	\$ (17,672,955)	\$ 88,617,013	\$ 5,341,616

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Continued)

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 10 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 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, 2018. Similar voluntary retirement settlement programs were also offered to support staff in the NAPE/AFSCME bargaining unit who retired on specific days in the past.

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 premiums 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, 2018, five employees at CSC, one employee at PSC, and four employees at WSC were participating in the NSCS's voluntary/early retirement programs. As of June 30, 2017, four employees at CSC, one employee at PSC, and two 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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. Long-term Liabilities (Continued)

	2018		2017	
	Ending Balance	Current Portion	Ending Balance	Current Portion
CSC	\$ 62,999	\$ 53,933	\$ 55,504	\$ 38,117
PSC	18,830	10,461	50,212	16,737
WSC	63,502	42,068	32,061	13,044
Total	<u>\$ 145,331</u>	<u>\$ 106,462</u>	<u>\$ 137,777</u>	<u>\$ 67,898</u>

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 bears 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, could be redeemed, in part or in whole, on or after July 1, 2016.

On December 19, 2016, PSC's outstanding Revenue Bonds, Series 2011 principal was called using proceeds from the issuance of Revenue Refunding Bonds, Series 2016C.

Student Fees and Facilities Revenue 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 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's and PSC's portions 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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Continued)

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 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 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 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)

5. 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 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.

Student Fees and Facilities Revenue Refunding Bonds Series 2016C

In November 2016, the Board authorized the issuance of \$2,865,000 of Student Fees and Facilities Revenue Refunding Bonds Series 2016C. The purpose of the issuance was to redeem in full the outstanding principal amount of the Student Fees and Facilities Revenue Bonds Series 2011. On December 19, 2016, the net proceeds from Series 2016C bonds were used to redeem the Series 2011 bonds. This current refunding reduced total debt service payments over the remaining 14 years by \$604,271. Bond refunding resulted in an estimated economic gain of \$407,674. 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 \$2,865,000 in bonds bear interest at rates from 0.95% to 3.2%, with payments due from fiscal years 2018 to 2032. Bonds maturing on or after July 1, 2022, can be redeemed, in part or in whole, on or after December 19, 2021.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Continued)

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 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 were scheduled to continue until July 15, 2020. Bonds maturing on or after July 15, 2017, were callable at the option of the Corporation beginning July 15, 2016. On September 19, 2016, the Corporation's outstanding Deferred Maintenance Bonds, Series 2006 principal were called using proceeds from the issuance of Deferred Maintenance and Refunding Bonds, Series 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 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.

In June 2016, the Corporation authorized the issuance of \$26,655,000 of Deferred Maintenance Refunding Bonds Series 2016, of which \$19,295,000 was related to new bonds and \$7,360,000 was related to refunding bonds. The purpose of the issuance was to redeem in full the outstanding principal amount of the Deferred Maintenance Series 2006 bonds and allow for the issuance of new bond proceeds 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. On September 19, 2016, the Series 2006 bonds were advance refunded. This refunding of the Series 2006 bonds resulted in a reduction of total debt service payments by \$854,784 and an estimated economic gain of \$471,674. 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 old bonds. 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. The bonds bear interest, payable semiannually, at rates of 2.00% to 5.00%. Principal maturities, due in annual installments, began July 15, 2017, and continue until July 15, 2030. Bonds maturing on or after July 15, 2027, are able to be redeemed, in part or in whole, on or after July 15, 2026.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. Long-term Liabilities (Continued)

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, 2018 and 2017, and were net of accumulated depreciation of \$99,456 in 2018 and \$68,854 in 2017.

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
2019	\$ 640,000	\$ 247,888	\$ 887,888
2020	655,000	238,108	893,108
2021	655,000	227,578	882,578
2022	675,000	213,044	888,044
2023	690,000	195,690	885,690
2024 – 2028	3,695,000	716,290	4,411,290
2029 – 2033	2,610,000	255,420	2,865,420
2034	500,000	7,500	507,500
Total	<u>\$ 10,120,000</u>	<u>\$2,101,518</u>	<u>\$ 12,221,518</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Continued)

CSC Master Lease Obligation Summary

Year Ending June 30	Principal	Interest	Total
2019	144,213	2,505	146,718
2020	102,475	745	103,220
Total	<u>\$ 246,688</u>	<u>\$ 3,250</u>	<u>\$ 249,938</u>

PSC Revenue and Refunding Bonds

Year Ending June 30	Principal	Interest	Total
2019	\$ 560,000	\$ 384,565	\$ 944,565
2020	570,000	377,430	947,430
2021	570,000	369,111	939,111
2022	585,000	359,488	944,488
2023	600,000	348,431	948,431
2024 – 2028	3,165,000	1,527,803	4,692,803
2029 – 2033	2,225,000	1,137,209	3,362,209
2034 – 2038	1,600,000	832,983	2,432,983
2039 – 2043	1,910,000	517,623	2,427,623
2044 – 2047	1,795,000	137,718	1,932,718
Total	<u>\$ 13,580,000</u>	<u>\$ 5,992,361</u>	<u>\$ 19,572,361</u>

PSC Loan Obligation Payable

Year Ending June 30	Principal	Interest	Total
2019	\$ 24,996	\$ 875	\$ 25,871
Total	<u>\$ 24,996</u>	<u>\$ 875</u>	<u>\$ 25,871</u>

PSC Master Lease Obligation Summary

Year Ending June 30	Principal	Interest	Total
2019	\$ 71,567	\$ 474	\$ 72,041
Total	<u>\$ 71,567</u>	<u>\$ 474</u>	<u>\$ 72,041</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Continued)

WSC Revenue and Refunding Bonds

Year Ending June 30	Principal	Interest	Total
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	905,000	486,184	1,391,184
2023	920,000	466,124	1,386,124
2024 – 2028	5,020,000	1,891,833	6,911,833
2029 – 2033	2,600,000	1,296,025	3,896,025
2034 – 2038	2,025,000	966,206	2,991,206
2039 – 2043	2,385,000	599,047	2,984,047
2044 – 2047	2,225,000	158,988	2,383,988
Total	<u>\$ 18,710,000</u>	<u>\$ 7,425,875</u>	<u>\$ 26,135,875</u>

Corporation Bonds

Year Ending June 30	Principal	Interest	Total
2019	\$ 3,215,000	\$ 1,240,568	\$ 4,455,568
2020	3,325,000	1,122,168	4,447,168
2021	4,800,000	976,843	5,776,843
2022	1,790,000	728,968	2,518,968
2023	1,880,000	656,018	2,536,018
2024 – 2028	10,405,000	2,204,590	12,609,590
2029 – 2031	7,310,000	278,521	7,588,521
Total	<u>\$ 32,725,000</u>	<u>\$ 7,207,676</u>	<u>\$ 39,932,676</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

5. Long-term Liabilities (Concluded)

NSCS Loan Obligation and Bond Summary

Year Ending June 30	Principal	Interest	Total
2019	\$ 5,515,776	\$ 2,412,843	\$ 7,928,619
2020	5,532,475	2,259,475	7,791,950
2021	6,915,000	2,078,008	8,993,008
2022	3,955,000	1,787,684	5,742,684
2023	4,090,000	1,666,263	5,756,263
2024 – 2028	22,285,000	6,340,516	28,625,516
2029 – 2033	14,745,000	2,967,175	17,712,175
2034 – 2038	4,125,000	1,806,689	5,931,689
2039 – 2043	4,295,000	1,116,670	5,411,670
2044 – 2047	4,020,000	296,706	4,316,706
Total	<u>\$ 75,478,251</u>	<u>\$ 22,732,029</u>	<u>\$ 98,210,280</u>

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, 2018 and 2017, the NSCS was in compliance with these requirements.

6. Operating Leases

Noncancellable operating leases related primarily to office space and equipment expire in various fiscal years through 2024. Renewal options for leases containing such provision ranged from one to six years. These operating leases generally require the NSCS to pay all executory costs (property taxes, maintenance, operating, and insurance).

Future noncancellable operating lease payments as of June 30, 2018, were:

2019	\$ 346,082
2020	248,065
2021	186,534
2022	92,725
2023	82,010
2024	33,525
Total	<u>\$ 988,941</u>

The NSCS's operating lease payments for the years ended June 30, 2018, and June 30, 2017, were \$917,095 and \$898,967, respectively.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. 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, 2018 and 2017, is summarized as follows:

Condensed Statement of Net Position

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets	\$ 18,189,205	\$ 17,602,050
Noncurrent Assets	59,319,462	63,359,844
Total assets	<u>77,508,667</u>	<u>80,961,894</u>
 Deferred Outflows of Resources	 <u>35,959</u>	 <u>39,737</u>
 Liabilities		
Current Liabilities	3,813,688	5,949,450
Noncurrent Liabilities	40,580,450	42,939,927
Total liabilities	<u>44,394,138</u>	<u>48,889,377</u>
 Net Position		
Net investment in capital assets	16,926,490	18,000,511
Restricted for		
Debt service	2,085,398	1,768,620
By enabling legislation	14,138,600	12,343,123
Total net position	<u>\$ 33,150,488</u>	<u>\$ 32,112,254</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

7. Revenue Bond Program (Concluded)

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Rentals	\$ 7,703,203	\$ 7,377,973
Food Service	8,727,143	8,611,546
Facilities	3,315,525	3,264,446
Bookstore	183,229	202,085
Other	299,567	290,311
Total operating revenues	<u>20,228,667</u>	<u>19,746,361</u>
Operating Expenses		
Food Service	5,483,374	5,890,745
Other	12,849,699	12,997,771
Total operating expenses	<u>18,333,073</u>	<u>18,888,516</u>
Operating Income	1,895,594	857,845
Nonoperating Revenue (Expenses)	(857,360)	(403,086)
Increase in Net Position	<u>1,038,234</u>	<u>454,759</u>
Net Position, Beginning of Year	32,112,254	31,657,495
Net Position, End of Year	<u><u>\$ 33,150,488</u></u>	<u><u>\$ 32,112,254</u></u>

Condensed Statement of Cash Flows

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities	\$ 2,299,504	\$ 2,665,925
Cash Flows from Capital and Related Financing Activities	(5,253,658)	(19,264,288)
Cash Flows from Investing Activities	<u>353,548</u>	<u>(222,935)</u>
Decrease in Cash and Cash Equivalents	(2,600,606)	(16,821,298)
Cash and Cash Equivalents, Beginning of Year	<u>22,505,069</u>	<u>39,326,367</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 19,904,463</u></u>	<u><u>\$ 22,505,069</u></u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

8. 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 2018 and 2017, expressed as a percentage of covered payroll, 6% and 8%, respectively. Contributions actually made for the fiscal years ended June 30, 2018 and 2017, by plan members and the NSCS were \$2,760,227 and \$3,678,646; and \$2,712,323 and \$3,616,423, respectively. At June 30, 2018 and 2017, the plan had 772 and 780 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.

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 \$933,028 to the SRA, \$153,436 to the Roth 403(b), and \$134,084 to the 457 plan in 2018, while in 2017 plan members contributed \$980,484 to the SRA, \$116,402 to the Roth 403(b), and \$92,496 to the 457 plan. The NSCS does not contribute to these supplemental plans.

9. 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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

9. Risk Management (Concluded)

- 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 \$50,000 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 NSCS contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each State agency based on total agency payroll 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.

10. Commitments and Contingencies

Construction Contracts

The Board of Trustees has approximate remaining construction commitments of \$11,238,000 and \$11,405,000, as of June 30, 2018 and 2017, 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:

	2018	2017
CSC	\$ 3,743,000	\$ 582,000
PSC	1,959,000	5,751,000
WSC	5,536,000	5,072,000

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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

11. 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.

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 \$20,481,586 and \$18,018,722 in fiscal years 2018 and 2017, respectively, was restricted due to enabling legislation.

12. Joint Operation

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. On September 6, 2016, WSC entered into a new interlocal agreement with NECC to continue to operate CCSSC.

NECC administers the accounts payable related to joint operation and maintenance costs and provides WSC with quarterly reports and an invoice for WSC's share of expenses accompanied by supporting documentation. Both parties agree the expense allocation between the parties shall be split equally (50%-50%) for all expenses for the term of the Agreement. CCSSC is governed by CCSSC's Administrative Council, which is a four-member voting board composed of two appointees from NECC and two appointees from WSC. In addition to the voting members, the following individuals shall serve on the Council in an ex officio capacity: Facilities Manager and two institutional leaders (one appointed by each President). The chairperson of the Council shall be selected on a rotating basis with a WSC representative in even-numbered years and a Northeast representative in odd-numbered years. Ownership of land and facilities are shared 50%-50% by NECC and WSC. Either party can terminate the agreement with at least twelve (12) months prior notice, giving the other party right of first refusal on purchase of the exiting party's interest in the building, contents, and land.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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:

Foundation	Years Ended	Pages
Chadron State	June 30, 2018 and 2017	69 - 86
Peru State College	December 31, 2017 and 2016	87 - 96
Wayne State	June 30, 2018 and 2017	97 - 109

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Chadron State 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 (CSC). 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)

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 purposes 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:

- 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.
- 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.
- 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.
- 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)

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, 2018 and 2017, was \$30,698 and \$28,008, 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)

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)

As of June 30, 2018, 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 2015. 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, 2018 and 2017, respectively. The total bank balance represents the amount held by the bank. The carrying balance represents the reconciled general ledger balance at June 30, 2018 and 2017.

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, 2018

Type of Deposits	Total Bank Balance	Total Carrying Balance	Custody Credit Risk		
			Category 1	Category 2	Category 3
Demand Deposits:					
Security First Bank					
Operating Account	\$ 1,265,335	\$1,265,335	\$ 250,000	\$ -	\$ 1,015,335
FNB - North Platte					
Operating Account	156,888	144,907	156,888	-	-
Credit Card Account	21,091	21,091	-	-	21,091
FNB – Chadron					
Custodial Account	26,345	20,769	26,345	-	-
Edward Jones					
Money Market	24,487	24,487	-	24,487	-
Certificates of Deposit	765,703	765,703	765,703	-	-
	<u>\$ 2,259,849</u>	<u>\$2,242,292</u>	<u>\$ 1,198,936</u>	<u>\$ 24,487</u>	<u>\$ 1,036,426</u>

June 30, 2017

Type of Deposits	Total Bank Balance	Total Carrying Balance	Custody Credit Risk		
			Category 1	Category 2	Category 3
Demand Deposits:					
Bank of the West					
Operating Account	\$ 720,998	\$ 720,998	\$ 250,000	\$ -	\$ 470,998
FNB - North Platte					
Operating Account	422,552	316,947	250,000	-	172,552
Credit Card Account	9,309	9,309	-	-	9,309
FNB – Chadron					
Custodial Account	27,423	27,423	27,423	-	-
Edward Jones					
Money Market	23,636	23,636	-	23,636	-
Certificates of Deposit	755,809	755,809	755,809	-	-
	<u>\$ 1,959,727</u>	<u>\$1,854,122</u>	<u>\$ 1,283,232</u>	<u>\$ 23,636</u>	<u>\$ 652,859</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, 2018 and 2017, were as follows:

	2018	2017
Receivable in Less Than One Year	\$ 401,402	\$ 376,171
Receivable in One to Five Years	747,671	560,112
Receivable in Six to Ten Years	100,000	3,212
Total Contributions Receivable	\$ 1,249,073	\$ 939,495
Less Unamortized Discounts to Net Present Value	(54,789)	(18,242)
Less Allowance for Uncollectable Accounts	(53,500)	(84,000)
Net Contributions Receivable	<u>\$ 1,140,784</u>	<u>\$ 837,253</u>

The discount rates used on long-term promises to give were 2.73% and 1.89% for the years ended June 30, 2018 and 2017, respectively.

Note 4 – Investments

Investments are stated at fair value and are shown below as of June 30, 2018 and 2017:

	Cost 06/30/2018	Market Value 06/30/2018	Unrealized Appreciation
Mutual Funds			
Large Cap	\$ 3,377,727	\$ 4,688,148	\$ 1,310,421
Mid Cap	908,397	1,010,167	101,770
Small Cap	870,672	992,862	122,190
International	3,842,658	3,956,801	114,143
Emerging Markets	1,081,617	1,306,971	225,354
Fixed Income	2,149,146	2,106,454	(42,692)
Floating rate corporate loans	1,399,426	1,394,692	(4,734)
Low correlated hedge funds	548,003	549,928	1,925
Publicly Traded Limited Partnership	1,639,915	1,388,309	(251,606)
Hedge Funds	2,160,442	2,510,118	349,676
Total Investments	<u>\$ 17,978,003</u>	<u>\$ 19,904,450</u>	<u>\$ 1,926,447</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	Market Value	Unrealized
	06/30/2017	06/30/2017	Appreciation
Mutual Funds			
Large Cap	\$ 4,149,206	\$ 5,063,948	\$ 914,742
Mid Cap	994,781	1,036,485	41,704
Small Cap	979,420	1,026,106	46,686
International	3,262,493	3,325,913	63,420
Emerging Markets	1,217,036	1,357,827	140,791
Fixed Income	960,775	940,454	(20,321)
Floating rate corporate loans	1,443,573	1,432,812	(10,761)
Commodities	1,216,737	845,888	(370,849)
Low correlated hedge funds	516,476	524,916	8,440
Publicly Traded Limited Partnership	933,209	836,585	(96,624)
Hedge Funds	2,110,000	2,339,887	229,887
Total Investments	<u>\$ 17,783,706</u>	<u>\$ 18,730,821</u>	<u>\$ 947,115</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, 2018, 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, 2018 and 2017:

		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)
June 30, 2018	Fair Value			
Mutual Funds				
Large Cap	\$ 4,688,148	\$ 4,688,148	\$ -	\$ -
Mid Cap	1,010,167	1,010,167	-	-
Small Cap	992,862	992,862	-	-
International	3,956,801	3,956,801	-	-
Emerging markets	1,306,971	1,306,971	-	-
Fixed Income	2,106,454	2,106,454	-	-
Corporate Loans	1,394,692	1,394,692	-	-
Low correlated hedge funds	549,928	549,928	-	-
Publicly traded limited partnership	1,388,309	1,388,309	-	-
Hedge Funds	2,510,118	-	2,510,118	-
Total Investments	<u>\$ 19,904,450</u>	<u>\$ 17,394,332</u>	<u>\$ 2,510,118</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, 2017	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	\$ 5,063,948	\$ 5,063,948	\$ -	\$ -
Mid Cap	1,036,485	1,036,485	-	-
Small Cap	1,026,106	1,026,106	-	-
International	3,325,913	3,325,913	-	-
Emerging markets	1,357,827	1,357,827	-	-
Fixed Income	940,454	940,454	-	-
Corporate Loans	1,432,812	1,432,812	-	-
Commodities	845,888	845,888	-	-
Low correlated hedge funds	524,916	524,916	-	-
Publicly traded limited partnership	836,585	836,585	-	-
Hedge Funds	2,339,887	-	2,339,887	-
Total Investments	<u>\$ 18,730,821</u>	<u>\$ 16,390,934</u>	<u>\$ 2,339,887</u>	<u>\$ -</u>

The following schedule summarizes the investment return in the Statement of Activities for the years ended June 30, 2018 and 2017:

	2018	2017
Interest and dividend income	\$ 471,950	\$ 442,954
Net realized gains (losses)	(54,140)	(315,055)
Net unrealized gains (losses)	979,334	2,083,440
Management fees	(41,358)	(40,494)
Total	<u>\$ 1,355,786</u>	<u>\$ 2,170,845</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.

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)

The fair value of the beneficial interests at June 30, 2018 and 2017, were as follows:

2018	Fair Value	Level 1	Level 2	Level 3
Cash Surrender Value of Life Insurance	\$ 45,839	\$ -	\$ -	\$ 45,839
Beneficial Interest in Annuity	11,483	11,483	-	-
Beneficial Interest in Estates	969,000	969,000	-	-
Total Other Assets	<u>\$1,026,322</u>	<u>\$ 980,483</u>	<u>\$ -</u>	<u>\$ 45,839</u>

2017	Fair Value	Level 1	Level 2	Level 3
Cash Surrender Value of Life Insurance	\$ 43,926	\$ -	\$ -	\$ 43,926
Beneficial Interest in Annuity	13,385	13,385	-	-
Total Other Assets	<u>\$ 57,311</u>	<u>\$ 13,385</u>	<u>\$ -</u>	<u>\$ 43,926</u>

Assets measured at fair market value using significant unobservable inputs (level 3) in an inactive market changed as follows:

2018	Cash Surrender Value of Life Insurance
Beginning balance, July 1, 2017	\$ 43,926
Purchases, issuance, settlements	-
Total gains (realized, unrealized)	1,913
Ending balance, June 30, 2018	<u>\$ 45,839</u>

2017	Cash Surrender Value of Life Insurance
Beginning balance, July 1, 2016	\$ 27,466
Purchases, issuance, settlements	13,827
Total gains (realized, unrealized)	2,633
Ending balance, June 30, 2017	<u>\$ 43,926</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, 2018 and 2017, consisted of the following:

	2018	2017
Land	\$ 38,500	\$ 38,500
Office Equipment	97,096	97,096
	\$ 135,596	\$ 135,596
Less Accumulated Depreciation	(96,314)	(95,788)
Property and Equipment, Net of Accumulated Depreciation	<u>\$ 39,282</u>	<u>\$ 39,808</u>

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 has acted as an agent to various organizations of Chadron State College. It maintained the cash accounts and provided bookkeeping services for these organizations. At June 30, 2018 and 2017, the restricted cash balance was \$0 and \$27,423, respectively. The total due to other agencies balance was \$0 and \$25,183, respectively. Control and management of these funds has been transferred back to Chadron State College as of June 30, 2018.

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, 2018 and 2017, the Board of Directors had designated \$841,044 and \$648,939, 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)

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 360 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 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

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Continued)

Note 8 – Accounting for Investments and Endowments (Continued)

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.

Endowment net asset composition by type of fund as of June 30, 2018, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 2,409,815	\$ 17,569,995	\$ 19,979,810
Board-designated endowment funds	841,044	-	-	841,044
Total funds	<u>\$ 841,044</u>	<u>\$ 2,409,815</u>	<u>\$ 17,569,995</u>	<u>\$ 20,820,854</u>

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, 2018, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 648,939	\$ 1,988,424	\$ 16,174,441	\$ 18,811,804
Contributions	22,355	142	1,381,969	1,404,466
Investment Income, net of fees	14,311	302,870	-	317,181
Net appreciation	27,465	831,186	-	858,651
Transfers	160,210	205	13,585	174,000
Amounts appropriated for expenditures	(32,236)	(713,012)	-	(745,248)
Endowment net assets, end of year	<u>\$ 841,044</u>	<u>\$ 2,409,815</u>	<u>\$ 17,569,995</u>	<u>\$ 20,820,854</u>

Endowment net asset composition by type of fund as of June 30, 2017, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 1,988,424	\$ 16,174,441	\$ 18,162,865
Board-designated endowment funds	648,939	-	-	648,939
Total funds	<u>\$ 648,939</u>	<u>\$ 1,988,424</u>	<u>\$ 16,174,441</u>	<u>\$ 18,811,804</u>

Changes in endowment net assets as of June 30, 2017, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 554,720	\$ 861,229	\$ 15,566,578	\$ 16,982,527
Contributions	20,592	-	586,150	606,742
Investment Income, net of fees	5,658	77,108	-	82,766
Net appreciation	65,114	1,687,943	-	1,753,057
Transfers	15,711	-	21,713	37,424
Amounts appropriated for expenditures	(12,856)	(637,856)	-	(650,712)
Endowment net assets, end of year	<u>\$ 648,939</u>	<u>\$ 1,988,424</u>	<u>\$ 16,174,441</u>	<u>\$ 18,811,804</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

CHADRON STATE FOUNDATION (Continued)

Note 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2018	2017
Scholarships and College Use	\$ 4,575,873	\$ 3,308,564
Total Temporarily Restricted Net Assets	\$ 4,575,873	\$ 3,308,564

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2018	2017
Purpose Restriction Accomplished:		
Scholarships	\$ 493,060	\$ 435,281
College Use	225,553	499,929
Management Fees	328,672	295,686
Investment Fees	33,639	32,848
Total Restrictions Released	\$ 1,080,924	\$ 1,263,744

Note 10 – Permanently Restricted Net Assets

As of June 30, 2018 and 2017, net assets were permanently restricted for the endowment in the amount of \$17,569,995 and \$16,174,441, respectively. The income from the endowment can be used to support Chadron State College. At June 30, 2018 and 2017, the fair value of investments related to the restricted endowment was \$18,532,507 and \$17,624,923, leaving the amount assigned to individual donor restricted endowments required to be maintained in perpetuity with an excess balance of \$962,513 and \$1,450,482 for 2018 and 2017, 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, 2018 and 2017, were \$28,781 and \$29,238, respectively.

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

(Continued)

CHADRON STATE FOUNDATION (Continued)

Note 12 – Commitments

The Foundation agreed to provide the College with \$2 million for the Rangeland Center Project. As of June 30, 2018, \$1,673,270 has been provided to the College.

The Foundation began transferring dollars to 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, 2018, \$2,588,460 has been provided to the College.

In 2013, 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, 2018, \$292,000 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. This project, along with the fundraising campaign is still in the initial planning stages.

In May 2016, the Foundation committed \$1 million to the renovation of the football stadium. As of June 30, 2018, \$0 has been provided to the College. However, with the completion of the project in August of 2018, the Foundation expects the College to request funding in September 2018.

Note 13 – Emerging Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which removes inconsistencies and weaknesses in revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, provides more useful information to users of financial statements through improved disclosure requirements, and simplifies the preparation of financial statements by reducing the number of requirements to which an entity must refer. The ASU outlines five steps to achieve proper revenue recognition: identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies the performance obligation. This standard is effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet evaluated the impact implementation will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* which supersedes FASB ASC Topic 840, *Leases (Topic 840)* and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

CHADRON STATE FOUNDATION (Concluded)

Note 13 – Emerging Accounting Standards (Concluded)

expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. If the available accounting election is made, leases with a term of twelve months or less can be accounted for similar to existing guidance for operating leases. The standard is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization has not yet evaluated the impact this standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to provide more useful information to financial statement users. Changes include: 1) presenting only two classes of net assets (with and without donor restrictions), 2) no longer requiring a reconciliation with the indirect method when choosing to utilize the direct method of cash flows, 3) reporting investment return net of expenses with no additional disclosure of expense amounts, and 4) eliminating the option to release donor-imposed restrictions of long-lived assets over the estimate useful life of the asset acquired. In addition, enhanced disclosures are required for board designated and donor restricted net assets, the entity's liquidity and how that liquidity is managed, expenses by both natural and functional classification, the allocation methods among program and support functions, and underwater endowment funds (which will now be classified as net assets with donor restrictions). The standard is effective for fiscal years beginning after December 15, 2017. The Organization has not yet evaluated the impact this standard will have on the financial statements.

Note 14 – Subsequent Events

On August 24, 2018, the Chadron State Foundation Board approved the named endowment and grant to campus payouts for the 2019-2020 academic year. This will result in a liability at October 1, 2018, of \$444,405 for the named endowments, \$46,561 for the grant to campus and \$21,615 for quasi endowments, for a total support to the college of \$512,581.

The Foundation paid \$500,000 of the \$1,000,000 for the renovation of the football stadium commitment in September 2018 to Chadron State College.

The Foundation has evaluated subsequent events through October 19, 2018, the date which the financial statements were issued.

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION

Note A – Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies of the Peru State College Foundation (the Foundation)

1. Nature of the Organization

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.

2. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

3. Use of Estimates

The preparation of the 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 amount 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 may differ from the estimates and assumptions used in preparing the financial statements.

4. Financial Statement Presentation

The Foundation follows Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958-205 *Not-for-Profit Entities Presentation of Financial Statements*.

Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to the following three classes of net assets:

- Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out 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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note A – Summary of Significant Accounting Policies (Continued)

- 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.

5. *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.

6. *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 C. 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.

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.

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note A – Summary of Significant Accounting Policies (Continued)

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.

7. *Property and Equipment*

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.

8. *Revenues and Other Support*

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 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.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note A – Summary of Significant Accounting Policies (Concluded)

Contributions of donated noncash assets are recorded at their estimated fair values in the period received.

9. *Functional 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.

10. *Income Taxes*

The Foundation is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not identified by the Internal Revenue Service as a private foundation.

Management evaluated the Foundation's tax positions including unrelated business income and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

11. *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.

12. *Comparative Financial 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Note B – Cash

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of December 31, 2017, the uninsured balance is \$4,295. The Organization believes it is not exposed to any significant credit risk on its cash balances.

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note C – Investments

The Foundation's investments at December 31, 2017 consist of the following:

	Cost	Gross Unrealized Gain	Fair Market Value
Fixed Income Funds			
Westwood Cash Reserves, LLC	\$ 368,585	\$ 421	\$ 369,006
Westwood Core Income, LLC	1,922,560	152,591	2,075,151
Westwood Total Return, LLC	1,386,643	1,178,536	2,565,179
Equity Funds:			
Westwood Tactical Opportunity, LLC	221,797	398,546	620,343
Westwood Diversified Core Equity, LLC	776,997	2,565,556	3,342,553
Westwood Focused Core Equity, LLC	253,186	1,169,378	1,422,564
Westwood Diversified Small/Mid Cap Equity, LLC	92,939	760,295	853,234
Westwood Focused Small Cap Equity, LLC	203,977	320,683	524,660
Westwood International Equity, LLC	945,255	460,905	1,406,160
	<u>\$ 6,171,939</u>	<u>\$ 7,006,911</u>	<u>\$ 13,178,850</u>

The Foundation's investments at December 31, 2016 consist of the following:

	Cost	Gross Unrealized Gain	Fair Market Value
Fixed Income Funds			
Westwood Cash Reserves, LLC	\$ 473,927	\$ 1,128	\$ 475,055
Westwood Core Income, LLC	1,725,560	124,988	1,850,548
Westwood Total Return, LLC	1,386,643	949,747	2,336,390
Equity Funds:			
Westwood Tactical Opportunity, LLC	221,797	349,401	571,198
Westwood Diversified Core Equity, LLC	1,161,050	1,773,878	2,934,928
Westwood Focused Core Equity, LLC	303,186	885,528	1,188,714
Westwood Diversified Small/Mid Cap Equity, LLC	190,939	595,027	785,966
Westwood Focused Small Cap Equity, LLC	211,621	259,444	471,065
Westwood International Equity, LLC	997,748	165,182	1,162,930
	<u>\$ 6,672,471</u>	<u>\$ 5,104,323</u>	<u>\$ 11,776,794</u>

Investment expense which consists of management fees totaled \$102,716 and \$82,334 for the years ended December 31, 2017 and 2016, respectively.

Current requirements for fair value measurements establish a hierarchy that prioritizes the inputs to the valuation techniques used. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are:

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NOTES TO THE FINANCIAL STATEMENTS

(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note C – Investments (Concluded)

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Note D – Note Receivable

The Foundation's note receivable consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
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.	\$ 49,147	\$ 72,481
Current portion of note receivable	24,151	23,334
Long term receivable less current portion	<u>\$ 24,996</u>	<u>\$ 49,147</u>

The aggregate maturities of the note receivable are as follows:

2018	24,151
2019	24,996
	<u>\$ 49,147</u>

Note E – Refundable Deposits

Beginning in 2003, the Peru Booster Club had entered into intermediary agreements with the Foundation. Funds are held in a cash account by the Foundation as an agent of the organization 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 this entity totaling \$20,320 and \$20,347 as of December 31, 2017 and 2016, respectively.

NEBRASKA STATE COLLEGE SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note F – Notes Payable

At December 31, 2017 and 2016 the Foundation had a short-term bank loan that bears interest at 3.50% with balances of \$85,086 and \$115,086 respectively. The loan was refinanced in January 2018 with a new balance of \$ 115,085.67.

Note G – Net Assets

The following net assets amounts represent amounts that are unrestricted, board-designated or have donor-imposed restrictions.

Unrestricted board-designated net assets at December 31, are available for the following:

	2017	2016
Designated for scholarships	\$ 600,620	\$ 600,620
Designated for work stipends	488,044	508,044
Designated for campus improvements	5,500	5,500
	<u>\$ 1,094,164</u>	<u>\$ 1,114,164</u>

Temporarily restricted net assets at December 31, are available for the following uses:

	2017	2016
Restricted for scholarships	\$ 983,267	\$ 695,594
Restricted for education and athletic departments	980,385	951,397
Promise to give - renovation	80,000	-
	<u>\$ 2,043,652</u>	<u>\$ 1,646,991</u>

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 2017 and 2016 amounted to \$202,289 and \$174,885, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of the restrictions specified by donors as follows:

	2017	2016
Purpose restriction accomplished:		
Scholarships	\$ 190,584	\$ 36,475
Departmental and athletic gifts to College	26,391	8,828
Oakbowl renovations & fundraising	-	5,117
	<u>\$ 216,955</u>	<u>\$ 50,420</u>

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note H – Endowment Funds

Appreciation of endowed assets included in investments at December 31, are as follows:

	2017	2016
Fair value of endowed assets	\$ 9,974,023	\$ 9,246,512
Remaining principle balance	(7,146,698)	(6,871,450)
Net appreciation - endowed assets	<u>\$ 2,827,325</u>	<u>\$ 2,375,062</u>

The Foundation's endowment funds consist of both donor-restricted endowment funds and funds designated by the Board to function as an endowment. As required by generally accepted accounting principles, net assets and the changes therein associated with endowment funds, including fund designations by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted April 4, 2007. NUPMIFA sets out guidelines to be considered when managing and investing donor restricted endowment funds. The Foundation has interpreted NUPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result, the Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations, if any. Absent any donor-imposed restrictions, interest, dividends, and net appreciation (depreciation) of donor-restricted endowment funds is classified as unrestricted net assets.

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 endowment fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policy of the Foundation.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Continued)

Note H – Endowment Funds (Concluded)

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Foundation's Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost 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 equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return in excess of amounts distributed annually. Actual returns in any given year may vary from this amount. 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 for appropriating for distribution each year a portion of its endowment fund. 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, some of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

Note I – 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:

	<u>2017</u>	<u>2016</u>
Salary and wage reimbursement	\$ 414,111	\$ 376,998
Gifts and campus improvements	1,522,595	1,527,408
Departmental expenses	62,009	71,661
	<u>\$ 1,998,715</u>	<u>\$ 1,976,067</u>

The Foundation owed the College for salary and wage expenses paid to its employees by the College in the amount of \$55,813 and \$30,310 at December 31, 2017 and 2016, respectively.

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

PERU STATE COLLEGE FOUNDATION (Concluded)

Note J – Retirement 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 \$23,256 and \$18,055 for the years ended December 31, 2017 and 2016, respectively, and is included in salaries and wages on the statement of functional expenses.

Note K – Concentrations

During 2017, the Foundation received approximately 41% of its contributions from five (5) individuals/estates. During 2016, the Foundation received approximately 35% of its contributions from two (2) individuals/estates.

Note L – Prepaid Scholarships

The Foundation prepays the spring scholarships to the College at the end of the fiscal year. As of December 31, 2017, there was no scholarships prepaid. As of December 31, 2016, there was \$102,635 of prepaid scholarships.

Note M – Subsequent Events

As of June 15, 2018, the date which the financial statements were available to be issued, the Foundation did not have any subsequent events affecting the amounts reported in the financial statements for the year ended December 31, 2017 which are required to be disclosed in the notes to the financial statements for the year then ended

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 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, 2017 and 2016, 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 (Continued)

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, including interest bearing 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 40 years for real property, 26 years for improvements, and 10 years for the donor display case. Depreciation expense was \$4,358 for the year ended June 30, 2018.

Investments

The Foundation's investments are composed of money market accounts, certificates of deposit, 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.

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.

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 (Concluded)

The Foundation files required income tax returns in the U.S. federal jurisdiction. With few exceptions, the Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for tax years ending before 2015. 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, 2018, was \$26,461.

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, 2018) for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through September 7, 2018, 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, 2018, the Foundation had bank deposits of \$3,658,579, of which \$866,900 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 \$1,092,882. 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, 2018, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Unconditional promises to give	\$ -	\$ 798,843	\$ 15,571	\$ 814,414
Less discount to present value	-	(67,859)	(829)	(68,688)
Less allowance for uncollectible prom.	-	(16,935)	-	(16,935)
Net unconditional promises to give	<u>\$ -</u>	<u>\$ 714,049</u>	<u>\$ 14,742</u>	<u>\$ 728,791</u>

Estimated future cash flows of unconditional promises are as follows:

	Estimated Cash Flows	Discount	Discounted Value
Due 6/30/2018	\$ 33,700	\$ -	\$ 33,700
6/30/2019	258,913	(9,958)	248,955
6/30/2020	196,366	(14,815)	181,551
6/30/2021	168,500	(18,704)	149,796
6/30/2022	60,000	(8,712)	51,288
6/30/2023	55,000	(9,794)	45,206
More than 5 years			
6/30/2024-2028	25,000	(6,705)	18,295
	<u>\$ 797,479</u>	<u>\$ (68,688)</u>	<u>\$ 728,791</u>

The allowance for uncollectible promises represents the unpaid portion of the Phonathon pledges. All other pledges are considered collectible. At June 30, 2018, \$33,700 of other pledges were past due including \$8,600 that were over 90 days past due. Other pledges written off for the fiscal year ended June 30, 2018 were \$0.

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, 2018 are summarized as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	6/30/18 Total
Money markets	\$ 88,458	\$ 220,402	\$ 741,971	\$ 1,050,831
Certificates of Deposits	35,000	128,673	250,000	413,673
Commonfund-				
MS Equity Fund	1,986,168	2,708,739	5,449,147	10,144,054
Commonfund-				
MS Bond Fund	925,281	757,383	4,738,718	6,421,382
Commonfund-				
SS Global Equity	-	2,424,601	5,439,427	7,864,028
Subtotal Commonfund	2,911,449	5,890,723	15,627,292	24,429,464
Other Securities	-	106,306	37,157	143,463
Totals	3,034,907	6,346,104	16,656,420	26,037,431
Investments restricted for annuity contracts:				
Commonfund-				
MS Equity Fund	155,768	-	336,211	491,979
Commonfund-				
MS Bond Fund	60,492	-	129,886	190,378
Totals	216,260	-	466,097	682,357
Investments held in perpetual trust:				
Money Markets	-	-	4,488	4,488
Bonds and notes	-	-	241,976	241,976
Equities	-	-	640,437	640,437
Alternatives	-	-	58,470	58,470
Totals	-	-	945,371	945,371
Total all investments	<u>\$ 3,251,167</u>	<u>\$ 6,346,104</u>	<u>\$ 18,067,888</u>	<u>\$ 27,665,159</u>

Market Risk from Concentration of Investments with Advisor

At June 30, 2018 the Foundation had investments (including restricted for annuities) with Commonfund of \$25,111,821, which represents approximately 91% of investments.

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 (Continued)

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, 2018 in valuing the Foundation’s investments:

<u>June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short Term Cash Investments and Certificates of Deposit	\$ 32,080	\$ 1,464,504	\$ -	\$ 1,496,584
U.S. Equity	633,698	12,314,006	8,988	12,956,692
International Equity	132,207	4,630,062	-	4,762,269
Emerging Markets Equity	19,788	1,555,993	-	1,575,781
Fixed Income	262,073	6,611,760	-	6,873,833
Total	<u>\$ 1,079,846</u>	<u>\$ 26,576,325</u>	<u>\$ 8,988</u>	<u>\$ 27,665,159</u>

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, 2018.

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 (Concluded)

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	\$ 8,688	\$ 59,704	\$ 10,887	\$ 79,279

Note F – Property

	<u>Bressler Alumni House</u>	<u>Donor Display Case</u>	<u>Total</u>
Land	\$ 20,000	\$ -	\$ 20,000
Building	134,417	-	134,417
Display Case	-	10,713	10,713
Subtotal	154,417	10,713	165,130
Accumulated Depreciation	(68,882)	(803)	(69,685)
Net 6/30/18	\$ 85,535	\$ 9,910	\$ 95,445
Depreciation Exp. FYE 6/30/18	\$ 3,555	\$ 803	\$ 4,358

Note G – Life Insurance – Cash Value

The Foundation is the owner of numerous whole life insurance policies with various insurance companies. No policies were cashed in the year ended June 30, 2018. The policies contain cash values, which are summarized as follows:

	<u>Policy Amount</u>	<u>6/30/18 Cash Value</u>
Unrestricted	\$ 323,404	\$ 45,641
Temporarily Restricted	25,000	1,886
Permanently Restricted	130,719	36,642
Totals	\$ 479,123	\$ 84,169

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

WAYNE STATE FOUNDATION (Continued)

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 8.2% and life expectancies of annuity beneficiaries based on IRS tables.

Annuity assets and liabilities as of June 30, 2018, are summarized as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments restricted for annuity contracts	\$ 216,260	\$ 466,097	\$ 682,357
Annuities Payable	\$ 35,295	\$ 267,620	\$ 302,915

Note I – Unrestricted Net Assets

The Board has designated a portion of unrestricted net assets as follows:

Board Designated:	
Quasi-Endowment	\$ 402,814
Total board designated	\$ 402,814

Note J – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2018:

Program Activities:	
Scholarships and Grants	\$ 5,998,701
Renovation projects	2,023,162
College Departments	471,277
SSC College Center	6,938
Time Only Restriction (Unrestricted receivables)	40,554
Other Designated Programs	12,751
Total Temporarily Restricted Net Assets	\$ 8,553,383

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

WAYNE STATE FOUNDATION (Continued)

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 369 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.

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, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (125)	\$ 5,582,300	\$ 16,701,169	\$ 22,283,344
Board-designated endowment funds	402,814	-	-	402,814
Total Funds	\$ 402,689	\$ 5,582,300	\$ 16,701,169	\$ 22,686,158

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 (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beg. of year	\$ 369,893	\$ 4,815,741	\$ 15,886,638	\$ 21,072,272
Contributions	-	-	780,004	780,004
Transfers	-	(27,427)	34,527	7,100
Net investment income	5,442	317,181	-	322,623
Net appreciation	27,354	1,340,851	-	1,368,205
Amounts appropriated for expenditure	-	(864,046)	-	(864,046)
Endowment net assets, end of year	<u>\$ 402,689</u>	<u>\$ 5,582,300</u>	<u>\$ 16,701,169</u>	<u>\$ 22,686,158</u>

Other permanently restricted net assets:

Interest in Robert Cunningham Perpetual Trust	945,371
Cash Value of Life Insurance to Fund Permanently Restricted Endowment Funds	36,642
Charitable Gift Annuity Net Assets to Fund Permanently Restricted Endowments at a Future Date	198,477
Promises to Fund Permanently Restricted Endowment Funds	14,743
Total Permanently Restricted Net Assets	<u>\$ 17,896,402</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 was \$125 as of June 30, 2018. Deficiencies, if any, 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 decrease in promises to fund permanently restricted endowment funds (net endowment receivables) of \$114,347.

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

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 (Concluded)

acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes debt and equity 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 three 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 has 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 is \$166,908 for the year ended June 30, 2018. The amounts have been recognized in the financial statements.

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 \$21,590 for the year ended June 30, 2018.

Note P – Vacation, Sick Pay, and Other Employee Benefit Amounts

The costs of sick pay and vacation pay are accrued. Total accumulated sick pay at June 30, 2018 was \$141,552 and up to 25% of sick pay is payable upon retirement or death under the Foundation's policies. Therefore, the accrued sick pay payable was \$35,388. Accumulated vacation is payable upon termination and at June 30, 2018 was \$30,315.

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

U.S. Conn Library Renovation

A three-year renovation of the U.S. Conn Library began in May 2014 and was completed in June 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. The Foundation has reimbursed the College \$2,044,526 and at June 30, 2018, the Foundation had \$381,081 in funds available and \$293,500 pledges receivable, for a total of \$674,581 remaining for the U.S. Conn Library renovation project. The Foundation also has \$428,590 for a maintenance reserve for the Library.

Press Box Replacement

The Wayne State Foundation agreed to raise up to \$1 million toward the approximate \$3 million project. As of June 30, 2018, approximately \$1,047,429 has been raised in gifts and pledges. Construction is scheduled to be completed in fall 2018. The Foundation has reimbursed the College \$720,071 and at June 30, 2018, the Foundation had \$131,471 in funds available and \$201,500 pledges receivable, for a total of \$332,971 remaining for the Press Box Replacement project.

Center for Applied Technology

Wayne State College secured \$8.9 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 Wayne State Foundation raised \$1,456,270 in private support for this project including \$200,000 of unrecorded conditional pledges. Construction began in August 2017 and is scheduled to be completed in December 2018. As of June 30, 2018, the Foundation had a payable of \$671,067 to Wayne State College. Also at June 30, 2018 the Foundation had \$362,795 in funds available and \$222,408 pledges receivable, for a total of \$585,203 remaining for the Center for Applied Technology project.

Criminal Justice Lab

In FY 2017, the Wayne State Foundation gifted a piece of land to Wayne State College as the site of a Criminal Justice Investigation Facility. In addition to the land donation, the Wayne State Foundation raised \$150,000 including \$1,000 of unrecorded conditional pledges to support this project. The facility was completed in May 2018, although the College may still bill for some residual invoices. In FY 2018, the Foundation reimbursed the College \$136,998 for the project and at June 30, 2018 had \$2,002 in funds still available.

Note R – Related Parties

For the year ended June 30, 2018 the Foundation provided direct support to Wayne State College of \$5,674,448 and reimbursed the College for \$393,752 for payroll and other operating expenses. Direct support consisted of \$2,302,490 for annual scholarships; \$607,136 for endowed scholarships; \$21,900 for Neihardt stipends; \$382,185 for athletic scholarships; \$107,187 for athletics administration

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)

NOTES TO THE FINANCIAL STATEMENTS
(Concluded)

WAYNE STATE FOUNDATION (Concluded)

Note R – Related Parties (Concluded)

support; \$697,477 for capital improvements to U.S. Conn Library; \$720,071 for capital improvements to the press box renovation; \$671,067 payable to Wayne State College for capital improvements for the Center for Applied Technology; and \$27,937 for general budget support college departments. The Foundation also provided \$53,281 of indirect support.

The Foundation leases a vehicle from Arnie's Ford, which is owned by one of the board members of the Foundation (see Note S).

The Foundation had cash totaling \$274,018 as of June 30, 2018, at State Nebraska Bank & Trust, where one of the board members of the Foundation is the chairman.

Board members, trustees, and employees may pledge amounts to the Foundation for various projects and campaigns for support. At June 30, 2018 the outstanding pledge balances due from these individuals totaled \$532,954.

Note S – Leases

Wayne State Foundation leases a vehicle. Total lease expense for the year ending June 30, 2018 was \$8,736. Future lease expense is \$8,367 for the year ending June 30, 2019 and \$7,670 for the year ending June 30, 2020.

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 communicating 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. The Foundation will implement the standard for the fiscal year ending June 30, 2019.

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 - UNAUDITED
June 30, 2018

	CSC	PSC	WSC	NSCS Office	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 7,040,561	\$ 5,939,236	\$ 22,246,137	\$ 3,451,550	\$ 38,677,484
Restricted Cash and Cash Equivalents	6,551,171	4,463,075	10,032,902	5,807,295	26,854,443
Accounts Receivable, Net of Allowance	107,426	746,825	168,229	32,880	1,055,360
Other Receivables	162,990	158,757	776,439	21,373	1,119,559
Inventories	15,340	41,367	10,522	-	67,229
Loans to Students, Net	-	-	186,289	-	186,289
Prepaid Expenses	356,188	187,194	275,069	61,474	879,925
Deposits with Vendors	-	-	-	3,435	3,435
Total Current Assets	14,233,676	11,536,454	33,695,587	9,378,007	68,843,724
Non-current Assets					
Restricted Cash and Cash Equivalents	960,604	1,017,694	1,231,298	7,879,644	11,089,240
Restricted Investments	-	717,036	602,259	-	1,319,295
Loans to Students, Net	-	-	819,320	-	819,320
Prepaid Expenses	26,332	17,221	16,654	90,095	150,302
Capital Assets, Net	58,755,791	61,098,076	113,481,520	1,506,229	234,841,616
Total Non-current Assets	59,742,727	62,850,027	116,151,051	9,475,968	248,219,773
Total Assets	73,976,403	74,386,481	149,846,638	18,853,975	317,063,497
Deferred Outflow of Resources					
Unamortized Bond Refunding Amount, Net	19,558	5,842	10,559	-	35,959
Total Deferred Outflow of Resources	19,558	5,842	10,559	-	35,959
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	1,997,044	1,169,357	5,012,606	4,726,784	12,905,791
Accrued Compensated Absences	173,324	63,791	221,561	111,228	569,904
Unearned Revenue	80,328	-	858,333	-	938,661
Interest Payable	126,481	194,131	271,524	429,238	1,021,374
Master Lease Payable	144,213	71,566	-	-	215,779
Long-term Debt	640,000	584,996	860,000	3,215,000	5,299,996
Deposits Held in Custody for Others	87,578	44,210	68,827	120,612	321,227
Total Current Liabilities	3,248,968	2,128,051	7,292,851	8,602,862	21,272,732
Non-current Liabilities					
Accrued Compensated Absences	1,083,592	488,341	1,637,327	147,255	3,356,515
Master Lease Payable	102,476	-	-	-	102,476
Long-term Debt	9,436,352	12,902,477	17,999,189	32,730,834	73,068,852
Total Non-current Liabilities	10,622,420	13,390,818	19,636,516	32,878,089	76,527,843
Total Liabilities	13,871,388	15,518,869	26,929,367	41,480,951	97,800,575
Deferred Inflow of Resources					
Unamortized Bond Refunding Amount, Net	-	-	-	23,060	23,060
Total Deferred Inflow of Resources	-	-	-	23,060	23,060
Net Position					
Net Investment in Capital Assets	49,508,993	48,680,584	95,279,846	(29,678,846)	163,790,577
Restricted for:					
Expendable:					
Loans	-	-	1,164,032	-	1,164,032
Debt Service	649,291	564,018	871,868	1,802,783	3,887,960
Plant	910,387	548,973	473,763	2,998,754	4,931,877
Other	4,738,974	3,815,367	7,179,049	391,763	16,125,153
Unrestricted	4,316,928	5,264,512	17,959,272	1,835,510	29,376,222
Total Net Position	\$ 60,124,573	\$ 58,873,454	\$ 122,927,830	\$ (22,650,036)	\$ 219,275,821

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF NET POSITION - UNAUDITED
June 30, 2017

	CSC As Restated	PSC As Restated	WSC As Restated	NSCS Office	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 6,593,630	\$ 5,181,477	\$ 19,867,414	\$ 2,452,070	\$ 34,094,591
Restricted Cash and Cash Equivalents	6,791,360	3,747,574	8,827,662	5,536,859	24,903,455
Accounts Receivable, Net of Allowance	230,820	721,608	145,268	28,924	1,126,620
Other Receivables	157,026	107,066	152,058	23,262	439,412
Inventories	17,729	47,442	12,004	-	77,175
Loans to Students, Net	-	-	222,437	-	222,437
Prepaid Expenses	366,424	221,812	398,849	57,476	1,044,561
Deposits with Vendors	-	-	1,310	4,105	5,415
Total Current Assets	14,156,989	10,026,979	29,627,002	8,102,696	61,913,666
Non-current Assets					
Restricted Cash and Cash Equivalents	1,019,694	2,094,573	3,097,758	21,010,900	27,222,925
Restricted Investments	-	740,968	604,238	-	1,345,206
Loans to Students, Net	-	-	898,169	-	898,169
Prepaid Expenses	16,450	29,421	74,652	101,755	222,278
Capital Assets, Net	56,031,707	58,566,668	103,676,730	2,384,373	220,659,478
Total Non-current Assets	57,067,851	61,431,630	108,351,547	23,497,028	250,348,056
Total Assets	71,224,840	71,458,609	137,978,549	31,599,724	312,261,722
Deferred Outflow of Resources					
Unamortized Bond Refunding Amount, Net	21,514	6,491	11,732	-	39,737
Total Deferred Outflow of Resources	21,514	6,491	11,732	-	39,737
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	2,535,320	2,023,893	4,229,036	917,161	9,705,410
Accrued Compensated Absences	130,399	57,460	144,748	18,526	351,133
Unearned Revenue	76,648	23,372	717,635	-	817,655
Interest Payable	130,622	197,688	276,691	441,261	1,046,262
Master Lease Payable	153,532	77,089	-	-	230,621
Long-term Debt	635,000	284,151	845,000	2,635,000	4,399,151
Deposits Held in Custody for Others	110,644	51,038	39,826	104,599	306,107
Total Current Liabilities	3,772,165	2,714,691	6,252,936	4,116,547	16,856,339
Non-current Liabilities					
Accrued Compensated Absences	1,243,422	577,242	1,768,806	246,136	3,835,606
Unearned Revenue	-	-	249,424	-	249,424
Master Lease Payable	246,689	71,566	-	-	318,255
Long-term Debt	10,074,371	13,482,533	18,862,857	36,452,351	78,872,112
Total Non-current Liabilities	11,564,482	14,131,341	20,881,087	36,698,487	83,275,397
Total Liabilities	15,336,647	16,846,032	27,134,023	40,815,034	100,131,736
Deferred Inflow of Resources					
Unamortized Bond Refunding Amount, Net	-	-	-	34,355	34,355
Total Deferred Inflow of Resources	-	-	-	34,355	34,355
Net Position					
Net Investment in Capital Assets	46,240,922	46,372,957	85,906,171	(16,013,593)	162,506,457
Restricted for:					
Expendable:					
Loans	-	-	1,280,398	-	1,280,398
Debt Service	636,776	259,605	852,239	1,210,500	2,959,120
Plant	119,476	152,326	599,683	3,326,473	4,197,958
Other	5,218,731	2,558,592	6,220,924	383,554	14,381,801
Unrestricted	3,693,802	5,275,588	15,996,843	1,843,401	26,809,634
Total Net Position	\$ 55,909,707	\$ 54,619,068	\$ 110,856,258	\$ (9,249,665)	\$ 212,135,368

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
UNAUDITED
Fiscal Year Ended June 30, 2018

	CSC	PSC	WSC	NSCS Office	Total
Operating Revenues					
Tuition and Fees, Net of Scholarship					
Allowances and Institutional Waivers	\$ 10,579,254	\$ 6,843,319	\$ 13,376,210	\$ -	\$ 30,798,783
Federal Grants and Contracts	4,004,178	3,512,856	4,970,466	-	12,487,500
State Grants and Contracts	735,957	489,472	816,310	-	2,041,739
Private Grants and Contracts	238,176	236,906	323,887	-	798,969
Auxiliary Enterprises, Net of Scholarship					
Allowances and Institutional Waivers	5,675,072	3,683,525	8,203,077	-	17,561,674
Other Operating Revenues	808,315	267,007	427,285	-	1,502,607
Total Operating Revenues	22,040,952	15,033,085	28,117,235	-	65,191,272
Operating Expenses					
Compensation and Benefits	24,745,826	13,993,605	29,981,187	1,773,754	70,494,372
Contractual Services	1,396,636	1,828,173	2,167,865	807,458	6,200,132
Supplies, Materials, and Other	5,462,413	2,864,308	6,316,927	272,518	14,916,166
Scholarships and Fellowships	1,405,236	1,441,582	1,741,610	-	4,588,428
Depreciation	2,302,963	2,125,769	4,120,028	878,144	9,426,904
Utilities	1,422,410	769,367	2,120,545	-	4,312,322
Repairs and Maintenance	1,572,328	117,133	1,260,534	-	2,949,995
Communications	119,716	160,502	159,876	-	440,094
Food Service	2,110,990	1,248,155	2,116,069	-	5,475,214
Total Operating Expenses	40,538,518	24,548,594	49,984,641	3,731,874	118,803,627
Operating Loss	(18,497,566)	(9,515,509)	(21,867,406)	(3,731,874)	(53,612,355)
Non-operating Revenues (Expenses)					
State Appropriations	17,393,991	9,795,267	21,768,589	2,133,315	51,091,162
Investment Income	262,390	201,245	674,594	355,546	1,493,775
Interest on Capital Asset-Related Debt	(256,514)	(396,743)	(540,554)	(830,313)	(2,024,124)
Gain (Loss) on Disposal of Asset	(3,529)	-	(12,588)	-	(16,117)
Other Non-operating Revenue					
(Expense)	-	-	(66,452)	21,895	(44,557)
Net Non-operating Revenues (Expenses)	17,396,338	9,599,769	21,823,589	1,680,443	50,500,139
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	(1,101,228)	84,260	(43,817)	(2,051,431)	(3,112,216)
Other Revenues (Expenses) or Gains (Losses)					
Capital Facilities Fees	-	-	-	2,102,454	2,102,454
Capital Contributions	-	-	2,975,634	-	2,975,634
Operating Transfers In (Out)	3,100,094	3,576,332	8,199,968	(14,876,394)	-
Capital Appropriations and Grants	2,216,000	593,794	939,787	1,425,000	5,174,581
Net Other Revenues (Expenses) or Gains (Losses)	5,316,094	4,170,126	12,115,389	(11,348,940)	10,252,669
Increase (Decrease) in Net Position	4,214,866	4,254,386	12,071,572	(13,400,371)	7,140,453
Net Position, Beginning of Year	55,909,707	54,619,068	110,856,258	(9,249,665)	212,135,368
Net Position, End of Year	\$ 60,124,573	\$ 58,873,454	\$ 122,927,830	\$ (22,650,036)	\$ 219,275,821

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
UNAUDITED
Fiscal Year Ended June 30, 2017

	CSC As Restated	PSC	WSC As Restated	NSCS Office	Total
Operating Revenues					
Tuition and Fees, Net of Scholarship Allowances and Institutional Waivers	\$ 10,876,670	\$ 6,977,809	\$ 12,764,481	\$ -	\$ 30,618,960
Federal Grants and Contracts	4,030,157	3,264,001	4,548,286	-	11,842,444
State Grants and Contracts	478,463	568,445	1,049,103	-	2,096,011
Private Grants and Contracts	194,100	235,056	765,090	23,593	1,217,839
Auxiliary Enterprises, Net of Scholarship Allowances and Institutional Waivers	6,188,167	3,654,117	7,552,806	-	17,395,090
Other Operating Revenues	834,095	199,228	412,661	-	1,445,984
Total Operating Revenues	22,601,652	14,898,656	27,092,427	23,593	64,616,328
Operating Expenses					
Compensation and Benefits	24,390,583	13,827,428	30,040,177	1,807,505	70,065,693
Contractual Services	1,488,357	1,518,870	2,013,475	737,844	5,758,546
Supplies, Materials, and Other	5,619,543	2,869,327	5,884,105	263,299	14,636,274
Scholarships and Fellowships	1,416,173	1,393,574	1,640,444	-	4,450,191
Depreciation	2,374,196	1,761,912	3,262,867	878,149	8,277,124
Utilities	1,417,764	720,434	1,743,796	-	3,881,994
Repairs and Maintenance	1,988,548	926,119	2,255,811	-	5,170,478
Communications	126,495	164,356	164,069	-	454,920
Food Service	2,133,265	1,296,700	2,460,779	-	5,890,744
Total Operating Expenses	40,954,924	24,478,720	49,465,523	3,686,797	118,585,964
Operating Loss	(18,353,272)	(9,580,064)	(22,373,096)	(3,663,204)	(53,969,636)
Non-operating Revenues (Expenses)					
State Appropriations	17,179,001	9,704,951	21,332,564	2,141,240	50,357,756
Investment Income	241,508	231,908	726,847	162,700	1,362,963
Interest on Capital Asset-Related Debt	(264,566)	(256,691)	(351,125)	(382,417)	(1,254,799)
Gain (Loss) on Disposal of Asset	15,579	5,154	-	-	20,733
Bond Issuance Costs	-	(44,103)	-	(339,993)	(384,096)
Other Non-operating Revenue (Expense)	-	11,716	(43,187)	17,250	(14,221)
Net Non-operating Revenues (Expenses)	17,171,522	9,652,935	21,665,099	1,598,780	50,088,336
Income (Loss) Before Other Revenues, Expenses, Gains or (Losses)	(1,181,750)	72,871	(707,997)	(2,064,424)	(3,881,300)
Other Revenues (Expenses) or Gains (Losses)					
Capital Facilities Fees	-	-	-	2,093,812	2,093,812
Capital Contributions	288,679	786,314	780,697	-	1,855,690
Operating Transfers In (Out)	(1,749,134)	862,450	1,454,784	(568,100)	-
Capital Appropriations and Grants	2,216,000	540,376	383,614	1,425,000	4,564,990
Net Other Revenues (Expenses) or Gains (Losses)	755,545	2,189,140	2,619,095	2,950,712	8,514,492
Increase (Decrease) in Net Position	(426,205)	2,262,011	1,911,098	886,288	4,633,192
Net Position, Beginning of Year	56,335,912	52,357,057	108,945,160	(10,135,953)	207,502,176
Net Position, End of Year	\$ 55,909,707	\$ 54,619,068	\$ 110,856,258	\$ (9,249,665)	\$ 212,135,368

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS - UNAUDITED
Fiscal Year Ended June 30, 2018

	CSC	PSC	WSC	NSCS Office	Total
Cash Flows From Operating Activities					
Tuition and Fees	\$ 10,663,053	\$ 6,769,323	\$ 13,463,985	\$ -	\$ 30,896,361
Grants and Contracts	4,977,578	4,231,034	6,140,397	(461)	15,348,548
Payments to Suppliers	(11,301,586)	(6,094,862)	(10,717,505)	(1,114,668)	(29,228,621)
Payments for Utilities	(1,393,815)	(763,317)	(2,020,214)	-	(4,177,346)
Payments to Employees	(24,874,411)	(14,079,664)	(30,079,719)	(725,986)	(69,759,780)
Loans Issued to Students	-	-	(72,356)	-	(72,356)
Collections of Loans to Students	-	-	179,713	-	179,713
Sales and Services of Auxiliary Enterprises	5,705,904	3,573,895	8,020,185	-	17,299,984
Other Payments	(608,270)	(1,182,956)	(1,304,525)	-	(3,095,751)
Net Cash Used in Operating Activities	(16,831,547)	(7,546,547)	(16,390,039)	(1,841,115)	(42,609,248)
Cash Flows From Non-capital Financing Activities					
State Appropriations	17,393,991	9,795,267	21,768,589	2,133,315	51,091,162
Receipt of Flex Contributions	-	-	-	289,575	289,575
Payment of Flex Contributions	-	-	-	(272,605)	(272,605)
Direct Lending Receipts	9,968,067	8,887,304	12,060,376	-	30,915,747
Direct Lending Payments	(9,968,067)	(8,887,304)	(12,060,376)	-	(30,915,747)
Other Receipts (Payments)	(153,532)	35,702	(42,520)	34,585	(125,765)
Net Cash Provided by Non-capital Financing Activities	17,240,459	9,830,969	21,726,069	2,184,870	50,982,367
Cash Flows From Capital and Related Financing Activities					
Capital Contributions	-	-	2,302,761	-	2,302,761
Purchase of Capital Assets	(3,099,709)	(5,076,626)	(13,810,939)	-	(21,987,274)
Disposal of Capital Assets	(30,524)	-	-	-	(30,524)
Principal Paid on Capital Debt	(635,000)	(361,240)	(845,000)	(2,635,000)	(4,476,240)
Interest Paid on Capital Debt	(256,718)	(394,711)	(548,216)	(1,360,148)	(2,559,793)
Capital Facilities Fees	-	-	-	2,091,271	2,091,271
Transfers In (Out)	1,286,806	3,131,079	7,663,828	(12,081,713)	-
Other	-	-	-	(2,195)	(2,195)
Capital Appropriations	2,216,000	593,794	939,787	1,425,000	5,174,581
Net Cash Used by Capital and Related Financing Activities	(519,145)	(2,107,704)	(4,297,779)	(12,562,785)	(19,487,413)
Cash Flows From Investing Activities					
Investment Income	257,885	219,663	679,252	357,690	1,514,490
Net Cash Provided by Investing Activities	257,885	219,663	679,252	357,690	1,514,490
Increase (Decrease) in Cash and Cash Equivalents	147,652	396,381	1,717,503	(11,861,340)	(9,599,804)
Cash and Cash Equivalents, Beginning of Year	14,404,684	11,023,624	31,792,834	28,999,829	86,220,971
Cash and Cash Equivalents, End of Year	\$ 14,552,336	\$ 11,420,005	\$ 33,510,337	\$ 17,138,489	\$ 76,621,167

(Continued)

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS - UNAUDITED
Fiscal Year Ended June 30, 2018

	CSC	PSC	WSC	NSCS Office	Total
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and Cash Equivalents	\$ 7,040,561	\$ 5,939,236	\$ 22,246,137	\$ 3,451,550	\$ 38,677,484
Restricted Cash and Cash Equivalents - Current	6,551,171	4,463,075	10,032,902	5,807,295	26,854,443
Restricted Cash and Cash Equivalents - Non-current	960,604	1,017,694	1,231,298	7,879,644	11,089,240
Total Cash and Cash Equivalents	<u>\$ 14,552,336</u>	<u>\$ 11,420,005</u>	<u>\$ 33,510,337</u>	<u>\$ 17,138,489</u>	<u>\$ 76,621,167</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$ (18,497,566)	\$ (9,515,509)	\$ (21,867,406)	\$ (3,731,874)	\$ (53,612,355)
Depreciation Expense	2,302,963	2,125,769	4,120,028	878,144	9,426,904
Changes in Operating Assets and Liabilities:					
Receivables, Net	121,935	(105,620)	137,849	7,227	161,391
Inventories	2,389	6,075	1,482	-	9,946
Accounts Payable and Accrued Liabilities	(625,331)	10,166	1,193,264	1,014,735	1,592,834
Accrued Compensated Absences	(116,905)	(82,570)	(54,666)	(6,179)	(260,320)
Other Assets and Liabilities	(19,032)	15,142	79,410	(3,168)	72,352
Net Cash Used in Operating Activities	<u>\$ (16,831,547)</u>	<u>\$ (7,546,547)</u>	<u>\$ (16,390,039)</u>	<u>\$ (1,841,115)</u>	<u>\$ (42,609,248)</u>
Supplemental Cash Flows Information					
Accounts Payable Incurred for Capital Asset Purchases	\$ 90,200	\$ 7,677	\$ 767,096	\$ 3,287,165	\$ 4,152,138

(Concluded)

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS - UNAUDITED
Fiscal Year Ended June 30, 2017

	CSC As Restated	PSC As Restated	WSC	NCS Office	Total
Cash Flows From Operating Activities					
Tuition and Fees	\$ 10,933,858	\$ 7,041,486	\$ 12,862,682	\$ -	\$ 30,838,026
Grants and Contracts	4,723,204	4,131,500	6,356,900	23,319	15,234,923
Payments to Suppliers	(11,055,868)	(6,768,895)	(12,480,483)	(919,531)	(31,224,777)
Payments for Utilities	(1,406,330)	(734,754)	(1,909,987)	-	(4,051,071)
Payments to Employees	(24,380,861)	(13,838,329)	(30,094,165)	(2,935,841)	(71,249,196)
Loans Issued to Students	(4)	-	(148,668)	-	(148,672)
Collections of Loans to Students	10,671	-	192,879	-	203,550
Sales and Services of Auxiliary Enterprises	6,268,420	3,721,935	7,337,150	-	17,327,505
Other Payments	(462,053)	(1,208,186)	(1,276,600)	-	(2,946,839)
Net Cash Used in Operating Activities	(15,368,963)	(7,655,243)	(19,160,292)	(3,832,053)	(46,016,551)
Cash Flows From Non-capital Financing Activities					
State Appropriations	17,179,001	9,704,951	21,332,564	2,141,240	50,357,756
Receipt of Flex Contributions	-	-	-	289,575	289,575
Payment of Flex Contributions	-	-	-	(292,834)	(292,834)
Direct Lending Receipts	10,825,747	9,166,109	11,435,701	-	31,427,557
Direct Lending Payments	(10,825,747)	(9,166,109)	(11,435,701)	-	(31,427,557)
Other Receipts (Payments)	(151,499)	46,096	(6,724)	34,901	(77,226)
Net Cash Provided by Non-capital Financing Activities	17,027,502	9,751,047	21,325,840	2,172,882	50,277,271
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Debt	-	2,865,000	-	29,202,551	32,067,551
Capital Contributions	288,679	786,314	780,697	-	1,855,690
Purchase of Capital Assets	(698,140)	(9,260,051)	(13,335,388)	-	(23,293,579)
Disposal of Capital Assets	14,079	6,543	-	-	20,622
Principal Paid on Capital Debt	(630,000)	(3,324,410)	(450,000)	(11,905,000)	(16,309,410)
Interest Paid on Capital Debt	(367,823)	(570,899)	(822,132)	(722,729)	(2,483,583)
Bond Issuance Costs	-	(44,103)	-	-	(44,103)
Capital Facilities Fees	-	-	-	2,084,928	2,084,928
Transfers In (Out)	(1,925,031)	934,992	2,138,065	(1,148,026)	-
Other	-	-	-	32,402	32,402
Capital Appropriations	2,216,000	540,376	383,614	1,425,000	4,564,990
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,102,236)	(8,066,238)	(11,305,144)	18,969,126	(1,504,492)
Cash Flows From Investing Activities					
Purchase/Sale of Investments	-	(737,000)	-	-	(737,000)
Investment Income	238,952	225,515	738,530	154,258	1,357,255
Net Cash Provided by Investing Activities	238,952	(511,485)	738,530	154,258	620,255
Increase (Decrease) in Cash and Cash Equivalents	795,255	(6,481,919)	(8,401,066)	17,464,213	3,376,483
Cash and Cash Equivalents, Beginning of Year	13,609,429	17,505,543	40,193,900	11,535,616	82,844,488
Cash and Cash Equivalents, End of Year	\$ 14,404,684	\$ 11,023,624	\$ 31,792,834	\$ 28,999,829	\$ 86,220,971

(Continued)

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended

NEBRASKA STATE COLLEGE SYSTEM
(A COMPONENT UNIT OF THE STATE OF NEBRASKA)
SCHEDULE OF CASH FLOWS - UNAUDITED
Fiscal Year Ended June 30, 2017

	CSC As Restated	PSC As Restated	WSC	NSCS Office	Total
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position					
Cash and Cash Equivalents	\$ 6,593,630	\$ 5,181,477	\$ 19,867,414	\$ 2,452,070	\$ 34,094,591
Restricted Cash and Cash Equivalents - Current	6,791,360	3,747,574	8,827,662	5,536,859	24,903,455
Restricted Cash and Cash Equivalents - Non-current	1,019,694	2,094,573	3,097,758	21,010,900	27,222,925
Total Cash and Cash Equivalents	<u>\$ 14,404,684</u>	<u>\$ 11,023,624</u>	<u>\$ 31,792,834</u>	<u>\$ 28,999,829</u>	<u>\$ 86,220,971</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities					
Operating Loss	\$ (18,353,272)	\$ (9,580,064)	\$ (22,373,096)	\$ (3,663,204)	\$ (53,969,636)
Depreciation Expense	2,374,196	1,761,912	3,262,867	878,149	8,277,124
Changes in Operating Assets and Liabilities:					
Receivables, Net	283,069	255,461	107,962	4,391	650,883
Inventories	(1,661)	3,074	4,669	-	6,082
Accounts Payable and Accrued Liabilities	283,282	(84,103)	29,329	(1,060,368)	(831,860)
Accrued Compensated Absences	4,295	(17,917)	47,625	(25,312)	8,691
Other Assets and Liabilities	41,128	6,394	(239,648)	34,291	(157,835)
Net Cash Used in Operating Activities	<u>\$ (15,368,963)</u>	<u>\$ (7,655,243)</u>	<u>\$ (19,160,292)</u>	<u>\$ (3,832,053)</u>	<u>\$ (46,016,551)</u>
Supplemental Cash Flows Information					
Accounts Payable Incurred for Capital Asset Purchases	\$ 3,145	\$ 872,379	\$ 1,176,769	\$ 492,484	\$ 2,544,777

(Concluded)

Attachment: Nebraska State College System Audit Report FY18 and FY17 (2377 : Acceptance of Basic Financial Audit Report for Year Ended



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Nebraska State College System's basic financial statements, and have issued our report thereon dated December 12, 2018. 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 a 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 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 have not been identified. Given these limitations, during our audit we 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 our separately issued management letter that we consider to be a significant deficiency: Comment Number 2018-001: Financial Statement Errors.

- The Nebraska State College System (NSCS) did not have adequate review procedures to ensure the accuracy of its financial statements. The draft financial statements that the NSCS submitted to the Auditor of Public Accounts (APA) for fiscal year ended June 30, 2018, were materially misstated, resulting in revisions to 53 of the 82 line items therein. Some of these revisions were a result of 40 errors discovered and corrected on the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for that fiscal year. Thirty-three of those errors were identified by the APA, and the other 7 were noted by the NSCS subsequent to submission of the original statements. Not all of the 40 errors were significant enough to require a proposed adjustment; however, the NSCS chose to adjust the financial statements for these errors regardless of dollar amount.

The table below summarizes, by campus and financial statement, the number of lines that were revised due to errors for fiscal year ended June 30, 2018. The individual financial statement line item changes ranged from \$167 to \$4,018,662 for NSCS in total.

Financial Statement	Statement of Net Position	Statement of Changes	Cash Flows Statement	Totals
Available Line Items	31	25	26	82
PSC Lines Revised	14	13	12	39
PSC Error Rate	45%	52%	46%	48%
WSC Lines Revised	11	8	7	26
WSC Error Rate	35%	32%	27%	32%
CSC Lines Revised	8	7	3	18
CSC Error Rate	26%	28%	12%	22%
SO Lines Revised	2	2	2	6
SO Error Rate	6%	8%	8%	7%
NSCS Total Lines Revised	21	17	15	53
NSCS Total Error Rate	68%	68%	58%	65%

The APA noted several other financial statement errors for fiscal year ended June 30, 2018, which the NSCS chose not to correct and were not significant enough to require adjustment. The amounts disclosed in the footnotes and the Management Discussion and Analysis were also found to contain errors. Furthermore, additional errors were noted that required revisions to the financial statements for fiscal year ended June 30, 2017, which are not included in the table above. In the end, all material errors were subsequently corrected by the NSCS.

A similar finding was noted as a material weakness in the prior-year report.

A good internal control plan requires procedures, including a sufficient review process, to ensure that the NSCS prepares the financial statements accurately and in accordance with government accounting standards. Without such procedures, there is an increased risk that material misstatements may occur and remain undetected.

More details regarding the adjusted errors discussed above are included in a separately issued management letter dated December 12, 2018.

NSCS's Response: Subsequent to the fiscal year 2017 audit that ended in December 2017, the NSCS has taken multiple steps to improve financial statement preparation. The NSCS has taken the following actions to address the material weakness in the 2017 audit:

- *Reorganized accounting departments and hired accounting professionals with significant financial statement experience as Comptrollers at all three Colleges, with two having CPA credentials. The NSCS hired these individuals into their positions in late spring, 2018.*
- *Put into practice procedures to improve consistency, including use of a financial statement template at all three colleges.*
- *Addressed specific concerns that arose during the prior year audit.*
- *Implemented monthly meetings of the Director of Systemwide Accounting and the Comptrollers to address questions that arise and to improve uniformity on the treatment of items across the system.*

*The NSCS also wants to note that the "significant deficiency" noted above is a substantial improvement from last years "material weakness". As noted by the APA, "A significant deficiency is a deficiency or 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."*

When an adjustment or reclassification is made to the financial statements, it automatically affects at least two line items, therefore dramatically increasing the error rate percentage in the table shown above. However, the NSCS understands that the financial statements are its responsibility and will consider the significance of each adjustment before a correction is made in the future.

The NSCS remains committed to finding ways to continue to improve on existing procedures for financial statement preparation in order to reduce financial statement errors. With strong accounting teams now in place, the NSCS will continue to provide 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NSCS's financial statements are free from 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 and Responses

We also noted in our separately issued management letter dated December 12, 2018, certain other matters that we reported to management of the NSCS. The NSCS's responses to the findings identified in our audit are described above and in the separately issued management letter. The NSCS's responses were not subjected to the auditing procedures applied in the audit of the financial statements; accordingly, we express no opinion on them.

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.

December 12, 2018



Stephanie Todd, CPA, CFE
Audit Manager

January 15, 2019

ACTION: Approve Acceptance of Single Audit for Year Ended June 30, 2018

BKD has completed the Nebraska State College System (NSCS) Single (federal) audit for the year ending June 30, 2018. A copy of the audit is attached.

The System Office recommends approval of the Acceptance of Single Audit for Year Ended June 30, 2018.

ATTACHMENTS:

- [NSCS Single Audit Report \(PDF\)](#)

Nebraska State College System
A Component Unit of the State of Nebraska
Single Audit Reports
June 30, 2018

Attachment: NSCS Single Audit Report (2378 : Acceptance of Single Audit for Year Ended June 30, 2018)



Nebraska State College System
A Component Unit of the State of Nebraska
June 30, 2018

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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), a component unit of the State of Nebraska, for the year ended June 30, 2018 and the related notes to the schedule of expenditures of federal awards.

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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature of BKD, LLP in black ink.

Lincoln, Nebraska
December 17, 2018

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass- Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2018 Expenditures	Passed Through to Subrecipients
<i>Student Financial Aid Cluster:</i>									
<i>U.S. Department of Education:</i>									
Federal Supplemental Educational Opportunity Grants	Office of Federal Student Aid		84.007	P007A1724810					
				P007A1624690					
				P007A1724690					
				P007A1724400	\$ 60,329	\$ 21,165	\$ 54,276	\$ 135,770	\$ -
				P033A1624810					
				P033A1724810					
Federal Work-Study Program	Office of Federal Student Aid		84.033	P033A1624690					
				P033A1724690					
				P033A1624400					
				P033A1724400	115,274	99,805	244,147	459,226	-
Federal Perkins Loan Program	Office of Federal Student Aid		84.038		1,303,404	-	-	1,303,404	-
Federal Pell Grant Program	Office of Federal Student Aid		84.063	P063P1617870					
				P063P1717870					
				P063Q1617870					
				P063Q1717870					
				P063P1617840					
				P063P1717840					
				P063Q1617840					
				P063Q1717840					
				P063P1602640					
				P063P1702640					
				P063Q1602640	4,327,290	3,103,118	3,117,935	10,548,343	-

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2018

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass-Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2018 Expenditures	Passed Through to Subrecipients
Federal Direct Student Loans	Office of Federal Student Aid		84.268	P268K1717870					
				P268K1817870					
				P268K1717840					
				P268K1817840					
				P268K1702640					
Teacher Education Assistance for College & Higher Education Grants (TEACH Grants)	Office of Federal Student Aid		84.379	P379T1817840	\$ 12,060,376	\$ 8,887,304	\$ 9,968,067	\$ 30,915,747	\$ -
				P379T1817870	28,882	3,736	-	32,618	-
Total Student Financial Aid Cluster					17,895,555	12,115,128	13,384,425	43,395,108	-
TRIO Cluster:									
U.S. Department of Education:									
Trio - Student Support Services	Office of Postsecondary Education		84.042	P042A1511580					
				P042A1003470					
				P042A1504830					
	Office of Postsecondary Education			P042A1504220	325,065	290,121	262,635	877,821	-
Trio - Upward Bound			84.047	P047A1201560					
				P047A1703580	-	-	263,476	263,476	-
Total Trio Cluster					325,065	290,121	526,111	1,141,297	-
Improving Teacher Quality State Grants	Office of Elementary & Secondary Education	Coordinating Commission for Postsecondary Education (CCPE)	84.367	S367B140024					
				S367B160024	17,629	-	-	17,629	-
Total U.S. Department of Education					18,238,249	12,405,249	13,910,536	44,554,034	-

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2018

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass- Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2018 Expenditures	Passed Through 1 Subrecipie
<i>Research and Development Cluster:</i>									
<i>National Science Foundation:</i>									
				DEB-1019419					
				1442507					
Biological Sciences			47.074	1555727	\$ 7,878	\$ 15	\$ 3,263	\$ 11,156	\$ -
Mathematical and Physical Sciences			47.049	DMR-1709912	-	17,343	-	17,343	-
<i>U.S. Department of Health & Human Services:</i>									
		University of Nebraska							
		Medical Center (UNMC) &		5P20GM103427-16					
		NE Health & Human		5P20GM103427-17					
Biomedical Research & Research Training	National Institutes of Health	Services	93.859	5P20MG103427-17	40,143	-	21,811	61,954	-
<i>Total Research and Development Cluster</i>					48,021	17,358	25,074	90,453	-

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Expenditures of Federal Awards - Continued
Year Ended June 30, 2018

Federal Grantor Cluster/Program	Federal Agency Subdivision	Pass-Through Entity	CFDA #	Grant Number/Pass- Through Entity Identifying Number	Wayne	Peru	Chadron	FY 2018 Expenditures	Passed Through to Subrecipients
<i>Other Programs:</i>									
<i>National Aeronautics & Space Administration:</i>									
Education		NASA NE Space Grant Consortium	43.008	44-0307-1019-388 44-0307-1019-410	\$ -	\$ -	\$ 11,467	\$ 11,467	\$ -
<i>National Endowment for the Arts:</i>									
Promotion of the Arts Partnership Agreement		Nebraska Arts Council	45.025	8905MG-FY2017	-	-	1,650	1,650	-
<i>U.S. Small Business Administration:</i>									
Small Business Development Centers		University of Nebraska - Omaha (UNO)	59.037	45-0606-1092-202 45-0606-1095-202 45-0606-1092-201	65,832	-	23,137	88,969	-
<i>Environmental Protection Agency:</i>									
Environmental Education Grants			66.951	EPA-WTW-02	-	-	2,526	2,526	-
<i>Total Other Programs</i>					65,832	-	38,780	104,612	-
Total Expenditures of Federal Awards					<u>\$ 18,352,102</u>	<u>\$ 12,422,607</u>	<u>\$ 13,974,390</u>	<u>\$ 44,749,099</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, 2018

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, 2018. 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 position or cash flows of the System.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following 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 program listed subsequently is administered directly by the System, and balances and transactions relating to this program 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, 2018 consists of:

Program Title

Federal Perkins Loan Program	CFDA #84.038
Wayne	\$1,110,631



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Report on Compliance for the Major Federal 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 the 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 its major federal program for the year ended June 30, 2018. The System's major federal program is 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 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 the System's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the System's compliance.

Attachment: NSCS Single Audit Report (2378 : Acceptance of Single Audit for Year Ended June 30, 2018)

Opinion on the 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 its major federal program for the year ended June 30, 2018.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 a 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
December 17, 2018

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Summary of Auditor's Results

The financial statements of the Nebraska State College System were audited by the Nebraska Auditor of Public Accounts and were provided under separate cover. Certain items are summarized below.

Financial Statements

1. The type of report the Nebraska Auditor of Public Accounts issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The Nebraska Auditor of Public Accounts independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? ☒ Yes ☐ None reported

Material weakness(es)? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit by the Nebraska Auditor of Public Accounts? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? ☐ Yes ☒ None reported

Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2018

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

7. The System's major program was:

Cluster/Program	CFDA Number
Student Financial Assistance Cluster	
Federal Supplemental Education Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Teacher Education Assistance for College and Higher Education (TEACH) Grants	84.379

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

Nebraska State College System
A Component Unit of the State of Nebraska
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2018

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, 2018

Reference Number	Summary of Finding	Status
	<p>The Nebraska Auditor of Public Accounts (APA) issued under separate cover the report in accordance with <i>Government Auditing Standards</i> related to the financial statements for the System for the year ended June 30, 2017, that identified the following.</p>	
2017-001 and 2016-001	<p>Finding – The System should have adequate internal controls to help ensure the amounts reported in the draft financial statements and related footnotes are accurate and properly classified in accordance with generally accepted accounting principles.</p> <p>Reasons for Recurrence and Planned Corrective Action - Management reviewed the current finding that was noted as similar and partially resolved to the finding noted in the prior two years. The NSCS has taken steps to improve the financial statement preparation through reorganization of accounting departments and hiring new comptrollers with significant financial statement experience during fiscal year 2018. Many of the items noted in the current year were due to reclassifications of particular line items to improve consistency in reporting at all three colleges. All material adjustments were subsequently corrected by the NSCS. The NSCS remains committed to finding ways to continue to improve on existing procedures for financial statement preparation in order to reduce financial statement errors.</p>	Partially resolved - See Finding 2018-001 reported by the APA under separate cover.
2017-002	<p>Finding – The System should have an adequate internal control structure at the Wayne State College Athletics Department to prevent someone from perpetuating or concealing fraud or irregularities relating to the cash transactions that flowed through the Department, with little or no review by any other individuals.</p>	Corrected

ITEMS FOR DISCUSSION AND ACTION/FISCAL, FACILITIES AND AUDIT

January 15, 2019

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 2019-20, 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, 2019 through June 30, 2020.

Peru State is currently out with an RFP process for its bookstore and plans to bring a recommendation to the March 22, 2018 meeting.

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 Agreement with Follett for the period of July 1, 2019 through June 30, 2020.

The System Office recommends approval of the Continuation of Bookstore Contracts.

ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT

January 15, 2019

ACTION: **Approve Reallocation of Contingency Maintenance Funds for Chadron State College**

From Resolution:

4/20/18 \$40,000.00 #6 Revenue Bond Bldgs/Building Envelope Repair

To Resolution:

4/20/18 \$40,000.00 #3 Mechanical Room/Infrastructure Upgrades

Funds are requested to be transferred from the Revenue Bond Bldgs/Building Envelope Repair line since College maintenance staff have identified an inexpensive option to fix the building envelope issues. This would leave \$5,000 in this line to address building envelope repairs.

Chadron State requests reallocation of these contingency maintenance funds to the Mechanical Room/Infrastructure Upgrades line. These funds would be used to replace a water pump in High Rise for approximately \$15,000, replace a pump and fix mechanical room leaks in Kent Hall for approximately \$45,000 and to begin working on plans to address additional High Rise mechanical room issues which will require an engineer to assist with design. The future construction cost of the additional issues is approximately \$150,000. With this reallocation request there would be \$90,000 in line item #3 to address these more urgent needs.

The System Office and Chadron State College recommend approval of the Reallocation of Contingency Maintenance Funds for Chadron State College.

ITEMS FOR INFORMATION AND DISCUSSION\ACADEMIC AND PERSONNEL

January 15, 2019

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:

- SO Personnel Report January 2019 (PDF)
- CSC Personnel Report January 2019 (PDF)
- PSC Personnel Report January 2019 (PDF)
- WSC Personnel Report January 2019 (PDF)

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
Carpenter, Stan	Chancellor	NA	\$270,589 pro-rated \$137,255	State	2/1/00-1/02/19	1.000	Retirement	NA
Turman, Paul	Chancellor	NA	\$270,000 pro-rated \$134,022	State	1/02/19-6/30/19	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
Simons, Sheryl	Temporary Worker	NA	\$700	State	11/1/18- 12/31/18	N/A	\$35/hr not to exceed \$700	NA

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR**COLLEGE:** Chadron State College**MEETING DATE:** January 15, 2019**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
Brust, Mathew	Mathematical & Natural Sciences	Professor	\$1,625	Grant	07/05/2018-07/08/2018	1.000	Regal Fritillary Grant duties	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
Brennan, Blair	Construction Project Coordinator	NA	\$59,527	State	06/19/2006-10/31/2018	1.000	Resignation	NA
Steube, Michael	Assistant Director-Residence Life	NA	\$28,120	Rev Bond	07/01/2018-01/31/2019	1.000	Reduction in force	NA
Tewahade, Tewahade	Title IX Coordinator	NA	\$3,131	State	08/29/2018-12/14/2018	NA	HPER 332 (4 cr hr)	Special
Zeller, Lawayne	Director-Field Experiences/Cert Officer	NA	\$2,505	State	08/20/2018-12/14/2018	NA	EDUC 320, EDUC 300 (3 cr hr)	Special
Zimny, Anthony	Assistant Director-Residence Life	NA	\$28,120	Rev Bond	07/13/2018-01/31/2019	1.000	Reduction in force	NA

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
Beu, Pat	Senior Director of Student Affairs	NA	\$81,383	State	06/01/2014-01/31/2019	1.000	Reduction in force	NA
Connie Rasmussen	Director-Major Gifts	NA	\$60,000	State	01/15/2018-01/02/2019	0.750	Resignation	NA
Gaswick, Kaylee	Human Resources Coordinator	NA	\$37,068	State	09/12/2017-01/04/2019	1.000	Resignation	NA
Stone, Karen	Athletic Trainer	NA	\$28,752 prorated \$26,807	State	10/19/2018-06/30/2019	0.750	New hire	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR**COLLEGE:** Chadron State College**MEETING DATE:** January 15, 2019**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
Bixby, Angelica	OA II	NA	\$1,898.00	State	01/02/2018-12/31/2018	1.000	Resignation	NA

NON-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
Keiper, Donald	Security Supervisor	NA	\$3,605.17	75% Rev Bond 25% State	02/01/2012-01/05/2019	1.000	Retirement	NA

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: PERU STATE COLLEGE
MEETING DATE: January 15, 2019

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
Sterling, Linda	School of Professional Studies	Assistant Professor	\$59,500	State	08/16/18 - 12/31/18	1.0	Resignation	N/A

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
Rech, Lori	Adjunct	N/A	\$2,505.00	State	08/20/18 - 12/14/18	N/A	HIST 113-49EE (3 cr hr)	Special
Rida, Padmashree	Adjunct	N/A	\$3,340.00	State	10/22/18 - 12/14/18	N/A	BIOL 130-049Y (4 cr hr)	Special
Stilmock, Joy	Adjunct	N/A	\$158.65	State	08/20/18 - 12/14/18	N/A	Student Teacher Supervision	Special
Tanner, Colby	Adjunct	N/A	\$0	State	10/22/18 - 12/14/18	N/A	Cancellation of Appointment	N/A

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
Pfeifer, Stephanie	Educational Support and Disability Services Corrdinator	N/A	\$1,670/MO	State	07/01/18 - 06/30/19	1.0	COLL 101 (2 cr hrs)	Special
VonBergen, Annette	Project Coordinator	N/A	\$35,018 (pro rated \$25,416)	State	10/10/18 - 06/30/19	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
Coonce, John	MRW II	N/A	\$2,037/MO	State	11/19/18 - 06/30/19	1.0	New Hire	Probationary
Logston, Steven	MRW IV	N/A	\$2,792/MO	State	10/15/18 - 06/30/19	1.0	New Hire	Probationary
Riehle, Jontae	MRW II	N/A	\$2,037/MO	Revenue Bond	10/16/18 - 06/30/19	1.0	New Hire	Probationary
Riehle, Tom	MRW II	N/A	\$2,037/MO	State	12/01/18 - 03/30/19	1.0	New Hire	Probationary

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: PERU STATE COLLEGE
MEETING DATE: January 15, 2019

NON-UNIONIZED SUPPORT STAFF (Part-time/less than .75 FTE)								
Name	Title/Assignment	Rank	Salary	Funding Source	Period of Employment	FTE	Reason for Action	Type of Appointment
Isaacs, Noah	Custodian	N/A	\$882/MO	State	11/19/18 - 06/30/19	0.5	New Hire	Probationary

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 15, 2019

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
Bohnert, David	Music	Professor	\$2,196.00	State	08/20/18-12/18/18	NA	Supplemental pay for band activities	Special
Ellis, Susan	Psychology & Sociology	Professor	\$37,522.00	State	08/18/00-12/18/18	1.000	Retirement	N/A

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
Calkin, Lauren	Adjunct	NA	\$630.00	State	08/13/18-12/18/18	NA	Assist with marching band, up to a maximum of 42 hours at \$15/hour	Special
Dvorak, Claudia	Adjunct	NA	\$6,363.00	State	08/20/18-12/18/18	N/A	MUS 111-0003 (3.30 cr hrs), MUS 111-0004 (1.32 cr hrs), and MUS 110-0002 (3 cr hrs)	Special
Grunin, Elizabeth	Adjunct	NA	\$160.00	State	08/20/18-12/18/18	NA	String instrument management up to a maximum of 16 hours at \$10.00/hour	Special
Grunin, Elizabeth	Adjunct	NA	\$3,741.00	State	08/20/18-12/18/18	NA	MUS 124-0001 (.99 cr hr), MUS 126-0001 (.33 cr hr), MUS 171-0001 (1.5 cr hrs), MUS 148-0001 (1 cr hr), and MUS 127-0002 (.66 cr hr)	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 15, 2019

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
Loggins, Melanie	Adjunct	NA	\$800.00	State	10/22/18-11/16/18	NA	Assist as an Academic plan advisor, up to a maximum of 40 hours at a rate of \$20/hour	Special
Magnuson, Grant	Adjunct	NA	\$2,505.00	State	10/22/18-12/18/18	NA	ITE 510-00W0 (3 cr hrs)	Special
Parker, Karen	Adjunct	NA	\$835.00	State	11/01/18-12/06/18	NA	CIS 233-0001 (1 cr hr)	Special
Tucker, Anne	Adjunct	NA	\$835.00	State	10/22/18-12/18/18	N/A	EDU 457/557-00W1 (1 cr hr)	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
Berg, Asia	Admissions Representative	NA	\$36,000.00; Prorated \$27,000.00	State	10/01/18-06/30/19	1.000	Increased job responsibilities	NA
Goeden, Henry	Admissions Representative	NA	\$36,000.00; Prorated \$27,000.00	State	10/01/18-06/30/19	1.000	Increased job responsibilities	NA
Hix, Karla	Assistant Registrar	NA	\$50,000.00; Prorated \$35,689.00	State	10/15/18-06/30/19	1.000	Increased job responsibilities	NA
Mohlfeld, Kathy	Licensed Student Counselor	NA	\$835.00	State	10/22/18-12/18/18	NA	CSL 105-00W1 (1 cr hr)	Special
Porter, Erin	Admissions Representative	NA	\$36,000.00; Prorated \$27,000.00	State	10/01/18-06/30/19	1.000	Increased job responsibilities	NA
Quance, Marilyn	Librarian-Technical Services	NA	\$2,505.00	State	08/20/18-12/18/18	NA	IDS 120-00W0 (2 cr hrs) and IDS 368-00W0 (1 cr hr)	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR

COLLEGE: Wayne State College

MEETING DATE: January 15, 2019

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
Carstens, Jeffrey	Director TRiO Student Support Services	NA	\$65,000.00; Prorated \$45,218.00 through 06/30/2018	Grant	10/22/18-08/31/19	1.000	New Appointment, replaced Sandra Driskell	Special
Jammer, Susan	Controller	NA	\$65,000.00	State	07/01/18-09/30/18	0.780	Wayne State College FTE decreased to 0.780369 and Wayne State Foundation FTE increased to 0.219631. This change in FTE and funding resulted in an increase in salary	Special
Jammer, Susan	Controller	NA	\$65,000.00	NA	10/01/18-06/30/19	NA	Position is now fully funded by the Wayne State Foundation	NA
Nelsen, Kyle	Assistant Director of Facility Services	NA	\$77,287.00	State	07/21/09-10/23/18	1.000	Resignation	NA
Nelsen, Kyle	Director of Facility Services	NA	\$89,287.00; Prorated \$61,466.00	State	10/24/18-06/30/19	1.000	New Appointment, replaced Chad Altwine	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
Schwartz, Tyler	Graduate Assistant	NA	\$1,890.00	State	11/18/18-01/06/19	NA	Assisting the Athletic Trainer, up to a maximum of 210 hours at a rate of \$9/hour	Special

REPORT OF PERSONNEL ACTIONS TO THE CHANCELLOR
COLLEGE: Wayne State College
MEETING DATE: January 15, 2019

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
Bergh, Miranda	Office Assistant II	NA	\$2,291.67/mo.	State	11/05/18-06/30/19	1.000	New Hire, Replaced Karen Mecseji	Probationary
Gray, Bradley	Custodian	NA	\$2,564.42/mo.	Revenue Bond	02/23/00-10/12/18	1.000	Discharge	NA
Hingst, Brenda	Custodian	NA	\$1,814.83/mo.	Revenue Bond	11/05/18-06/30/19	1.000	New Hire, Replaced John Cooper	Probationary
Kotalik, Mercedes	Office Assistant II	NA	\$2,166.67/mo.	State	10/24/18-06/30/19	1.000	New Hire	Probationary
Sowards, Dann	Custodian	NA	\$1,764.58/mo.	State	09/06/16-11/12/18	1.000	Discharge	NA
Tracy, Gunner	Security Officer II	NA	\$2,256.50/mo.	State/ Revenue Bond	08/11/15-10/12/18	1.000	Resignation	NA
Vahlkamp, Eric	Maintenance Repair Worker III	NA	\$4,346.70/mo.	State/ Revenue Bond	09/04/18-09/14/18	1.000	Temporary pay for increased responsibilities	NA

ITEMS FOR INFORMATION AND DISCUSSION\ACADEMIC AND PERSONNEL

January 15, 2019

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:

- PSC Foundation Employee Compensation Report (PDF)

Peru State College Foundation

Employee Name	Rank or Position	FTE	2017-18 Salary	Salary Increase	2018-19 Salary	Notes
Cole, Kelly	Office Manager	1	\$39,000.00	\$1,800	\$40,800.00	
Jewell, Rebecca	Advancement Officer	1	\$72,040.00	\$3,160	\$75,200.00	
Neveau, Annie	Program Specialist	1	\$32,000.00	\$500	\$32,500.00	
Simpson, R. Todd	Chief Executive Officer	1	\$140,000.00	\$0	\$140,000.00	
Solie, Deborah	Director of Alumni Relations and Annual Giving	1	\$60,000.00	\$3,100	\$63,100.00	

ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING, AND ENROLLMENT

January 15, 2019

INFORMATION ONLY: **Marketing Activities and Events Update**

Board Photos Rescheduled

The photos of the Board of Trustees have been rescheduled for the June Board Meeting. This is the next Board of Trustees Meeting in Lincoln.

Senators Reception

The details are set for the 2019 Senators Reception. It is held in conjunction with the January Board of Trustees Meeting on the 15th. We are expecting a great turnout, as it is an outstanding opportunity to meet the new Senators and reconnect with returning Senators.

Marketing Campaign

The design concept and content for the upcoming marketing campaign are approved. Marketing pieces are in the creation process and will begin to plan the implementation of the campaign.

Scholarship Luncheon

The Lincoln Scholarship Luncheon is scheduled for April 12, 2019 at Wilderness Ridge. Discussions continue regarding a date for the Chadron Scholarship Luncheon. More details will follow as the event nears.

Website Redesign

The NSCS is in the initial stages of redesigning www.nscs.edu <<http://www.nscs.edu>> site to allow for more functionality and better end-user experience when the site is updated.

ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING, AND ENROLLMENT

January 15, 2019

INFORMATION ONLY: Fall Enrollment Reports

Fall enrollment reports from each of the Colleges are provided to the Board for information.

	2017 FTE Enrollment	2018 FTE Enrollment	Percent Change	2017 Headcount	2018 Headcount	Percent Change
Chadron	1,990	1,818	-8.64%	2,772	2,482	-10.46%
Peru	1,466	1,391	-5.9%	2,348	2,110	-10.13%
Wayne	2,676	2,878	-2.34%	3,306	3,626	7.55%
System Total	6,132	6,087	-0.73%	8,426	8,218	-2.47%

	% of Full-Time Students (Headcount)	% of Undergraduate Students (Headcount)	% of On-Campus Students (Headcount)	% of Resident Students (Headcount)
Chadron	64%	79%	54%	54%
Peru	53%	88%	43%	79%
Wayne	75%	82%	74%	83%
2018 System Totals	66%	82%	60%	73%
2017 System Totals	68%	83%	59%	74%

ATTACHMENTS:

- CSC Fall Enrollment Report (PDF)
- PSC Fall Enrollment Report (PDF)
- WSC Fall Enrollment Report (PDF)
- System Fall Enrollment Report (PDF)

END OF TERM ENROLLMENT REPORT***CHADRON STATE COLLEGE**

TERM: Fall 2018

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE	FTE
	2017	2018				2017	2018
Lower Division	1092	929	-15%	732	197	846	752
Upper Division	1088	1025	-6%	763	262	884	837
Graduate Division	592	528	-11%	97	431	260	229
TOTALS	2,772	2,482	-10%	1,592	890	1,990	1,818
Degree Seeking	2,399	2,184	-8.96%			Change in FTE	Percent Change
Non-Degree Seeking	373	298	-20.11%			-172	-8.64%

Class Location	Headcount		Percent Change	Full Time	Part Time	FTE	FTE
	2017	2018				2017	2018
On-Campus Students							
Undergrads	1,460	1,332	-9%	1,276	56	1,375	1,263
Graduates	46	12	-74%	9	3	26	8
TOTALS	1,506	1,344	-11%	1,285	59	1,401	1,271
Off-Campus Students							
Undergrads	720	622	-14%	219	403	355	326
Graduates	546	516	-5%	88	428	234	221
TOTALS	1,266	1,138	-10%	307	831	589	547

*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	FTE
	2017	2018				2017	2018
Resident Students							
Undergrads	1,253	1,080	-14%	779	301	939	843
Graduates	293	259	-12%	38	221	122	106
TOTALS	1,546	1,339	-13%	817	522	1,061	949
Non-Resident Students							
Undergrads	927	874	-6%	716	158	792	746
Graduates	299	269	-10%	59	210	137	123
TOTALS	1,226	1,143	-7%	775	368	929	869

END OF TERM ENROLLMENT REPORT
PERU STATE COLLEGE
 TERM: 2018 FALL

Type of Instruction	Headcount		Percent	Full	Part	FTE	
	2017	2018	Change	Time	Time	2017	2018
Lower Division	1257	1073	-15%	506	567	690	633
Upper Division	785	775	-1%	552	233	620	625
Graduate Division	306	262	-14%	61	191	156	133
TOTALS	2,348	2,110	-10%	1,119	991	1,466	1,391
						Change in FTE	Percent Change
						-75	-5.09%
Class Location	Headcount		Percent	Full	Part	FTE	
	2017	2018	Change	Time	Time	2017	2018
On-Campus Students							
Undergrads	919	906	-1%	839	67	856	859
Graduates	6	1	0%	0	1	1	0
TOTALS	925	907	-2%	839	68	857	859
Off-Campus Students							
Undergrads	1,123	942	-16%	219	723	454	400
Graduates	300	261	-13%	61	200	154	133
TOTALS	1,423	1,203	-15%	280	923	608	533
Resident Status	Headcount		Percent	Full	Part	FTE	
	2017	2018	Change	Time	Time	2017	2018
Resident Students							
Undergrads	1,626	1,462	-10%	764	698	966	939
Graduates	250	201	-20%	54	147	126	104
TOTALS	1,876	1,663	-11%	818	845	1,092	1,043
Non-Resident Students							
Undergrads	416	386	-7%	294	92	344	320
Graduates	56	61	9%	7	54	30	29
TOTALS	472	447	-5%	301	146	374	349

*Totaling errors may occur as a result of rounding

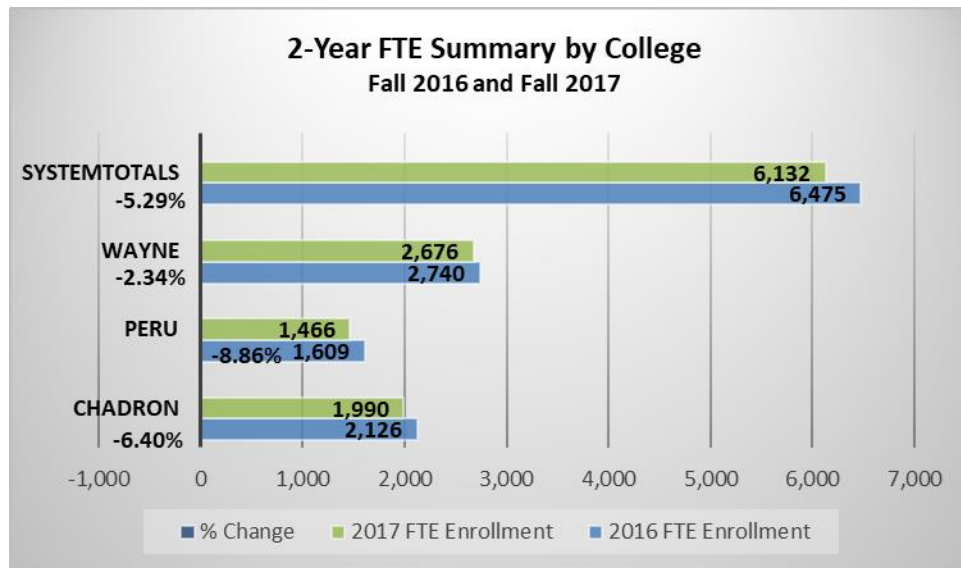
END OF TERM ENROLLMENT REPORT
WAYNE STATE COLLEGE
 TERM: 2018 FALL

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE 2017	FTE 2018
	2017	2018					
Lower Division	1,454	1,676	15%	1,464	212	1,268	1,449
Upper Division	1,311	1,290	-2%	1,098	192	1,167	1,131
Graduate Division	541	660	22%	161	499	241	298
TOTALS	3,306	3,626	10%	2,723	903	2,676	2,878
						Change in FTE	Percent Change
						202	7.55%
Class Location*	Headcount		Percent Change	Full Time	Part Time	FTE 2017	FTE 2018
	2017	2018					
On-Campus Students							
Undergrads	2,503	2,600	4%	2,496	104	2,340	2,443
Graduates	65	83	28%	27	56	36	44
TOTALS	2,568	2,683	4%	2,523	160	2,376	2,487
Off-Campus Students							
Undergrads	262	366	40%	66	300	95	137
Graduates	476	577	21%	134	443	205	254
TOTALS	738	943	28%	200	743	300	391
Resident Status	Headcount		Percent Change	Full Time	Part Time	FTE 2017	FTE 2018
	2017	2018					
Resident Students							
Undergrads	2,363	2,501	6%	2,138	363	2,069	2,164
Graduates	426	499	17%	104	395	185	216
TOTALS	2,789	3,000	8%	2,242	758	2,254	2,380
Non-Resident Students							
Undergrads	402	465	16%	424	41	366	416
Graduates	115	161	40%	57	104	56	82
TOTALS	517	626	21%	481	145	422	498

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.

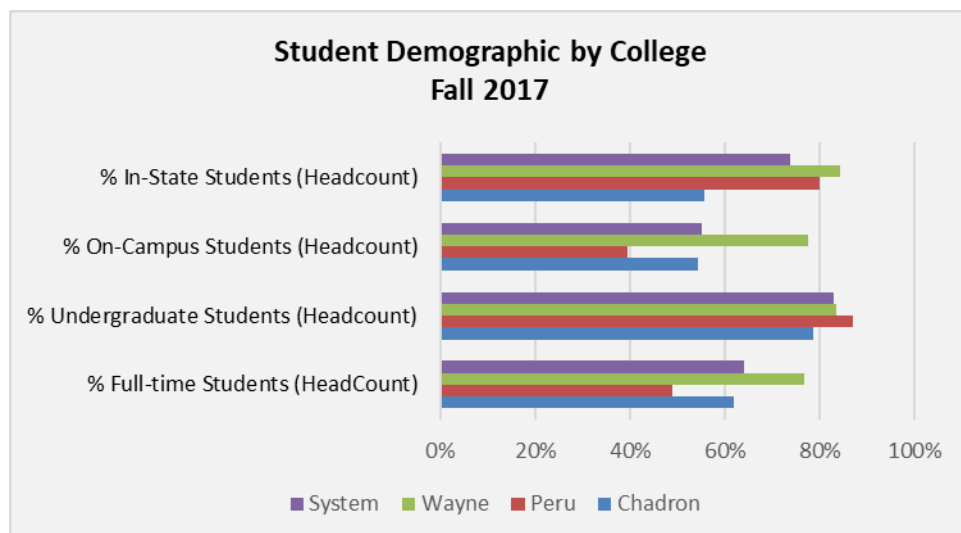
System-wide End of Term Enrollment Report Fall 2017

	2016 FTE Enrollment	2017 FTE Enrollment	Change in FTE	% Change
Chadron	2,126	1,990	-136	-6.40%
Peru	1,609	1,466	-143	-8.86%
Wayne	2,740	2,676	-64	-2.34%
SystemTotals	6,475	6,132	-343	-5.29%



Fall 2017 Student Demogrphics by College

	% Full-time Students (HeadCount)	% Undergraduate Students (Headcount)	% On-Campus Students (Headcount)	% In-State Students (Headcount)
Chadron	62%	79%	54%	56%
Peru	49%	87%	39%	80%
Wayne	77%	84%	78%	84%
System	64%	83%	55%	74%



System-Wide Summary Enrollment Report – Fall 2017

Type of Instruction	Headcount		Percent Change	Full Time	Part Time	FTE	
	2016	2017				2016	2017
Lower Division	4,095	3,803	-7%	2,612	1,191	2,973	2,804
Upper Division	3,316	3,184	-4%	2,481	703	2,791	2,671
Graduate Division	1,532	1,439	-6%	312	1,127	710	657
TOTALS	8,943	8,426	-6%	5,405	3,021	6,475	6,132
						Change in FTE	Percent Change
						-343	-5.29%

Class Location	Headcount		Percent Change	Full Time	Part Time	FTE	FTE
	2016	2017				2016	2017
On-Campus Students							
Undergrads	5,129	4,882	-5%	4,593	289	4,785	4,571
Graduates	102	117	15%	42	75	59	63
TOTALS	4,865	4,641	-5%	4,635	364	4,844	4,635
Off-Campus Students							
Undergrads	2,282	2,105	-8%	500	1,605	979	904
Graduates	1,430	1,322	-8%	270	1,052	651	593
TOTALS	3,712	3,427	-8%	770	2,657	1,630	1,497

Resident Status	Headcount		Percent Change	Full Time	Part Time	FTE	FTE
	2016	2017				2016	2017
Resident Students							
Undergrads	5,510	5,242	-5%	3,639	1,603	4,164	3,974
Graduates	970	969	0%	202	767	444	433
TOTALS	6,480	6,211	-4%	3,841	2,370	4,608	4,407
Non-Resident Students							
Undergrads	1,901	1,745	-8%	1,454	291	1,600	1,502
Graduates	562	470	-16%	110	360	266	223
TOTALS	2,463	2,215	-10%	1,564	651	1,866	1,725

ITEMS FOR INFORMATION AND DISCUSSION\STUDENT AFFAIRS, MARKETING, AND ENROLLMENT

January 15, 2019

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 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 decrease of (-5.29 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 2016 and returning Fall 2017). The systemwide retention rate is sixty five percent (65%), which is the same as last year.

The success rates that are reported represent the entering class for Fall 2011, which includes full- and part-time students as well as transfer students. The systemwide success rate is eighty four percent (84%) which is up slightly from last year.

ATTACHMENTS:

- NSCS Chancellor's Summary Report (PDF)

Chancellor's Summary Report 2018

Enrollment by Headcount - Fall 2016

Undergraduate				
	CSC	PSC	WSC	NSCS
Fall 2016 Total	1837	1427	2500	5764
1-year Change	-2.29%	0.99%	-2.40%	-1.55%
5-year Change	-2.34%	0.42%	-5.05%	-2.93%
On Campus	1435	927	2423	4785
Off Campus	402	500	77	979

Graduate				
	CSC	PSC	WSC	NSCS
Fall 2016 Total	289	181	240	710
1-year Change	1.58%	-1.63%	1.69%	0.78%
5-year Change	-1.20%	16.77%	0.63%	3.50%
On Campus	20	0	39	59
Off Campus	269	181	201	651

Total 2016 FTE				
	CSC	PSC	WSC	NSCS
Total 2016 FTE	2126	1608	2740	6474
System 1-Year Change				-1.30%
System 5-Year Change				-2.26%
Sources: Enrollment Reports Fall 2016; Fall 2015; Fall 2012				

Enrollment by FTE - Fall 2017

Undergraduate				
	CSC	PSC	WSC	NSCS
Fall 2017 Total	1	1609	2740	5764
1-year Change	-2.29%	0.99%	-2.40%	-1.55%
5-year Change	-2.34%	0.42%	-5.05%	-2.93%
On Campus	1435	927	2423	4785
Off Campus	402	500	77	979

Graduate				
	CSC	PSC	WSC	NSCS
Fall 2017 Total	289	181	240	710
1-year Change	1.58%	-1.63%	1.69%	0.78%
5-year Change	-1.20%	16.77%	0.63%	3.50%
On Campus	20	0	39	59
Off Campus	269	181	201	651

Total 2017 FTE				
	CSC	PSC	WSC	NSCS
Total 2017 FTE	1990	1466	2676	6132
System 1-Year Change				-5.29%
System 5-Year Change				-2.26%
Sources: Enrollment Reports Fall 2017; Fall 2016; Fall 2013				

Student Credit Hour Production - Fall 2017

	CSC	PSC	WSC	NSCS
On Campus	17,132.00	10,461.00	32,841.00	60,434.00
Off Campus	736.00	1,672.00	1,724.00	4,132.00
Online/Hybrid	11,185.00	9,380.00	4,827.00	25,392.00
Other Asynchronous	23.00	-	32.00	55.00
Total	29,076.00	21,513.00	39,424.00	90,013.00
1-year Change	-3.24%	-4.61%	-1.20%	-8.92%
5-year Change	-6.12%	-3.33%	-5.04%	-16.81%

Sources: Fall Instructional Load Reports 2017; 2016; 2013

Faculty FTE – Fall 2017

	CSC	PSC	WSC	NSCS
Full-time Faculty FTE	99.1	54	115.1	268.2
Adjunct Faculty FTE	18.3	40.7	39.8	98.8
Graduate Assistants FTE	0	0	4.2	4.2
Total	117.4	94.7	159.1	371.2
Student FTE	1990	1459	2677	6126
Faculty Student Ratio	17:1	15:1	17:1	N/A

Sources: Fall Instructional Load Reports 2017

**Annual Graduation Summary (Spring 2017-December 2017)
(Degrees Awarded)**

	CSC	PSC	WSC	NSCS
Baccalaureate Degrees	427	270	635	1332
Graduate Degrees	186	109	134	429
Total	613	379	769	1761

Source: Spring 2017 and Fall 2017 Graduation Summaries

Retention Rates (First to Second Year)

	CSC	PSC	WSC	NSCS
Percent Returning	66%	57%	69%	65%
One Year Change	2%	-7%	2%	0%

Sources: As reported by college staff for first time/full time freshman for 2015 cohort Fall 2016 to Fall 2017, as reported to IPEDS.

Graduation Rates

	CSC	PSC	WSC	NSCS
% Graduate in 6 Years	42%	36%	51%	46%
One Year Change	-1%	1%	3%	2%

Sources: As reported by college staff for first time/full time freshman for 2011 cohort graduating within 6 years, as reported to IPEDS.

Success Rates

	CSC	PSC	WSC	NSCS
% Graduate in 6 Years*	44%	43%	52%	48%
Good Standing**	34%	31%	39%	36%
Success Rate	78%	74%	91%	84%

Source: As reported by college institutional research staff.

*Includes full and part time freshman and transfers for the 2011 cohort graduating within 6 years.

** Includes full and part time, first-time freshman and transfers still enrolled or left the institution but are eligible to re-enroll or enroll elsewhere or have already transferred to another institution.

Cost of Attendance 2017-18

NSCS Tuition Rate (Per Credit Hour)	
Undergraduate	\$177.00
Graduate Resident	\$221.25
Undergraduate Non-Res	\$354.00
Graduate Non-Res	\$442.50
PSC & CSC UG, Non-Res	\$178.00

Approved April 20, 2018 Board of Trustees meeting.

NSCS Online Rate (in-state and out-of-state students)	
Online Undergraduate	\$289.00
Online Graduate	\$361.25

Room and Board (Per Semester - Double Room)

	CSC	PSC	WSC
Room	\$1,765.00	\$2,269.00	\$1,935.00
Board	\$1,700.00	\$1,736.00	\$1,899.00

Approved April 20, 2018 Board of Trustees meeting.

Board based upon 14 or 15 Meal/7 day plan.

Fees (Mandatory) 2018-2019 Academic Year

	CSC	PSC	WSC
Health Service	\$53.40	\$75.00	\$63.00
Capital Improvement Fee	\$180.00	\$180.00	\$180.00
Facilities Fee	\$315.00	\$420.00	\$255.00
Student Activity Fee	\$84.00	\$90.00	\$75.00
Event Fee	\$162.00	\$116.25	\$135.00
Technology Fee	\$150.00	\$151.50	\$123.75
Record/Publication	\$6.15	\$15.00	\$15.00
Total	\$950.55	\$1,047.75	\$846.75

Approved April 20, 2018 Board of Trustees meeting.

Approximate Cost of Attendance (2018-19)

	CSC	PSC	WSC
Tuition	\$5,310.00	\$5,310.00	\$5,310.00
Mandatory Fees	\$1,901.10	\$2,095.50	\$1,693.50
Room & Board	\$6,930.00	\$8,010.00	\$7,668.00
Total	\$14,141.10	\$15,415.50	\$14,671.50

Based upon 30 credit hours - resident undergraduate.

General Fund Appropriations per Nebraska State College System Student FTE

	FY2011-12	FY2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund Appropriation	\$44,846,037	\$45,450,893	\$47,496,183	\$49,396,030	\$50,877,911	\$50,308,078	\$51,099,382
FTE Students*	6,718	6,774	6,759	6,727	6,644	6,475	6,132
GF Appropriation/FTE Student	\$6,676	\$6,710	\$7,027	\$7,343	\$7,658	\$7,770	\$8,333
<i>Increase Over Prior Year</i>	<i>-0.81%</i>	<i>0.51%</i>	<i>4.73%</i>	<i>4.49%</i>	<i>4.29%</i>	<i>1.46%</i>	<i>7.25%</i>

*From Fall Enrollment Report - FTE

ITEMS FOR INFORMATION AND DISCUSSION FISCAL, FACILITIES, AND AUDIT

January 15, 2019

INFORMATION ONLY: **Grant Applications and Awards**

Chadron State Applications

- The Nebraska Panhandle Geoscience Advantage (PANGEA) (National Science Foundation) -- \$406,141.93
- Nebraska Research Network in Functional Genomics (INBRE) (National Institute of Health) -- \$108,205

Peru State Award

- Student Success Services (TRiO Student Support Services) -- \$306,003

Wayne State Applications

- The Good Life: Humanities and the Dimensions of Wellness (National Endowment for the Humanities) -- \$35,000
- Nebraska Business Development Center (U.S. Small Business Administration) -- \$73,000
- Nebraska INBRE Project (National Institutes of Health) -- \$272,605 over the 5-year period

Wayne State Award

- TRiO Student Support Services (U.S. Department of Education) -- \$339,067 for year 4

ATTACHMENTS:

- CSC Grant Application-PANGEA (PDF)
- CSC Grant Application-INBRE (PDF)
- PSC Award-Student Success Services (PDF)
- WSC Grant Application-The Good Life (PDF)
- WSC Grant Application-NBDC (PDF)
- WSC Grant Application-INBRE (PDF)
- WSC Grant Award-TRiO Student Support Services (PDF)

NOTICE OF INTENT TO APPLY FOR, OR TO ACCEPT, AWARDS OF NON-STATE CONTRACTS OR GRANTS

College: Chadron State College		Date: January 15, 2019
Notice of Intent	Application: X	Accept Award:
Name of Program: The Nebraska Panhandle Geoscience Advantage (PANGEA)		
Funding Source: National Science Foundation Also indicate if the source is federal, state or private Federal		
Is this grant a Sub-Award ?	Yes:	No: X
If a sub-award, indicate the agency the sub-award is through:		
Amount Requested: \$406,141.93	Amount Awarded:	Funding Period: July 1, 2019 – June 30, 2022 Please indicate specific dates for the grant.
Closing Date for Application Submission: November 19, 2018		
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: X	No:
If yes, indicate dollar amount and/or percentage rate allowed: \$36,921.99		
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:	No: X
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.):		
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: 1	
How many of these are new positions?	New FTE: 1	
Briefly describe the purpose(s) of this application/award: The goal of PANGEA is to increase the number of undergraduates pursuing geoscience majors at CSC by engaging students starting at the high-school level in authentic, career-relevant experiences. The first phase of PANGEA is an inquiry-based five-day residential summer camp. Camp participants will train in the CSC Chadron Creek Watershed Team stream monitoring protocols. PANGEA will serve as a support mechanism for potential and actual geoscience majors from pre-college through completion of their undergraduate education.		
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:		
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. Michael Leite		
Administrator responsible for approving the application: Dr. Randy Rhine		

NOTICE OF INTENT TO APPLY FOR, OR TO ACCEPT, AWARDS OF NON-STATE CONTRACTS OR GRANTS

College: Chadron State College		Date: January 15, 2019	
Notice of Intent	Application: X	Accept Award:	
Name of Program: Nebraska Research Network in Functional Genomics (INBRE)			
Funding Source: National Institute of Health 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: Board of Regents of the University of Nebraska DBA University of Nebraska Medical Center			
Amount Requested: \$108,205 (sub-award amount)	Amount Awarded:	Funding Period: 5/1/2020 – 4/30/2025 Please indicate specific dates for the grant.	
Closing Date for Application Submission: January 25, 2019			
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:	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:	No: X
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.):			
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-	
How many of these are new positions?		New FTE:	
Briefly describe the purpose(s) of this application/award: The purpose of this project is to develop and sponsor undergraduate students in the research enterprise selected for the INBRE Scholars Program. This collaboration is intended to enhance the competitive biomedical research capability throughout the State of Nebraska.			
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:			
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. Ann Buchmann			
Administrator responsible for approving the application: Dr. Randy Rhine			

NOTICE OF INTENT TO APPLY FOR, OR TO ACCEPT, AWARDS OF NON-STATE CONTRACTS OR GRANTS

College: Peru State College		Date: 09/01/2018
Notice of Intent	Application:	Accept Award: X
Name of Program: Student Success Services		
Funding Source: TRIO Student Support Services		
Also indicate if the source is federal, state or private Federal		
Is this grant a Sub-Award ?	Yes:	No: X
If a sub-award, indicate the agency the sub-award is through:		
Amount Requested: \$306,003	Amount Awarded: \$306,003	Funding Period: 09/01/2018-08/30/2019 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? Yes		Date Approved/Reviewed: 06/18/2015
Does this grant include Indirect Cost Funds for the College's use?	Yes: X	No:
If yes, indicate dollar amount and/or percentage rate allowed: 8%		
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.): \$5,000 pledged contribution plus \$3,333 required match in tuition waivers for amount used for grant aid for eligible students.		
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.): Use of office and facility space, telephones, computers, networked copiers, custodial and maintenance services, internet service, and use of College transportation (at program's expense)		
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: X	No:
How many FTE positions will the grant fund?	FTE: 3.52	
How many of these are new positions?	New FTE: 0.00	
Briefly describe the purpose(s) of this application/award: The project will serve 230 low-income, first generation and /or disabled students at Peru State College. The objective of services is to increase the academic success, retention, and graduation rates of students.		
Is this grant a continuation of a previous/existing grant? The grant award is a continuation of the TRIO-Student Success Services program at Peru State College.	Yes: X	No:
If a continuation grant, describe the previous grant in terms of amount, funding period, and any differences in program: This grant is the fourth year of a five year grant cycle.		
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. Vicky Jones, Director of Student Success Services		
Administrator responsible for approving the application: Dr. Jesse Dorman, Vice President for Enrollment Management and Student Affairs		

College: Wayne State College		Date: January 15, 2019
Notice of Intent	Application: X	Accept Award:
Name of Program: The Good Life: Humanities and the Dimensions of Wellness		
Funding Source: National Endowment for the Humanities Also indicate if the source is federal, state or private: Federal		
Is this grant a Sub-Award ?	Yes:	No: X
If a sub-award, indicate the agency the sub-award is through:		
Amount Requested: \$35,000	Amount Awarded:	Funding Period: 5/1/19-8/31/20 Please indicate specific dates for the grant.
Closing Date for Application Submission: 10/17/18		
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: X	No:
If yes, indicate dollar amount and/or percentage rate allowed: 40% of direct salaries and wages including all fringe benefits		
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:	No: X
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.):		
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: 0.08	
How many of these are new positions?	New FTE: 0.00	
Briefly describe the purpose(s) of this application/award: This proposal requests funding for several faculty summer stipends, 0.08 FTE of a faculty member's salary/benefits to serve as co-director for the project, as well as supplies and travel costs. This project seeks to connect the process of humanistic inquiry with other academic disciplines and student affairs through the sequencing of three general studies courses in Philosophy, Public Health and Personal Finance and the development of a living – learning community focused on the practice of wellness in all its forms.		
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:		
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. Yasuko Taoka, Dean of Arts and Humanities		
Administrator responsible for approving the application: Ms. Angie Fredrickson, Vice President, Administration and Finance		

College: Wayne State College		Date: January 15, 2019
Notice of Intent	Application: X	Accept Award:
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: \$73,000	Amount Awarded:	Funding Period: 01/01/19-12/31/19 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?		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 \$19,680 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: 0.00	
Briefly describe the purpose(s) of this application/award: This proposed sub agreement with the University of Nebraska-Omaha would provide funding to continue the operation of a regional center of the Nebraska Business Development Center at Wayne State College. It would provide partial funding for salary and benefit costs of the 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, this subcontract would continue to fund the Nebraska Business Development Center at Wayne as it has for a number of years.		
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		

College: Wayne State College		Date: January 15, 2019
Notice of Intent	Application: X	Accept Award:
Name of Program: Nebraska INBRE Project		
Funding Source: National Institutes of Health 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 Medical Center		
Amount Requested: \$272,605 over the 5 year period	Amount Awarded:	Funding Period: 05/01/2020-04/30/2025
Closing Date for Application Submission:		
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: X	No:
If yes, indicate dollar amount and/or percentage rate allowed: 40% of direct salaries and wages including all fringe benefits		
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:	No: X
If yes, describe briefly (i.e., faculty release time, support personnel, use of office space, telephone, office supplies, etc.):		
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: 1.03	
How many of these are new positions?	New FTE: 0.00	
Briefly describe the purpose(s) of this application/award: This five-year proposal with the University of Nebraska Medical Center for the Nebraska INBRE Project, of which Wayne State College is a participant, is designed to train four undergraduate students during the academic year and two undergraduate students during the summer each year in research. It requests funding for student wages and a summer housing stipend as well as basic laboratory supplies. The budget also requests funds for 0.9 academic month a year salary and benefits for two faculty members to coordinate budget, communication and administrative tasks with UNMC and oversee student scholars and budget at WSC. One faculty member would serve on the statewide INBRE Senior Executive Committee and the other on the Steering Committee. The project goal is to enhance the competitive biomedical research capability throughout the State of Nebraska through collaboration among the state's institutions of higher education.		
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, this proposal requests funds for another five year phase of the IDeA Networks of Biomedical Research Excellence (INBRE) grants awarded for the periods 05/15-05/20, 05/09-05/14 and 09/04-04/09 and the Biomedical Research Infrastructure Network (BRIN) grant from 09/01-09/04.		
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. Shawn Percy, Professor, Life Sciences 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 15, 2019
Notice of Intent	Application:	Accept Award: X
Name of Program: TRiO Student Support Services		
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:	No: X
If a sub-award, indicate the agency the sub-award is through:		
Amount Requested: \$308,069 for Year 1 (2015-2016)	Amount Awarded \$339,067 for Year 4 (2018-2019)	Funding Period: Year 4 09/01/2018-08/31/2019 Please indicate specific dates for the grant.
Closing Date for Application Submission: February 2, 2015		
When reporting Grant Award-- Has Grant Application been approved/reviewed by the Board? Yes		Date Approved/Reviewed: 03/26/15
Does this grant include Indirect Cost Funds for the College's use?	Yes: X	No:
If yes, indicate dollar amount and/or percentage rate allowed: 8% of modified total direct costs		
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.): Wayne State College will provide facilities, support through many other offices on campus, and a small amount of operating support.		
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: X	No:
How many FTE positions will the grant fund?	FTE: 4.94	
How many of these are new positions?	New FTE: 0.00	
Briefly describe the purpose(s) of this application/award: This award will provide funding to continue the TRiO Student Support Services Office at Wayne State College. The grant is awarded for a five-year period from 09/01/2015 to 08/31/2020. The award amount of \$339,067 for the fourth year includes additional funds for salaries, benefits and operating costs. The total award of \$1,289,691 for the first four years provides funding for salaries, benefits, travel, supplies and indirect costs. The program will serve 235 low income, first generation and/or physically handicapped students, an increase of ten students for year 4. The goal of the TRiO Student Support Services program is to reduce the number of disadvantaged students dropping out of college because of academic problems and/or related difficulties.		
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 this is technically a new award for the fourth year of five years of funding beginning September 1, 2015 through August 31, 2020, it continues a very successful TRiO Student Support Services program, which has been funded since 1990-91.		
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. Jeffrey Carstens, Director of TRiO Student Support Services		
Administrator responsible for approving the application: Ms. Angie Fredrickson, Vice President Administration & Finance		

ITEMS FOR INFORMATION AND DISCUSSION/FISCAL, FACILITIES, AND AUDIT

January 15, 2019

INFORMATION ONLY: Contracts and Change Orders for Information

Peru State Contracts

- AV Larson (foundation renovation) -- \$11,500
- Marketing (recruitment email) -- not to exceed \$15,000

Wayne State Contracts

- Student Center (engineering design and construction phase services of replacement of 7 HVAC units) -- \$57,500
- Campuswide (consulting services) -- \$54,000
- Bowen Hall (removal and replacement of exterior sealant) -- \$15,550
- Carhart Science Building (repair exterior masonry surfaces on building) -- \$10,910

Wayne State Change Orders

- Connell Hall (#1-install additional framing and fiberglass panels on main entry doors and complete repairs to 2 columns on each side of double doors at main entry) -- \$7,098
- Center for Applied Technology (#11-interior hallway changes, retaining wall credit, signage changes, irrigation scope deduction, drywall sub, and electrical work) -- \$37,947.37
- US Conn Library (#4-professional services) -- \$6,121.74

ATTACHMENTS:

- PSC Contracts and Change Orders for Information (PDF)
- WSC Contracts and Change Orders for Information (PDF)

**PERU STATE COLLEGE
CONTRACTS AND CHANGE ORDERS FOR INFORMATION**

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$70,000; 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:	A.V. Larson
Contracted Work:	Foundation Renovation
Contract Amount:	\$11,500
Fund Source:	Foundation
Contractor:	Architectural Design Associates
Location on Campus:	Marketing
Contracted Work:	Recruitment E-mail
Contract Amount:	NTE \$15,000
Fund Source:	Cash Funds
Contractor:	Kent Propst

CONTRACTS AND CHANGE ORDERS FOR INFORMATION

CONTRACTS – a) construction contracts for less than \$100,000; b) architect/engineer fees of less than \$70,000; 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 Engineering design & construction phase services of replacement of 7 HVAC units \$57,500.00 Contingency Maintenance Morrissey Engineering, Inc., Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Campus-wide Consulting services \$54,000.00 Cash EAB Global, Inc., Washington, DC
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Bowen Hall Removal & replacement of exterior sealant \$15,550.00 Contingency Maintenance Jackson – Jackson & Associates, Inc., Omaha, NE
Location on Campus: Contracted Work: Contract Amount: Fund Source: Contractor:	Carhart Science Building Repair exterior masonry surfaces on building \$10,910.00 LB 309 Mid-Continental Restoration Co., Inc., Parkston, SD

CHANGE ORDERS – (including architect/engineer fees, construction contracts, equipment purchases and all other miscellaneous expenditures) which are less than \$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:	Connell Hall #1 – Install additional framing & fiberglass panels on main entry doors and complete repairs to 2 columns on each side of double doors at main entry \$7,098.00 LB 309 Christiansen Construction Co., Pender, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	Center for Applied Technology #11 – Interior hallway changes, retaining wall credit, signage changes, irrigation scope deduction, drywall sub, and electrical work \$37,947.37 Construction Bond Funds/Cash/Wayne State Foundation/Trust Hausmann Construction, Inc., Lincoln, NE
Location on Campus: No. & Description: Change Order Amount: Fund Source: Contractor:	US Conn Library #4 - Professional Services \$6,121.74 Foundation/Cash Jackson-Jackson & Associates, Omaha, NE



CHANCELLOR'S REPORT

Board of Trustees Meeting
January, 2019

Dr. Paul Turman begins his role of Nebraska State College System Chancellor on January 2, 2019.

Meet with Staff

Chancellor Turman is meeting with System Office staff and College Presidents to become familiar with their roles as well as how the System functions.

Legislative Session

The 106th Legislature will convene on January 9, 2019. The NSCS is preparing for the Session and responding to any questions the Senators may have.

New Student Trustees Appointed

Governor Ricketts has appointed the new Student Trustees. They will serve during the 2019-2020 academic year.

- Sam Klammer – Chadron State College
- Kayla Myers – Peru State College
- Ashley VanMeeteren – Wayne State College

Construction Project Update

The focus of the Nebraska State College System has always been on teaching, and service to students and community. To that end, in the last half of calendar year 2018, the State Colleges reached substantial completion on four major capital projects that greatly enhance service to students and the local communities where our Colleges are located.

The new \$10.3 million Football Stadium Complex at Chadron State reached substantial completion of Phase I on August 23, 2018. The first phase replaced a 1920's concrete stadium structure that was literally crumbling, and includes a new Press Box, and a first time ever synthetic turf playing field. The Grand Opening of the new Football Stadium and Press Box was celebrated at the September 15th game against Fort Lewis. Phase II of the overall project is construction of the first ever Track Facility for Chadron State, which will begin this spring.

At Peru State, the College and the southeast Nebraska community eagerly awaited the opening of the \$7.5 million Theatre/Event Center Renovation & Addition project, which was delayed by weather, and other factors. The project reached substantial

completion on Veteran's Day, November 12, 2018, and several events including the Holiday Choir Concert have been held in the beautiful new facility. The Grand Opening is planned for later this spring.

The new 53,000 square foot \$15.7 million Center for Applied Technology at Wayne State reached substantial completion on the morning of November 15, 2018, and later that evening was the venue for former Chancellor Stan Carpenter's final Board Reception and Dinner. Classes started in this new lab building on January 7, 2019, and the Grand Opening of the "CAT" facility is planned for later this spring.

Also at Wayne State, the \$3.9 million Memorial Stadium Press Box project replaced a small 1970's wood framed structure with a modern 6,300 square foot facility featuring hospitality and event space, plus full climate control and amenities. The project reached substantial completion on September 11, 2018.

These four very important major capital projects add to the vibrancy of our Colleges, and enhances the higher education experience for students while positively engaging our local communities!

Administrative Notes for the Board of Trustees

Travel Report

In accordance with NSCS policy, the Chancellor Carpenter traveled on:

- November 15-16, 2018: For the November Board Meeting in Wayne, Nebraska.

Presidents' Reports

Chadron State College January 2019 Cultural Enrichment

Chadron State continues to demonstrate its commitment to assuring that the campus, the local community, and the panhandle area of Nebraska have numerous opportunities to experience diversity-related educational experiences that emphasize the value and importance of cultural enrichment.

To further the opportunity for diversity-related experiences, especially for students, numerous programs and institutionally supported activities provide essential support for cultural enrichment activities at Chadron State College, as does the Campus Activity Board, which emphasizes student participation in the creation of events. Aside from the specific goals that Chadron State has regarding cultural enrichment, the Diversity Committee has designed its own specific goals, designed to bolster and support the Chadron State College plan to encourage appreciation and respect for diversity on the CSC campus. These goals, while allowing for flexibility, remain constant year-to-year:

1. Diversity will be encouraged and welcomed on the CSC campus.
2. Recognition of the worth of diversity will be promoted on the CSC campus.
3. Diversity will be obvious in its representation on the CSC campus.
4. Chadron State will be recognized at the System level as doing all things appropriate and reasonably possible to promote diversity recognition and appreciation on the CSC campus, in the Chadron community, and in the panhandle area.

While Chadron State and the Diversity Committee diligently engage in promoting an appreciation of the importance of cultural enrichment, this report does not mean to suggest that cultural enrichment has been successfully integrated into the campus all across the board. More diversity needs to be evident among the faculty, our student body, and on the campus in general.

When committees convene to hire faculty, diversity is always a prime consideration. However, while every effort is made to encourage teachers of diverse ethnic backgrounds or who are differently-abled to apply, search committees are often discouraged by the lack of applicants representing diversity. Those who do apply and come for an interview often turn down the offer of employment. While the Diversity Committee cannot say scientifically why these applicants do not take employment with CSC, anecdotal evidence generally indicates that the candidates find the college not to be appropriate to meet their needs for a variety of reasons, personal and professional. Often, when interviewing a minority candidate for a position, the question asked by the candidate is, "How far is it to somewhere else?" The response to that question is that Denver is five hours away and Rapid City is two hours away. To a candidate used to the broad offerings and opportunities of a city, that answer seems discouraging.

The Diversity Committee believes faculty representing diverse populations will increase over time as a result of the Master Academic Plan (MAP) of 2014 which emphasizes in its sixth priority that the campus will, "Evaluate campus wide processes for faculty and staff recruitment and retention; recommend a plan for continuous improvement."

While attracting diverse faculty to the college may be challenging, the Committee does believe the college does an excellent job of recruiting students across the diverse spectrum, including, then, the recruitment of minorities, those who are differently-abled, and students from countries and nations far from Chadron State. At graduation each year, the diversity represented by the graduating class is very obvious.

Chadron State is making very positive steps toward integrating diversity into the general student body; however, just as this report signaled last year, the Diversity Committee has identified the lack of Native American students on the campus as an area of concern. Last year the Diversity Committee Report stated that the Committee would do more to review ideas and possible actions that might lead to more Native American student enrollment. The Committee continues to have discussions regarding this issue and understands that more needs to be done to encourage enrollment of more Native American students -- especially students from the Pine Ridge Indian Reservation.

Regarding the four goals stated above, the Committee believes it and the college are meeting all the goals but certainly believes there exists more work to be done before goal number four, more-or-less a summation of the first three goals, can be seen as being met. The challenges to publicly presenting as a campus with full diversity involvement can be broken down into three areas: first, the rural nature of the campus, second, the lack of the influence of a large metropolitan city/area, and, third, the nature of the student body at CSC. 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 earnestly encouraged and always heartily nurtured everywhere at Chadron State.

In the spring of 2015, 292 Chadron State students participated in the National Survey of Student Engagement (NSSE). In response to the inquiry, "How often do students interact with others who have different viewpoints or who come from different backgrounds," 75% of first year students reported that they frequently had discussions with people from a different race or ethnicity (Institutional Research Fact Book, 2015-2016). That same assessment, however, revealed that students generally felt like there were not as many opportunities as they would like to meet and have discussions with students who represented diversity. To address this concern, the Student Engagement Committee was formed, which functions as a sub-committee of the Strategic Enrollment Management Committee. This sub-committee, developed three areas of focus regarding student engagement for the 2018-2019 school year, one of which is a goal to increase opportunities for "traditional" students to engage in dialogue with students who represent 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

Numerous speakers and diversity-related events provided a number of cultural enrichment opportunities for students through the Residence Life Association Diversity Program. These events are open to the campus and the community. Additional cultural enrichment opportunities are provided to the campus and community through the Galaxy Series events and the Graves Lecture Series.

Peru State College January 2019

At Peru State, the goal is that all students receive the support needed to be successful and the challenges they need to develop leadership skills in a diverse world. This past spring, PSC adopted a new strategic plan, “Engaging the Future.” Emerging from the campus conversation, new values were chosen: Pride, Excellence, Resilience and Unity. To describe the value of Unity, the plan states:

“We embrace unity as a diverse and inclusive community. We believe in creating a culture of mutual support, acceptance and respect. We embrace the College’s role to lead and model this culture on campus, in the region and in the world.”

To prepare the state of Nebraska for the future, the College must be positioned to serve and support students representing the changing demographics of the state. The strategic plan identified a number of new initiatives to support students from diverse backgrounds and to prepare all students for productive roles in a changing society. They include:

- Developing and implementing a plan to improve the persistence-to-graduation rate - A college committee is reviewing current data, examining best practices and identifying short and long-term strategies to improve persistence-to-graduation for all students.
- Developing and implementing a plan to increase the number of diverse candidates who apply for faculty positions – The Vice President for Academic Affairs is leading efforts to attract an increased number of diverse candidates who apply at Peru State.
- Developing and implementing a four-year career development plan for students – In an effort to enhance support for career development, the College is developing a plan to provide education and opportunities for students in each year they attend. This support is good for all students and can be especially effective for first-generation students.
- Identifying and implementing strategies to recruit and support under-represented students including low-income and first-generation students – Led by the Vice President for Enrollment Management and Student Affairs, a college committee is reviewing current research, connecting with leading national or regional organizations to develop best practices in this area. While strategic changes will occur, operational changes to improve the College’s services and outreach are implemented as they are identified.

Black Student Union (BSU)

The Black Student Union, which was selected a few years back to receive the Governor’s Points of Light award for service, celebrated its tenth anniversary in the spring of 2018. The group held a mini-conference on inclusion as part of their anniversary celebration. The mini-conference was tied to 10-Minute Plays that were produced and performed by the Peru Theatre Company. The BSU continues to be an active and productive group on campus. They help host Black History and Diversity Awareness programs in February (and throughout the year).

BSU also provides service throughout the region including assisting with Feeding 44, picking up campus recycling, picking up trash along Highway 67, hosting a trunk at the Peru Community Impact Group’s Trunk-or-Treat event, campus holiday decorating, and assisting with serving and cleanup at the Good Samaritan Society Soup Supper.

Hispanic Latino Student Association

In its third year, the Hispanic Latino Student Association has been active on campus and in the community. This group provides support for a growing population on campus and in southeast Nebraska. Members organized an on-campus food and toy drive. They also co-hosted the Freshman Retention Event.

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. PSC also continues to provide opportunities for its students and residents of southeast Nebraska to discover new perspectives and engage with men and women of national importance. In a world where diversity includes more than skin color, Peru State students continue to seek new experiences and better understanding.

- Joe Starita - This past year Joe Starita, professor at the University of Nebraska College of Journalism and Mass Communication, served as one of our Distinguished Speakers. He has researched and written three critically acclaimed books examining the roles and challenges of Native Americans. He provided insightful observations about the Native American cultural and the challenges and stereotypes faced by Native Americans.
- Megan Phelps-Roper - This spring (April 2 at 7 p.m.) Peru State College will host Megan Phelps-Roper who grew up as a member of the Westboro Baptist Church, a group infamous for its intolerance. She will share her observations about the hateful and intolerant ideas she was immersed in as a child, how she decided to leave her family, and her new perspectives focused on compassion, empathy, and understanding. Her story is captured in her memoir titled, *This Above All*.
- Of Ebony Embers – This winter (February 11 at 7 p.m.), as part of Black History Month, the College is hosting a production called *Of Ebony Embers*, vignettes of the Harlem Renaissance. This blend of theater and chamber music will provide a captivating portrait of life in 1930's Harlem.

Council for Diversity, Equality and Inclusion (CDEI)

The Council for Diversity, Equality and Inclusion (CDEI) is composed of faculty, student affairs staff, and students. Its goal is to create a campus environment that is responsive, respectful, and inclusive of the various backgrounds and identities represented at Peru. They plan a variety of events each year. A few of the upcoming events are as follows:

- Descendants of DeWitty – Descendants of the families from the original African-American settlers of the community of DeWitty, Nebraska, will speak about the African-American experience in early 20th Century Nebraska. This will be their second trip to Peru State College.
- El Museo and Day of the Dead – The Day of the Dead is a Latino tradition with the day being set aside to remember loved ones who have been lost. El Museo Latino, out of Omaha, works to collect, exhibit and interpret Latino arts of the Americas that surround this traditional day.
- Naturalization Ceremony – Working with the U.S. Citizen and Immigration Services, a naturalization ceremony will be held in the College's new Performing Arts Center. This celebratory event is the culmination of the naturalization process. Peru State College will host the new American citizens and their families on the Peru State campus.

Choose Success: The College has moved from a singular recognition of mental health needs and tutoring drives to a consistent and constant approach under the campaign “Choose Success.”

Services and events available under the Choose Success campaign include:

- Weekly workshops on note taking, study skills and test preparation.
- Time Management Workshop.
- Yoga to promote relaxation and health.
- Pancake feeds to better connect students, faculty and staff.
- 4th Annual Glow Walk to raise awareness about mental health challenges and needs.

This broad approach is designed to support students from all backgrounds and experiences.

Mental Health First Aid: This year there have been enhanced efforts to support students by providing additional mental health training for faculty, staff and students. There is a special emphasis on reducing the stigma of mental health illness and providing tools to participants for use in everyday life with a proactive approach to safety and support of others across our community.

Three trainings with over 50 individuals have been completed with two more scheduled for the spring of 2019. This training will also be part of upcoming Resident Assistant education. In future years, Mental Health First Aid will be offered four times per year so that the understanding and support of students with mental health issues becomes integral to all of our operations.

Question, Persuade, Refer (QPR): The mission of QPR is to save lives and reduce suicidal behaviors by providing innovative, practical and proven suicide-prevention training. Suicide is one of the leading causes of death among college students. Research suggests that one in five students has suicidal thoughts during their time in college. QPR training is offered to help people recognize the warning signs of a suicide crisis and how to interact with, question, persuade and refer someone for help. Peru State believes that quality education in this area empowers all people, regardless of their background, to make a positive difference in the life of someone they know.

Three QPR training sessions have been completed with over 30 individuals. Training is available for faculty, staff and students. Monthly sessions are planned throughout the remainder of the 2018-2019 academic year.

Conclusion:

New initiatives in our; strategic thinking, services, and programming make Peru State better able to meet the needs of students and engage them in new experiences outside their everyday understanding of the world. As our students come to a better understanding of each other and the world in which we live, they learn to interact with and respect others from different backgrounds and gain the leadership skills needed to succeed in this diverse world.

Wayne State College January 2019

Wayne State's comprehensive approach to education provides many opportunities for cultural enrichment through the powerful work of each of the college's four schools and their respective curricula, performance ensembles, Office of Student Activities, and student clubs and organizations. A Wayne State education presents a sustained, dynamic encounter with an array of cultures through a broad curriculum that explores human history, the sciences, global economics, technology, educational pedagogy, counseling, literature, sociology, psychology, music, art, and communications.

Working in tandem with the college's curriculum, public performances, and student activities designed to meet our mission of regional service, Wayne State engages in recruitment practices that open doorways of opportunity for the state's growing low-income and minority populations and international students, particularly those of Curacao. Special visit days, outreach to international students, and affordable tuition ensure that Wayne attracts students from a broad variety of backgrounds, which contributes to the cultural enrichment of our entire student body.

Wayne State has offered "Spanish Visit Day: Dia de Familia" for two years now as part of the annual series of visit days geared toward high school juniors and seniors and their families. The Spanish Visit Day provides information about admissions, scholarships, and financial aid processes guided by a bilingual admissions counselor. Participation in this unique visit opportunity has doubled in just two years and is part of a four-year growth trend among Hispanic students that has moved from 235 in Fall 2015 to 287 in Fall 2018. We are also pleased to note that during this same period of time African American enrollment has grown from 115 to 192, which is linked to our recruiting efforts in the Omaha market.

In addition to the Spanish visit day for students in our region, Kevin Halle, Director of Admissions, Leah Keino, Director of Multicultural and International Programs, and Veronica Guzman, Coordinator of Admission Services, recently traveled to Aruba and Curacao for a series of events that included college fairs and two high school visits with classroom presentations and meetings with the school counselor and principal. They also met prospective students and families during an "apply to Wayne State night" in which our staff helped students submit their application and other materials. Wayne State staff also met with the Minister of Education for Aruba and a spring visit is being planned with Aruban representation from Washington, D.C., to work on cementing a relationship between the island nation and Wayne State.

The Curacao Ministry of Education, Science, Culture and Sport entered into a Memorandum of Understanding with Wayne State in June that provides the opportunity for Curacaon students to study at the college at the in-state tuition rate. Curacaon students can now study at Wayne State with funding from their local Student Loan Foundation. Wayne State has a similar arrangement with Indian Hills Community College (IHCC) that provides a transfer pathway for Curacaon students if the admissions requirements are met for international students who graduate from Indian Hills with an Associate of Arts or an Associate of Science degree. Wayne State currently has 20 freshmen and transfer students from Curacao enrolled.

In addition to enrichment through a diverse student body, Wayne State provides significant opportunities for cultural understanding through the college curriculum. Each of the college's four schools offer coursework across all of their academic departments that engage students in explorations of race, socioeconomic status, gender, sexual orientation, ethnic relations, world religions and civilizations, family planning and population issues, indigenous populations, disability, and citizenship status.

Curricular examples include courses such as EDU 217 Diversity in Family Systems (students are required to interview a teacher and discuss how they are or are not bridging racial, class, and cultural differences and then work together to develop strategies to strengthen and enhance partnership programs); EDU 457/557 Human Relations in a Multicultural Society (class is focused on incorporating diversity in the classroom); PED 485/685 Sport in American Culture (specific topics addressed include gender, ethnicity, social class/economics, politics, religion, and sexual orientation and how it relates to sport issues); BIO 301 Cancer Biology Seminar (discuss incidence and death rates of certain cancers, which can vary by race); BUS 360 Management Theory and Practice (classroom discussions aimed specifically at diversity, multiculturalism, and globalization); and BUS 455 Employment Law and Labor Relations (Discuss the implications of Affirmative Action from a historical and current perspective under Title VII of the Civil Rights Act of 1964 and the strategies to avoid discrimination).

Wayne State's performing ensembles give students the opportunity to explore a variety of cultures while providing our region with many chances to enjoy music from a diverse collection of composers and cultural influences. Examples include: Jazz Ensemble, which focuses on music by American jazz/blues composers and music of Latin America; Mariachi Ensemble, which performs mariachi music on traditional instruments in costume and singing in Spanish; Percussion Ensemble, which features performances on ethnic percussion instruments; Madrigals, which perform music by Renaissance composers in period dress; and Wind Ensemble/Symphonic Band/Concert Choir/Chorale/Orchestra, which perform music that represents significant diversity, including the works by male and female composers from around the world, music by underrepresented populations, and choral works in a variety of languages, including Italian, Spanish, French, German, African, Grecian, and Hebrew. Wayne State performances do more than broaden horizons. Cultural events bring the community together to celebrate the many forms of diversity.

The Wayne State Student Activities office works closely with a variety of college clubs and organizations to create a culturally enriching environment for students, staff, and faculty. Examples of sponsored events from the past year include: multiple talks by Dr. Ron Holt, a 1989 graduate of Wayne State who visits the college annually to address LGBTQ+ issues; speaker Buey Tet, who discussed water and human rights issues in South Sudan; the Red Flag Campaign, which is a Rotary club driven effort to educate and provide training aimed at the elimination of human trafficking; International Education Week, which featured talks by Wayne State students from Brazil, Curacao, and Nigeria, and a faculty member of Japanese heritage; National Hunger and Homelessness Awareness week; and Interfaith Council events around a variety of religious and spiritual themes.

Cultural enrichment is a year-round experience at Wayne State that is built on a variety of opportunities for students, staff, and faculty to engage one another in ways that celebrate our differences while seeking the common ground of our shared humanity. The college is proud to serve as a center for these discussions and encounters as part of our commitment to our mission of learning excellence, student success, and regional service.