

# ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

August 14, 2020

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**ACTION: Approve Revised Distribution of Funds**

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The Original Distribution of Funds was approved at the April 23, 2020 meeting of the Board. This proposed revised distribution makes a change to the General Fund appropriation for the current fiscal year to reflect the increase provided in the deficit bill LB1008 (2020). The increase included for the NSCS in LB1008 (2020) is for the Career Scholarship Program in the amount of \$1,000,000. The changes to the Distribution of Funds are highlighted in red. While not included in the Distribution of Funds for the NSCS, LB1008 (2020) also included funding for the Peru State partnership with Tecumseh State Correction institution (TSCI) as described below.

## **CAREER SCHOLARSHIPS**

In the attached distribution of funds, a portion of the Career Scholarship funds are distributed evenly to each College and the balance is based upon a three (3) year average of Bachelor's degree production at each of the Colleges. These new funds must be used in accordance with language contained in LB1008 (2020) and cannot be used for any other purpose. The NSCS has developed Career Scholarship guidelines that include the requirements contained in the bill and additional guidance developed in partnership with all three Colleges.

While not specified with LB1008 (2020), the Governor noted the intent to phase the program to \$4,000,000 over four (4) years. This was included in the "Mid-Biennium Adjustments 2019-2021" book published in conjunction with his proposed budget.

## **PSC PARTNERSHIP WITH TSCI**

In addition to the funds appropriated for the Career Scholarship program, LB1008 (2020) also included funds appropriated to the Department of Corrections for the proposed partnership between Peru State College and TSCI. Although not directly appropriated to the NSCS, these funds will flow to PSC in support of the program in line with the budget developed in partnership with the Department of Corrections. LB1008 (2020) includes the appropriation of \$523,465 for the current fiscal year (FY2020-21). The bill also expresses the intent to increase that appropriation to the following amounts for the upcoming biennium:

FY2021-22 \$748,465

FY2022-23 \$973,465

These increases reflect the addition of \$225,000 additional for each year of the biennium toward scholarships to students accepted into the program each year. While the budget bill only looks to the coming biennium with the intent language, the budget is anticipated to move to \$1,198,465 for FY2023-24 to provide for a total of a four (4) year cycle of students being accepted into the program.

The System Office recommends approval of the Revised Distribution of Funds.

## **ATTACHMENTS:**

- BOT Distribution of Funds REVISED 2020-21 (PDF)

**REVISED Distribution of Funds****FY 2020-21****August 14, 2020**

	CSC	PSC	WSC	SO	TOTAL
<b>DISTRIBUTION OF FUNDS FY 2019-20</b>					
General Fund	18,185,612	10,189,610	22,770,336	2,403,388	53,548,946
Cash Funds (est.)	13,178,304	8,658,410	17,938,178	624,455	40,399,347
<b>Subtotal General and Cash</b>	<b>31,363,916</b>	<b>18,848,020</b>	<b>40,708,514</b>	<b>3,027,843</b>	<b>93,948,293</b>
Federal Funds (est.)	15,000,000	12,820,000	20,229,900	0	48,049,900
Revolving Funds (est.)	2,536,500	1,587,783	4,611,118	0	8,735,401
Adj. for Revised Budgets April 23, 2020 Agenda	(188,500)	0	163,882	0	(24,618)
Revolving Funds (est.) Revised	2,348,000	1,587,783	4,775,000	0	8,710,783
<b>2019-20 All Funds Total</b>	<b>48,711,916</b>	<b>33,255,803</b>	<b>65,713,414</b>	<b>3,027,843</b>	<b>150,708,976</b>

**FY 2020-21 Adjustments to General and Cash Funds**

General Fund - LB 294 (2019) Adjustments (NOTE 1)	707,763	370,010	838,341	62,297	1,978,411
General Fund - Career Scholarships (NOTE 1)	324,198	272,291	403,511	0	1,000,000
Total General Fund Adjustments	1,031,961	642,301	1,241,852	62,297	2,978,411
Cash Fund - Net Impact of Tuition Rate Increase (2.5%)	224,924	182,815	343,533	0	751,272
Cash Fund - Impact of Fee Rate Changes	65,000	0	96,502	0	161,502
Cash Fund - Impact of Enrollment Changes	0	0	1,467,437	0	1,467,437
Cash Fund - NeSIS Operations	0	0	0	(7,262)	(7,262)
Cash Fund - Scholarship/Grant Awards (NOTE 2)	0	0	235,000	0	235,000
Total Cash Fund Adjustments	289,924	182,815	2,142,472	(7,262)	2,607,949
<b>Total 2020-21 General and Cash Fund Adjustments</b>	<b>997,687</b>	<b>552,825</b>	<b>2,980,813</b>	<b>55,035</b>	<b>4,586,360</b>

**DISTRIBUTION FY 2020-21**

General Fund (NOTE 5)	19,217,573	10,831,911	24,012,188	2,465,685	56,527,357
Cash Funds (est.)	13,468,228	8,841,225	20,080,650	617,193	43,007,296
<b>Subtotal General and Cash</b>	<b>32,685,801</b>	<b>19,673,136</b>	<b>44,092,838</b>	<b>3,082,878</b>	<b>99,534,653</b>
Federal Funds (est.) (NOTE 3)	15,000,000	12,820,000	20,229,900	0	48,049,900
Revolving Funds (est.) (NOTE 4)	2,737,485	1,627,247	4,921,500	0	9,286,232
<b>2020-21 All Funds Total</b>	<b>50,423,286</b>	<b>34,120,383</b>	<b>69,244,238</b>	<b>3,082,878</b>	<b>156,870,785</b>

## NOTE 1

The General Fund adjustment reflects a 3.7% increase from the FY20 General Funds appropriation as reflected in LB294 (2019).

The General Fund adjustment is revised to include an adjustment reflected in LB1008 (2020) to add \$1,000,000 for Career Scholarships. These funds may only be used this purpose in accordance with LB1108 (2020). Although not specifically noted in the appropriation bill, the Governor, in his budget book, expressed the intent to phase in a total appropriation of \$4 million over four years.

## NOTE 2

Includes Awards from state agencies such as Nebraska Opportunities Grant (NOG), Access College Early (ACE), Attracting Excellence in Teaching (AET) previously added by the Colleges throughout the year as awards are determined. With adjustment shown, base amount for FY21 are: CSC \$401,000; PSC \$454,583; WSC \$1,040,000

## NOTE 3

Federal Funds (est.) are estimates based on initial projections by the Colleges. Adjustments are made as needed by the Colleges.

## NOTE 4

Revolving Funds (est.) are based on College preliminary revenue bond operating budgets. Adjustments are made when approved by the Board.

## NOTE 5

While not included in the NSCS Appropriation, LB1008 (2020) also added funding to the Department of Corrections Appropriation for the Corrections Workforce Development Pathways (PSC/TSCI project). This funding is included at \$523,465 for FY21 with intent language for funding of \$748,465 in FY22 and \$973,465 in FY23, to accommodate additional scholarships support each year of the coming biennium.