

ITEMS FOR DISCUSSION AND ACTION/FISCAL, FACILITIES AND AUDIT

June 17, 2021

ACTION: Approve Distribution of Funds for 2021-2022

With the approval of LB380, the general appropriations bill to fund Nebraska State Government for the biennium ending June 30, 2023, the amount of funding provided to the Nebraska State College System for FY22 (July 1, 2021 thru June 30, 2022) can be allocated to the colleges and the system office. Board Policy 7001 provides for the allocation of operational funds to the State Colleges and the System Office. The proposed distribution of funds was shared with the colleges so they could prepare their Preliminary Operating Budgets for FY22, which are also included on the June Board agenda. The details of the Distribution of Funds, is included in this item.

The General Fund appropriation for FY22 is \$59,439,068, including the \$2,000,000 for Career Scholarship funding. This represents an operating increase of 1,911,711, or a 3.4% base operating increase. The total increase of \$2,911,711, including the Career Scholarship funds, represents a base increase of 5.2%.

The Cash Fund (est.) appropriation is adjusted for tuition and fee rate increases, as well as for any enrollment changes at the Colleges. There were no tuition or fee rate increases beyond the removal of the credit hour cap on the CSC health fee. The campuses wanted to hold the costs steady to assist all students that have been impacted by COVID. The support received from the Legislature and the Governor also made it possible to hold the line on tuition and fees this coming year.

Enrollment changes also provide the opportunity to build tuition and fee revenue growth into the base budget. The current practice is to allow an institution to build one-third of the increase into their base budget the year following the growth, and two-thirds two years later. This process allows time to confirm that the growth is sustained and that adding base costs to the budget is reasonable. WSC has had sustained enrollment growth that allows for a base adjustment of \$1,323,419 to their FY22 base.

The budget for NeSIS Operations, which flows through the System Office Cash Fund, is decreased by \$22,879 for FY22. The amount is based on the budget we receive from the Nebraska University System on what the NSCS portion of the student information system will be.

The final adjustment line reflects anticipated changes for scholarship awards received during the year from state agencies such as the Coordinating Commission for Postsecondary Education (CCPE) and the Nebraska Department of Education. The FY22 cash funds base is broken into "Operating Base" and "Scholarship/Grant Awards Base" so the amount received for scholarships and grants can be easily identified.

The Federal Fund appropriation reflects preliminary projections from the colleges. Additional adjustments may be made to the Federal Funds appropriation as needed by the colleges during

the fiscal year. It should be noted that the federal funds reflected is the "base" authority need and does not include the one-time Rescue Plan Act funding. That funding has been included in the Preliminary Operating Budgets prepared by the colleges.

The Revolving Fund (Revenue Bond) operations and maintenance amounts are based on the FY22 preliminary revenue bond operating budgets, which are on the agenda for Board approval. It should be noted that the reductions to the FY21 budgets were based on the projections provided to the System Office in December 2020 after the enrollments are available for the fall term. The Revised FY21 Revenue Bond Operating Budgets reflect these changes and are on the agenda for approval.

The System Office recommends approval of the Distribution of Funds for 2021-2022.

ATTACHMENTS:

- Distribution of Funds 2021-22 (PDF)

Distribution of Funds

FY22

June 17, 2021

	CSC	PSC	WSC	SO	TOTAL
General Funds					
FY21 Operating Base	\$18,893,375	\$10,559,620	\$23,608,677	\$2,465,685	\$55,527,357
Career Scholarships Funding (LB1108 - 2020)	\$324,198	\$272,291	\$403,511	\$0	\$1,000,000
Total FY21 General Fund Base	\$19,217,573	\$10,831,911	\$24,012,188	\$2,465,685	\$56,527,357
General Fund Adjustments (LB380 - 2021) (2)					
Salary and Related Benefit Adjustment - 2% plus NAPE Additional	\$471,919	\$280,890	\$565,224	\$35,211	\$1,353,244
Health Insurance Increase (3%)	\$98,455	\$57,229	\$120,217	\$4,902	\$280,803
DAS Rate Changes (actual)	\$28,615	\$20,753	\$26,845	\$1,451	\$77,664
Insurance Costs	\$49,564	\$45,041	\$105,395	\$0	\$200,000
Career Scholarships Funding (LB380 - 2021)	\$331,191	\$271,554	\$397,255	\$0	\$1,000,000
Total General Fund Change	\$979,744	\$675,467	\$1,214,936	\$41,564	\$2,911,711
FY21 Operating Base	\$19,541,928	\$10,963,533	\$24,426,358	\$2,507,249	\$57,439,068
Career Scholarships	\$655,389	\$543,845	\$800,766	\$0	\$2,000,000
Total FY22 General Fund Base	\$20,197,317	\$11,507,378	\$25,227,124	\$2,507,249	\$59,439,068
Cash Funds (est)					
FY21 Base	\$13,067,228	\$8,386,642	\$19,040,650	\$617,193	\$41,111,713
Cash Fund Adjustment (11/12/2020)		(\$478,000)			(\$478,000)
Subtotal	\$13,067,228	\$7,908,642	\$19,040,650	\$617,193	\$40,633,713
Cash Fund - Scholarship/Grant Awards (1)	\$401,000	\$454,583	\$1,040,000	\$0	\$1,895,583
Cash Fund - Scholarship/Grant Awards Adjustment (11/12/20)			\$24,000		\$24,000
Subtotal	\$401,000	\$454,583	\$1,064,000	\$0	\$1,919,583
Total FY21 Cash Funds Base	\$13,468,228	\$8,363,225	\$20,104,650	\$617,193	\$42,553,296
Cash Fund Adjustments					
Cash Fund - Net Impact of Tuition Rate Increase (0.0%)	\$0	\$0	\$0	\$0	\$0
Cash Fund - Impact of Fee Rate Changes	\$18,500	\$0	\$0	\$0	\$18,500
Cash Fund - Impact of Enrollment Changes	\$0	\$0	\$1,323,419	\$0	\$1,323,419
Cash Fund - Scholarship/Grant Awards Adjustment	\$49,000	\$45,245	\$55,000	\$0	\$149,245
Cash Fund - NeSIS Operations	\$0	\$0	\$0	(22,879)	(22,879)
Total Cash Fund Adjustments	\$67,500	\$45,245	\$1,378,419	(22,879)	1,468,285
Total FY22 Cash Funds Operating Base	\$13,085,728	\$7,908,642	\$20,364,069	\$594,314	\$41,952,753
Total FY22 Scholarship/Grant Awards Base	\$450,000	\$499,828	\$1,119,000	\$0	\$2,068,828
Total FY22 Cash Funds Base (est)	\$13,535,728	\$8,408,470	\$21,483,069	\$594,314	\$44,021,581
Federal Funds (est)					
FY21 Base	\$15,000,000	\$12,820,000	\$20,229,900	\$0	\$48,049,900
Base Adjustments (2)	\$0	\$0	\$0	\$0	\$0
Total FY21 Federal Funds Base	\$15,000,000	\$12,820,000	\$20,229,900	\$0	\$48,049,900
Federal Funds Adjustments (2)					
Federal Aid Adjustment	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Total FY22 Federal Funds Base (est) (2)	\$16,000,000	\$12,820,000	\$20,229,900	\$0	\$49,049,900
Revolving Funds (Revenue Bond) (est)					
FY21 Base	\$2,737,485	\$1,627,247	\$4,921,500	\$0	\$9,286,232
Adjustment for Revised Budgets (6/17/21)	(\$78,553)	(\$274,662)	\$0	\$0	(\$353,215)
Total FY21 Revolving Funds Base	\$2,658,932	\$1,352,585	\$4,921,500	\$0	\$8,933,017
Revolving Fund Adjustments	\$102,853	\$253,969	\$224,037		
Adjustment to Revolving Funds (3)	\$2,761,785	\$1,606,554	\$5,145,537	\$0	\$9,513,876
Total FY 2021-22 Revolving Funds Base (est) (3)	\$2,761,785	\$1,606,554	\$5,145,537	\$0	\$9,513,876
DISTRIBUTION FY 2021-22					
General Funds	\$20,197,317	\$11,507,378	\$25,227,124	\$2,507,249	\$59,439,068
Cash Funds	\$13,535,728	\$8,408,470	\$21,483,069	\$594,314	\$44,021,581
Federal Funds (est.)	\$16,000,000	\$12,820,000	\$20,229,900	\$0	\$49,049,900
Revolving Funds (est.)	\$2,761,785	\$1,606,554	\$5,145,537	\$0	\$9,513,876
FY 2021-22 All Funds Total	\$52,494,830	\$34,342,402	\$72,085,630	\$3,101,563	\$162,024,425

Notes:

- (1) Includes awards from state agencies such as Nebraska Opportunities Grant (NOG), Access College Early (ACE), and Attracting Excellence in Teaching (AET) added by the colleges throughout the year as awards are determined.
- (2) Federal Funds (est.) are estimates based on initial projections by the colleges. Adjustments are made as needed by the colleges. Does not include the CARES funding as it is not part of the base budget.
- (3) Revolving Funds (est.) are based on College preliminary revenue bond operating budgets. Adjustments are made when approved by the Board.