

BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES
ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT

ACTION: **Approve Budget Request Guidelines and Preliminary Capital Construction Requests for 2023-2025 Biennium**

Approval is requested for guidelines for the 2023-2025 (FY24-FY25) Biennium Budget proposal for the Colleges and System Office. The biennium request period, assuming it follows previous biennium schedules, must be submitted to the Coordinating Commission by mid-August 2022 and to the Governor and Legislature in mid-September 2022.

Board approved guidelines are necessary at this time to allow the NSCS to prepare a preliminary request document for review by the Board at its March or April 2022 meeting. At that meeting, the Board will consider the preliminary requests and make any revisions thereto, with a final version provided for Board approval at its June 2022 meeting.

Unless otherwise requested by the Governor and Legislature, we do not include salary request funding as part of the initial biennium request, but rather follow up later in the bargaining process with the estimated impact of any negotiated increases. The Governor and Legislature are aware of the bargaining time frames. Given the current market conditions and escalation of salaries for many positions, it will be necessary to address base salaries and any related compression issues that arise over the coming months.

CORE NEEDS

Meeting core needs remains a high priority to align with the Board's goal for maintaining affordability and preserving the current net price for students. Core needs include those items that allow for continued operations at the same level without increasing the cost to students. The request may include base needs above the funded amounts in the 2021-2023 (FY22-FY23) biennium. Requests will likely include the following:

- Base Salary Enhancement - Beyond the general salary increase directed by the State, there may be a need to address base salaries to align with mid-term salary negotiations agreed to by the State with various unions.
- Health Insurance Cost Increase - To be determined. The increase for FY23 is 5.84%
- Utilities Cost Increase - To be determined
- DAS Cost Increases - (Note 1)
- Operating Budget Increases - Inflation request to be determined
- Insurance Cost Increase - To be determined
- New Building Opening Costs - WSC Athletic & Recreation Facility and PSC

- Indoor/Outdoor Recreation Complex
- (1) Information not available until July as part of the budget request guidelines distributed by the Department of Administrative Services (DAS) - Budget Division

STRATEGIC INITIATIVES

The NSCS proposes the following categories of strategic initiatives for the 2023-2025 biennium budget request:

1. The final base year request for the Career Scholarship program and support for the Rural Health Opportunities Program, to meet the workforce needs of Nebraska and especially in the rural areas of Nebraska.
2. A student services support initiative focused on improving retention and graduation rates at each of the Colleges.

Funding to address core needs and the targeted initiatives would also assist the NSCS in moving toward its strategic goal (Metric #16 - Percentage of Funding General Fund vs. Net Tuition) to further reduce the student/family obligation for educational costs.

CAPITAL CONSTRUCTION

Capital requests being considered generally must be identified for the Coordinating Commission for Postsecondary Education by April 2022. One of the items upon which the Coordinating Commission judges and prioritizes capital construction requests is how well our requests fit within the Board's stated capital construction initiatives. For the next biennium, the following language is recommended for guiding the Board's capital construction priorities:

"To enhance educational opportunities for students and increase the potential for enrollment and retention, the Board of Trustees of the Nebraska State College System will focus its attention during the 2023-2025 biennium on capital projects that renovate existing instructional and recreational facilities to the most efficient, productive condition possible.

Where new construction is necessary to replace a deteriorating facility, enhance technology learning and utilization, or accommodate enrollment growth, the facilities will incorporate the most energy efficient, easily maintained construction components that can be acquired within available resources. Technology resources will be designed to facilitate cooperative ventures with educational partners and enhance opportunities for student access and administrative savings."

Capital construction projects for the 2023-2025 biennium request include (but are not limited to):

CSC Memorial Hall Renovation & Addition
PSC AI Wheeler Activity Center Geothermal Completion
WSC Brandenburg Renovation

The System Office recommends approval of the Budget Request Guidelines and Preliminary Capital Construction Requests.