

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

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**ACTION:** **Approve Distribution of Funds for FY 2022-2023**

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**General Funds**

The 2021-2023 Biennium Budget (LB380 - 2021) provided the general appropriations for FY22 and FY23 to the Nebraska State College System. For FY23, an additional \$1,803,775 of funding was provided to support core needs along with an additional \$1.0M for Career Scholarship funding. During the 2022 session, an additional amount of \$1,046,944 was appropriated (LB1011) for salaries along with \$50,000 for the Grand Island Career Scholarship Program (LB902). The proposed Distribution of Funds for FY23 (July 1, 2022 thru June 30, 2023) identifies the allocations to the Colleges and the System Office. Board Policy 6200 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 Operating Budgets for FY23, which are also included on the June Board agenda.

The General Fund appropriation base for FY22 was \$57,439,068, not including the Career Scholarship funding. The general fund increases for FY23 include an appropriation of \$1,320,794 for a 2% salary increase and related benefits, a health insurance funding increase of \$482,981, and additional salary funds for NAPE support staff of \$1,046,944. This represents an operating increase of 4.96%. When including the Career Scholarship funding of \$2,000,000, the FY22 base was \$59,439,068, and with the FY23 increase of another \$1,050,000, the overall FY23 increase is 6.6%.

All of the appropriated funds were allocated to the Colleges and the System Office based on the actual need to fund the cost items and prorating the available funds. The System Office CIO position was funded off the top of the 2% salary increase appropriation.

It should be noted that the funding increase of \$225,000 from the Department of Corrections to support the PSC Correction Leadership Scholarship program is not included in the Distribution of Funds because the funds are appropriated in the Corrections budget. The additional funds from Corrections build upon the \$748,465 made available in 2021-22 for the program's second year to fully support the program at \$973,465.

**Cash Funds**

The Cash Fund appropriation is adjusted for tuition and fee rate increases. With only fees increasing in FY23, the only adjustment is for the fee rate changes.

The enrollment change adjustment provides 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 \$597,909 to their FY23 base.

The final adjustment line for the colleges 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 FY23 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 only other change is an increase of \$320,193 to the System IT budget making the total \$914,507. This will cover the projected NESIS billing of \$614,507 which is billed out to the colleges and paid out of the System Office. The remaining \$300,000 in authority is for the support of System IT projects which will use IT cash held in the System Office.

### **Federal Funds**

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 \$2.0M Federal ARPA funds for equipment (LB1014) has been included in the Distribution of Funds. The allocation was determined based on the last equipment needs request submitted to the Appropriations Committee. CSC will receive \$600,000, PSC will get \$510,000, and WSC will receive \$890,000 for the purchase of equipment to support the preparation of health care professionals in combating the effects of COVID-19.

The \$6,000,000 for the ARPA water and sewer projects appropriated in LB1014 is not included in the authority as it will be expended on capital projects which are not part of the operating budget.

### **Revolving Funds**

The Revolving Funds represent the operating budgets of the auxiliary system, less the amounts expended for food service and debt service payments. The FY23 Auxiliary System Operating Budgets are also included on the June Board agenda.

The System Office recommends approval of the Distribution of Funds for FY 2022-2023.

### **ATTACHMENTS:**

- Distribution of Funds (PDF)

**FY23 Distribution of Funds  
June 1, 2022**

	CSC	PSC	WSC	SO	TOTAL
<b>General Funds</b>					
FY22 Operating Base	\$19,541,928	\$10,963,533	\$24,426,358	\$2,507,249	\$57,439,068
<b>General Fund Adjustments</b>					
NAPE & Non-Union Support Staff Adjustment	\$387,201	\$189,550	\$455,732	\$14,461	\$1,046,944
2% Salary Increase (LB380)	\$363,937	\$229,015	\$493,900	\$233,942	\$1,320,794
Health Benefit Increase (LB 380)	\$162,753	\$96,234	\$214,237	\$9,757	\$482,981
Subtotal General Fund Adjustments	\$913,891	\$514,799	\$1,163,869	\$258,160	\$2,850,719
<b>Career Scholarship Funding</b>					
Base Allocation	\$655,389	\$543,845	\$800,766		\$2,000,000
FY23 Allocation	\$323,507	\$265,909	\$410,584		\$1,000,000
Grand Island Allocation			\$50,000		\$50,000
Subtotal Career Scholarship Funding	\$978,896	\$809,754	\$1,261,350		\$3,050,000
<b>Total FY23 General Fund Base</b>	<b>\$21,434,715</b>	<b>\$12,288,086</b>	<b>\$26,851,577</b>	<b>\$2,765,409</b>	<b>\$63,339,787</b>

<b>Cash Funds (estimate)</b>					
FY22 Operating Base	\$13,085,728	\$7,908,642	\$20,364,069	\$594,314	\$41,952,753
Scholarship/Grant Awards (1)	\$450,000	\$499,828	\$1,119,000	\$0	\$2,068,828
FY22 Total Cash Base	\$13,535,728	\$8,408,470	\$21,483,069	\$594,314	\$44,021,581
<b>Cash Fund Adjustments</b>					
Cash Fund - Impact of Fee Rate Changes	\$219,709	\$121,500	\$167,000	\$0	\$508,209
Cash Fund - Impact of Enrollment Changes	\$0	\$0	\$597,909	\$0	\$0
Cash Fund - Scholarship/Grant Awards	\$0	\$0	\$366,000	\$0	\$366,000
Cash Fund - System IT	\$0	\$0	\$0	\$320,193	\$0
Subtotal Cash Fund Adjustments	\$219,709	\$121,500	\$1,130,909	\$320,193	\$874,209
Total FY22 Cash Funds Operating Base	\$13,305,437	\$8,030,142	\$21,128,978	\$914,507	\$43,379,064
Total FY22 Scholarship/Grant Awards Base (1)	\$450,000	\$499,828	\$1,485,000	\$0	\$2,434,828
<b>Total FY22 Cash Funds Base (estimate)</b>	<b>\$13,755,437</b>	<b>\$8,529,970</b>	<b>\$22,613,978</b>	<b>\$914,507</b>	<b>\$45,813,892</b>

<b>Federal Funds (estimate)</b>					
FY22 Base	\$16,000,000	\$12,820,000	\$20,229,900	\$0	\$49,049,900
<b>Federal Funds Adjustments (2)</b>					
Student Aid Adjustment			\$1,562,100		\$1,562,100
Federal Grants Adjustment			\$1,508,000		\$1,508,000
ARPA Health Care Equipment	\$600,000	\$510,000	\$890,000		\$2,000,000
<b>Total FY22 Federal Funds Base (estimate) (2)</b>	<b>\$16,600,000</b>	<b>\$13,330,000</b>	<b>\$24,190,000</b>	<b>\$0</b>	<b>\$54,120,000</b>

<b>Revolving Funds (Auxiliary System) (estimate)</b>					
FY22 Base	\$2,761,785	\$1,606,554	\$5,145,537	\$0	\$9,513,876
<b>Revolving Fund Adjustments</b>					
FY23 Operating Adjustments	\$136,806	\$152,223	\$436,153	\$0	\$725,182
<b>Total FY22 Revolving Funds Base</b>	<b>\$2,898,591</b>	<b>\$1,758,777</b>	<b>\$5,581,690</b>	<b>\$0</b>	<b>\$10,239,058</b>

<b>DISTRIBUTION FY 2022-23</b>					
General Funds	\$21,434,715	\$12,288,086	\$26,851,577	\$2,765,409	\$63,339,787
Cash Funds	\$13,755,437	\$8,529,970	\$22,613,978	\$914,507	\$45,813,892
Federal Funds (est.)	\$16,600,000	\$13,330,000	\$24,190,000	\$0	\$54,120,000
Revolving Funds (est.)	\$2,898,591	\$1,758,777	\$5,581,690	\$0	\$10,239,058
<b>FY 2022-23 All Funds Total</b>	<b>\$54,688,743</b>	<b>\$35,906,833</b>	<b>\$79,237,245</b>	<b>\$3,679,916</b>	<b>\$173,512,737</b>

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 any remaining HEERF funds or the ARPA capital projects funding in LB1014 (2022).
- (3) Revolving Funds (est.) are based on College preliminary revenue bond operating budgets. Adjustments are made when approved by the Board.