



# Nebraska State College System

CHADRON | PERU | WAYNE

## Executive Session - July 19, 2022

### Call to Order - Executive Session

Motion was made by Trustee Engles and seconded by Trustee Bieganski to go into executive session as authorized by Neb. Rev. Stat. §84-1410 for the protection of the public interest, and to prevent needless injury to the reputation of persons who have not requested a public hearing for the purpose of holding a discussion limited to the following subjects:

- Litigation
- Personnel matters

Vice Chair Chaney declared that the executive session would be strictly limited to a discussion of:

- Litigation
- Personnel matters

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

**ABSENT:** Jess Zeiss

### Adjournment - Executive Session

There being no further business, the meeting was adjourned by Vice Chair Chaney at 6:12 PM.

**July 20, 2022**

**Call to Order**

The meeting was called to order at 11:00 AM by Vice Chairman John Chaney

Attendee Name	Title	Status	Arrived
Gary Bieganski	Trustee	Present	
John Chaney	Vice Chairman	Present	
Bob Engles	Trustee	Present	
Carter Peterson	Trustee	Present	
Matt Blomstedt	Trustee	Present	
Jess Zeiss	Chairman	Absent	
Marjean Terrell	Trustee	Present	

**Approval of Meeting Agenda**

A motion was made by Trustee Engles and seconded by Chairman Bieganski to approve the Meeting Agenda. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

**Public Comments**

**Minutes Approval**

**1 Items for Consent Agenda**

A motion was made by Trustee Bieganski and seconded by Trustee Peterson to approve the following consent agenda item(s). Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

**1.1 Approve LB 309 Allocations and Retrievals (FFA)**

The following LB 309 allocations and retrievals are presented for Board approval per Board Policy 8065.

**Peru State**

- Allocation of \$800,000 for geothermal system in Campus Services Building
 

Allocation Date/Amount	5/23/22	\$800,000.00
College Contribution		<u>00.00</u>
Estimated Project Cost		\$800,000.00

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**Wayne State**

1. Retrieval of \$78,075.50 for boiler upgrades in the Energy Plant
 

Allocation Date/Amount	10/19/20	\$500,000.00
Retrieval Date/Amount	5/31/22	<u>78,075.50</u>
Project Cost		\$421,924.50
  
2. Retrieval of \$12,269.04 for efficiency improvements in the Energy Plant
 

Allocation Date/Amount	8/14/17	\$735,000.00
Retrieval Date/Amount	5/31/22	<u>12,269.04</u>
Project Cost		\$722,730.96

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

## 2.1 Agreement with Rocky Vista University for Chadron State College

At the April Board meeting an MOU with Rocky Vista University (RVU) was approved. However, in late May RVU was granted approval to operate Montana College of Osteopathic Medicine (MCOM). This new MOU is revised to include MCOM. There are several other minor edits:

## Item #4

Changing students must shadow an Osteopathic Physician to Students are encouraged to.

Thus not denying admission to a student who might not have the opportunity to shadow.

Replacing Director of Admissions and Marketing with RVU admissions representative.

This will ensure that all applications are handled in the same way by the institution.

Changed RVU-COM will provide accommodations and meals to RVU will provide meals and CSC will provide transportation and accommodations.

This is identical to the arrangement with UNMC for the RHOP students.

## Item #5

Added the term sex in the list of variables that cannot be discriminated against.

A motion to approve the Agreement with Rocky Vista University for Chadron State College was recommended by the committee to the full Board, which

approved the motion. Voting **AYES**: Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

2.2 Approve Revisions to Nebraska Statewide Workforce & Education Reporting System (NSWERS) Interlocal Agreement

During the July 2021 retreat, the Board received a presentation from Matt Hastings, Executive Director for the Nebraska Statewide Workforce Reporting System (NSWERS), regarding the work underway through the Interlocal Agreement between the nine partners (University System, State Colleges, Nebraska Department of Education and six (6) Community Colleges). From an organizational level, NSWERS is comprised of the staff under the direction of Matt Hastings, an Executive Council that meets each quarter and then a Management Committee. The Council and Committee include representatives from each sector and are responsible for helping to guide the work of NSWERS. All partners signed the current Interlocal Agreement in 2020, and a series of updates have been made to outline expectations for the partners and align with existing bylaws.

A motion to approve the Revisions to Nebraska Statewide Workforce & Education Reporting System (NSWERS) Interlocal Agreement was recommended by the committee to the full Board, which approved the motion. Voting **AYES**: Bieganski, Chaney, Engles, Peterson, and Terrell.

**ABSTAIN:** Matt Blomstedt

**ABSENT:** Jess Zeiss

**3. Student Affairs, Marketing, and Enrollment**

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

The proposed revisions to Board Policy 3400 provides all the Colleges the flexibility to consider minimum ACT or SAT score or grade point averages demonstrating academic excellence in their decisions to award Board of Trustee's scholarships. Furthermore, the proposed revisions implement the changes reflected in LB1273 (2022) amending the Nebraska Law Enforcement Education Act to raise the percentage of tuition remission for eligible law enforcement officers from thirty percent (30%) to one hundred percent (100%) of the resident tuition charges.

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:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

3.2 First and Final Round Approval of Board Policy 3740; Athletics; Disclosure of Interpersonal Violence, Sexual Violence, and Other Acts of Violence

Policy 3740 is a new policy necessary to comply with the NCAA's recently adopted policy which requires all member institutions to gather information from new and continuing athletes related to conduct and sexual misconduct. For purposes of consistency, Policy 3740 would require Peru State College to follow the same policy.

New and continuing student athletes would be required to make an annual disclosure regarding conduct and Title IX sexual misconduct and sign a release allowing the Colleges to obtain the relevant information from their prior institution. Failure to disclose the information could result in a student-athlete's loss of eligibility or other penalties. Furthermore, the Colleges are obligated to provide similar information to other inquiring institutions in a manner consistent with federal and state laws.

A motion to approve the First and Final Round Approval of Board Policy 3740; Athletics; Disclosure of Interpersonal Violence, Sexual Violence, and Other Acts of Violence was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

**4. Fiscal, Facilities and Audit**

4.1 First and Final Round Approval of Revisions to Board Policy 6008; Student Debt; Payment Plans

Board Policy 6008 - Student Debt; Payment Plans is being broken into two policies: 6505 - Student Payment Plans and 6303 - Delinquent Accounts and Write-Offs. The policy was reviewed for updates and put into the new format.

Policy 6505 Student Payment Plans does not have any substantive changes but will be easier to find with a number that will place it with other tuition and fee policies.

Policy 6303 - Delinquent Accounts and Write-Offs changes include new language clarifying when delinquent accounts are sent to collection agencies. Previously the presidents could file suit for the

collection of delinquent accounts, but General Counsel and the Chancellor felt that role should be retained by the Chancellor. Finally, it is clarified that in addition to holding transcripts and diplomas, students may also be restricted from registering or enrolling if they have a delinquent account and have not made satisfactory payment arrangements.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6008; Student Debt; Payment Plans was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.2 First and Final Round Approval of Revisions to Board Policy 6012; Financial Exigency

Policy 6012 - Financial Exigency has been reviewed for updates and put into the new policy format.

The policy was previously a single sentence dealing with the Board declaring a financial exigency. While this is a highly unlikely event, it is important that such a decision is well thought out and planned for. The policy now requires that the Colleges have an established policy that addresses what steps will be taken if a financial exigency is eminent or declared.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6012; Financial Exigency was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.3 First and Final Round Approval of Revisions to Board Policy 6018; Trust Funds

Board Policy 6018 - Trust Funds has been reviewed for updates and put into the new policy format. The most significant change to the policy clarifies what fund sources can be treated as Trust Funds. The previous policy allowed Student Event Fees and Student Publications funds to be treated as Trust Funds. The Colleges currently do not treat Student Publication funds as Trust Funds. The policy now clarifies that Trust Funds should be limited to student activity funds, funds from residence hall rent intended for student activities, funds provided by the Foundations or private sources, or funds from the Board of Educational Lands and Funds.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6018; Trust Funds was recommended by the committee to the full Board,

which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.4 First and Final Round Approval of Revisions to Board Policy 6021; Tuition Rates

Board Policy 6021 - Tuition Rates is being brought to the Board to bring the policy in-line with recent changes to our tuition rates and the matriculation fee. The following are the substantive changes:

- Section 2.4 has been changed to reflect that the nonresident undergraduate tuition rate is now the same as the resident rate.
- Section 3.1 clarifies that the Nebraska Access Program applies only to graduate students because the undergraduate nonresident rate is already the same as the resident rate.
- Section 3.4 is simply removing the reference to the Bridge Program at the College Center in South Sioux City as that rate is listed on the Board's tuition schedule. Removing the \$1.00 reference in the policy allows the Board to determine the differential when setting rates each year without a policy conflict.
- The Matriculation Fee reference is being removed from Sections 4.1, 5.1 and 6.1.
- Language in section 4.3, 5.2 and 6.2 related to assessment of the Capital Improvement Fee has been standardized.
- The policy number is being changed to 6500 to align with other tuition policies.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6021; Tuition Rates was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.5 First and Final Round Approval of Revisions to Board Policy 6024; Income; Non-State Funds

Board Policy 6024 - Income: Non-State Funds has been reviewed for updates and put into the new policy format. The policy number is being changed to 6704 so it is with other income sources. The only substantive change is a clarification that grant applications should be sent for Chancellor review prior to submittal of the application whenever possible and not wait for the next board mailing. Further, no grants can be accepted without Chancellor approval or Board approval when there is on-going financial impact or commitment.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6024; Income; Non-State Funds was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.6 First and Final Round Approval of Revisions to Board Policy 6705; Gifts and Bequests

Board Policy 6705 - Gifts and Bequests was updated in April. Since then, the committee responsible for reviewing gifts or archival materials has been engaged and has suggested some minor wording changes to the policy. The first change to Section 3.6 was made to make the language more precise by adding "educational and research impact". The change to a committee instead of just the college library was two-fold: (1) Not all collections are housed in the library, and (2) Few collections are managed or directed by library staff and thus others should have a say in the gifts policy.

A motion to approve the First and Final Round Approval of Revisions to Board Policy 6705; Gifts and Bequests was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.7 Approve FY24-25 Biennium Budget Request

The Board approved the budget request guidelines and the preliminary capital construction requests for the 2023-2025 (FY24-FY25) biennium budget proposal at the January 2022 meeting. The preliminary budget proposal was provided to the Board at the April meeting. The Board approved the capital construction and LB 309 budget requests and prioritization at the June meeting. Since the April approval of the preliminary requests, the System Office and the Colleges have been working on the strategic initiatives and waiting to finalize the budget request items based on the final budget guidelines. The formal budget preparation instructions for the 2023-2025 biennium were released on July 11, 2022, and provided the necessary guidance for completing the salary increase request as well as the DAS/Worker's Comp requests. The salary increase of 5% is based on the guidance, but is not indicative of any planned increase or anticipated collective bargaining result.

The cost of insurance for FY23 is also now available so a budget request amount has been added to address the escalating costs of liability, property and cyber insurance.



The strategic initiatives for the Career Scholarship Program, the RHOP Program, and the Insurance Trust Pool have been completed and the request amounts have been identified in this Board item. The narrative details on these initiatives will be provided in the Retreat packet and staff will be available to review with the Board.

The deadline to submit the biennium budget request outline to the Coordinating Commission for Postsecondary Education is August 15, 2022. The deadline to have the proposals to the Director of Administrative Services is September 15, 2022. The Commission will make its final recommendations no later than October 6, 2022 on the 2023-2025 Biennial Public Postsecondary Operating Budget and the 2023-2025 Biennial Capital Construction Budget Recommendations and Prioritization. The final recommendations will be submitted to the Governor and Legislature no later than October 15, 2022.

**Operating Budget Request Proposal**

The CORE Needs requests are in-line with those identified and approved by the Board in January of 2022. The basis of the requests follow, along with a summary of the projected biennium requests.

**Salary Increases** - As has been the case historically, requests related to any salary increase are provided upon request of the Governor's budget office. The budget preparation instructions asked each agency to estimate salary increases equivalent to 5% for each year of the biennium request. It was noted that the Governor and Legislature will determine appropriation levels during the budget process that will take into consideration any agreements reached through the collective bargaining process.

**Health Benefits** - Looking at the increases for the last 5 years, and given the escalation of costs this past year and the outlook for the coming year, we believe our annual increases are likely to be closer to 7%. The historical increases in our rates follow:

**Health/Dental Insurance Annual Rate Increases**

- FY19 - 0%
- FY20 - 4.99%
- FY21 - 6.71%
- FY22 - 2.96%
- FY23 - 5.84%

**Utilities** - Given the escalation of energy costs this past year, it is hard to predict what the increases will be for the next biennium. As of the end of May 2022, the 12-month Consumer Price Index for electricity increased 12.0%, and natural gas increased 30.2%.

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The Colleges experienced an increase in total utility expenses from FY20 to FY21 of 4.4%; from FY21 to FY22 it was 14%; and for FY23 the estimated increase is 8.7%. Energy costs are likely to continue to escalate beyond these levels. The estimate for the utility increase for each year of the biennium is 8%.

**Insurance** - Insurance costs for liability, property and cyber insurance are escalating at astronomical rates. In addition to increases in premium rates, the coverage limits are being reduced by carriers and deductibles are being increased to control costs. Claims do impact rates, and the risks and monetary liability awards continue to drive premiums up.

The request for the next biennium for liability insurance is based on the past five-year average increase of 12%. The average five-year percent increase for property insurance is 42%.

**Operating Cost Increase** - The All Urban Consumers CPI increase for the 12-months ended May 2022 less food and energy costs was 6.0%. It is likely that index will remain high for the next two years if inflation continues. The estimate for operating expense inflation is 5%.

**New Building Openings** - The WSC Athletic and Recreation Facility and the PSC Indoor/Outdoor Recreation Complex are the two new facilities that should be completed during the next biennium. The schools have estimated the impact on their operating budgets.

**Department of Administrative Services Rate Increases** - The budget preparation instructions provided the rate changes for the 2023-2025 biennium for services provided by the Department of Administrative Services as well as the Worker's Compensation estimates. The increases for vehicle physical damage and liability coverage, Transportation Service Bureau lease and mileage rates, Nebraska Information System assessments, and Worker's Compensation rates were all calculated using the new rates projected for the biennium.

### **Strategic Initiatives**

The three initiatives that have been included in the 2023-2025 Biennium Request are the final year of the System Career Scholarship funding along with the request for the WSC - Grand Island Program, the Insurance Risk Loss Trust, and the Rural Health Opportunities Program (RHOP) and Public Health Early Admission Student Track (PHEAST) Scholarship Programs. The details for these programs will be available at the Board meeting.

### **2023-2025 Biennium Request Summary**

A summary of the Core Needs budget requests and the Strategic Initiatives follows:

<b>Nebraska State College System</b>		
<b>2023-2025 Biennium Request Summary</b>		
<b>Summary of Year over Year Requests</b>		
	<b>FY24</b>	<b>FY25</b>
<b><u>Core Needs Request</u></b>	<b><u>2023-2024</u></b>	<b><u>2024-2025</u></b>
Salary and Related Benefits	\$3,381,253	\$3,550,314
Health Benefits (7%)	\$642,213	\$687,168
Utilities (8%)	\$264,675	\$285,849
Insurance (12%/42%)	\$371,383	\$508,677
Operating Expenses (5%)	\$1,060,585	\$1,113,615
Building Openings (est.)	\$231,066	\$271,755
DAS Rate Changes (actual)	<u>\$7,072</u>	<u>\$0</u>
<b>Total Core Needs Request</b>	<b>\$5,958,247</b>	<b>\$6,417,378</b>
<b><u>Strategic Initiatives</u></b>		
Career Scholarship Program	\$1,057,500	\$132,500
RHOP and PHEAST Scholarships	\$300,000	\$300,000
Insurance Risk Loss Trust	<u>\$1,500,000</u>	<u>\$0</u>
<b>Total Strategic Initiatives Request</b>	<b>\$2,857,500</b>	<b>\$432,500</b>
<b>Total Biennium Request</b>	<b>\$8,815,747</b>	<b>\$6,849,878</b>

### **Capital Construction Projects**

The Board approved the capital construction projects for the 2023-2025 biennium at the June meeting. The capital request includes three parts:

- Reaffirmations of previously authorized state funding for capital projects
- New capital project requests
- Task Force for Building Renewal (309 Task Force) project categories

A summary of the reaffirmations, capital requests and prioritization follows:

<b>Reaffirmations</b>	<b>FY24</b>	<b>FY25</b>	<b>Future</b>
LB383 (2021) PSC Geothermal Conversion	\$2,101,905		
LB384 (2021) Bond Repayments			
LB384/LB957 (2016) Bond Repayment	\$1,125,000	\$1,125,000	\$16,875,000 (to FY40)
Student Matching Fees Bond Repay	\$1,440,000	\$1,440,000	\$21,600,000 (to FY40)
LB384/LB297 (2019) Bond Repayment	\$2,216,000	\$2,216,000	\$33,240,000 (to FY40)
LB969 (2015) Sports Facilities Cash Fund	\$300,000	\$300,000	\$3,000,000 (10 years)
LB1100 (1998) Capital Improvement Fee	\$900,000	\$900,000	\$9,000,000 (10 years)
<b>New Capital Requests</b>	<b>FY24</b>	<b>FY25</b>	<b>Future</b>
CSC Memorial Hall Renovation & Addition*	\$2,950,000	\$21,240,000	\$5,310,000
PSC A.V. Larson Renovation Program Statement	\$150,000		
PSC Campus Geothermal Conversion Shortfall	\$6,129,800		
WSC Brandenburg Renovation*	\$1,310,000	\$9,176,000	\$2,622,800

*\*Total Project Costs for CSC Memorial Hall (\$29,500,000) and WSC Brandenburg Hall (\$13,108,800) are based on estimates from the recently completed College Facility Master Plans and these estimates will be revised based on completed program statements.*

### **PRIORITIZATION OF ALL CAPITAL REQUESTS, INCLUDING 309 TASK FORCE CATEGORIES**

The state biennial budget request process requires a prioritization of all capital projects requested, including 309 Task Force building renewal requests in the four categories of Fire/Life Safety, Deferred Repair, Americans with Disabilities Act (ADA), and Energy Conservation. The System Office recommends the following prioritization:

#### **Priority**

1. Fire/Life Safety - Class 1
2. Deferred Repair - Class 1
3. ADA - Class 1
4. Energy Conservation - Class 1
5. Campus Geothermal Conversion Shortfall (PSC)
6. Brandenburg Renovation (WSC)
7. Memorial Hall Renovation and Addition (CSC)
8. A.V. Larson Renovation Program Statement (PSC)
9. Fire/Life Safety - Class 2
10. Deferred Repair - Class 2
11. ADA - Class 2
12. Energy Conservation - Class 2

#### **Board Action**

The System Office recommends approval of the Biennium Budget Requests for 2023-2025 with the authorization to adjust any numbers due to calculation errors or changes in guidance.

A motion to approve the FY24-25 Biennium Budget Request was recommended by the committee to the full Board, which approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

4.8 Approve System Office Lease Agreement and Capital Expenditure

The current space for the NSCS office is not meeting the needs of staff and does not have the necessary meeting space for Board meetings. The System Office currently occupies two floors of the current leased space which is not conducive to collaboration and there is limited meeting space. The Chancellor has been in negotiations with the building owner at 1233 Lincoln Mall for more than a year to secure suitable leased space. This location provides the important proximity to the capitol and other state agencies, as well as meeting space that can be used for future Board meetings held in Lincoln, eliminating the need to rent meeting space. Board meetings as well as the Senator's reception held at this facility have been well received.

The Chancellor and General Counsel are close to an agreement on the lease terms with the building owners and are ready to move into the next phase of the arrangement with approval from the Board. The lease costs for the facility are similar to our current lease costs when considering the ability to hold Board and other meetings in the facility and to save on meeting space rental costs. Any increased cost can be absorbed into the current System Office budget. The lease document will be available at the Board meeting.

The 3,853 square feet of leased space will need to accommodate the 15 staff members, meeting spaces, and technology requirements of the System Office. The NSCS will also have access to all common meeting spaces in the facility. With approval of the lease, the System Office will be able to release an RFP to engage an Architect/ Engineering firm and ultimately get bids on the configuration and furnishing of the space. The cost for preparing the space and any rent during the construction period will be paid out of the Farm Trust Fund, which is available for projects that benefit the NSCS.

The Chancellor recommends approval of the lease and ability to use the Farm Trust Fund for configuration, furnishing and equipment costs. The Board will be regularly updated on overall costs of the project.

A motion to approve the System Office Lease Agreement and Capital Expenditure was recommended by the committee to the full Board, which

approved the motion. Voting **AYES:** Bieganski, Chaney, Engles, Peterson, Blomstedt, and Terrell.

**ABSENT:** Jess Zeiss

### Adjournment

The meeting was adjourned at 11:46 AM

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Paul Turman, Chancellor

The meeting information has been published in the Omaha World Herald July 11, 2022 and posted on the Omaha World Herald website. The meeting notice and agenda have been distributed via email to members of the Board of Trustees, the presidents of the State Colleges, the Associated Press and selected Nebraska newspapers.