



Board of Trustees of the Nebraska State Colleges

Meeting Date: **June 11, 2026**

Agenda Item: **4.5**

ITEMS FOR DISCUSSION AND ACTION:

Committee: **Fiscal, Facilities, & Audit Committee**

Action Item: **Operating Budget Biennial Requests for 2027-2029**

The Board approved the preliminary biennium operating budget requests and structure for the 2027 – 2029 (FY28-FY29) biennium budget proposal during the January 15, 2026 meeting. The Colleges and System Office have prepared their requests based on these guidelines. These guidelines include increases in core needs and strategic initiatives for the biennium operating budget.

Core Needs

The core needs requests represent anticipated cost increases to the operating budgets. The core needs include salary and related benefits, health benefits, adjunct pay rate, insurance costs, utilities, inflation on the operating budget base, billing cost increases from the Department of Administrative Services, and maintenance and repair costs.

- **Salaries and related benefits** - The Governor's budget staff have provided preliminary guidance to use a 2% salary request for each year of the biennium. The salary increase is simply an estimate and not indicative of any planned increase or anticipated collective bargaining result. The benefits tied to salaries (FICA, retirement, and long-term disability insurance) are included in this request.
- **Adjunct pay** – We are requesting an increase in adjunct pay from \$1,000 a credit hour to \$1,200 a credit hour. This is a carryover request from the current biennium that was not funded.
- **Health benefits** – A 4% increase is used as a placeholder based on a five-year average. However, we will evaluate once final costs are known for FY26 and whether a five-year average is representative of future cost increases.
- **Utilities** – A preliminary increase of 6% is included. However, the actual increase in utility expense is trending higher than 6%. We will evaluate whether to increase the percentage requested.
- **Operating expenses** - A preliminary increase of 3% is included. However, the actual increase in operating expenses is trending higher than 3%. We will evaluate whether to increase the percentage requested.
- **Technology investments** – Includes sustainability for student technologies for which grant funding will end in FY28, AI investments, ID.me, data warehouse costs, and NSWERS funding commitment.
- **DAS billing** – Unknown until provided by DAS in July.
- **Maintenance and repair (M&R) requests** – We intend to pursue ongoing M&R support through adjustments to the operational base budget request instead of including it in our capital request going forward. Amount to be determined.

Strategic Initiatives

As authorized during the January 15, 2026 guidelines approved by the Board, there are currently three strategic initiatives that have been identified.

- **Grand Island Scholarship Program** – request includes additional funding to support 40 students in the

program. Current funding is \$600,000 annually.

- **RHOP and PHEAST Scholarships** – This request is a carryover from the current biennium that was not funded. The biennium request is for an additional \$200,000 each year of the biennium for a total base increase of \$400,000.
- **Nebraska SMART funding** – Request for continued funding to operate the Nebraska SMART tutoring program. Current grant funding expires June 30, 2026.

The Board of Trustees authorizes the Chancellor and System Office to make technical adjustments, modifications, or refinements to the 2027-2029 Biennium operating budget request submission, as necessary, prior to the final submission to the State of Nebraska in order to address updated project information, revised cost estimates, state guidance, or other developments that may occur before the September 15, 2026 submission deadline.

The System Office recommends approval of Operating Budget Biennial Requests for 2027-2029.

ATTACHMENTS:

- 2027-2029 Preliminary Biennium Operating Budget

Nebraska State College System
2027-2029 Preliminary Biennium Request Summary
Summary of Year over Year Requests

	FY28	FY29
	2027-2028	2028-2029
<u>Core Needs Request</u>		
Salary and Related Benefits (2%)	\$1,395,878	\$1,423,795
Adjunct Pay	\$638,149	\$0
Health Benefits (4%)	\$431,176	\$449,286
Utilities (6%)	\$211,766	\$223,837
Operating Expenses (3%)	\$724,751	\$746,494
Technology Investments	\$746,514	\$746,494
DAS Billings	TBD	TBD
Maintenance & Repair Requests	TBD	TBD
Total Core Needs Request	\$4,148,234	\$3,589,906
<u>Strategic Initiatives</u>		
Grand Island Career Scholarship Program	\$495,000	\$495,000
RHOP and PHEAST Scholarships	\$200,000	\$200,000
Nebraska SMART	\$300,000	\$0
Total Strategic Initiatives Request	\$995,000	\$695,000
Total Biennium Request	\$5,143,234	\$4,284,906
FY27 Base Budget	\$77,151,164	
FY27 Base Budget Plus FY28 Request		\$82,294,398
Percentage Increase	6.7%	5.2%