

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

July 24, 2020

ACTION: **Approve Updated Biennium Budget Operating Request**

At its June 16, 2020 meeting, the Board approved the preliminary operating and capital requests for the NSCS's 2021-23 biennium budget request. At that time, the strategic initiatives and some of the core needs items were still pending. The strategic initiative requests were delayed due to the COVID-19 pandemic and the related recess of the 2020 Legislative Session. Those requests are now completed. Budget Instructions for the 2021-23 biennium request have also now been received from the Department of Administrative Services' Budget Division. Therefore the Core Needs items that were pending until receipt of those instructions are also completed.

CORE NEEDS

Based on the Board's January, 2020 action, the NSCS has calculated the impact of the increases noted in the Guidelines. The biennium budget instructions request that we include a salary increase of 2% as a placeholder. The NSCS builds this in with the understanding that it is not indicative of the final impact of NSCS salary increases, which will be determined through the collective bargaining process. Core needs are as noted below:

| | <u>FY2021-22</u> | <u>FY2022-23 above FY2021-22</u> |
|--------------------------------|------------------|--------------------------------------|
| Salary Increases | \$1,207,784 | \$1,240,880 |
| Health Insurance Rate Increase | \$ 748,810 | \$ 808,715 |
| Utility Rate Increases | \$ 142,821 | \$ 148,534 |
| Other Operating Increases | \$ 684,096 | \$ 711,460 |
| DAS/Work Comp Rate Increases | \$ 77,664 | \$ -0- |
| New Building Openings | \$ 26,683 | \$ 24,128 |

STRATEGIC INITIATIVES

The first two strategic initiatives below are contingent based on action taken on the current deficit budget bill during the current legislative session. If funding is provided for these two initiatives, they will not be submitted and only the third strategic initiative will be requested.

| | <u>FY2021-22</u> | <u>FY2022-23 above FY2021-22</u> |
|--|------------------|--------------------------------------|
| Career Scholarship Program | \$1,000,000 | \$1,000,000 |
| Corrections Workforce Development Pathways (CWDP) | \$ 982,151 | \$ (221,576) |
| Industry Liaison Program | \$ 675,116 | \$ (19,729) |

The reductions in the second year are due to one-time capital outlays in the first year of the program that are not required after the first year.

A preliminary draft of the detailed requests will be provided to the Board at the meeting. As part of this approval, the Chancellor is authorized to continue to refine the requests as we

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Meeting of July 24, 2020

approach the deadlines for submission to the Coordinating Commission on August 15, and the final submission to the State on September 15.

The System Office recommends approval of the Updated Biennium Budget Operating Request.