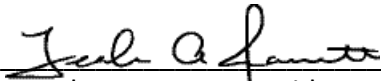




Monitoring Report  
EL-04, Planning  
August 21, 2025

I hereby present my monitoring report on the **Executive Limitations Policy EL-04: Planning** according to monitoring report schedule (BPD-04). I certify that the information contained in this report is true and represents compliance with a reasonable interpretation of all aspects of the policy unless specifically stated otherwise.

Signed   
Leah A. Barrett, President

Date 18 August 2025

**The President shall not permit planning that allocates resources in a way that risks fiscal jeopardy or that is not aligned with achievement of the board's Ends.**

INTERPRETATION

**NOTE:** This opening statement is similar to the opening statement of [EL-05 Financial Conditions and Activities](#), which states: "With respect to the actual, ongoing financial conditions and activities, the President shall not cause or allow the development of fiscal jeopardy or actual expenditures that are not aligned with achievement of the Board's Ends."

I interpret "not risking fiscal jeopardy" to mean compliance with policy items #1 to #7 below

EVIDENCE

Evidence of compliance for items #1 to #7 is provided below.

... the President shall not.

**1. Operate without a documented, multi-year strategy that can be expected to achieve a reasonable interpretation of the Ends.**

#### INTERPRETATION

A multi-year strategy includes a five-year budget plan that projects revenue and expenses with reasonable planning assumptions (further interpreted in item #1.1 and #3 below). A multi-year strategy that “can be expected to achieve a reasonable interpretation of the Ends” is one that includes specific budget items for each of the Ends.

#### EVIDENCE

The [Five-Year Budget Plan](#) provides for the following specific budget items for each of the Ends:

END	EVIDENCE
<b>1.Students have pathways to achieve academic and/or career goals</b>	<p>The five-year budget plan includes the average amount of \$650,000 per year in other revenue due to be paid from the Foundation from earnings on the Mackenzie Scott fund, which are earmarked for Guided Pathways initiatives. For FY25, these funds will be used for scholarships (\$238,000), additional student advisor personnel costs (\$185,000), strategic initiatives (\$100,000), mini-innovation grants (\$50,000), professional development (\$50,000), and emergency student aid (\$21,375).</p> <p>Several technology/student services initiatives were completed to support clearer pathways to achieve academic and work: a new application; a new website; and updates to DegreeWorks...all to articulate and communicate “fields of study.”</p>
<b>1.1 Students can easily transfer credits to other education institutions</b>	<p>The <a href="#">Northeast Transfer Guide</a> provides a comprehensive list of articulation agreements and access to national information on the transferability of courses via Transferology.</p> <p>Additional evidence includes our above national standard rates for six-year graduation. In 2023, 51% of Northeast students were enrolled in academic transfer programming, and 49% were enrolled in career and technical education programming. [Source: <a href="#">Institutional Profile</a>] Link to <a href="#">Annual Enrollment Report</a> which shows performance after transfer to UNL and WSC</p>

<p><b>1.2 High School students can obtain dual credits</b></p>	<p>For FY24, the College received the amount of \$339,616 in additional state aid specifically allocated for dual enrollment. In addition, the College received \$513,897 of ARPA funds from the CCPE to be allocated specifically for reducing dual credit tuition. A similar amount of ARPA funds for dual enrollment is expected to be received in FY25 and FY26. Funding for dual enrollment was a legislative priority in Spring 2025. The community colleges were successful in obtaining additional funding to replace the ARPA funds as noted below.</p> <p>Another example is the Early College Access Project (ECAP). Funding from a philanthropic organization has allowed us to create the ECAP, a comprehensive program to support the college going culture by embedding three college navigators in our high schools working with students, families, instructors and counselors.</p>
<p><b>1.3 Students develop workforce skills necessary to meet demand of businesses in service area</b></p>	<p>The five-year budget plan includes a significant investment in technology and equipment to provide students with the latest advancements of the workforce. Additional evidence, such as three-year graduation rates and placement rates and employer satisfaction and evaluation data, is presented to the Board and included in the annual <a href="#">graduate report</a>. Other items include:</p> <ul style="list-style-type: none"> <li>• Annual advisory committee meetings are held for all CTE programs</li> <li>• IT faculty use of Data Center for educational purposes with the IT programs</li> <li>• Modernization of College of Nursing simulation stations and the addition of Ainsworth Hospital as an additional location</li> <li>• Internships, apprenticeships and work-based learning opportunities</li> </ul>

<p><b>1.4 Students have the opportunity to upskill, retrain, and continue their education.</b></p>	<p>Re-alignment of workforce development team to include industry liaisons serving Norfolk, SSC, and KBR and adjacent five counties.</p> <ul style="list-style-type: none"> <li>• iHub project with its director and three industry trainers to support robotics, machining and automation.</li> <li>• The adult education and English Language Learning programs have served almost 1,000 students during their current federal fiscal year.</li> </ul>
<p><b>1.5 Students are aware of the academic standards required to achieve college success</b></p>	<p>Retention and graduation rates are an indicator of college success. These rates are updated annually and are part of our <a href="#">institutional profile</a>. A new procedure was created for Academic Standing, which is also outlined in the College Catalog.</p> <p>In the 2022 administration of the Ruffalo Noel Levitz Student Satisfaction Inventory, “Program requirements are clear and reasonable” was noted as a strength of Northeast when compared to the other colleges in the Midwest that participated. This survey will be administered again in spring 2026.</p>
<p><b>2. Diverse populations of students experience learning and academic success responsive to their needs</b></p>	<p>The <a href="#">enVISION measurement metrics</a> are used to track progress for upskilling non-traditional and incumbent workers and those who have historically not been able to access an affordable education, especially in the areas of Adult Education and non-credit programs.</p> <ul style="list-style-type: none"> <li>• Community College Gap Assistance Program serves low-income individuals</li> <li>• TRIO program serves low-income first-generation students or students with a disability</li> <li>• TRIO performance report</li> <li>• College Access Scholarship created from the Student Success Endowment</li> </ul>
<p><b>3. Students have access to affordable education and training</b></p>	<p>The five-year budget plan provides for reasonable increases in tuition and fee rates, which still allows students access to an affordable education.</p> <p>Average Foundation scholarship and total Foundation scholarships are included in the <a href="#">enVISION measurement metrics</a> and continue in an upward trajectory.</p>

<b>4. Students have access to a college experience that includes campus living and student activities</b>	The budgets for the Residence Life and Cafeteria auxiliary funds provide for no overall increase in room and board rates. Student Fee funds support student activities and Union 73. Additionally, on the Norfolk campus, general funds are used to support other activities and personnel to support student life, such as intramurals and Division II athletics, Skills USA, FBLA and Ag competitions.
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**...the President shall not:**

**1.1. Permit planning that does not explain and justify assumptions and identify relevant environmental factors.**

INTERPRETATION

“Planning Assumptions” are disclosed in the planning document and are the assumptions used to project revenue and expenses, including: the tuition/fee rate, credit hours, state aid increase, and total compensation increases. The specific assumptions used in the 5-year plan are disclosed as evidence for compliance of item #3.

“Relevant Environmental Factors” include:

Inflation, measured by the Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics – The CPI is a historical standard used as a factor to project the cost of operating expenses.

Cost of Labor, measured by the Employment Cost Index (ECI) as reported by the U.S. Bureau of Labor Statistics. The ECI is a historical standard used as a factor to project the cost of personnel.

Census population data, as reported by the United States Census Bureau. Census population data is a historical standard used as a factor to project population increases or declines which affect enrollment and FTE projections.

EVIDENCE

CPI – Unadjusted 12-mos ended June 2025 – % change - All items	Proposed FY26 Budget Non-Personnel
2.7%	1.30%

Source: [Consumer Price Index Summary – 2025 M06 Results \(bls.gov\)](#)

ECI – 12-mos ended March 2025, not seasonally adjusted, current dollar – % change – total compensation	Proposed FY26 Budget Personnel
4.3%	4.04%

Source: [Employment Cost Index Summary – 2025 Q01 Results \(bls.gov\)](#)

Additional planning assumptions are summarized and explained in the [Five-Year Budget Plan](#).

**...the President shall not:**

**2. Permit budgeting for any fiscal period or the remaining part of any fiscal period that is not derived from the multi-year plan.**

#### INTERPRETATION

The “fiscal period” will be the applicable fiscal year for which the budget is forecasted. The starting point for the next fiscal year’s budget will be the corresponding fiscal year of the multi-year plan. The current fiscal year’s budget is developed from a 1-year budget projections document. As the current fiscal year’s budget is developed and finalized, the 5-year plan is updated.

#### EVIDENCE

Verification with the Vice President of Administrative Services confirms that the budgeting for the 2026 fiscal year is derived from the [Five-Year Budget Plan](#) and the [Five-Year Budget Plan – Capital Improvement Fund](#).

A preliminary FY2026 General Fund Budget and Capital Improvement Fund Budget will be presented to the Board in August 2025.

The final FY2026 Budget Hearing/Tax Request Presentation will be presented to the Board for approval at the September 2025 Board of Governors meeting.

**...the President shall not:**

**3. Permit financial planning that omits credible projection of revenues and expenses, separation of capital expenditures and operational expenses, cash flow projections, and disclosure of planning assumptions.**

#### INTERPRETATION:

A “credible projection of revenues” includes separate projections of the three statutory forms of funding for community colleges, including:

- a) Tuition/Fees – which provides for the flexibility of planning a combined tuition/fee increase in a range from 0%-5% annually, by analyzing trends of actual credit hours in prior years and projections of credit hours based on enrollment goals, and considers a reasonable balance of fiscal responsibility between students and taxpayers, and the overall cost of attendance for a student to be provided with an affordable education, all consistent with EL-02, item #2.
- b) State Aid – which is based on historical state aid allocations by the Nebraska Legislature, which includes standard state aid calculated under the statutory formula for distribution of state aid to all Nebraska community colleges, tribal college funding, and additional state aid for dual enrollment.

- c) Community College Future Fund – for FY25, general fund property tax revenue was replaced by a state fund which established a baseline amount for each community college equal to the property tax asking of each college for FY24, or the amount of property taxes that would have been generated from a 7.5 cent levy, whichever was greater, with such amount then increased 3.5% or the percentage increase in student enrollment, whichever is greater. For FY26 and thereafter, the amount distributed to the College will be the amount distributed the prior year increased by 3.5%, or the percentage increase in student enrollment, whichever is greater.

A “credible projection of expenses” includes separate projections for the following:

- a) Personnel – which includes the cost of salary and benefits for all full-time and part-time employees, full-time faculty, adjuncts, and student workers
- b) “Operational Expenses” – which includes costs of books, printing, conference registration, photocopying, memberships, dues, periodicals, postage, software licenses, repair and maintenance of equipment and contractual services
- c) Supplies & Materials – which includes costs of office supplies, food, and minor equipment (cost below \$10,000)
- d) Travel – which includes lodging, meals, motor pool, commercial transportation, and personal mileage reimbursements
- e) Capital Equipment – which includes the purchase of all equipment items with a value of \$10,000 or over

A “credible projection of capital expenditures” includes a separate five-year budget plan for the purchasing, purchasing on contract, constructing, and improving of facilities, which is funded by a property tax levy equal to 2.0 cents per \$100 of property valuation (See [Neb. Rev. Stat. §85-1515](#)).

#### EVIDENCE

The [Five-Year Budget planning document](#) includes a credible projection of revenue and expenses for the General Fund, and the **Five-Year Budget Plan – Capital Improvement Fund document** includes a credible projection of revenue available for capital expenditures, and a credible projection of capital expenditures.

...the President shall not:  
**3.1. Omit five-year pro-forma trend of revenues and expenses.**

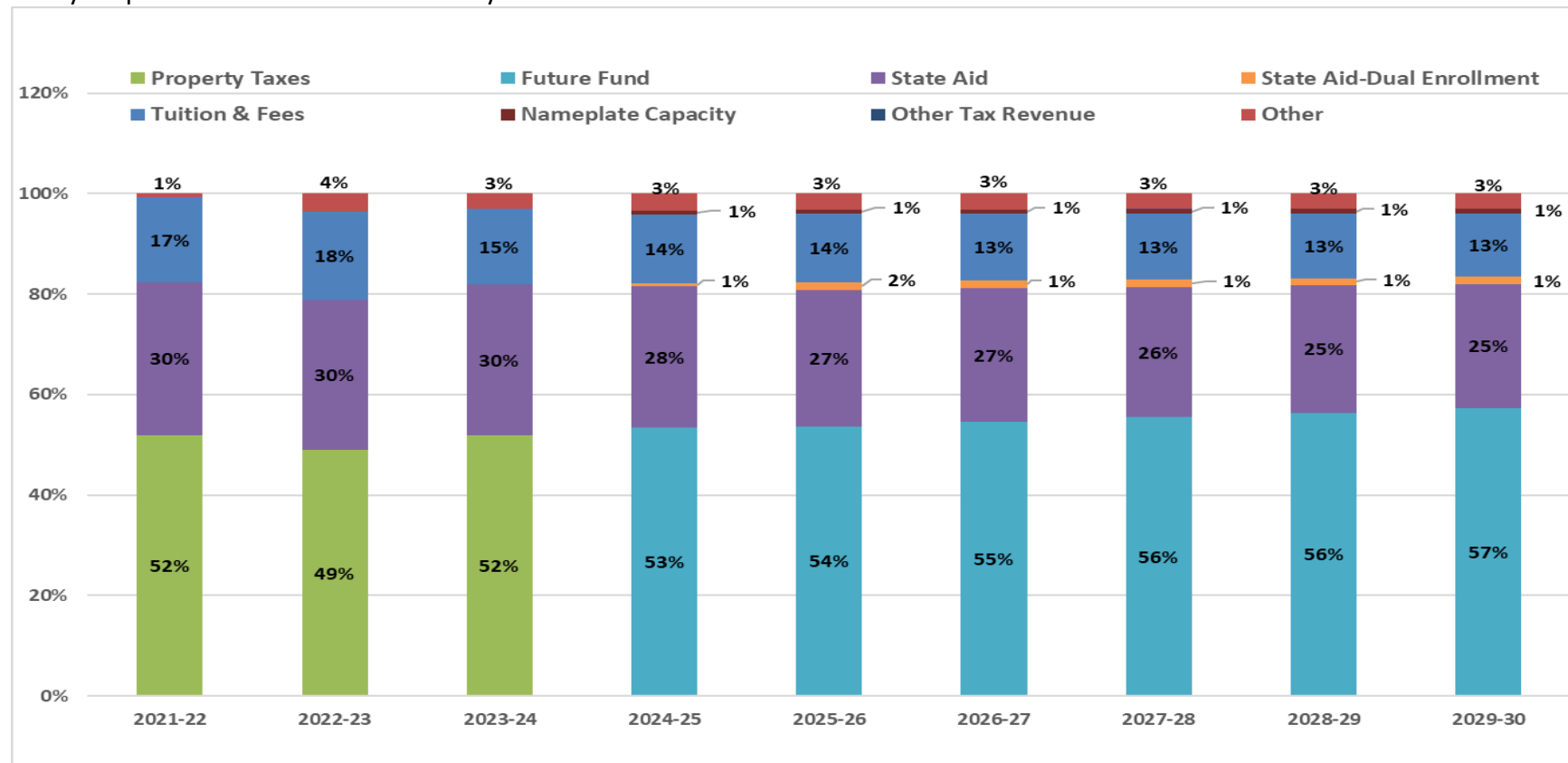
### INTERPRETATION:

I interpret #3.1 to mean that a five-year pro-forma trend of revenues and expenses is used in the development of the 5-year budget plan. This is reasonable because an analysis of historical revenue and expense trends is a critical component of budget planning.

### EVIDENCE

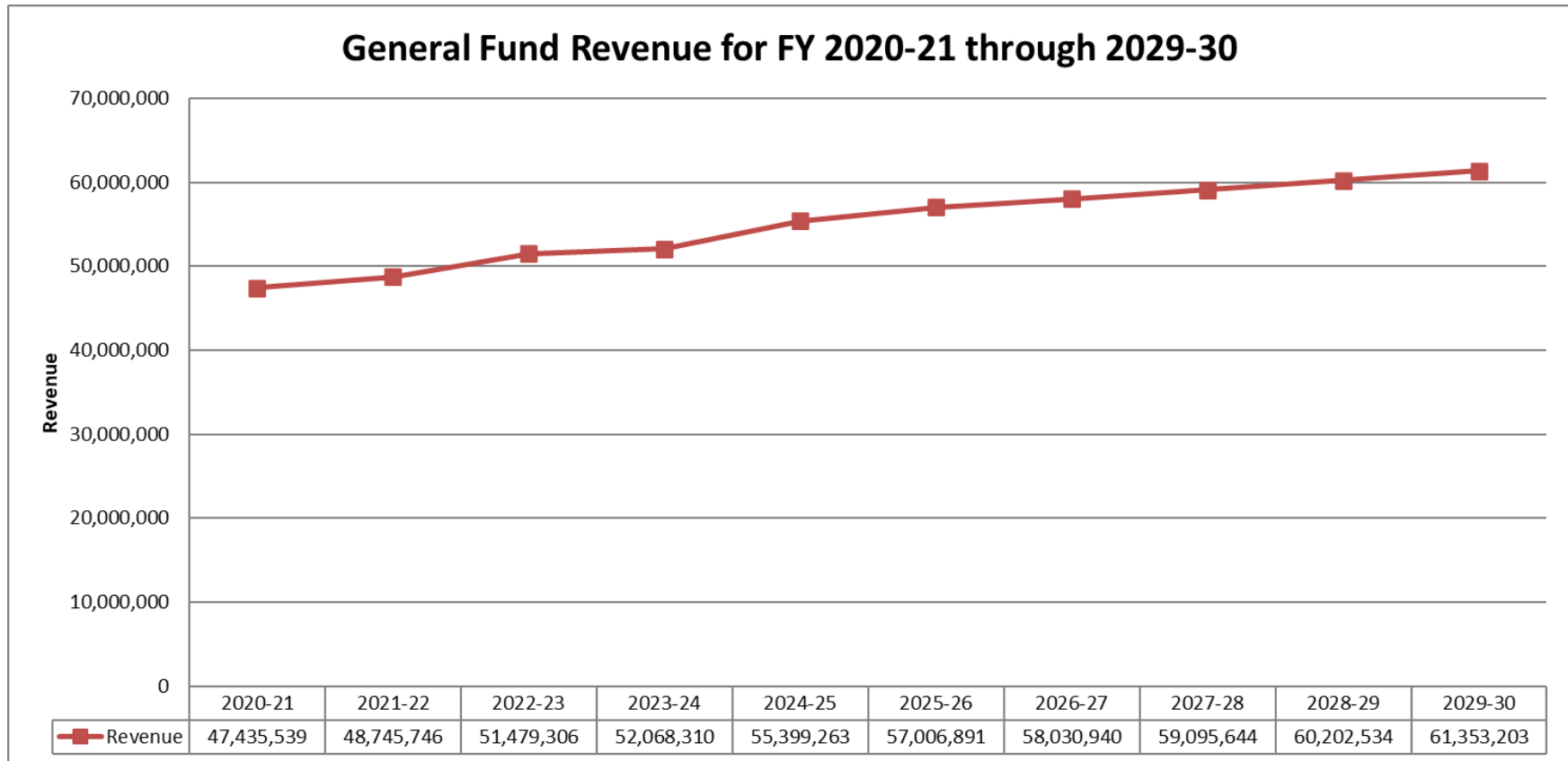
On the date of this report, the Vice President of Administrative Services confirmed that the following five and ten-year pro-forma trends of revenues and expenses were used in the development of the current College [Five-Year Budget Plan](#).

Five-year pro-forma trend of revenues by source:





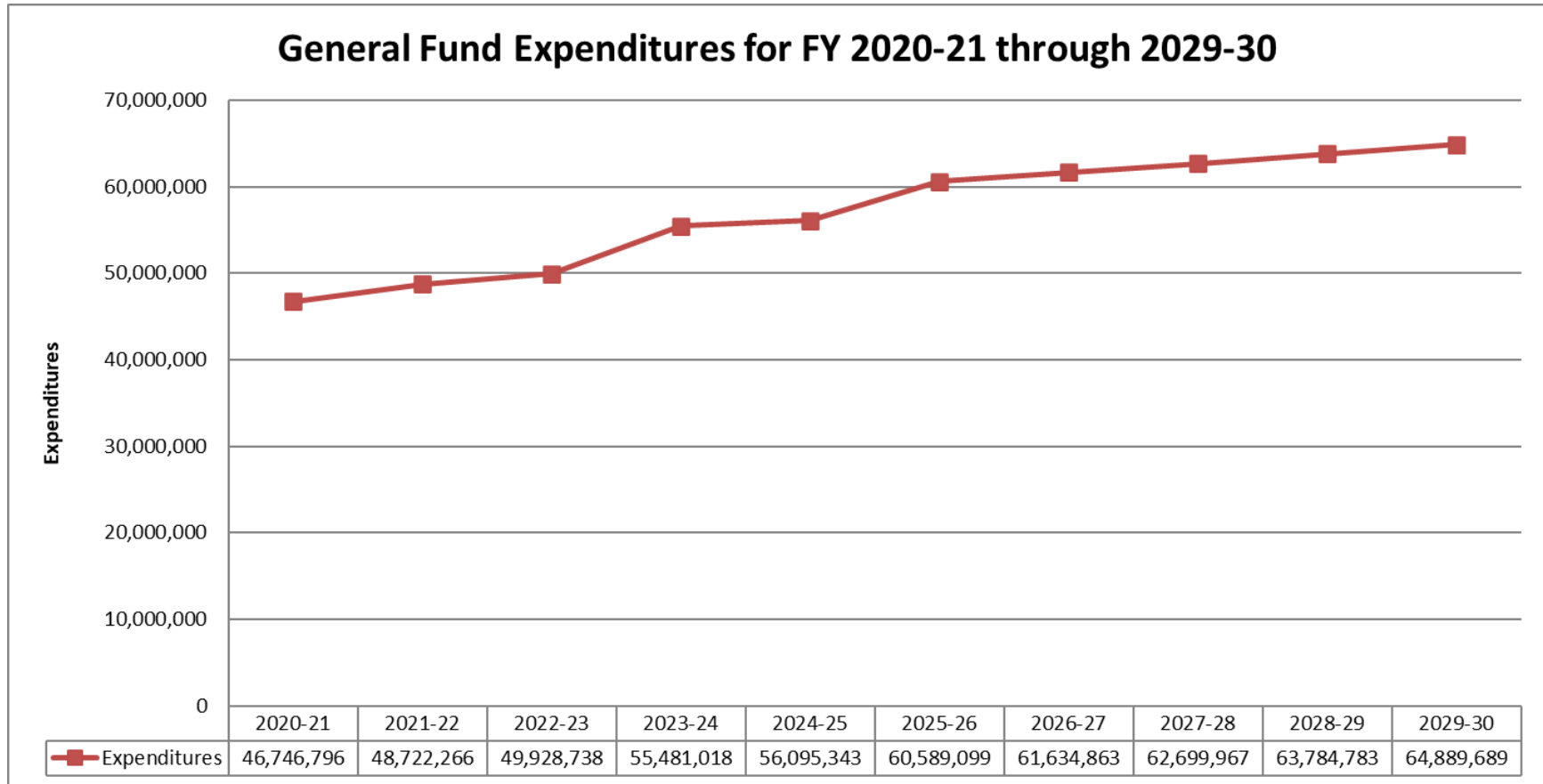
Ten-year pro-forma trend of total revenues:



Assumptions:

- Tuition/ Fee Increase = 0.00%
- State Aid Increase = -0.50%
- Nameplate Capacity Tax Increase = 8.00%

Ten-year pro-forma trend of total expenditures:



**Assumptions:**

- *Personnel Increase = 2.00%*
- *Operating Expense Increase = 1.00%*

**4. ...the President shall not:  
Permit financial planning without a projected five-year facilities master plan.**

INTERPRETATION

I interpret a five-year facilities master plan to mean a continuously updated and current facility plan that sets forth a timeline of planning and construction of the College's proposed capital construction projects in the next five years. These capital construction projects should be tied to, and an extension of, the Northeast [Master Site and Facilities Plan \(MSFP\)](#), which was completed in 2017. This is reasonable because a continuously updated five-year plan allows for flexibility and adaptability as facility needs change and funding sources are available.

EVIDENCE

The [Five-Year Facilities Plan](#) includes a current schedule of projects for the next five years.

**...the President shall not:  
4.1. Omit provision for cybersecurity and technology.**

INTERPRETATION

I interpret "not omitting a provision for cybersecurity," as the Information Security Plan implemented by the College Technology Services division.

I interpret "not omitting a provision for technology" as the implementation of the Technology Services strategic plan.

EVIDENCE

The [Technology Services Information Security Plan](#) and [Technology Services Strategic Plan](#) are updated annually and provide information regarding the status of current technology projects and new technology projects being implemented.

**...the President shall not:  
5. Permit financial planning that risks any situation or condition described as unacceptable in the "Financial Condition and Activities" policy.**

INTERPRETATION

Interpretation of this item #5 has been fully interpreted in the Monitoring Report for EL-05.

EVIDENCE

There is no item in this Monitoring Report which conflicts or is inconsistent with the interpretation and evidence contained in the

**...the President shall not:**

**6. Permit financial planning that does not provide the amount determined annually by the Board for the Board's direct use during the year, such as costs of fiscal audit, Board development, Board and committee meetings, Board legal fees, and ownership linkage.**

**INTERPRETATION**

I interpret item #6 to mean the Board of Governors budget is the subject of a meeting agenda item with discussion and approval by a majority of the Board, and a comparison of budgeted and actual figures is provided in the financial report to the Board at each Board of Governors meeting. This is reasonable because input from the Board is necessary for proper budget development, and monthly updates of budget and actual figures provide the Board with information for possible adjustments in spending and planning for future budgets.

**EVIDENCE**

The Board of Governors budget and year-to-date activity is provided in the monthly financial report materials. The Board of Governors budget for [FY2026](#) was an agenda item for review and approval at the August 21, 2025, Board meeting, and will be further discussed and voted upon as part of the annual budget at the September 25, 2025, meeting.

**...the President shall not:**

**7. Permit planning that endangers the fiscal soundness of future years or ignores the building of organizational capability sufficient to achieve Ends in future years.**

**INTERPRETATION:**

I interpret "fiscal soundness" to mean the College's Primary Reserve Ratio is .50 or higher on an annual basis. This is reasonable because the Primary Reserve Ratio is a measure of whether there are resources sufficient and flexible enough to support the College's mission. It compares the institution's expendable net assets to total expenses. Expendable net assets represent those assets the institution can access quickly and spend to meet its operating and capital requirements. This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. *See Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks (Seventh Edition)*, by KPMG LLP; Prager, Sealy & Co., LLC; Attain LLC, pp. 120-121. The same publication states that a Primary Reserve Ratio of .40 or better is advisable, which implies that the institution has the ability to cover about five

months (146 days) of expenses (40% of 365 days) from reserves. (p. 122) A ratio of .50 provides for even greater stability by requiring an amount in general fund reserves on hand sufficient to provide for 180 days of operating expenses.

EVIDENCE

Analysis of Northeast's Primary Reserve Ratio indicates that for 2024, the College had the ability to cover 452 days. On average over the last 5 years, the College has 455 days of annualized expenses retained in expendable resources:

<u>2024</u>	<u># Days</u>	<u>5yr Average</u>	<u># Days</u>
1.240	452	1.292	471

**...the President shall not:**

**7.1. Operate without succession plans to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long term.**

INTERPRETATION:

I interpret #7.1 to mean that each Vice President has built the capacity for one or more direct reports to take leadership in a planned or unplanned personnel transition, and that the President is aware of the plans of each Vice President. It is reasonable for each Vice President to have a succession plan because each Vice President serves in a key leadership role responsible for college operations and succession planning is the best method to ensure a person of high quality is able to assume the leadership role so college operations can continue in an efficient manner in the Vice President's absence.

EVIDENCE

As of the date of this report, the President has confirmed that each Vice President has a succession plan in the event of their absence.

**...the President shall not:**

**7.2. Permit the College to be without sufficient organizational capacity and current information about President and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of President services.**

INTERPRETATION: **\*\*NOTE: this section #7.2 is referenced in BPD-05, #2 which states as follows:**

"Should an absence of the President arise, the Board will meet as soon as feasible at a special or regular meeting. The Board will review the President's most recent reasonable interpretation for Executive Limitation EL-4 #7.2 ("Permit the College to be

without sufficient organizational capacity and current information about President and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of President services.”)

I interpret #7.2 to mean the President has developed a succession plan, which includes identification of a person to assume an interim role and has communicated the plan to Cabinet and to the Board Chair and Board Recording Secretary. This is reasonable because succession plans are the best method to ensure college operations continue in an efficient manner in the event of a planned or unplanned loss of President services.

#### EVIDENCE

As of the date of this report, the President has confirmed that a proposed succession plan has been communicated to Cabinet, the Board Chair and the Board Recording Secretary, which includes the person identified to assume an interim role.