

Nebraska Statewide Workforce & Educational Reporting System (NSWERS)
Executive Council Business Meeting Notification and Agenda
January 31, 2024 – 1:30 p.m.
NDE Board Room, 500 S. 84th Street, 1st Floor, Lincoln, NE 68510

AGENDA

CALL TO ORDER

Roll Call

Announcement of the placement of the Open Meetings Act information

1. APPROVAL OF MEETING AGENDA

1.1 PUBLIC COMMENT PERIOD (5 minutes)

1.2 APPROVAL OF MEETING AGENDA

1.3 APPROVAL OF MINUTES

- October 25, 2023 Meeting

2. SPECIAL PRESENTATIONS AND DISCUSSIONS

2.1 Special Report on Dual Enrollment for Nebraska Public Schools & Postsecondary Institutions (NSWERS Staff)

2.2 Research Brief on the Relationship between Early Reading Proficiency and High School Graduation/College Going (NSWERS Staff)

2.3 Research Brief on Employment Location (Talent Retention) in Nebraska (NSWERS Staff)

3. ITEMS FOR DISCUSSION AND/OR ACTION

3.1 Discuss, consider, and take all necessary action with respect to the fiscal year 2023 independent auditor's report.

3.2 Discuss, consider, and take all necessary action with respect to the procurement of public officials and cyber liability insurance.

3.3 Receive, review, discuss, and take any necessary action related to legal advice from the organization's attorney regarding the organization's structure, foundational and organizational documents, decision making, and financing as an interlocal agency.

3.4 Receive, review, discuss, and take any necessary action related to legal advice from the organization's attorney regarding the appropriate response to individual data opt-out requests and similar communications.

3.5 Receive, review, discuss, and take any necessary action related to legal advice from

the organization's attorney regarding the ongoing negotiations and proposals to extend the services agreement with the University.

4. **EXECUTIVE DIRECTOR'S REPORT**

4.1 Executive Director's Report (Dr. Matt Hastings)

5. **INFORMATION ITEMS AND REPORTS**

5.1 Treasurer's Report (Commissioner Brian Maher and Dr. Matt Hastings)

6. **ADJOURNMENT**

**Nebraska Statewide Workforce & Educational Reporting System (NSWERS)
Executive Council Business Meeting Notification and Agenda**

October 25, 2023, 1:30 p.m.

NSCS Boardroom, 1233 Lincoln Mall, Suite 100, Lincoln, NE 68508

Publicized notice of the Executive Council meeting was given by posting the date, time, and location on the NSWERS.org website.

1. CALL TO ORDER – President Paul Turman called the meeting to order at 1:37 p.m.

Roll Call

Roll Call showed the following Executive Council members in **attendance**:

Chancellor Paul Turman, NSWERS President
President Paul Illich, NSWERS Vice-President
Commissioner Brian Maher, NSWERS Secretary/Treasurer

Roll Call showed the following NSWERS member **absent**:

Chief of Staff/Corporation Secretary Phil Bakken, NSWERS Member

Announcement of the placement of the Open Meetings Act information

Dr. Turman announced that information regarding the Open Meetings Act is available in a binder at the front of the NSCS Boardroom and also available on the NSWERS.org website.

1.1 PUBLIC COMMENT PERIOD

No public comment.

1.2 APPROVAL OF MEETING AGENDA

No agenda items were removed, added, or corrected.

Approval of the agenda as presented passed with a motion by Dr. Paul Illich, second by Dr. Brian Maher.

Mr. Phil Bakken	Absent
Dr. Paul Illich	Yea
Dr. Paul Turman	Yea
Dr. Brian Maher	Yea

1.3 Approve Minutes of NSWERS business meeting, August 15, 2023

Motion to approve the minutes of the August 15, 2023, NSWERS Executive Council Business meeting passed with a motion by Dr. Brian Maher, second by Dr. Paul Illich.

Dr. Brian Maher	Yea
Dr. Paul Turman	Yea
Mr. Phil Bakken	Absent
Dr. Paul Illich	Yea

2. SPECIAL PRESENTATIONS AND DISCUSSIONS

- 2.1 The NSWERS Staff provided a presentation and demonstration of the minimum viable product (MVP) of the High School Graduation outcome in the secure web portal, insights+. The NSWERS team also showed a few new enhancements that will be available to beta testers soon.

Ongoing feedback and demonstrations to Executive Council members would be appreciated as the NSWERS team continues to progress through developing and implementing the remainder of the outcomes in insights+.

3. ITEMS FOR DISCUSSION AND/OR ACTION

- 3.1 Discuss, consider, and take all necessary action with respect to a contract for services related to expanded employment outcome information.

Motion for the Executive Council to direct the Executive Director to negotiate terms and enter into an agreement for services related to obtaining expanded employment outcome information not to exceed the cost of \$300,000. The motion was made by Dr. Paul Illich and seconded by Dr. Brian Maher.

DISCUSSION: Dr. Hastings provided information related to the proposed contract for services, reminding the Council of the work NSWERS and stakeholders have done in the past eighteen months to find a path for expanded workforce outcomes. There are limitations in the data available in the Nebraska Dept of Labor UI report, which is the source for the workforce data in the NSWERS data system. NSWERS has been researching other external sources to assist with expanded workforce-related information to support processes.

After many discussions with other organizations, Equifax has stood out as a source that would most likely meet all the needs for the expanded workforce-related information. They have a national frame of workforce data, hire date and dates of service, and access to an affluence index. In the proposal that NSWERS has received, the team would receive access to a system – for privacy, no individual-level data would be shared back – and analysis would be run within that system's environment. Per the proposal, a two-year license for this program would cost \$300,000; in the first year, there would be a 6-month trial period for \$45,000 for NSWERS to ensure that it has the anticipated value, with the ability to step away

from the agreement with no additional cost. The proposal and potential data sharing agreement have been reviewed and revised by NSWERS legal counsel, and the company accepted the proposed changes. NSWERS also continues to explore additional vendors for expanded workforce-related data.

The Executive Council recommends that Dr. Hastings have a discussion with an industry expert or one of the partner security officers about related data security practices to ensure we keep that at the top of mind. They also recommend that after the trial period with any external company, NSWERS should come back to the Council with findings to determine if the agreement will be a value add and if it should continue after the trial period.

Dr. Paul Illich	Yea
Mr. Phil Bakken	Absent
Dr. Brian Maher	Yea
Dr. Paul Turman	Yea

4. EXECUTIVE DIRECTOR'S REPORT

Dr. Hastings, Executive Director, NSWERS made a presentation on behalf of himself and the Management Team. (See attached PowerPoint.)

Data Submission Calendar. Now that the majority of the ten-year tranche of data has been certified, NSWERS is moving along with the regular cadence of the data submission process, with October being a busy month with most partners submitting annual or triennial data to be validated and certified.

NSWERS Data Submission Progress. Dr. Hastings provided an update regarding data submission progress for the partners. All historical data has been fully submitted, validated, and certified for all partners except for Central Community College, though they have signed their data sharing agreement and have been provided instructions to submit historical data. October is a busy month with data submission, validation, and certification, which the NSWERS team is working through currently. Data from all partners that submit in October has passed validation and are working towards certification with the exception of some data that needs to be re-submitted.

Dual Enrollment Report. NSWERS continues to receive updated data from the partners that is needed to finalize the report. Once the data is updated and certified, NSWERS will engage in another round of quality review with the Management Committee. A special briefing will be held with the Executive Council and Dr. Michael Baumgartner of CCPE to review the findings after completion of the updated report.

Statewide Longitudinal Data Ecosystem Summit. Dr. Hastings recently attended the Statewide Longitudinal Data Ecosystem Summit, which was hosted by the National Governors Association at the Ronald Reagan Presidential Foundation and Institute in Washington D.C. The meeting showcased best practices, promising strategies, and innovative approaches to longitudinal data

ecosystem design and use. There was a lot of interest in the work NSWERS is doing and Dr. Hastings has already had follow-up inquiries from folks met during the meeting.

insights+ Technical Enhancements. The procurement process is nearly complete for work on the next phase of technical enhancements to insights+. A request for proposal (RFP) was completed and the contract was awarded to Don't Panic Labs of Lincoln, Nebraska. Paperwork is being finalized now and the NSWERS team will work with Don't Panic Labs to create a development schedule in the coming days and aim to begin work as soon as possible.

Addition of New Data Elements. Dr. Hastings provided an overview of the new data element request process, which is outlined in the NSWERS Data Management Policy. New data element proposals are first reviewed by the NSWERS staff, then the NSWERS Management Committee will determine their approval by the end of March. The proposals will go before the NSWERS Executive Council at the second business meeting of the year (typically April) for final approval. The NSWERS team is currently evaluating requests for the addition of measures related to economic needs.

Evaluation Requests. As an update, there have been six partner evaluation requests from the Nebraska Community Colleges for the evaluation of the educational and workforce outcomes of the Peter Kiewit Foundation Vocational Scholarship Program. The supplemental data sharing agreements have been fully executed, and evaluation activity will start in earnest in the fall of 2024. There have been no formal general evaluation requests, though several informal conversations about the process.

NSWERS Staffing Update. Dr. Hastings provided a brief staffing update. There has been an ongoing search for two web development staff to support David Hefley's team, and both of those positions have now been hired. The front-end web developer, Akshdeep Singh Rajawat, started on August 21, and the back-end web developer will start on November 1.

NSWERS Strategic Plan Progress. Dr. Hastings gave an updated overall progress towards NSWERS Strategic Plan 2021-2023, which is updated quarterly prior to Executive Council meetings and available on the NSWERS website at www.nswers.org/progress. Overall Progress is at 87%, up 3% since August 2023; Goal 1 (Establish Data System) is at 96%; and Goal 2 (Evaluate Efficacy) is at 79%.

5. INFORMATION ITEMS AND REPORT

5.1 NSWERS Treasurer's Report – Dr. Brian Maher and Dr. Matt Hastings

Dr. Maher reported that he had a discussion with Dr. Hastings about the financial reports for NSWERS and turned it over for his discussion. The NSWERS budget is in good standing. The cash at the University of Nebraska Foundation is not reflected in the total net position due to previous suggestions from the auditor. Another reminder regarding the line item related to capital assets, which is the development of the secure web portal, insights+. A note that the contracts page shows the life to date of the contracts, not just the fiscal year total of the contract expense.

6. ADJOURNMENT

Motion to adjourn the NSWERS Executive Council Business Meeting passed with a motion from Dr. Paul Illich, second by Dr. Brian Maher

Dr. Brian Maher	Yea
Dr. Paul Turman	Yea
Dr. Paul Illich	Yea
Mr. Phil Bakken	Absent

President Turman adjourned the meeting at 3:19 p.m.

At this time, a NSWERS Executive Council Meeting is scheduled to be held on January 31, 2024, at a time and place to be determined.

Expanded Employment Outcomes

- Exploring services for access to expanded employment outcomes from Equifax and other providers.
- Current employment data limitations:
 - Restricted to NE UI system capabilities, e.g.:
 - Nebraska only
 - Lack of start date
 - Lacking job title/occupation
- Benefits of expanded employment outcomes:
 - Nation-wide frame (brain drain, brain return)
 - Hire date and length of service (employment churn)
 - Affluence index (economic mobility, college *wealth* premium)

Cost Estimate of Service

- Two-Year Agreement, to include:
 - 6 Month Trial Period
 - \$45,000
 - Year 1 Full License Agreement
 - \$25,000 data fee
 - \$80,000 license fee
 - \$150,000 total (POC + Year 1)
 - Year 2 Full License Agreement
 - \$25,000 data fee
 - \$125,000 license fee
 - \$150,000 total (Year 2)
- Total ~\$300,000

Executive Director's Report

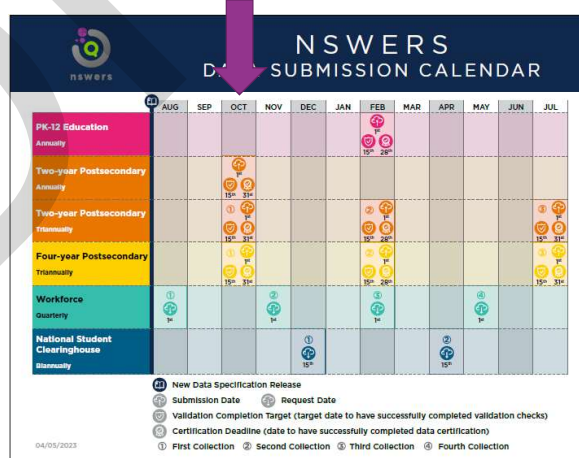
October 25, 2023



nswers

Matthew J. Hastings, Ph.D.
Executive Director, NSWERS
NSWERS Executive Council – Quarterly Meeting
NSCS Boardroom
Lincoln, NE

Data Submission Calendar



Data Submission Progress

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
												Feb	Jul	Oct
Central														
Metro														
MidPlains														
Northeast														
SCC														
Western														
Chadron														
Peru														
Wayne														
UNK														
UNL														
UNMC														
UNO														
NCTA														
NDE														
NDOL														

■ no data submitted
■ data certified
■ data uploading
■ data validated, waiting to be certified

NSWERS DATA SUBMISSION UPDATE

OCTOBER 25, 2023

311

DATA ELEMENTS

EDUCATION



K-12

10 YEARS OF DATA

55,581,378

K-12 EDUCATION
RECORDS

649,272

K-12 STUDENT
RECORDS

715

K-12 COURSE RECORDS

POSTSECONDARY

12 YEARS OF DATA

11,508,944

POSTSECONDARY
EDUCATION RECORDS

631,786

POSTSECONDARY
STUDENT RECORDS

41,280

POSTSECONDARY
COURSE RECORDS

WORKFORCE



15 YEARS OF DATA

13,593,652

WORKFORCE RECORDS

385,184

EMPLOYEE RECORDS

Dual Enrollment Report

We continue to receive updated data from our partners needed to finalize this report.

Once data is updated, we will engage in another round of quality review with the Management Committee.

Aim to hold a special briefing in the coming weeks with the Executive Council and Dr. Michael Baumgartner to review the findings.



Statewide Longitudinal Data Ecosystem Summit

- Hosted by the National Governors Association October 2nd at the Ronald Reagan Foundation and Institute in Washington, DC.
- Brought together state teams from across the US with education policy organizations to review the statewide longitudinal data ecosystems.
- Showcase best-practices, promising strategies and innovative approaches to SLDE design and use

Insights+ Technical Enhancements

- Completed a request for proposals (RFP) procurement process to let a contract for technical support for enhancements to the Insight+ platform.
- The contract was awarded to Don't Panic Labs of Lincoln, NE
- Finalizing paperwork now, will create a development schedule with the contractor in the coming days and aim to begin work as soon as possible.

Addition of New Data Elements

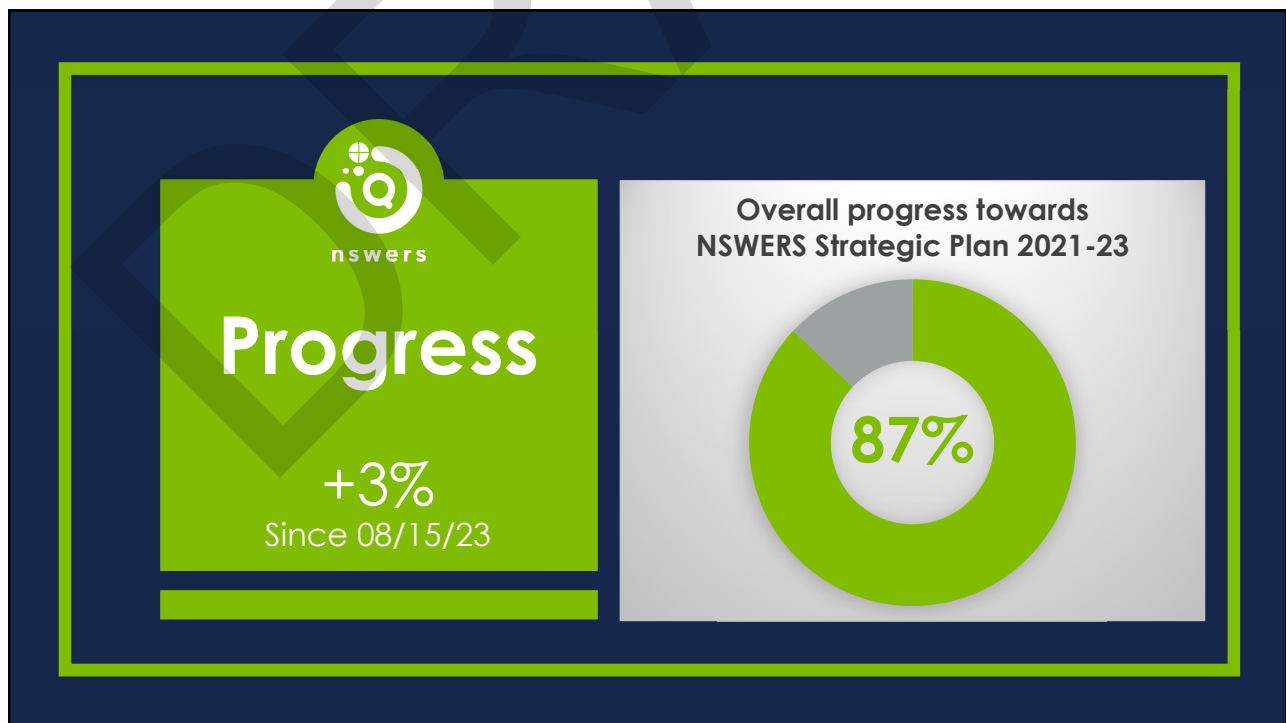
- As per NSWERS Data Management Policy:
 - New data element proposals are first reviewed by NSWERS staff
 - Then with the NSWERS Management Committee
 - Approval by March 31st
- Presented to the NSWERS Executive Council for final approval
 - At the second quarterly business meeting (typically April).
- Currently, evaluating requests for the addition of measures related to economic needs.

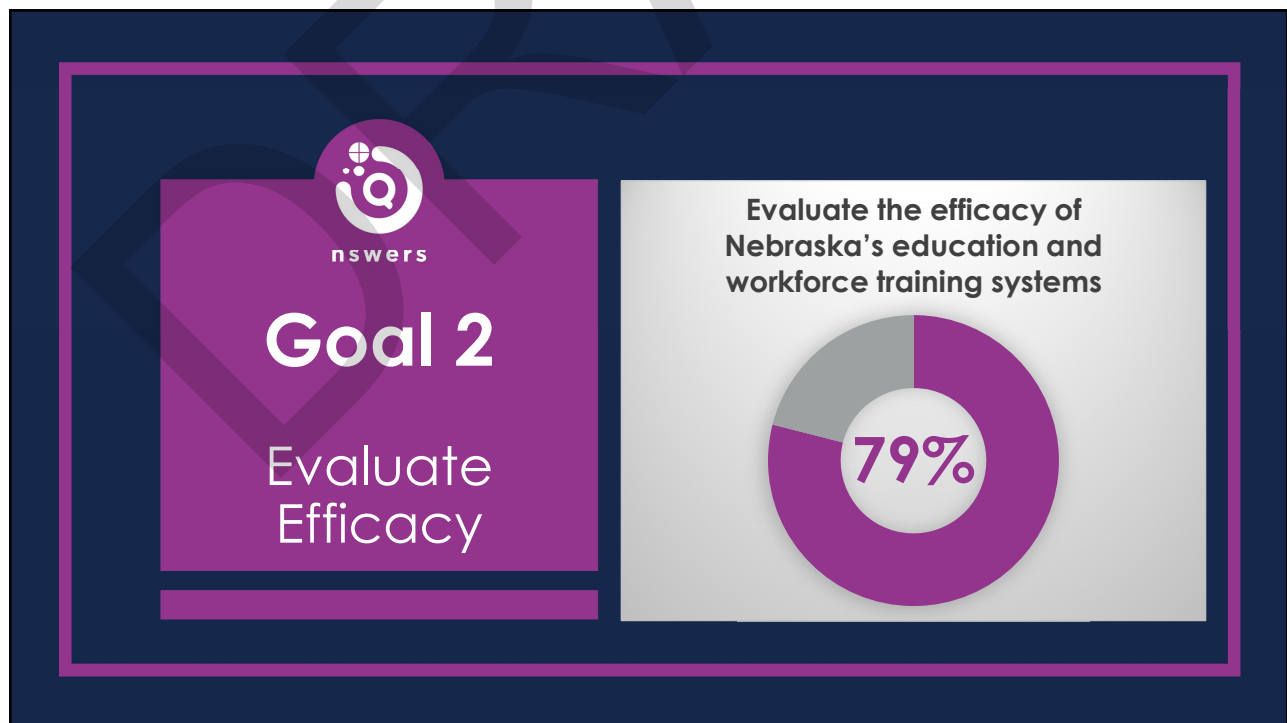
Evaluation Requests

- Partner Evaluation Requests:
 - All six Nebraska Community Colleges
 - Evaluation of the educational and workforce outcomes of the Peter Kiewit Foundation Vocational Scholarship program
 - Supplemental data sharing agreements fully executed
 - Analytic activity to start in earnest in the fall of 2024
- General Evaluation Requests:
 - No formal requests
 - Informal conversations as they arise

NSWERS Staffing Update

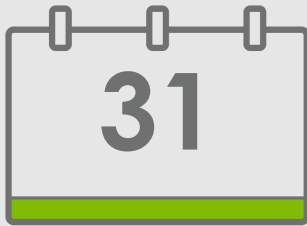
- Final two NSWERS staff positions:
 - Front-End Web Application Developer
 - Successful search
 - New hire began full-time on August 21st
 - Welcome, Akshdeep Singh Rajawat!
 - Back-End Web Application Developer
 - Successful search
 - New hire begins full-time on November 1st
 - Welcome, Scott Jonker!



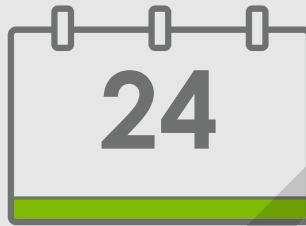


Upcoming Executive Council Meetings

January
2024



April
2024



August
2024



Thank You

Next Executive Council Meeting: January 31, 2024



NSWERS

Statement of Net Position

September 30, 2023 and June 30, 2023

Unaudited

Assets	9/30/2023	6/30/2023
Assets:		
Cash & Investments (Note A)	\$ -	\$ -
Accounts Receivable	385,412	670,403
Prepaid Expenses	23,075	32,964
Capital Assets	424,312	357,216
Total Assets	<u>832,798</u>	<u>1,060,583</u>
Liabilities		
Liabilities:		
Accounts Payable	10,397	29,228
Due to the University of Nebraska	264,020	255,765
Accrued Compensated Absences	62,414	62,414
Total Liabilities	<u>336,831</u>	<u>347,406</u>
Net Position		
Unrestricted	495,967	713,177
Total Net Position	<u>\$ 495,967</u>	<u>\$ 713,177</u>
Note A: Excludes cash held by the University of Nebraska Foundation		
Foundation Cash	<u>\$ 2,435,951</u>	<u>\$ 2,426,884</u>

NSWERS

Change in Net Position

For the Quarter Ended September 30, 2023

Unaudited

	FY24 Budget	Fiscal YTD 9/30/2023	Fiscal YTD Budget Variance
Operating Revenues			
Foundation contributions	\$ 991,496	\$ 94,868	\$ (896,628)
University of Nebraska contributions	145,006	-	(145,006)
Metro Community College contributions	70,000	-	(70,000)
Department of Education contributions	139,480	-	(139,480)
Interest income	-	-	-
Total Operating Revenues	1,345,982	94,868	(1,251,114)
Operating Expenses			
Wages	915,345	176,453	(738,892)
Benefits	294,836	40,436	(254,400)
Total Personal Services	1,210,181	216,889	(993,292)
Operating expenses	34,910	37,949	3,039
Rent	-	-	-
Travel	32,565	1,546	(31,019)
Insurance	60,000	9,889	(50,111)
Legal services	25,000	4,430	(20,570)
Auditing services	25,000	10,000	(15,000)
Business services	85,000	21,147	(63,853)
Other contractual services	377,000	10,226	(366,774)
Software	80,300	-	(80,300)
Equipment	12,250	-	(12,250)
Total Operating Expenses	1,942,206	312,077	(1,630,129)
Increase in Net Position	(596,224)	(217,210)	379,014
Net Position			
Net position, beginning of year	-	713,177	-
Net position, end of year	\$ (596,224)	\$ 495,967	\$ 379,014

NSWERS

Supplemental Information

September 30, 2023

Unaudited

Contractual Services:	Contract Amount	Paid as of September 30, 2023	Remaining Contract Amount
Magnolia Consulting	129,936	122,444	7,492
University of Nebraska (Annual)	84,588	21,147	63,441
University of Nebraska IT	Billable Rate	53,769	N/A
KSB School Law	Billable Rate	59,395	N/A
Don't Panic Labs	386,440	370,258	16,182
			-

Nebraska Statewide Workforce & Educational Reporting System

Independent Auditor's Reports and Financial Statements

June 30, 2023

Nebraska Statewide Workforce & Educational Reporting System

June 30, 2023

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forvis.com

Independent Auditor's Report

Board of Directors
Nebraska Statewide Workforce & Educational
Reporting System
Lincoln, Nebraska

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Nebraska Statewide Workforce & Educational Reporting System (NSWERS), a component unit of the University of Nebraska, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise NSWERS' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Nebraska Statewide Workforce & Educational Reporting System, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of NSWERS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NSWERS' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NSWERS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NSWERS' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

FORVIS, LLP

Lincoln, Nebraska
December 5, 2023

Nebraska Statewide Workforce & Educational Reporting System

Governmental Fund Balance Sheet/Statement of Net Position

June 30, 2023

	NSWERS Project Fund	Adjustments (Note 1)	Statement of Net Position
Assets			
Contributions receivable, net	\$ 670,403	\$ -	\$ 670,403
Prepaid expenses	41,086	-	41,086
Capital assets	-	349,779	349,779
	<u>\$ 711,489</u>	<u>349,779</u>	<u>\$ 1,061,268</u>
Liabilities			
Accounts payable	\$ 30,899	-	30,899
Due to the University of Nebraska	261,076	-	261,076
Compensated absences	-	62,414	62,414
	<u>291,975</u>	<u>62,414</u>	<u>354,389</u>
Deferred Inflows of Resources			
Unavailable revenues	670,403	(670,403)	-
Fund Balance/Net Position			
Fund balance			
Assigned for project costs	(250,889)	250,889	-
	<u>(250,889)</u>	<u>250,889</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 711,489</u>		
Net Position			
Net investment in capital assets		349,779	349,779
Unrestricted		357,100	357,100
		<u>\$ 706,879</u>	<u>\$ 706,879</u>

Nebraska Statewide Workforce & Educational Reporting System

Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance/Statement of Activities Year Ended June 30, 2023

	NSWERS Project Fund	Adjustments (Note 1)	Statement of Activities
Expenditures/Expenses			
Compensation and benefits	\$ 777,322	\$ 2,185	\$ 779,507
Supplies and services	762,392	(349,779)	412,613
Total expenditures/expenses	<u>1,539,714</u>	<u>(347,594)</u>	<u>1,192,120</u>
Program Revenues			
Contributions	1,363,559	(2,346)	1,361,213
Total program revenues	<u>1,363,559</u>	<u>(2,346)</u>	<u>1,361,213</u>
General Revenues			
Interest income	15,876	-	15,876
Total general revenues	<u>15,876</u>	<u>-</u>	<u>15,876</u>
Revenues in excess of expenditures	(160,279)	160,279	-
Change in Net Position	-	184,969	184,969
Fund Balance/Net Position			
Beginning of Year	(90,610)	612,520	521,910
End of Year	<u>\$ (250,889)</u>	<u>\$ 957,768</u>	<u>\$ 706,879</u>

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Nebraska Statewide Workforce & Educational Reporting System (NSWERS) was created in 2019 as a joint entity pursuant to the Interlocal Cooperation Act of the State of Nebraska. NSWERS was created to provide optimized and secured access to accurate and reliable longitudinal student information to analysts and researchers to discover those policies, processes, and practices across students' academic involvement and transition into the workforce that best improve student outcomes. NSWERS shall engage in activities including, but not limited to, overseeing and directing the operations, maintenance, and reporting of student data from the prekindergarten through postsecondary and workforce data warehouses.

NSWERS was created in collaboration by and among the following public agencies (the Parties):

Nebraska State Board of Education (Board of Education)
Board of Regents of the University of Nebraska (University)
Board of Trustees of the Nebraska State Colleges (State Colleges)
Board of Governors of Central, Mid-Plains, Metropolitan, Northeast, Southeast and
Western Community Colleges (Community Colleges)

These Parties have further entered into a Memorandum of Understanding to share student data for the purpose of evaluation of and research related to public prekindergarten, elementary, secondary, and postsecondary education to improve education in Nebraska.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these basic financial statements present the financial activities of NSWERS. NSWERS follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining the governmental activities, organizations, and functions that should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

NSWERS is not financially accountable for any other organization. NSWERS' financial results are included as a fiduciary custodial fund within the University of Nebraska's Annual Comprehensive Financial Report.

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of NSWERS' financial activities. Governmental activities are normally supported by nonoperating revenues and contributions which are reported as general revenues.

The government-wide financial statements are presented using the total economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, the operating statement presents increases and decreases in current assets, net of liabilities, and unassigned fund balance is a measure of available spendable resources. This means that only current liabilities are generally included on the governmental fund balance sheet.

The statement of net position does not equal the governmental funds balance sheet at June 30, 2023, due to compensated absences and unavailable revenues that are not payable from available spendable resources in the statement of net position.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined; available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred and is expected to be paid from available spendable resources.

Fund Accounting

The accounts of NSWERS are organized on the basis of funds. The operations of NSWERS are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Resources are allocated to and accounted for in the NSWERS Project Fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The major fund presented in the accompanying basic financial statements is the NSWERS Project Fund. The NSWERS Project Fund is NSWERS' only fund and is used to account for general operational activities.

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Contributions Receivable

Certain Parties to the agreement establishing NSWERS have formally committed funding to NSWERS in future years. Revenue is recognized when an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the contribution is received. NSWERS has recorded these future commitments as contributions receivable on the governmental fund balance sheet/statement of net position at the discounted present value of the future payments to be received from the Parties. Contributions receivable at June 30, 2023 are owed from the University and Metropolitan Community College.

Due to the University of Nebraska

The University of Nebraska administers the finances of NSWERS and any resulting cash balance is included in the University's pooled cash balances. At June 30, 2023, NSWERS incurred and paid expenditures in excess of amounts received in the amount of \$261,076. This amount is presented as due to the University of Nebraska and will be settled through future receipts from the Parties.

Compensated Absences

Individuals performing administrative services on behalf of NSWERS are employees of the University of Nebraska, and such services are performed through a Service Agreement entered into between NSWERS and the University of Nebraska. Under this Service Agreement, employees of the University perform services for NSWERS under a contractual relationship and these employees will be governed by the employment policies and practices of the University. NSWERS is responsible for the compensation, insurance, benefits, and any other labor costs associated with University employees performing services on behalf on NSWERS. The balance of accrued compensated absences represents the accrued benefits these employees have earned through University policies, that NSWERS is responsible for paying to the University in future periods.

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Fund Balance Classification

Fund balances are shown only in the governmental fund financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, fund balance is required to be classified into four components – nonspendable, restricted, committed and/or assigned. These classifications are defined as follows:

Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted - includes fund balance amounts that are constrained for specific purposes as stipulated by constitution; external resource providers, such as donors or creditors; or through enabling legislation.

Committed - includes fund balance amounts that can be used only for the specific purposes determined by a formal action of NSWERS' highest level of decision-making authority.

Assigned - includes fund balance amounts that are not classified as either nonspendable, restricted, or committed.

When expenditures are incurred for purposes for which amounts in more than one category of fund balance are available for use, it is NSWERS' policy to use the restricted amounts first, followed by the committed and assigned amounts.

Net Position Classification

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets, if any, or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Net Position Classification – Continued

Restricted - consists of restricted assets, reduced by liabilities related to those assets, with constraints placed on their use either by a) external groups such as creditors (such as through debt covenants), contributors, or laws or regulations of other governments or b) law through constitutional provisions or enabling legislation. NSWERS has no net position meeting the criteria for restricted net position classification at June 30, 2023.

Unrestricted - consists of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the net investment in capital assets or restricted components of net position.

When both restricted and unrestricted resources are available for use, it is NSWERS' policy to use restricted resources first, then unrestricted as they are needed.

Adjustments Column

The adjustments column on the governmental fund balance sheet/statement of net position represents the recording of certain assets and liabilities as required by GASB Statement No. 34.

The adjustments column on the governmental fund balance sheet/statement of net position is comprised of the following as of June 30, 2023:

Amounts reported for the NSWERS Project Fund are
different from the statement of net position because of

Capital assets	\$ 349,779
Compensated absences	(62,414)
Unavailable revenue	<u>670,403</u>
Total adjustment amount	<u><u>\$ 957,768</u></u>

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Adjustments Column - Continued

The adjustments column on the statement of governmental fund revenues, expenditures and changes in fund balance/statement of activities is comprised of the following for the year ended June 30, 2023:

Amounts reported for the NSWERS Project Fund are different from the statement of activities because of

Change in compensated absences	\$ (2,185)
Change in supplies and services	\$ 349,779
Change in unavailable revenue	<u>(2,346)</u>
Total adjustment amount	<u><u>\$ 345,248</u></u>

Note 2: Contributions Receivable

Contributions receivable consisted of the following at June 30, 2023:

Fiscal year to be received	
2024	\$ 651,853
2025	<u>52,500</u>
	704,353
Less:	
Allowance for uncollectible contributions	-
Unamortized discount	<u>33,950</u>
	<u><u>\$ 670,403</u></u>

Nebraska Statewide Workforce & Educational Reporting System

Notes to Financial Statements

June 30, 2023

Note 3: Capital Assets

Capital asset activity consisted of the following for the year ended June 30, 2023:

	Beginning Balance	Additions	Disposals	Ending Balance
Software	\$ -	\$ 349,779	\$ -	\$ 349,779
Less accumulated depreciation for: Software	-	-	-	-
Capital assets, net	<u>\$ -</u>	<u>\$ 349,779</u>	<u>\$ -</u>	<u>\$ 349,779</u>

NSWERS has developed software to be utilized by the entity in the normal course of its operations. This software was still being developed and is not in-service as of June 30, 2023, thus no depreciation was taken during 2023.

Note 4: Risk Management

NSWERS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; cybersecurity attacks; and natural disasters. NSWERS carries commercial insurance as coverage for these noted risks. NSWERS has had no claims or judgments exceeding the policy limits.

NSWERS

Statement of Net Position

December 31, 2023 and June 30, 2023

Unaudited

Assets	12/31/2023	6/30/2023
Assets:		
Cash & Investments (Note A)	\$ 59,239	\$ -
Accounts Receivable	116,920	670,403
Prepaid Expenses	13,186	41,086
Capital Assets	457,380	349,779
Total Assets	<u>646,725</u>	<u>1,061,268</u>
Liabilities		
Liabilities:		
Accounts Payable	-	30,899
Due to the University of Nebraska	-	261,076
Accrued Compensated Absences	62,414	62,414
Total Liabilities	<u>62,414</u>	<u>354,389</u>
Net Position		
Net investment in capital assets	457,380	349,779
Unrestricted	126,931	357,100
Total Net Position	<u>\$ 584,311</u>	<u>\$ 706,879</u>

Note A: Excludes cash held by the University of Nebraska Foundation
Foundation Cash

<u>\$ 2,435,951</u>	<u>\$ 2,426,884</u>
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NSWERS

Change in Net Position

For the Quarter Ended December 31, 2023

Unaudited

		Fiscal YTD 12/31/2023	Fiscal YTD Budget Variance
Operating Revenues	FY24 Budget		
Foundation contributions	\$ 991,496	\$ 94,868	\$ (896,628)
University of Nebraska contributions	145,006	-	(145,006)
Metro Community College contributions	70,000	-	(70,000)
Department of Education contributions	139,480	418,561	279,081
Interest income		-	-
Total Operating Revenues	1,345,982	513,429	(832,553)
Operating Expenses			
Wages	915,345	368,787	(546,558)
Benefits	294,836	85,110	(209,726)
Total Personal Services	1,210,181	453,897	(756,284)
Operating expenses	34,910	60,005	25,095
Rent	-	-	-
Travel	32,565	3,142	(29,423)
Insurance	60,000	19,778	(40,222)
Legal services	25,000	9,618	(15,383)
Auditing services	25,000	10,000	(15,000)
Business services	85,000	42,294	(42,706)
Other contractual services	377,000	37,263	(339,737)
Software	80,300	-	(80,300)
Equipment	12,250	-	(12,250)
Total Operating Expenses	1,942,206	635,997	(1,306,209)
Increase in Net Position	(596,224)	(122,568)	473,656
Net Position			
Net position, beginning of year	-	706,879	-
Net position, end of year	\$ (596,224)	\$ 584,311	\$ 473,656

NSWERS

Supplemental Information
December 31, 2023
Unaudited

Contractual Services:	Contract Amount	Paid as of December 31, 2023	Remaining Contract Amount
Magnolia Consulting	129,936	122,444	7,492
University of Nebraska (Annual)	84,588	42,294	42,294
University of Nebraska IT	Billable Rate	66,196	N/A
KSB School Law	Billable Rate	66,253	N/A
Don't Panic Labs	386,440	385,258	1,182
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