

TO: The Board of Regents
Business Affairs

MEETING DATE: June 11, 2010

SUBJECT: FY 2011-12 and 2012-13 University of Nebraska Biennial Operating Budget Request.

RECOMMENDED ACTION: Approve the FY 2011-12 and 2012-13 University of Nebraska Biennial Operating Budget Request.

PREVIOUS ACTION: April 16, 2010 – A biennial budget presentation was provided to the Board of Regents Business Affairs Committee.

EXPLANATION: The FY 2011-12 and 2012-13 Biennial Operating Budget Request is required by statute to be submitted to the Coordinating Commission for Postsecondary Education by August 15, 2010 and the Governor by September 15, 2010. The attached materials provide an overview of the requests.

Per historical practice, no salary increases will initially be submitted. The University will submit its salary needs to the Board of Regents, Governor, and Legislature after collective bargaining negotiations are near finalization. For illustrative purposes only, both a 0% and 2.5% salary increase scenario are shown in the attached materials.

The State of Nebraska Department of Administrative Services (DAS) establishes fee assessments for workers compensation and the University's use of the State of Nebraska accounting system. Assessments for these expenses will not be known until DAS budget instructions are released this summer. The request will be modified to include any increases in these items as defined by DAS.

SPONSORS: Chris Kabourek
Assistant Vice President and Director of Budget and Planning

David E. Lechner
Vice President for Business and Finance

RECOMMENDED: _____
James B. Milliken
President

DATE: June 1, 2010

**University of Nebraska
2011-12 / 2012-13 Biennium
Estimated Needs**

Note: Salaries to be Revised after Collective Bargaining

	Projection	0% SALARY INCREASE for Illustration Purposes Only		2.5% SALARY INCREASE for Illustration Purposes Only	
		FY 2011-12	FY 2012-13	FY 2011-12	FY 2012-13
State Appropriation Base		\$ 492,126,159	\$ 506,470,188	\$ 492,126,159	\$ 520,507,635
Increases					
Compensation					
Salaries & Benefits	10.0%	-	-	14,037,447	14,439,269 (a)
Health Insurance	TBD	5,552,917	6,108,209	5,552,917	6,108,209
Workers Comp		TBD	TBD (b)	TBD	TBD (b)
Subtotals		5,552,917	6,108,209	19,590,364	20,547,478
Facilities					
Utilities	5.0%	2,148,986	2,256,436	2,148,986	2,256,436
Building Depreciation Assessment (1%)		4,499,637	788,770	4,499,637	788,770
New Building Operating and Maintenance		742,488	575,266	742,488	575,266
Subtotals		7,391,111	3,620,472	7,391,111	3,620,472
Continuing Operations					
DAS Accounting Fees	TBD	TBD	TBD (b)	TBD	TBD (b)
University Initiatives					
Programs of Excellence	5.0%	900,000	950,000	900,000	950,000
Need-Based Aid	5.0%	500,000	520,000	500,000	520,000
Subtotals		1,400,000	1,470,000	1,400,000	1,470,000
Total Changes		\$ 14,344,029	\$ 11,198,681	\$ 28,381,476	\$ 25,637,950
TOTAL STATE APPROPRIATION REQUEST		506,470,188	517,668,868	520,507,635	546,145,584
% Change		2.9%	2.2%	5.8%	4.9%

NOTES:

- (a) A 0% and 2.5% salary increase is shown for illustrative purposes. The University's salary needs will be submitted after collective bargaining is completed.
- (b) Rates assessed by State of Nebraska Department of Administrative Services. Rates for the upcoming will not be known until summer 2010. Request will be adjusted to reflect any cost increases.

ASSUMPTIONS

Expenses

Compensation

- Both a 0% and 2.5% salary increase scenario are shown for illustration purposes only. 2.5% was used based on preliminary planning figures used by the Legislative Fiscal office.
- As historically done, the University will submit its salary needs to the Board of Regents, Governor, and Legislature after collective bargaining negotiations are near finalization.
- Worker compensation assessments from the State of Nebraska Department of Administrative Services (DAS) have not been established at time of printing. Figures will be updated when final DAS charges have been established.

Facilities

- Utility expenses are projected to increase 5% per year during the biennium.
- Funding is requested for the statute mandated 1% building renewal assessment that will be charged on several capital projects during the next biennium.
- Funding is requested for the operating and maintenance of several capital projects scheduled to open during the next biennium.

Continuing Operations

- DAS Accounting fee charges have not been established at time of printing. Figures will be updated when final DAS charges have been established.

University Initiatives

- A 5% annual increase in funding for the University's Programs of Excellence initiative is requested.
- A 5% annual increase in funding for the University's institutional need-based aid programs is requested

Revenues

- No tuition rate changes are assumed at this time.

TO: The Board of Regents
Business Affairs

MEETING DATE: June 11, 2010

SUBJECT: FY 2011-12 and 2012-13 Nebraska College of Technical Agriculture
Biennial Operating Budget Request.

RECOMMENDED ACTION: Approve the FY 2011-12 and 2012-13 College of Technical Agriculture
Biennial Operating Budget Request.

PREVIOUS ACTION: April 16, 2010 – A biennial budget presentation was provided to the
Board of Regents Business Affairs Committee.

EXPLANATION: The FY 2011-12 and 2012-13 Biennial Operating Budget Request is
required by statute to be submitted to the Coordinating Commission for
Postsecondary Education by August 15, 2010 and the Governor by
September 15, 2010. The attached materials provide an overview of the
requests.

Per historical practice, no salary increases will initially be submitted.
The University will submit its salary needs to the Board of Regents,
Governor, and Legislature after collective bargaining negotiations are
near finalization. For illustrative purposes only, both a 0% and 2.5%
salary increase scenario are shown in the attached materials.

The State of Nebraska Department of Administrative Services (DAS)
establishes fee assessments for workers compensation and the
University's use of the State of Nebraska accounting system.
Assessments for these expenses will not be known until DAS budget
instructions are released this summer. The request will be modified to
include any increases in these items as defined by DAS.

SPONSORS: Weldon Sleight
Dean
Nebraska College of Technical Agriculture

John Owens
NU Vice President for Agriculture and Natural Resources
IANR Vice Chancellor

Chris Kabourek
Assistant Vice President and Director of Budget and Planning

David E. Lechner
Vice President for Business and Finance

RECOMMENDED:

James B. Milliken
President

DATE:

June 1, 2010

**Nebraska College of Technical Agriculture
2011-12 / 2012-13 Biennium
Estimated Needs**

Note: Salaries to be Revised after Collective Bargaining

Projection	0% Salaries for Illustration Purposes Only		2.5% Salaries for Illustration Purposes Only	
	FY 2011-12	FY 2012-13	FY 2011-12	FY 2012-13
State Appropriation Base	\$ 2,593,945	\$ 2,748,079	\$ 2,593,945	\$ 2,801,771
Marginal Increases				
Compensation				
Salaries & Benefits	-	-	53,692	55,228 (a)
Health Insurance	29,375	32,313	29,375	32,313
Workers Comp	TBD	TBD (b)	TBD	TBD (b)
Subtotals	29,375	32,313	83,067	87,541
Facilities				
Utilities	25,230	26,492	25,230	26,492
Building Depreciation Assessment (1%)	-	-	-	-
New Building Operating and Maintenance	99,529	-	99,529	-
Subtotals	124,759	26,492	124,759	26,492
Continuing Operations				
DAS Accounting Fees	TBD	TBD (b)	TBD	TBD (b)
Total Changes	\$ 154,134	\$ 58,804	\$ 207,826	\$ 114,033
TOTAL STATE APPROPRIATION REQUEST	2,748,079	2,806,884	2,801,771	2,915,804
% Change	5.9%	2.1%	8.0%	4.1%

NOTES:

(a) A 0% and 2.5% salary increase is shown for illustrative purposes. The University's salary needs will be submitted after collective bargaining is completed.

(b) Rates assessed by State of Nebraska Department of Administrative Services. Rates for the upcoming will not be known until summer 2010. Request will be adjusted to reflect any cost increases.

ASSUMPTIONS

Expenses

Compensation

- Both a 0% and 2.5% salary increase scenario are shown for illustration purposes only. 2.5% was used based on preliminary planning figures used by the Legislative Fiscal office.
- As historically done, the University will submit its salary needs to the Board of Regents, Governor, and Legislature after collective bargaining negotiations are near finalization.
- Worker compensation assessments from the State of Nebraska Department of Administrative Services (DAS) have not been established at time of printing. Figures will be updated when final DAS charges have been established.

Facilities

- Utility expenses are projected to increase 5% per year during the biennium.
- Funding is requested for the operating and maintenance of the new educational facility scheduled to open during the next biennium.

Continuing Operations

- DAS Accounting fee charges have not been established at time of printing. Figures will be updated when final DAS charges have been established.

Revenues

- No tuition rate changes are assumed at this time.

TO: The Board of Regents Addendum IX-B-5

Business Affairs

MEETING DATE: June 11, 2010

SUBJECT: University of Nebraska 2011-2013 Biennial Capital Construction Budget Request

RECOMMENDED ACTION: Approve the University of Nebraska Construction Budget Request for the 2011-2013 Biennium, which consists of the following project:

UNMC College of Nursing Building, Lincoln Division

PREVIOUS ACTION: September 5, 2008 – Approved the program statement and budget for the construction of a new building for the University of Nebraska Medical Center College of Nursing – Lincoln Division on the East Campus of the University of Nebraska Lincoln.

June 13, 2008 – Approved the University of Nebraska Construction Budget Request for the 2009-2011 Biennium, which consisted of the UNMC College of Nursing Building, Lincoln Division.

EXPLANATION: The University's 2011-2013 Biennial Capital Construction Budget Request is to be submitted to the Governor September 15, 2010.

Each biennium, the University submits capital projects for funding consideration in the upcoming legislative session. As part of that process, each campus chancellor submits their highest priority. From those projects, the capital construction budget is developed based on institutional needs and programmatic priorities.

The UNMC College of Nursing Building, Lincoln Division remains the university's highest priority capital project. The project's importance has been recognized by not only the Board, but the Legislature and Governor as \$87,500 was funded for planning in 2008.

This item, if approved, will allow submission of this project to the Governor for consideration for capital funding.

The project supports the University of Nebraska 2010-2013 Strategic Planning Framework by providing appropriate space to expand the College's educational offerings to address emerging student demands, UNMC's research and the State's workforce needs.

- Federal and state statistics indicate that Nebraska's nursing shortage will jump from 9% in 2002 to 30% percent in 2020.

- Leased space in Commerce Court was fully occupied at the point of move-in, allowing for no amelioration of the nursing shortage through expanded enrollment or new accelerated programs.
- Within a 5 to 10 year timeline, education technology needs will far outstrip Commerce Court; a new building will allow the space needed for state-of-the-art simulation environments, such as virtual "caves," simulated intensive care units, and telehealth labs.
- Proximity to the College of Dentistry supports shared IT and other resources as well as academic synergies and will aid with faculty recruitment.

The new building will be completed to coincide with termination of the lease for its current location in the Commerce Court Building. The current budget is based upon an agreement with the Coordinating Commission April 15, 2008, requesting state funding of \$15.1 million, revised by 4% inflation annually.

PROJECT COST: \$16,300,000

SOURCE OF FUNDS: State Building Fund

SPONSORS: Rebecca H. Koller
Assistant Vice President for Business & Finance
Director of Facilities Planning & Management

David E. Lechner
Vice President for Business and Finance

RECOMMENDED: James B. Milliken, President
University of Nebraska

DATE: May 18, 2010