

**TO:** The Board of Regents  
Business Affairs

**MEETING DATE:** June 17, 2011

**SUBJECT:** FY 2011-12 University of Nebraska Operating Budget and Tuition Rate Increases

**RECOMMENDED ACTION:** Approve the FY 2011-12 University of Nebraska Operating Budget, tuition rate increases, and reinstate allotment for committed carry forward funds already approved in previous fiscal years.

**PREVIOUS ACTION:** April 29, 2011 – A budget update was provided to the Business Affairs Committee.  
March 11, 2011 – A budget update was provided to the Business Affairs Committee.  
March 11, 2011 – The Board of Regents approved the 2011-2013 University of Nebraska at Omaha Collective Bargaining Agreement (X-B-1).  
March 11, 2011 – The Board of Regents approved the 2011-2013 University of Nebraska at Kearney Collective Bargaining Agreement (IX-B-13).  
January 28, 2011 - A budget update was provided to the Business Affairs Committee.  
June 11, 2010 – The Board of Regents approved the FY 2011-12 and 2012-13 University of Nebraska Biennial Operating Budget Request (IX-B-3).

**EXPLANATION:** The attached materials provide an overview of the proposed 2011-12 University of Nebraska operating budget. Expenditures, including salaries and benefits, are estimated and subject to availability of state funds appropriated to the Board of Regents.  
A 5% general tuition rate increase is proposed for the 2011-12 academic year. This increase applies to both resident and nonresident undergraduate and graduate programs. In addition there are several college specific tuition increases.

**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 10, 2011

# **FY 2011-12 Budget**

## **State-Aided Less Revolving Funds (State Appropriations & Tuition)**

# University of Nebraska (Excluding NCTA)

## FY 2011-12 Budget

State-Aided Less Revolving Funds (State Appropriations and Tuition)

	2010-11		2011-12 Proposed		
	FY 2010-11 Beginning Budget	FY 2010-11 Revised Budget	2011-12	Change from 2010-11 Revised Amount	Percent
<b>REVENUES</b>					
State Appropriations	\$ 492,126,159	\$ 492,126,159	\$ 488,705,159	\$(3,421,000)	-0.7%
Tuition (less University Remissions)	217,076,825	221,988,961	233,088,409	11,099,448	5.0%
Differential Tuition					
Distance Education	22,275,498	24,428,137	26,928,616	2,500,479	10.2% (a)
UNMC College of Pharmacy (Year 4 of 4)	-	-	260,000	260,000	(b)
UNMC College of Dentistry (Year 3 of 4)	-	-	160,847	160,847	(c)
UNMC College of Allied Health (Year 3 of 3)	-	-	126,938	126,938	(c)
UNMC College of Nursing (Year 3 of 3)	-	-	224,611	224,611	(c)
UNMC College of Public Health (Year 1 of 3)	-	-	127,373	127,373	(d)
UNL College of Business Admin.	-	-	2,907,262	2,907,262	(d)
UNL College of Engineering	-	-	3,222,912	3,222,912	(d), (e)
Enrollment Change	-	-	-	-	0.0%
Tuition Subtotals	239,352,323	246,417,098	267,046,968	20,629,870	8.6%
U-Wide Student Fees (excludes course/lab fees)	3,713,840	3,837,079	3,837,079	-	0.0%
Investment Income, other cash funds	15,775,506	16,225,231	16,225,231	-	0.0%
Federal Appropriations	6,201,594	6,201,594	6,201,594	-	0.0%
<b>Total Revenues</b>	<b>757,169,422</b>	<b>764,807,161</b>	<b>782,016,031</b>	<b>17,208,870</b>	<b>2.3%</b>
<b>EXPENDITURES</b>					
(f)					
<b>Compensation</b>					
Salaries	487,724,840	486,663,237	497,959,525	11,296,288	2.3% (g)
Benefits including Workers comp	61,327,615	61,327,615	63,319,324	1,991,709	3.2%
Health Insurance	55,675,314	55,675,314	59,572,586	3,897,272	7.0%
Subtotals	604,727,769	603,666,166	620,851,435	17,185,269	2.8%
<b>Facilities</b>					
Utilities	42,861,469	42,861,469	45,004,542	2,143,073	5.0%
LB605/1100 Debt Service	11,000,000	11,000,000	11,000,000	-	0.0%
Building Depreciation Assessment	4,167,110	4,167,110	-	(4,167,110)	-100.0% (h)
New/Renovated Building Operating & Maint.	-	-	432,488	432,488	n/a (i)
Subtotals	58,028,579	58,028,579	56,437,030	(1,591,549)	-2.7%
<b>University Priorities</b>					
Programs of Excellence	18,000,000	18,000,000	19,000,000	1,000,000	5.6%
NU Funded Need-Based Aid	9,930,000	9,930,000	10,430,000	500,000	5.0%
Student Information System O&M	2,700,000	2,700,000	3,200,000	500,000	18.5%
Subtotals	30,630,000	30,630,000	32,630,000	2,000,000	6.5%
<b>All Other</b>	69,901,726	70,963,329	70,959,303	(4,026)	0.0%
<b>One-Time Strategic Investments</b>	4,000,000	4,000,000	-	(4,000,000)	n/a
<b>Differential Tuition Increase Priorities</b>	-	-	9,530,422	9,530,422	n/a (a,b,c,d,e)
<b>Enrollment Incentive</b>		7,637,739	7,637,739	-	0.0% (j)
<b>Implemented reallocations</b>	-	(10,118,652)	(10,118,652)	-	n/a
<b>Total Expenditures</b>	<b>767,288,074</b>	<b>764,807,161</b>	<b>787,927,277</b>	<b>23,120,116</b>	<b>3.0%</b>
<b>Shortfall</b>	<b>\$ (10,118,652)</b>	<b>\$ -</b>	<b>\$ (5,911,246)</b>	<b>(5,911,246)</b>	<b>-0.8%</b>

Notes:

- ++ An estimated \$24.8 million of one-time carry forward funds are excluded from the recurring budget figures presented above. Reinstatement of allotment authority for these funds will be made to the State of Nebraska Dept. of Administrative Services budget division
- (a) Estimated tuition to be generated from Online Worldwide distance education tuition variances that are approved by the President.
  - (b) This is the final year of a multi-year plan to increase tuition in this program as approved by the Board of Regents on June 13, 2008 (IX-B-3).
  - (c) This is a multi-year plan to increase tuition in these programs as approved by the Board of Regents on June 12, 2009 (IX-B-3).
  - (d) Differential tuition rates as presented to the Board of Regents in April 2011.
  - (e) Includes current \$40 per student credit hour course fee that will be incorporated into tuition. This is not a new charge, but rather a reclassification of fees to tuition.
  - (f) Expenditure line items are estimated. Final budget figures may vary from figures noted above. All expenses are subject to availability of state funds appropriated to the Board of Regents.
  - (g) Includes 2.5% salary pools to be used for the purpose of addressing competitiveness issues based upon employee performance. UNO (1.1%) and UNK (1.0%) faculty increases based on collective bargaining agreements.
  - (h) The Governor and Legislature have repealed the 1% building depreciation assessment and removed the funding from the University's budget.
  - (i) The 2010-11 Building O&M recurring budget has been distributed among the compensation, utility and general operating categories.
  - (j) Estimated tuition receipts compared to original budget. Funds will be allocated back to the campuses to cover enrollment growth costs as well as fund campus priorities.

# FY 2011-12 Total Budget (All Funds)

## University of Nebraska (Excluding NCTA) FY 2011-12 Budget *Total - All Funds*

	FY 2010-11 Revised Budget	FY 2011-12 Proposed Budget	CHANGE	
			Amount	Percent
<b>REVENUES</b>				
State Appropriations	\$ 492,126,159	\$ 488,705,159	\$ (3,421,000)	-0.7%
Net Tuition	221,988,961	233,088,409	11,099,448	5.0%
Differential tuition increases	24,428,137	33,958,559	9,530,422	n/a
Enrollment Change	-	-	-	0.0%
Student Fees & Other Cash	20,062,310	20,062,310	-	0.0%
Federal Appropriations	6,201,594	6,201,594	-	0.0%
Designated Cash Funds	91,343,800	95,397,900	4,054,100	4.4%
Revolving/Auxiliary Funds	502,281,016	519,065,544	16,784,528	3.3%
Restricted Federal Funds	494,041,469	511,519,760	17,478,291	3.5%
Restricted Trust Funds	282,647,342	288,880,398	6,233,056	2.2%
<b>Total Revenues</b>	<b>2,135,120,788</b>	<b>2,196,879,633</b>	<b>61,758,845</b>	<b>2.9%</b>
<b>EXPENDITURES</b>				
State-Aided Activities	764,807,161	782,016,031	17,208,870	2.3%
Non State-Aided Activities	1,370,313,627	1,414,863,602	44,549,975	3.3%
<b>Total Expenditures</b>	<b>2,135,120,788</b>	<b>2,196,879,633</b>	<b>61,758,845</b>	<b>2.9%</b>

## University of Nebraska - Lincoln

### 2011-12 Tuition Rates

Student Category	Per Tuition Unit	2010-11 Rate	Increase	Differential Increase	2011-12 Rate
<b>Undergraduate</b>					
Resident	Sem. Credit Hr.	\$198.25	\$10.00		\$208.25
Nonresident	Sem. Credit Hr.	\$588.25	\$29.50		\$617.75
<b>Graduate</b>					
Resident	Sem. Credit Hr.	\$261.75	\$13.00		\$274.75
Nonresident	Sem. Credit Hr.	\$705.75	\$35.25		\$741.00
<b>College of Business Administration Undergraduate</b>					
Resident	Sem. Credit Hr.	\$198.25	\$10.00	\$50.00	\$258.25
Nonresident	Sem. Credit Hr.	\$588.25	\$29.50	\$147.00	\$764.75
<b>College of Business Administration Graduate</b>					
Resident	Sem. Credit Hr.	\$261.75	\$13.00	\$65.00	\$339.75
Nonresident	Sem. Credit Hr.	\$705.75	\$35.25	\$175.00	\$916.00
<b>College of Engineering Undergraduate (a)</b>					
Resident	Sem. Credit Hr.	\$238.25	\$10.00	\$50.00	\$298.25
Nonresident	Sem. Credit Hr.	\$628.25	\$29.50	\$147.00	\$804.75
<b>College of Engineering Graduate (a)</b>					
Resident	Sem. Credit Hr.	\$301.75	\$13.00	\$65.00	\$379.75
Nonresident	Sem. Credit Hr.	\$745.75	\$35.25	\$175.00	\$956.00
<b>Law</b>					
Resident	Sem. Credit Hr.	\$311.25	\$15.50		\$326.75
Nonresident	Sem. Credit Hr.	\$775.25	\$38.75		\$814.00
<b>College Independent Study/Summer Reading Program</b>					
Undergraduate	Sem. Credit Hr.	\$224.75	\$11.25		\$236.00
Graduate	Sem. Credit Hr.	\$262.50	\$13.25		\$275.75

(a) 2010-11 rates include current \$40 per student credit hour course fee that will be reclassified into the tuition. The 5% overall tuition rate increase has not been applied to this \$40 fee.

Note, rates rounded to nearest \$0.25

<b>University of Nebraska at Omaha</b>				
<b>2011-12 Tuition Rates</b>				
<b>Student Category</b>	<b>Per Tuition Unit</b>	<b>2010-11 Rate</b>	<b>Increase</b>	<b>2011-12 Rate</b>
<b>Undergraduate</b>				
Resident	Sem. Credit Hr.	\$180.75	\$9.00	\$189.75
Nonresident	Sem. Credit Hr.	\$532.75	\$26.75	\$559.50
<b>Graduate</b>				
Resident	Sem. Credit Hr.	\$225.25	\$11.25	\$236.50
Nonresident	Sem. Credit Hr.	\$592.75	\$29.75	\$622.50
Note, rates rounded to nearest \$0.25				

<b>University of Nebraska at Kearney</b>				
<b>2011-12 Tuition Rates</b>				
<b>Student Category</b>	<b>Per Tuition Unit</b>	<b>2010-11 Rate</b>	<b>Increase</b>	<b>2011-12 Rate</b>
<b>Undergraduate</b>				
Resident	Sem. Credit Hr.	\$160.25	\$8.00	\$168.25
Nonresident	Sem. Credit Hr.	\$328.50	\$16.50	\$345.00
<b>Graduate</b>				
Resident	Sem. Credit Hr.	\$198.75	\$10.00	\$208.75
Nonresident	Sem. Credit Hr.	\$411.00	\$20.50	\$431.50
Note, rates rounded to nearest \$0.25				

University of Nebraska Medical Center 2011-12 Tuition Rates				
Student Category	Per Tuition Unit	2010-11 Rate	Increase	2011-12 Rate
<b>Undergraduate</b>				
Resident	Sem. Credit Hr.	\$198.25	\$10.00	\$208.25
Nonresident	Sem. Credit Hr.	\$588.25	\$29.50	\$617.75
<b>Graduate</b>				
Resident	Sem. Credit Hr.	\$261.75	\$13.00	\$274.75
Nonresident	Sem. Credit Hr.	\$705.75	\$35.25	\$741.00
<b>Allied Health Physical Therapy (Semester)</b>				
Resident	Semester	\$5,642	\$282	\$5,924
Nonresident	Semester	\$10,298	\$515	\$10,813
<b>Allied Health Physical Therapy (Summer)</b>				
Resident	Session	\$3,180	\$159	\$3,339
Nonresident	Session	\$5,810	\$291	\$6,101
<b>Allied Health Medical Nutrition</b>				
Resident	Semester	\$2,758	\$138	\$2,896
Nonresident	Semester	\$4,413	\$221	\$4,634
<b>College of Public Health - Doctoral Programs</b>				
Resident	Sem. Credit Hr.	\$261.75	\$13	\$274.75
Nonresident	Sem. Credit Hr.	\$705.75	\$35	\$740.75
<b>College of Public Health - Professional Programs - First Year (a)</b>				
Resident	Sem. Credit Hr.	\$261.75	\$98.25	\$360.00
Nonresident	Sem. Credit Hr.	\$705.75	\$144.25	\$850.00
<b>College of Public Health - Professional Programs - Second Year and Beyond</b>				
Resident	Sem. Credit Hr.	\$261.75	\$13	\$274.75
Nonresident	Sem. Credit Hr.	\$705.75	\$35	\$740.75
<b>Dentistry (Semester) - First, Second and Third Year (a)</b>				
Resident	Semester	\$10,535	\$527	\$11,062
Nonresident	Semester	\$24,368	\$1,218	\$25,586
<b>Dentistry (Semester) - Fourth Year</b>				
Resident	Semester	\$9,020	\$451	\$9,471
Nonresident	Semester	\$24,368	\$1,218	\$25,586
<b>Dentistry (Summer)</b>				
Resident	Session	\$5,268	\$263	\$5,531
Nonresident	Session	\$12,184	\$609	\$12,793
<b>Medicine</b>				
Resident	Semester	\$12,847	\$642	\$13,490
Nonresident	Semester	\$30,125	\$1,506	\$31,631
<b>Nursing Undergraduate</b>				
Resident	Sem. Credit Hr.	\$251.00	\$12.50	\$263.50
Nonresident	Sem. Credit Hr.	\$735.00	\$36.75	\$771.75
<b>Nursing Graduate</b>				
Resident	Sem. Credit Hr.	\$403.25	\$20.25	\$423.50
Nonresident	Sem. Credit Hr.	\$793.50	\$39.75	\$833.25
<b>Pharmacy</b>				
Resident First Year	Semester	\$8,412	\$421	\$8,833
Nonresident	Semester	\$16,338	\$817	\$17,155
Note, rates charged by SCHs rounded to nearest \$0.25.				
(a) Multi year plans to increase tuition in these programs as approved by the Board of Regents on June 13, 2008 (IX-B-4) and June 12, 2009 (IX-B-3).				



## ***GLOSSARY OF TERMS***

### **STATE-AIDED LESS REVOLVING - EDUCATIONAL AND GENERAL BUDGET**

The State-Aided less Revolving budget (also referred to as the Educational and General Budget) supports the primary instruction, research and public service missions of the University of Nebraska, and is funded from the following items:

State Appropriations - State general tax funds appropriated by the State of Nebraska Executive and Legislative branches.

Net Tuition - The University of Nebraska total gross tuition collections less tuition remission waivers, student refunds, and uncollectible tuition accounts.

Student Fees - The following student fees are included in the Unrestricted Educational and General Budget:

**Application Fees** - Includes undergraduate and graduate applications fees.

**Registration Processing/Enrollment Services Fees** - Partially covers registration expenses and other enrollment services.

**Late Payment Fees** - Applied to students who are late in paying tuition.

**Late Registration Fees** - Applied to students who enroll late in classes.

**Graduation Processing Fees** - Assessed at the end of an academic degree program when the student is ready for graduation.

**International Student Fees** - Applied for those additional services needed to support international students. Only UNL currently assesses this fee.

Other Cash - The following other income items are included in the Educational and General Budget:

**Auxiliary Administrative Service Charge** - The amount assessed of auxiliary operations for services provided by campus administrative operations. Only UNL and UNO currently assess administrative service charges.

**Cigarette Tax** - Funds that are designated by the State of Nebraska for use at UNMC for biomedical research. The amount historically (and currently) is \$500,000 per year.

**Endowment Income** - Income generated from the lease and/or sale of real estate and land managed by the Board of Educational Lands and Funds. This income is currently generated only at the UNL campus.

**Indirect Cost Reimbursement** - The administrative overhead amount that is collected on grants and contracts. Per an agreement with the State Executive and Legislative branches, a small portion (\$2.6 million) of the indirect cost reimbursements are included in the general State-Aided Less Revolving budget. The remaining portion is controlled at the campus level and is included in the non state-aided budget.

**Investment Income** - Interest income earned from state-aided less revolving tuition and cash fund balances.

**Vocational Education Reimbursement/Patent & Royalty Income** - Includes funds UNL receives from the Nebraska Department of Education as a vocational education reimbursement and unrestricted patent and royalty income.

**Other** - Other income from various refunds and assessments such as the UNK Safety Center.

Federal Appropriations - Funding identified in the Hatch and Smith-Lever Acts for activities at the Institute of Agriculture and Natural Resources (IANR). The Hatch Act supports Research activity on a project-by-project basis and includes such things as swine breeding and beef physiology. The Smith Lever Act supports Public Service activity, such as extension educators.

### **NON STATE-AIDED: DESIGNATED FUNDS BUDGET**

The Designated Funds Budget includes current unrestricted funds that are designated to specific activities at the University of Nebraska and include the following items:

#### **Designated Cash**

**Indirect Cost Funds** - The administrative overhead amount that is collected on grants and contracts. The designated budget includes the indirect cost funds controlled at the campus level, which is the majority of the indirect cost funds. \$2.6 million of indirect costs supports the state-aided less revolving budget.

**Patient Revenues** - Revenue generated by a UNMC college or institute while performing clinical activities. These revenues are included in the designated budget as they are controlled by the UNMC campus.

**Tobacco Settlement Funds** - These are designated funds directed to UNMC for biomedical research. While the funds reside in the UNMC budget, they may be transferred to other campuses for biomedical research.

**Revolving Funds** - Revolving revenue is generated from activities incidental to instruction, research, and public service. Examples include class and laboratory fees, technology fees, proceeds from the sale of grain or livestock related to research activities, product consulting fees, clinics and workshops proceeds, testing services fees, and revenue from music/theater productions. These funds are controlled at the campus level.

**Auxiliary Funds** - An auxiliary enterprise is an entity that exists to furnish goods and services to students, faculty, or staff and charge a fee directly related to its operations. Auxiliary enterprises included residence halls, food service, student unions, bookstores, etc. These funds are controlled at the campus level.

### **NON STATE-AIDED: RESTRICTED FUNDS BUDGET**

Restricted funds are those that are restricted in use by the donor or supporting agency.

**Restricted Federal Funds** - Include federal sponsored grants and contracts and student aid programs supported from federal funds.

**Restricted Trust Funds** - The budgets supported by trust funds relate directly to non federal grants and contracts, non federal student aid programs, maintenance of student loan programs, endowment funds and agency funds.