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

<table>
<thead>
<tr>
<th></th>
<th>Projection</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Appropriation Base</strong></td>
<td></td>
<td>$492,126,159</td>
<td>$506,470,188</td>
<td>$492,126,159</td>
<td>$520,507,635</td>
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<tr>
<td><strong>Increases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>0%</td>
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<td>-</td>
<td>14,037,447</td>
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<tr>
<td></td>
<td>2.5%</td>
<td>-</td>
<td>(a)</td>
<td>5,552,917</td>
<td>6,108,209</td>
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<tr>
<td>Workers Comp</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD (b)</td>
<td>TBD</td>
<td>TBD (b)</td>
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<tr>
<td>Subtotals</td>
<td></td>
<td>5,552,917</td>
<td>6,108,209</td>
<td>19,590,364</td>
<td>20,547,478</td>
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<tr>
<td>Facilities</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Utilities</td>
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<td>2,256,436</td>
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<tr>
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<td>4,499,637</td>
<td>788,770</td>
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<tr>
<td>New Building Operating and Maintenance</td>
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<td>575,266</td>
<td>742,488</td>
<td>575,266</td>
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<td>Subtotals</td>
<td></td>
<td>7,391,111</td>
<td>3,620,472</td>
<td>7,391,111</td>
<td>3,620,472</td>
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<tr>
<td>Continuing Operations</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>DAS Accounting Fees</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD (b)</td>
<td>TBD</td>
<td>TBD (b)</td>
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<tr>
<td>University Initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programs of Excellence</td>
<td>5.0%</td>
<td>900,000</td>
<td>950,000</td>
<td>900,000</td>
<td>950,000</td>
</tr>
<tr>
<td>Need-Based Aid</td>
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<td>520,000</td>
<td>520,000</td>
<td>500,000</td>
<td>520,000</td>
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<tr>
<td>Subtotals</td>
<td></td>
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<td>1,470,000</td>
<td>1,400,000</td>
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<td><strong>Total Changes</strong></td>
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<td>$11,198,618</td>
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<td><strong>TOTAL STATE APPROPRIATION REQUEST</strong></td>
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<td>506,470,188</td>
<td>517,668,868</td>
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<td>546,145,584</td>
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<tr>
<td>% Change</td>
<td></td>
<td>2.9%</td>
<td>2.2%</td>
<td>5.8%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

**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.

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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

<table>
<thead>
<tr>
<th>State Appropriation Base</th>
<th>Projection</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
<th>FY 2011-12</th>
<th>FY 2012-13</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>$ 2,593,945</td>
<td>$ 2,748,079</td>
<td>$ 2,593,945</td>
<td>$ 2,801,771</td>
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### Marginal Increases

#### Compensation

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<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>-</td>
<td>-</td>
<td>(a) 53,692</td>
<td>55,228 (a)</td>
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<tr>
<td>Health Insurance 10.0%</td>
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<td>32,313</td>
<td>29,375</td>
<td>32,313</td>
<td>29,375</td>
<td>32,313</td>
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<tr>
<td>Workers Comp TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD (b) TBD</td>
<td>TBD (b) TBD</td>
<td>TBD</td>
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<tr>
<td>Subtotals</td>
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<td>32,313</td>
<td>83,067</td>
<td>87,541</td>
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#### Facilities

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities 5.0%</td>
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<td>26,492</td>
<td>25,230</td>
<td>26,492</td>
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<td></td>
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<tr>
<td>Building Depreciation Assessment (1%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>New Building Operating and Maintenance</td>
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<td>-</td>
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<tr>
<td>Subtotals</td>
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<td>26,492</td>
<td>124,759</td>
<td>26,492</td>
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#### Continuing Operations

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DAS Accounting Fees TBD</td>
<td>TBD</td>
<td>TBD (b)</td>
<td>TBD</td>
<td>TBD (b)</td>
<td></td>
<td></td>
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<td>$ 58,804</td>
<td>$ 207,826</td>
<td>$ 114,033</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 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:**

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(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