

TO: The Board of Regents Addendum IX-B-1  
Business Affairs

MEETING DATE: June 12, 2015

SUBJECT: FY 2015-16 University of Nebraska Operating Budget and FY 2015-16 and FY 2016-17 Tuition Rates

RECOMMENDED ACTION: Approve the University of Nebraska's FY 2015-16 Operating Budget, FY 2015-16 and FY 2016-17 Tuition Rates, and reappropriate with the State of Nebraska's Department of Administrative Services any unexpended balances existing on June 30, 2015 that are committed to be spent in FY 2015-16 or 2016-17.

PREVIOUS ACTION: April 10, 2015 – A budget update was provided to the Board of Regents.  
January 30, 2015 – A budget update was provided to the Board of Regents.  
January 30, 2015 – The Board of Regents approved the 2015-17 University of Nebraska at Kearney Collective Bargaining Agreement (IX-B-2).  
January 30, 2015 – The Board of Regents approved the 2015-17 University of Nebraska at Omaha Collective Bargaining Agreement (IX-B-3).  
July 18, 2014 – The Board of Regents approved the FY 2015-16 and 2016-17 University of Nebraska Biennial Operating Budget Request (IX-B-3).

EXPLANATION: The attached materials provide an overview of the proposed 2015-16 University of Nebraska's operating budget. Expenditures, including salaries and benefits, are estimated and subject to availability of state funds appropriated to the Board of Regents.  
To help students and families better plan for the cost of their education, we are proposing the Board approve tuition rates for both the 2015-16 and 2016-17 academic years. A 1.75% tuition rate increase is proposed for the 2015-16 academic year. A 2.5% tuition rate increase is proposed for the 2016-17 academic year, contingent upon no future reductions to the University's 2016-17 state appropriation funding levels.  
A preliminary 2016-17 operating budget is shown for planning purposes. Approval of the 2016-17 operating budget is expected to go before the Board in May/June 2016.

SPONSORS:

Chris Kabourek  
Assistant Vice President and Director of Budget and Planning

David E. Lechner  
Senior Vice President | CFO

RECOMMENDED:

Hank M. Bounds, President  
University of Nebraska

DATE:

June 5, 2015

# **State-Aided Less Revolving Funds**

**(Operating Budget primarily supported  
from State Appropriations & Tuition)**

# University of Nebraska (Excluding NCTA)

## FY 2015-16 State-aided Budget

(Operating Budget Supported Primarily by State Appropriations and Tuition Funds)

	2014-15	2015-16 Budget (a)			2016-17 Preliminary		
	Budget	Estimates	Change		Estimates	Change	
			Amount	Percent		Amount	Percent
<b>FUNDING:</b>							
State Appropriations	\$ 540,009,963	\$ 556,210,262	\$ 16,200,299	3.0%	\$ 572,896,569	\$ 16,686,307	3.0%
<i>Economic Competitiveness and Other Initiatives:</i>							
Kearney Health Science Academic Programs		1,000,000	1,000,000		2,000,000	1,000,000	
Kearney Health Science O&M		424,000	424,000		424,000	-	
Biomedical Institute		750,000	750,000		1,000,000	250,000	
Nebraska Business Development Center		100,000	100,000		100,000	-	
Center for Advanced Interprofessional Learning		1,000,000	1,000,000		2,000,000	1,000,000	
Yeutter Institute		1,250,000	1,250,000		1,250,000	-	
Total State Support	540,009,963	560,734,262	20,724,299	3.8%	579,670,569	18,936,307	3.4%
Tuition (less University Remissions)							
Resident	157,117,611	156,475,800	(641,811)	-0.4%	156,475,800	-	0.0%
Nonresident	96,872,443	101,172,759	4,300,317	4.4%	101,172,759	-	0.0%
Subtotals with Enrollment Changes	253,990,054	257,648,559	3,658,505	1.4%	257,648,559	-	0.0%
UNO College of Business Administration Tuition Differential		1,598,635	1,598,635	new	1,598,635	-	-
Rate Increase		4,308,850	4,308,850	1.75%	10,897,751	6,588,901	2.5%
Total Tuition	253,990,054	263,556,044	9,565,990	3.8%	270,144,945	6,588,901	2.5%
Distance Education Tuition (less University Remissions)							
Resident	31,276,470	34,471,189	3,194,719	10.2%	34,471,189	-	0.0%
Nonresident	12,892,732	15,425,949	2,533,217	19.6%	15,425,949	-	0.0%
Subtotals with Enrollment Changes	44,169,202	49,897,139	5,727,937	13.0%	49,897,139	-	0.0%
Rate Increase		1,615,046	1,615,046	various	1,615,046	TBD	TBD
Total Distance Education Tuition	44,169,202	51,512,185	7,342,983	16.6%	51,512,185	-	0.0%
Investment Income, other cash funds	20,299,455	20,841,306	541,851	2.7%	20,841,306	-	0.0%
Federal Smith/Lever Appropriations	6,201,594	6,201,594	-	0.0%	6,201,594	-	0.0%
<b>Total Estimated Funding</b>	<b>864,670,268</b>	<b>902,845,392</b>	<b>38,175,124</b>	<b>4.4%</b>	<b>928,370,600</b>	<b>25,525,208</b>	<b>2.8%</b>
<b>Growth Excluding Enrollment growth and Economic Competitiveness Initiatives</b>				<b>2.6%</b>			<b>2.6%</b>
<b>EXPENDITURES:</b>							
<b>Compensation &amp; Core Operations</b>							
Salaries and Benefits	635,957,109	655,531,178	19,574,069	3.0%	675,552,363	20,021,185	3.0%
Health Insurance	60,840,463	60,840,463	-	0.0%	64,490,891	3,650,428	6.0%
General Operations	14,749,691	14,749,691	-	0.0%	14,749,691	-	0.0%
Utilities	48,606,595	48,606,595	-	0.0%	48,606,595	-	0.0%
LB605 Building Renewal Debt Service	22,000,000	22,000,000	-	0.0%	22,000,000	-	0.0%
New Building O&M		1,323,187	1,323,187		2,681,143	1,357,956	
Budget Cuts/Efficiencies		(3,535,899)	(3,535,899)	-0.4%	(8,316,260)	(4,780,361)	-0.5%
Subtotals	782,153,858	799,515,215	17,361,357	2.2%	819,764,423	20,249,208	2.5%
<b>Strategic Initiatives</b>							
Programs of Excellence	25,000,000	27,500,000	2,500,000	10.0%	30,000,000	2,500,000	9.1%
College Bound Nebraska (need-based aid)	10,830,000	11,020,000	190,000	1.75%	11,296,000	276,000	2.5%
Inter-campus Development Fund: Pipeline Initiatives	2,000,000	2,250,000	250,000	12.5%	2,500,000	250,000	11.1%
Subtotals	37,830,000	40,770,000	2,940,000	7.8%	43,796,000	3,026,000	7.4%
<b>Economic Competitiveness</b>							
Kearney Health Science Academic Programs		1,000,000			2,000,000	1,000,000	
Kearney Health Science O&M		424,000			424,000	-	
Biomedical Institute		750,000			1,000,000	250,000	
Nebraska Business Development Center		100,000			100,000	-	
Center for Advanced Interprofessional Learning		1,000,000			2,000,000	1,000,000	
Subtotals	-	3,274,000	3,274,000		5,524,000	2,250,000	
<b>Other Legislative Initiatives</b>							
Yeutter Institute		1,250,000	1,250,000		1,250,000	-	
Optometry Contract Phase Out	154,708	-	(154,708)		-	-	
LB 254 Autism Insurance Coverage	362,500	725,000	362,500		725,000	-	
Subtotals	517,208	1,975,000	1,457,792		1,975,000	-	
<b>Targeted Tuition Investments</b>							
Enrollment Growth/Management/Incentive		3,658,505	3,658,505		3,658,505	-	(h)
UNO CBA Tuition Differential		1,598,635	1,598,635		1,598,635	-	(g)
Distance Education	44,169,202	51,512,185	7,342,983		51,512,185	-	(g)
Other Cash Growth/Management/Incentive		541,851	541,851		541,851	-	(h)
<b>Total Expenses</b>	<b>864,670,268</b>	<b>902,845,392</b>	<b>38,175,124</b>	<b>4.4%</b>	<b>928,370,600</b>	<b>25,525,208</b>	<b>2.8%</b>
<b>NET ACTIVITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	

Notes:

- (a) An estimated \$65 million of one-time carry forward funds (encumbrances and other one-time commitments) are excluded from the recurring operating budget figures presented above. Reinstatement of allotment authority for these funds will be made to the State of Nebraska Department of Administrative Services budget division. Capital construction budgets are also excluded from the operating budget figures presented above.
- (b) Estimated tuition to be generated from UNO CBA tuition variance and Online Worldwide distance education tuition rate changes approved by the President. Online Worldwide tuition rates vary by program. 2016-17 Online Worldwide rates are to be determined and will be approved by the President in the Spring of 2016.
- (c) Core growth in budget excluding enrollment changes and Legislative economic competitiveness issues
- (d) 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.
- (e) Includes 3.0% salary pools to be used for the purpose of addressing competitiveness issues based upon employee performance.
- (f) No anticipated increase in University health insurance premium contributions projected in 2015-16. Based on historical trends, a 6% increase is projected in 2016-17.
- (g) Differential and distance tuition rate increases are allocated directly to campuses to be invested in campus priorities.
- (h) Represents actual 2014-15 enrollment and cash growth. These funds are appropriated back to the campuses to fund enrollment capacity issues and/or fund campus priorities.

# Total Budget (All Funds)

## University of Nebraska (Excluding NCTA) FY 2015-16 Budget *Total - All Funds*

	Budget	Budget	CHANGE		Estimates	CHANGE	
	FY 2014-15	FY 2015-16	Amount	Percent	FY 2016-17	Amount	Percent
<b>REVENUES</b>							
State-aided Funds	\$ 864,670,268	\$ 902,845,392	\$ 38,175,124	4.4%	\$ 928,370,600	\$ 25,525,208	2.8%
Designated Cash Funds	84,444,000	78,725,000	(5,719,000)	-6.8%	78,725,000	-	0.0%
Revolving/Auxiliary Funds	590,575,506	621,106,403	30,530,897	5.2%	621,106,403	-	0.0%
Restricted Federal Funds	537,396,056	509,850,000	(27,546,056)	-5.1%	509,850,000	-	0.0%
Restricted Trust Funds	368,694,807	372,294,807	3,600,000	1.0%	372,294,807	-	0.0%
<b>Total Revenues</b>	<b>2,445,780,637</b>	<b>2,484,821,602</b>	<b>39,040,965</b>	<b>1.6%</b>	<b>2,510,346,810</b>	<b>25,525,208</b>	<b>1.0%</b>
<b>EXPENDITURES</b>							
State-Aided Activities	864,670,268	902,845,392	38,175,124	4.4%	928,370,600	25,525,208	2.8%
Non State-Aided Activities	1,581,110,369	1,581,976,210	865,841	0.1%	1,581,976,210	-	0.0%
<b>Total Expenditures</b>	<b>\$ 2,445,780,637</b>	<b>\$ 2,484,821,602</b>	<b>\$ 39,040,965</b>	<b>1.6%</b>	<b>\$ 2,510,346,810</b>	<b>\$ 25,525,208</b>	<b>1.0%</b>

Reduction in designated cash and federal funds reflects anticipated lower research activity (and F&A reimbursements).

# FY 2015-16 and FY 2016-17 Tuition Rates

## University of Nebraska - Lincoln

Student Category	Per Tuition Unit	2014-15 Rate	2015-16 Rate	Change	2016-17 Rate	Change
<b>Undergraduate</b>						
Resident	Sem. Credit Hr.	\$216.00	\$219.75	\$ 3.75	\$225.25	\$5.50
Nonresident	Sem. Credit Hr.	\$680.00	\$692.00	\$ 12.00	\$709.25	\$17.25
<b>Graduate</b>						
Resident	Sem. Credit Hr.	\$285.00	\$290.00	\$ 5.00	\$297.25	\$7.25
Nonresident	Sem. Credit Hr.	\$815.50	\$829.75	\$ 14.25	\$850.50	\$20.75
<b>College of Architecture Undergraduate</b>						
Resident	Sem. Credit Hr.	\$292.00	\$297.00	\$ 5.00	\$304.50	\$7.50
Nonresident	Sem. Credit Hr.	\$869.25	\$884.50	\$ 15.25	\$906.50	\$22.00
<b>College of Architecture Graduate</b>						
Resident	Sem. Credit Hr.	\$377.75	\$384.25	\$ 6.50	\$393.75	\$9.50
Nonresident	Sem. Credit Hr.	\$1,037.50	\$1,055.75	\$ 18.25	\$1,082.25	\$26.50
<b>College of Business Administration Undergraduate</b>						
Resident	Sem. Credit Hr.	\$268.00	\$272.75	\$ 4.75	\$279.50	\$6.75
Nonresident	Sem. Credit Hr.	\$841.75	\$856.50	\$ 14.75	\$878.00	\$21.50
<b>College of Business Administration Graduate</b>						
Resident	Sem. Credit Hr.	\$352.50	\$358.75	\$ 6.25	\$367.75	\$9.00
Nonresident	Sem. Credit Hr.	\$1,008.00	\$1,025.75	\$ 17.75	\$1,051.50	\$25.75
<b>College of Engineering Undergraduate</b>						
Resident	Sem. Credit Hr.	\$309.50	\$315.00	\$ 5.50	\$322.75	\$7.75
Nonresident	Sem. Credit Hr.	\$885.75	\$901.25	\$ 15.50	\$923.75	\$22.50
<b>College of Engineering Graduate</b>						
Resident	Sem. Credit Hr.	\$394.00	\$401.00	\$ 7.00	\$411.00	\$10.00
Nonresident	Sem. Credit Hr.	\$1,052.25	\$1,070.75	\$ 18.50	\$1,097.50	\$26.75
<b>Law</b>						
Resident	Sem. Credit Hr.	\$339.00	\$345.00	\$ 6.00	\$353.75	\$8.75
Nonresident	Sem. Credit Hr.	\$895.75	\$911.50	\$ 15.75	\$934.25	\$22.75

Rates charged by SCHs rounded to nearest \$.25

# FY 2015-16 and FY 2016-17 Tuition Rates

## University of Nebraska at Omaha

Student Category	Per Tuition Unit	2014-15 Rate	2015-16 Rate	Tuition Differential	Total 2015-16 Rate	Change	2016-17 Rate	Change
<b>Undergraduate</b>								
Resident	Sem. Credit Hr.	\$196.75	\$200.25			\$3.50	\$205.25	\$5.00
Nonresident	Sem. Credit Hr.	\$616.00	\$626.75			\$10.75	\$642.50	\$15.75
<b>Graduate</b>								
Resident	Sem. Credit Hr.	\$245.25	\$249.50			\$4.25	\$255.75	\$6.25
Nonresident	Sem. Credit Hr.	\$685.00	\$697.00			\$12.00	\$714.50	\$17.50
<b>College of Business Administration Undergraduate</b>								
Resident	Sem. Credit Hr.	\$196.75	\$200.25	\$50.00	\$250.25	\$53.50	\$256.50	\$6.25
Nonresident	Sem. Credit Hr.	\$616.00	\$626.75	\$75.00	\$701.75	\$85.75	\$719.25	\$17.50
<b>College of Business Administration Graduate</b>								
Resident	Sem. Credit Hr.	\$245.25	\$249.50	\$75.00	\$324.50	\$79.25	\$332.50	\$8.00
Nonresident	Sem. Credit Hr.	\$685.00	\$697.00	\$112.50	\$809.50	\$124.50	\$829.75	\$20.25

Rates charged by SCHs rounded to nearest \$.25

## University of Nebraska at Kearney

Student Category	Per Tuition Unit	2014-15 Rate	2015-16 Rate	Change	2016-17 Rate	Change
<b>Undergraduate</b>						
Resident	Sem. Credit Hr.	\$174.50	\$177.50	\$3.00	\$182.00	\$4.50
Nonresident	Sem. Credit Hr.	\$379.75	\$386.50	\$6.75	\$396.25	\$9.75
<b>Graduate</b>						
Resident	Sem. Credit Hr.	\$216.50	\$220.25	\$3.75	\$225.75	\$5.50
Nonresident	Sem. Credit Hr.	\$475.00	\$483.25	\$8.25	\$495.25	\$12.00

Rates charged by SCHs rounded to nearest \$.25



# **FY 2015-16 and FY 2016-17 Tuition Rates**

**University of Nebraska Medical Center Tuition Rates**

<b>Student Category</b>	<b>Per Tuition Unit</b>	<b>2014-15 Rate</b>	<b>2015-16 Rate</b>	<b>Change</b>	<b>2016-17 Rate</b>	<b>Change</b>
<b>Undergraduate</b>						
Resident	Sem. Credit Hr.	\$216.00	\$219.75	\$3.75	\$225.25	\$5.50
Nonresident	Sem. Credit Hr.	\$680.00	\$692.00	\$12.00	\$709.25	\$17.25
<b>Graduate</b>						
Resident	Sem. Credit Hr.	\$285.00	\$290.00	\$5.00	\$297.25	\$7.25
Nonresident	Sem. Credit Hr.	\$815.50	\$829.75	\$14.25	\$850.50	\$20.75
<b>Allied Health Physical Therapy (Semester)</b>						
Resident	Semester	\$6,146	\$6,254	\$108	\$6,410	\$156
Nonresident	Semester	\$11,902	\$12,110	\$208	\$12,413	\$303
<b>Allied Health Physical Therapy (Summer)</b>						
Resident	Session	\$3,464	\$3,525	\$61	\$3,613	\$88
Nonresident	Session	\$6,716	\$6,834	\$118	\$7,005	\$171
<b>Allied Health Medical Nutrition</b>						
Resident	Semester	\$3,005	\$3,058	\$53	\$3,134	\$76
Nonresident	Semester	\$5,101	\$5,190	\$89	\$5,320	\$130
<b>College of Public Health - Doctoral Programs</b>						
Resident	Sem. Credit Hr.	\$285.00	\$290.00	\$5.00	\$297.25	\$7.25
Nonresident	Sem. Credit Hr.	\$815.25	\$829.50	\$14.25	\$850.25	\$20.75
<b>College of Public Health - Professional Programs</b>						
Resident	Sem. Credit Hr.	\$373.50	\$380.00	\$6.50	\$389.50	\$9.50
Nonresident	Sem. Credit Hr.	\$935.50	\$951.75	\$16.25	\$975.50	\$23.75
<b>Dentistry (Semester)</b>						
Resident	Semester	\$11,477	\$11,678	\$201	\$11,970	\$292
Nonresident	Semester	\$28,161	\$28,654	\$493	\$29,370	\$716
<b>Dentistry (Summer)</b>						
Resident	Session	\$5,738	\$5,838	\$100	\$5,984	\$146
Nonresident	Session	\$14,081	\$14,327	\$246	\$14,685	\$358
<b>Medicine</b>						
Resident	Semester	\$13,996	\$14,241	\$245	\$14,597	\$356
Nonresident	Semester	\$34,816	\$35,425	\$609	\$36,311	\$886
<b>Nursing Undergraduate</b>						
Resident	Sem. Credit Hr.	\$273.50	\$278.25	\$4.75	\$285.25	\$7.00
Nonresident	Sem. Credit Hr.	\$849.50	\$864.25	\$14.75	\$885.75	\$21.50
<b>Nursing Graduate</b>						
Resident	Sem. Credit Hr.	\$439.50	\$447.25	\$7.75	\$458.50	\$11.25
Nonresident	Sem. Credit Hr.	\$917.25	\$933.25	\$16.00	\$956.50	\$23.25
<b>Pharmacy</b>						
Resident First Year	Semester	\$9,164	\$9,324	\$160	\$9,557	\$233
Nonresident	Semester	\$18,882	\$19,212	\$330	\$19,692	\$480

Rates charged by SCHs rounded to nearest \$.25. Other rates rounded to nearest dollar.

## ***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.

TO: The Board of Regents Addendum IX-B-2  
Business Affairs

MEETING DATE: June 12, 2015

SUBJECT: FY 2015-16 Nebraska College of Technical Agriculture Operating Budget and FY 2015-16 and FY 2016-17 Tuition Rates

RECOMMENDED ACTION: Approve the Nebraska College of Technical Agriculture's FY 2015-16 Operating Budget, FY 2015-16 and FY 2016-17 Tuition Rates, and reappropriate with the State's Department of Administrative Services any unexpended balances existing on June 30, 2015 that are committed to be spent in FY 2015-16 or 2016-17.

PREVIOUS ACTION: April 10, 2015 – A budget update was provided to the Board of Regents.  
January 30, 2015 – A budget update was provided to the Board of Regents.  
July 18, 2014 – The Board of Regents approved the FY 2015-16 and 2016-17 Nebraska College of Technical Agriculture Biennial Operating Budget Request (IX-B-3).

EXPLANATION: The attached materials provide an overview of the proposed 2015-16 Nebraska College of Technical Agriculture's operating budget. Expenditures, including salaries and benefits, are estimated and subject to availability of state funds appropriated to the Board of Regents.  
  
To help students and families better plan for the cost of their education, we are proposing the Board approve tuition rates for both the 2015-16 and 2016-17 academic years. A 1.75% tuition rate increase is proposed for the 2015-16 academic year. A 2.5% tuition rate increase is proposed for the 2016-17 academic year, contingent upon no future reductions to the University's 2016-17 state appropriation funding levels.  
  
A preliminary 2016-17 operating budget is shown for planning purposes. Approval of the 2016-17 operating budget is expected to go before the Board in May/June 2016.

SPONSORS: Ronnie Green  
NU Vice President and  
IANR Harlan Vice Chancellor  
  
Chris Kabourek  
Assistant Vice President and Director of Budget and Planning  
  
David E. Lechner  
Senior Vice President | CFO

RECOMMENDED: Hank M. Bounds, President  
University of Nebraska

DATE: June 5, 2015

# **State-Aided Less Revolving Funds**

**(Operating Budget primarily supported  
from State Appropriations & Tuition)**

# Nebraska College of Technical Agriculture (NCTA)

## FY 2015-16 State-aided Budget

(Operating Budget Supported Primarily by State Appropriations and Tuition Funds)

	2014-15	2015-16 Budget <sup>(a)</sup>			2016-17 Preliminary		
	Budget	Estimates	Change		Estimates	Change	
		Amount	Percent		Amount	Percent	
<b>FUNDING:</b>							
State Appropriations	\$ 2,806,921	\$ 2,891,129	\$ 84,208	3.0%	\$ 2,977,863	\$ 86,734	3.0%
NCTA Talent Enhancement		160,150	160,150	5.7%	320,300	160,150	4.8%
Veterinarian		100,000	100,000	3.6%	100,000	-	0.0%
Total State Support	2,806,921	3,151,279	344,358	12.3%	3,398,163	246,884	7.8%
Tuition (less University Remissions)							
Resident	598,301	657,347	59,046	9.9%	657,347	-	0.0%
Nonresident	315,875	272,086	(43,789)	-13.9%	272,086	-	0.0%
Subtotals with enrollment changes	914,176	929,433	15,257	1.7%	929,433	-	0.0%
Rate Increase		16,265	16,265	1.75%	39,907	23,642	2.5%
Total Tuition	914,176	945,698	31,522	3.4%	969,340	23,642	2.5%
<b>Total Estimated Funding</b>	<b>3,721,097</b>	<b>4,096,977</b>	<b>375,880</b>	<b>10.1%</b>	<b>4,367,503</b>	<b>270,526</b>	<b>6.6%</b>
<i>Core Growth (excluding enrollment growth, talent enhancement and veterinarian)</i>				<i>2.7%</i>			<i>2.9%</i>
<b>EXPENDITURES:</b>							
<b>Compensation &amp; Core Operations</b>							
Salaries and Benefits	2,277,558	2,346,288	68,730	3.0%	2,416,893	70,605	3.0%
Health Insurance	340,171	340,171	-	0.0%	360,581	20,410	6.0%
General Operations (Building O&M, etc.)	656,338	656,338	-	0.0%	674,289	17,951	2.7%
Utilities	447,030	447,030	-	0.0%	447,030	-	0.0%
New Maintenance Staff Position		47,000	47,000	new	48,410	1,410	3.0%
Subtotals	3,721,097	3,836,827	115,730	3.1%	3,947,203	110,376	2.9%
<b>Strategic Initiatives</b>							
NCTA Talent Enhancement		160,150	160,150		320,300	160,150	
Veterinarian		100,000	100,000		100,000	-	
Subtotals	-	260,150	260,150		420,300	160,150	
<b>Total Expenses</b>	<b>3,721,097</b>	<b>4,096,977</b>	<b>375,880</b>	<b>10.1%</b>	<b>4,367,503</b>	<b>270,526</b>	<b>6.6%</b>
<b>NET ACTIVITY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	

- Notes:**
- (a) An estimated \$500,000 of one-time carry forward funds (encumbrances and other one-time commitments) are excluded from the recurring budget figures presented above. Reinstatement of allotment authority for these funds will be made to the State of Nebraska Department of Administrative Services (DAS) budget division. Capital construction budgets are also excluded from the operating budget figures presented above.
  - (b) Tuition/cash budgets are based on prior year revenue collections. Enrollment is assumed to be flat in 2016-17.
  - (c) 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.
  - (d) Salaries includes 3.0% salary pools to be used for the purpose of addressing competitiveness issues based upon employee performance.
  - (e) No anticipated increase in University employer health insurance premiums expected in 2015-16. Based on historical claim trends, a 6% increase is projected in 2016-17.



# Total Budget (All Funds)

## Nebraska College of Technical Agriculture FY 2015-16 Budget

*Total - All Funds*

	Budget	Budget	CHANGE		Estimates	CHANGE	
	FY 2014-15	FY 2015-16	Amount	Percent	FY 2016-17	Amount	Percent
<b>REVENUES</b>							
State-aided Funds	\$ 3,721,097	\$ 4,096,977	\$ 375,880	10.1%	\$ 4,367,503	\$ 270,526	6.6%
Revolving/Auxiliary Funds	1,540,000	1,655,000	115,000	7.5%	1,779,125	124,125	7.5%
<b>Total Revenues</b>	<b>5,261,097</b>	<b>5,751,977</b>	<b>490,880</b>	<b>9.3%</b>	<b>6,146,628</b>	<b>394,651</b>	<b>6.9%</b>
<b>EXPENDITURES</b>							
State-Aided Activities	3,721,097	4,096,977	375,880	10.1%	4,367,503	270,526	6.6%
Non State-Aided Activities	1,540,000	1,655,000	115,000	7.5%	1,779,125	124,125	7.5%
<b>Total Expenditures</b>	<b>5,261,097</b>	<b>5,751,977</b>	<b>490,880</b>	<b>9.3%</b>	<b>6,146,628</b>	<b>394,651</b>	<b>6.9%</b>

## **FY 2015-16 and FY 2016-17 Tuition Rates**

<b>Student Category</b>	<b>Per Tuition Unit</b>	<b>2014-15 Rates</b>	<b>2015-16 Rates</b>	<b>Change</b>	<b>2016-17 Rates</b>	<b>Change</b>
Resident	Sem. Credit Hr.	\$116.00	\$118.00	\$2.00	\$121.00	\$3.00
Nonresident	Sem. Credit Hr.	\$246.00	\$250.25	\$4.25	\$256.50	\$6.25

Note, rates are rounded to the nearest \$0.25.

## ***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.