



Lincoln



Omaha



Kearney



Medical Center

Affordable Access to a Quality Education

Maintaining affordable access to a high-quality education at the University of Nebraska depends on four inter-related factors: (1) a stable level of state support; (2) moderate and predictable tuition increases; (3) adequate need-based financial aid; and (4) cost-effective, efficient financial management.

I. Stable state support

The state appropriation to the University of Nebraska for 2011-2013 will represent the fourth and fifth years of essentially flat funding (Chart 1). Over the past 25 years, the University has become a smaller part of the state budget (Chart 2). At the same time, other state agencies have grown at a much greater rate compared to the University (Chart 3).

Chart 1: State appropriation 1986-2013



Chart 2: University share of total state of Nebraska budget, 1986-2013

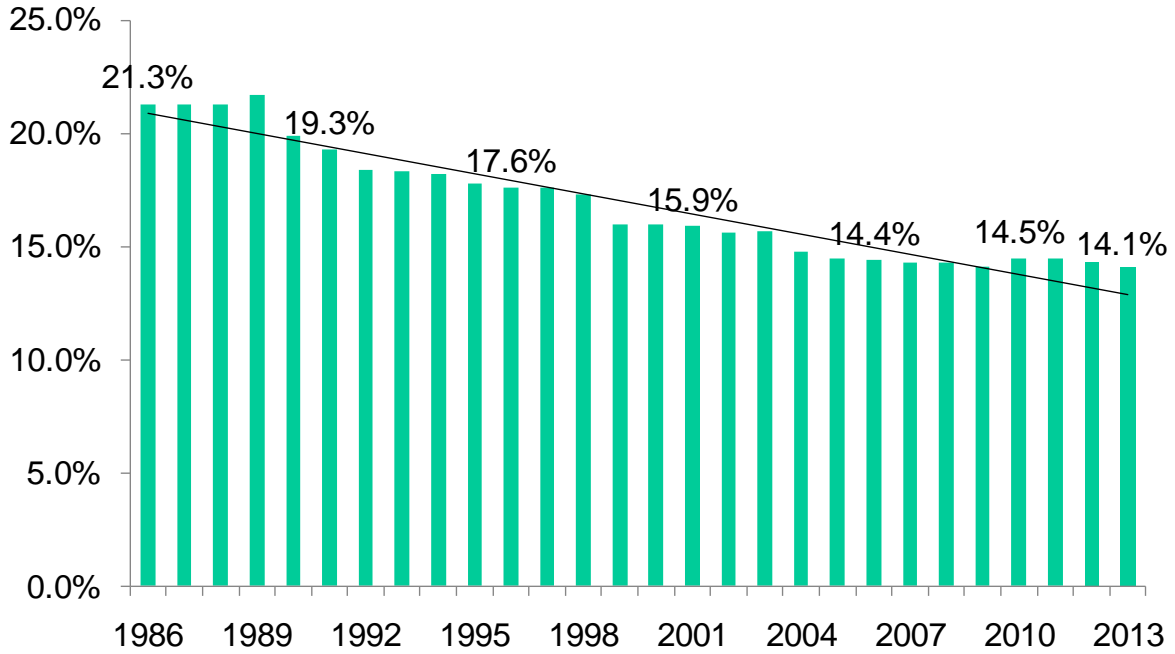
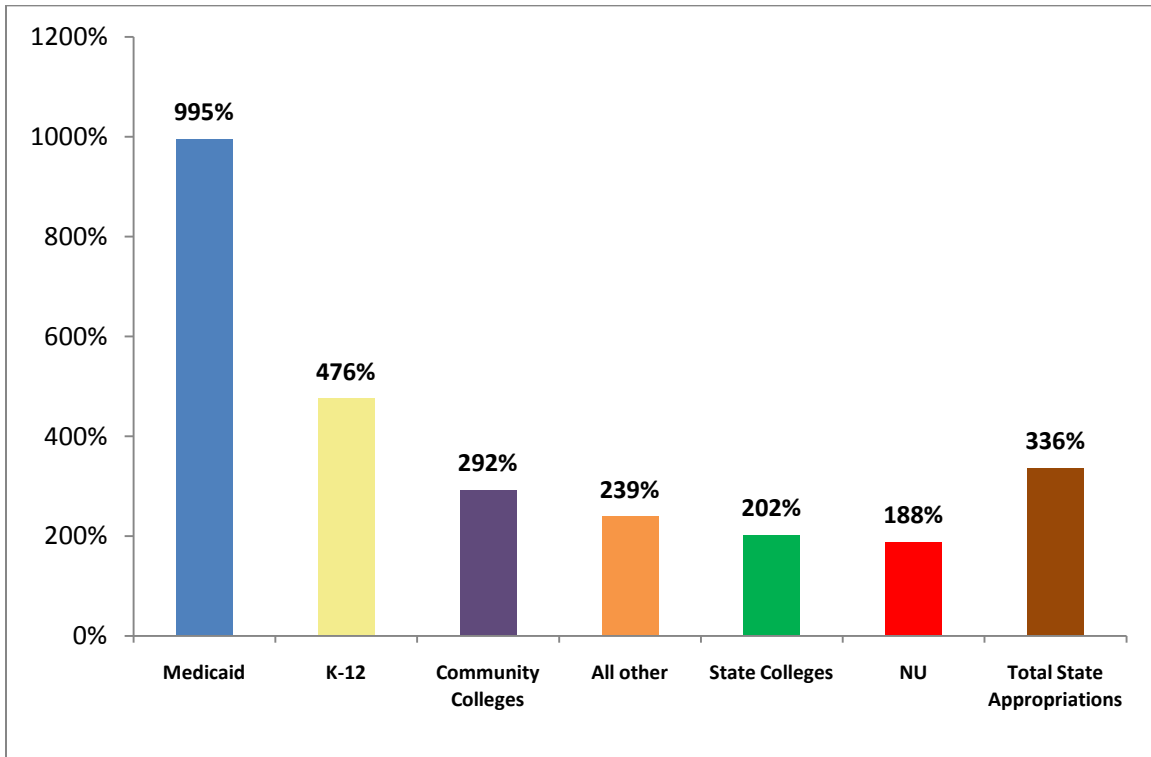


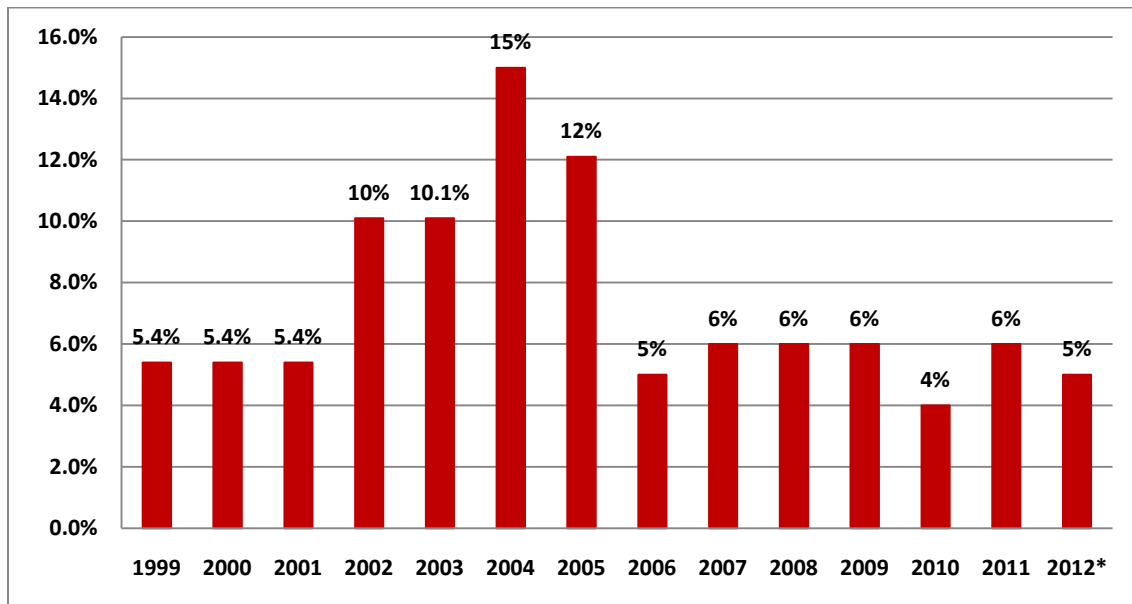
Chart 3: State appropriation growth for state agencies, 1986-2013



II. Predictable, moderate tuition increases

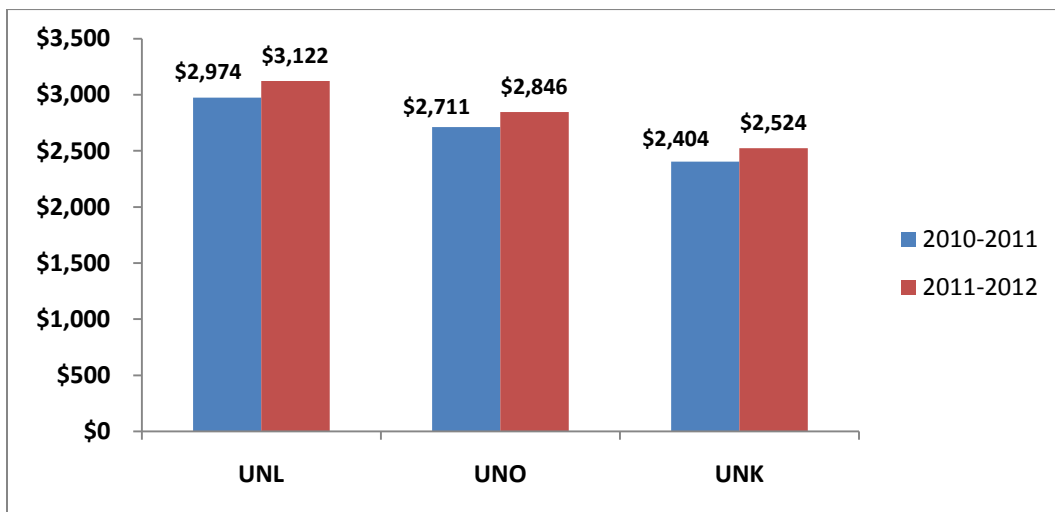
The second component of affordability is predictable, moderate tuition increases. In the last decade, tuition at NU rose by 10 percent or more for four years in a row. This year's recommended general increase, 5 percent, continues the trend of stable, moderate increases over the past seven years, as evidenced in Chart 4. Chart 5 shows that the impact on resident undergraduate students, depending on which campus they attend, would be about \$120 to \$150 per semester.

Chart 4: University of Nebraska tuition increase history



*2012 proposed

Chart 5: Impact of a 5% tuition increase – one semester, 15 credit hours

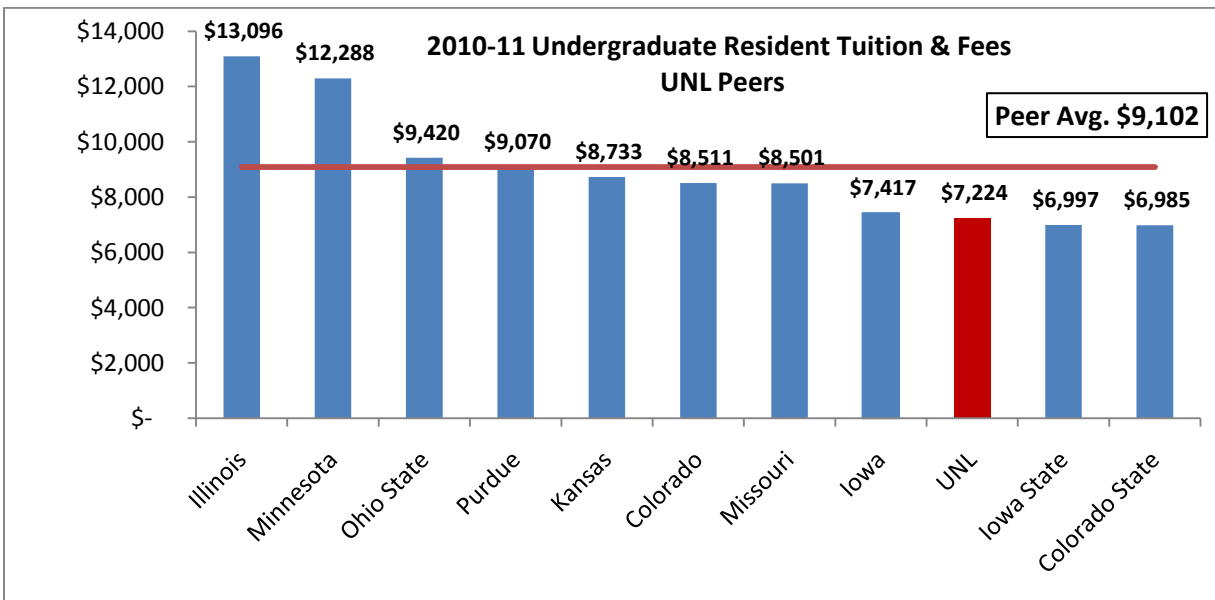
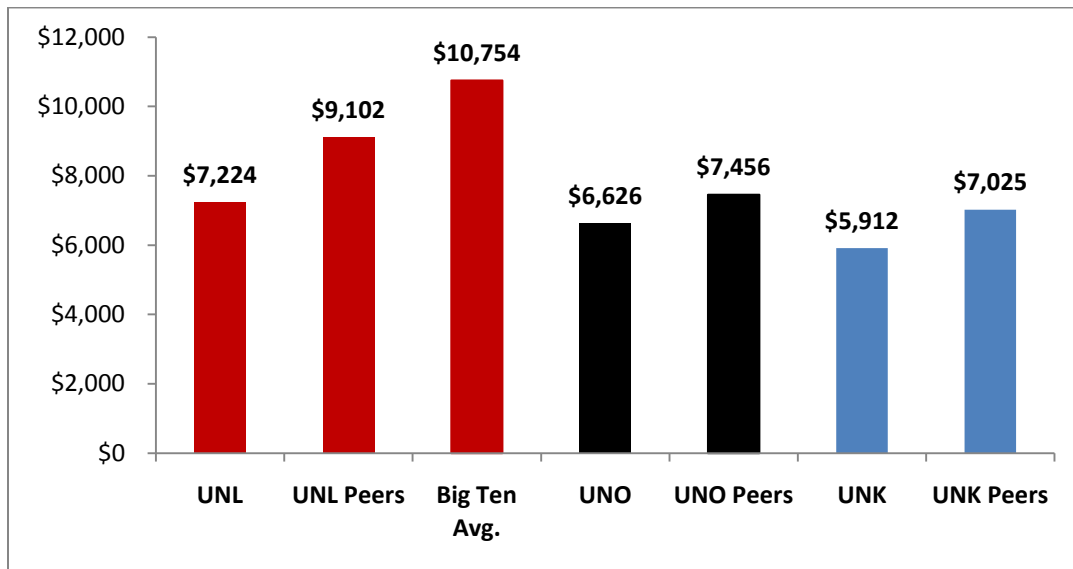


Note: UNL figures exclude the Colleges of Engineering and Business.

Peer comparisons

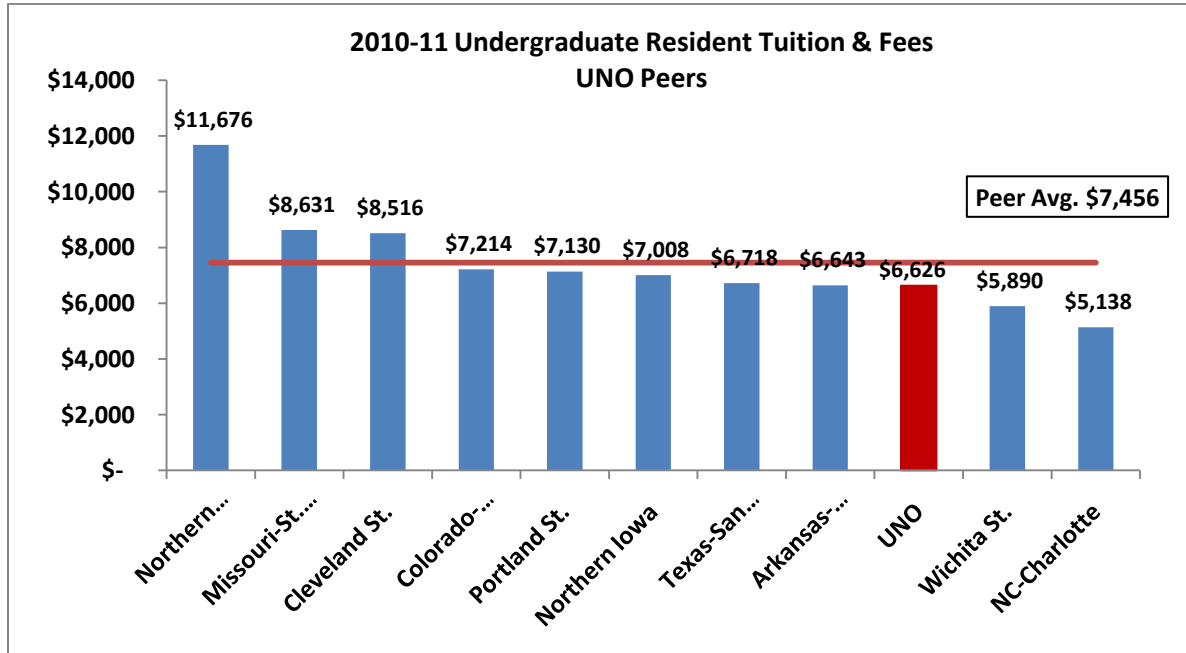
Annual tuition and mandatory fees on each predominantly undergraduate University of Nebraska campus for 2010-11 are lower than the average of each campus' peer institutions, including graduate and undergraduate, resident and non-resident students. "Peer institutions" are groups of universities comparable in size and mission. Chart 6 shows a comparison of resident, undergraduate tuition, while the subsequent four charts shows how each campus compares to its peer group and how the UNMC College of Medicine compares to its peers.

Chart 6: 2010-11 Undergraduate Resident Tuition & Fees: NU Compared to Peer Averages

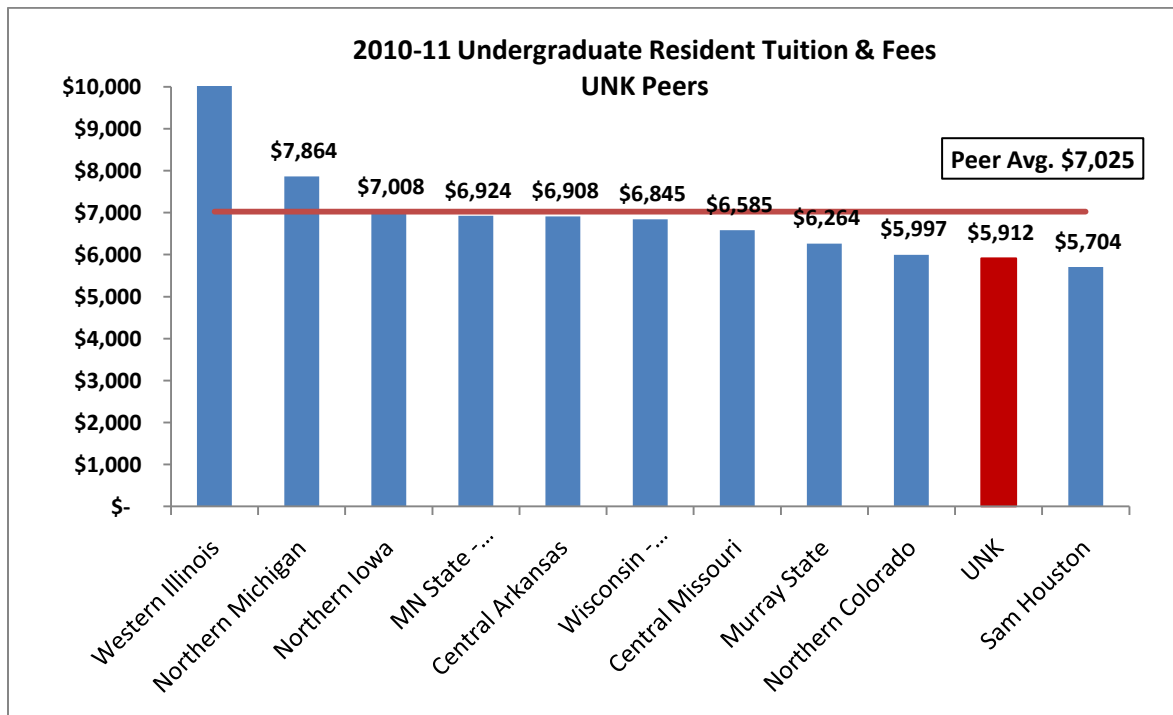


UNL tuition & fees 26 percent lower than peer average.

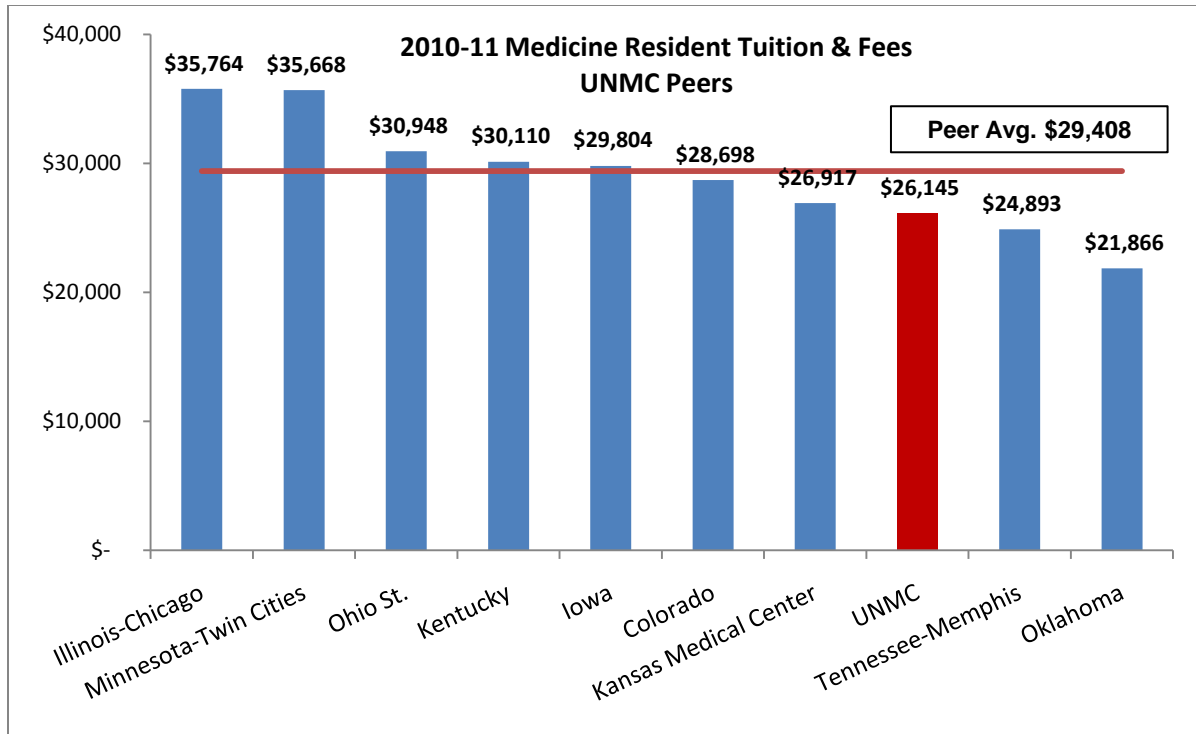
Excluding UNL, the public institutions in the Big Ten averaged \$10,754 for resident undergraduate tuition and fees in 2010-11. **UNL's cost, \$7,224, was the lowest in the group and almost 50 percent behind that average.** (Tuition and fees at the Big Ten's only private institution, Northwestern University, were \$40,223.)



UNO tuition & fees 12.5 percent lower than peer average.



UNK tuition & fees 19 percent lower than peer average.



UNMC College of Medicine tuition & fees 12 percent lower than peer average.

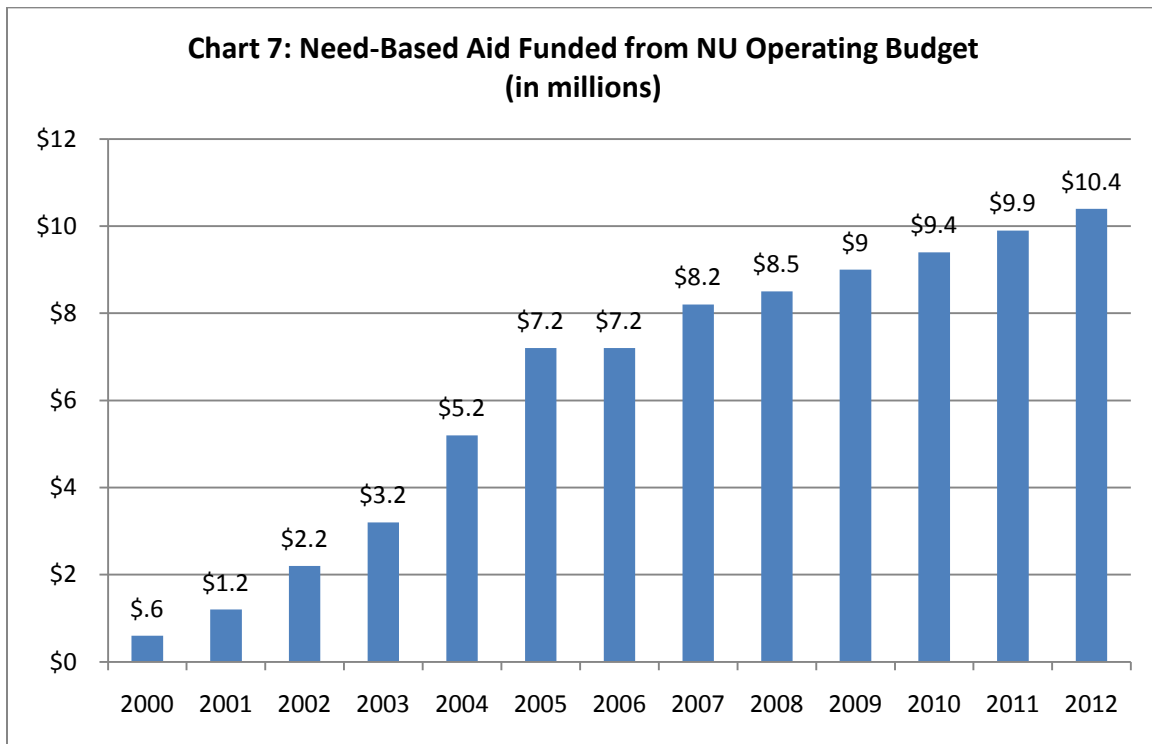
III. Adequate financial aid

More than half of all University of Nebraska undergraduate students receive some form of financial aid. The university continues to increase the amount of need-based aid available to students – need-based aid increases are indexed to tuition increase so students with the highest financial need are held harmless – and to work with outside partners to make additional scholarship funds available. The university also has been a strong advocate for maintaining federal Pell Grants at their current level so that higher education continues to be accessible for Nebraska families. In 2009-10, nearly 38,000 students enrolled at Nebraska community colleges, independent colleges and universities, state colleges and the University of Nebraska received Pell support, including more than one-quarter of NU’s undergraduates.

The university’s tuition assistance program, Collegebound Nebraska, was expanded in 2010 to cover most Nebraska students from a family of four with one in college and an income of about \$53,000 or less. About 6,200 NU students were eligible for Collegebound Nebraska in 2010-11, up from nearly 6,000 the year before.

The proposed operating budget for 2011-12 includes \$10.4 million for need-based financial aid. Beyond that, the state has appropriated an additional \$1.25 million for financial aid this year, of which NU students can expect to receive nearly \$500,000. UNL, UNO and UNK also have matched funds allocated to the campuses by Milliken for an additional one-time investment of \$1.1 million for financial aid.

Chart 7 shows the historical increase in need-based aid funded from the university's operating budget:



Private funds also play an important role in financial aid. Student support also is one of the highest priorities of the Campaign for Nebraska. In addition, the number of Thompson Scholars supported by the Susan T. Buffett Foundation on the three primarily undergraduate campuses of the University of Nebraska increased to more than 1,400 in spring 2011. The Susan T. Buffett Foundations scholarships include up to \$3,400 per semester for tuition and fees and up to \$400 for books for undergraduates at Nebraska public universities, colleges and community colleges.

IV. Efficient and cost-effective administration

The fourth component of affordable access is efficient and cost-effective administration of university resources. When adjusted for the Higher Education Price Index, state funding to the university is less than it was 10 years ago. To compensate, the university has relied on internal reallocations and tuition increases to support its operations and invest in priorities.

The university has implemented nearly \$70 million worth of reallocations since 2000. These reallocations have resulted in jobs being eliminated or going unfilled; programs and services being reduced, eliminated or outsourced; administrative duties being consolidated and positions eliminated; travel and printing costs being reduced; and more services and information being moved online to reduce costs. For 2011-12, the university faces a shortfall of about \$6 million.

Already this year, UNL has announced reductions including the elimination of the master’s degree in classics, elimination of the K-12 art education teaching endorsement, and closure of the Department of Industrial and Management Systems Engineering, along with a number of efficiencies such as the discontinuation of printed class schedules and reduced frequency of on-campus mail delivery. Many more cuts across the university will be required to address the shortfall.

A number of efficiencies also have been implemented in recent years, notably a new Student Information System that serves the four NU campuses as well as the Nebraska State College System to provide more efficient management of student records. In addition, a new distance education platform, Online Worldwide, consolidates distance education marketing and other costs and provides significant opportunities for revenue growth and expanded access to education for students in Nebraska and beyond. From 2008-09 to 2009-10, online student credit hour production grew nearly 30 percent, and that figure continues to increase.

To enhance transparency, the university maintains a budget section on its website, www.nebraska.edu, that includes detailed information on revenue and expenditures.

The following chart details budget reallocations at the university, which total more than \$78 million since 2000.

