



*Lincoln*



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## University of Nebraska 2011-12 Operating Budget

The University of Nebraska's proposed 2011-12 operating budget, which will go before the Board of Regents for consideration on June 17, represents an investment in talent and a commitment to affordable access to high-quality education. The university is in a position to invest in salaries and continue to keep tuition affordable because of stable support from the state and efficient, strategic use of its resources. Key elements of the proposed budget include:

- **A 2.5 percent increase in the salary pool** for faculty and staff outside the faculty collective bargaining units at UNO and UNK. The funds are to be distributed on the basis of merit and performance. This year's recommended increase follows two consecutive years without general raises for faculty and staff – not a sustainable strategy if the university is to remain competitive in the global marketplace for talent. Already, faculty salaries at UNL and UNMC have fallen further behind their peer averages – 5.6 percent behind at UNL, and 8.3 percent behind at UNMC. Per collective bargaining agreements approved by the Board in March, faculty at UNO will receive salary increases of 1.1 percent and faculty at UNK will receive 1 percent raises each of the next two years.
- **A 5 percent general increase in tuition**, continuing a trend of moderate, predictable increases over the past several years. The proposed increase amounts to about \$120 to \$150 more per semester for most resident undergraduates carrying 15 credit hours per semester, depending on which campus they attend. Only 42 percent of UNL, 43 percent of UNO and 29 percent of UNK full-time resident undergraduates pay the full cost of tuition; most receive financial aid that covers at least some of their tuition costs. Based on tuition increases that have been announced at peer campuses, a 5 percent tuition increase at NU would still put each campus at or below the peer average.
- **Special differentiated tuition rates for the College of Business and College of Engineering at UNL.** These rates add \$50 per credit hour for in-state undergraduates and \$147 per credit hour for non-resident undergraduates in business and engineering. Differentiated rates would be applied for graduate students in both colleges as well. Even with the differential, both in-state and out-of-state undergraduate tuition in both colleges remain the lowest in the Big Ten and near the bottom of the Board of Regents-approved peer group. All Big Ten universities and all of UNL's Board-designated peers have differential tuition rates for their business and engineering colleges. The extra revenue – about \$3 million for the College of Business and \$1.9 million for the College of Engineering – would be reinvested in the colleges to hire more faculty, allow more course sections to be offered, decrease student-to-faculty ratio, provide students with greater access to needed courses and enhance student services.

Any UNL student who takes a course in the business or engineering college would pay the differential rates for that course – but business and engineering majors would not pay the differential rates for courses outside of those colleges, so they likely will feel minimal impact from the increases during their freshman year, when they traditionally take a number of courses in other colleges. For example, a typical freshman in the College of Engineering takes about 6.5 credit hours in the college, so the impact during a resident student’s first year would only be about \$325. Freshmen in the College of Business Administration take an average of only two credit hours in the college, so the impact for a resident student’s first year would be about \$100.

- **Differentiated tuition rates for the UNMC College of Public Health.** Currently, resident tuition is the lowest in the college’s peer group; non-resident tuition is near the bottom. With the increases, resident students in the college would pay annual tuition of \$6,480, an increase of \$1,769 but still well below the peer average of \$8,507. Non-residents would pay \$15,300 annually, an increase of \$2,597 but below the peer average of \$16,633. The additional revenue, projected to be about \$260,000, would be used to hire four new faculty to help meet growing demand created by rising enrollment in the college.
- **A 5 percent increase in need-based financial aid**, to \$10.4 million, so students with the highest financial need will not be impacted by the tuition increase. This includes the university’s tuition assistance program, Collegebound Nebraska, which guarantees that a typical Nebraska student from a family of four with one in college and an income of about \$53,000 or less will pay no tuition at NU. Students covered by Collegebound Nebraska also will not be affected by the new differentiated tuition rates. This year, some 6,200 students qualified for Collegebound Nebraska funding and more than 1,400 received support from the Susan T. Buffett Foundation, which provides scholarships to students at Nebraska public universities and state and community colleges. Beyond the \$10.4 million investment, 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 President Milliken for an additional one-time investment of \$1.1 million for financial aid.
- **A \$1 million investment in Programs of Excellence**, which are high-priority academic areas across the university. For example, Programs of Excellence funds invested in UNL’s Water Initiative helped lay the groundwork for a \$50 million gift last year to establish the Robert B. Daugherty Water for Food Institute, and funds invested by UNO in the Nebraska University Consortium for Information Assurance has strengthened the faculty and resulted in about \$18 million in external research funding.
- **A budget shortfall of about \$6 million** for 2011-12. This comes on top of about \$70 million in reallocations the university has implemented since 2000.