

TO: The Board of Regents Addendum XI-B-5

Business and Finance Committee

MEETING DATE: June 23, 2022

SUBJECT: FY 2022-23 Operating Budget

RECOMMENDED ACTION: Approve the University of Nebraska's FY 2022-23 Operating Budget. Reappropriate with the State of Nebraska's Department of Administrative Services any unexpended balances existing on June 30, 2022 that are committed to be spent in FY 2022-23.

PREVIOUS ACTION: February 12, 2021 – The Board of Regents approved amendments to the Collective Bargaining Agreement between the Board of Regents and the University of Nebraska at Kearney Education Association (UNKEA) for the 2021-2023 biennium.

February 12, 2021 – The Board of Regents approved amendments to the Collective Bargaining Agreement between the Board of Regents and the University of Nebraska at Omaha American Association of University Professors (UNO/AAUP) for the 2021-2023 biennium.

August 14, 2020 – The Board of Regents approved the FY 2021-22 and FY 2022-23 University of Nebraska Biennial Operating Budget request guidelines.

EXPLANATION: COVID-19 has created fiscal challenges, enrollment unpredictability and other uncertainties for colleges and universities around the country. The University of Nebraska's proposed 2022-23 operating budget represents the third year of a three-year plan created two years ago to address these challenges but also position the university to emerge in a position of strength for future growth and success.

The proposed budget prioritizes affordability and access for Nebraska students, keeps spending flat on basic operations, and creates long-term opportunities to invest in campus and system-wide priorities like student success, faculty salaries, and facility maintenance.

Key elements of the budget plan include:

- A two-year, across-the-board tuition freeze in the 2021-2022 and 2022-23 academic years. The state's 2.0% increase in state funding was critical in supporting the University's affordability and access goals.
- Increasing the Nebraska Promise financial aid program which will now cover full tuition costs for Nebraska students with family incomes of \$65,000 or less. This program, which covers tuition for low- and middle-income students, creates opportunities for

Nebraska's young people and helps build a pipeline of talented future workers for the state.


- A 3% merit salary pool for non-unionized faculty and staff for 2022-23. We know that providing competitive compensation is a key strategy for recruiting and retaining talent.
- \$48 million in permanent state-aided spending cuts across the system, the result of increased expenses brought on by COVID-19, inflationary pressures, and supply chain challenges. The FY 2022-23 reflects year three of the budget cut implementation, or approximately \$31 million.
- Key investment in strategic priorities such as faculty salary competitiveness. The FY 2021-22 budget included \$6 million to enhance salaries at both UNL and UNMC to get faculty salaries closer to their peer averages. The budget model for FY 2022-23 invests an additional \$6 million in UNL and UNMC faculty salaries.

Expenditures, including compensation, are estimated and subject to the availability of state funds appropriated to the Board of Regents.

SPONSORS:

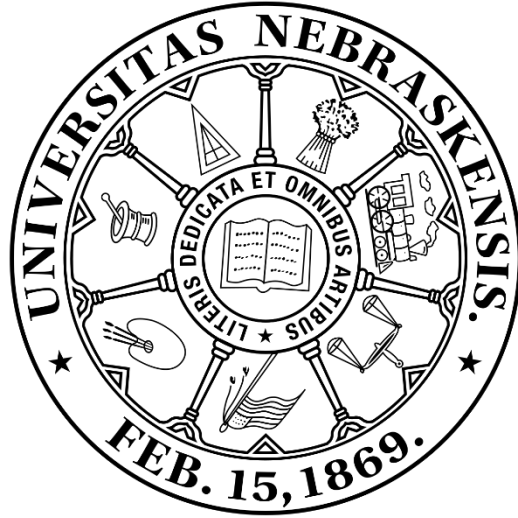
Chris J. Kabourek
Senior Vice President | CFO

RECOMMENDED:


Walter E. Carter, President
University of Nebraska

DATE:

May 19, 2022



University of Nebraska 2022-2023 Operating Budget

**Proposal to the Board of Regents
June 23, 2022**

Operating Budget

The operating budget has two components. The first is the state-aided budget which includes the University's general operations supported by state tax appropriations and student tuition. The second component is comprised of the University's outside generated revenues - designated and restricted budgets which includes the operations for self-supporting auxiliary entities of which many are restricted by bond covenants, restricted federal research grants, restricted federal financial aid, and restricted private funds. No capital construction budgets are included in this document.

University of Nebraska (Excluding NCTA)
General Operating Budget
(Also Known As the 'State-aided' Budget)
FY 2022-23

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

	FY 2021-22	FY 2022-23		
	Budget	Proposed Budget	Change Amount	Percent
ESTIMATED FUNDING				(a)
State Appropriations	\$ 628,412,933	\$ 646,140,393	\$ 17,727,460	2.8% (b)
Tuition (less University Remissions)				
Resident	222,626,254	222,631,210	4,956	0.0% (c)
Nonresident & International	147,176,890	142,136,205	(5,040,685)	-3.4% (c)
Tuition subtotals	369,803,144	364,767,415	(5,035,729)	-1.4% (c)
Investment Income, other cash funds	19,338,700	19,521,491	182,791	0.9%
Total Revenues	1,017,554,777	1,030,429,299	12,874,522	1.3%
EXPENDITURES:				(d)
Core Operations				
Faculty Salaries	383,712,707	394,100,862	10,388,155	2.7% (e)
Nonfaculty Salaries	267,262,126	275,365,588	8,103,462	3.0% (e)
Benefits	82,246,805	84,928,090	2,681,285	3.3%
Health Insurance	81,994,748	86,914,434	4,919,686	6.0% (f)
Total Compensation	815,216,386	841,308,974	26,092,588	3.2%
Utilities	47,232,113	48,412,915	1,180,802	2.5%
All Other	143,260,939	146,842,463	3,581,524	2.5%
Budget Cuts	(17,154,661)	(48,524,053)	(31,369,392)	-3.1% (g)
Core Operations	988,554,777	988,040,299	(514,478)	-0.1%
University Priorities:				(h)
UNL & UNMC Faculty Competitiveness	6,000,000	12,000,000	6,000,000	
Nebraska Promise	18,000,000	19,289,000	1,289,000	(i)
IT/Cybersecurity	1,000,000	2,000,000	1,000,000	
Legislative Designations:				
Career Scholarships	4,000,000	6,000,000	2,000,000	
Behavior Health (UNMC BHECN)	-	2,600,000	2,600,000	
Rural Health Complex in Kearney	-	500,000	500,000	
Total Expenses	1,017,554,777	1,030,429,299	12,874,522	1.3%
NET ACTIVITY	\$ -	\$ -	\$ -	

Notes:

- (a) An estimated \$120 million of one-time carry forward funds (encumbrances and other one-time commitments) are not reflected above. Reinstatement of allotment (spending) authority for these funds will be submitted to the State of Nebraska Department of Administrative Services (DAS). Capital construction budgets are not shown.
- (b) Includes a 2.0% increase for core operations and legislative designations for career scholarships, Behavior Health (UNMC BHECN) and operating funds for the Rural Health Complex in Kearney
- (c) The tuition budget includes no tuition rate increases. Resident enrollment conservative budgeted to be flat. A rather significant decline in international students has been factored into the budget.
- (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) A 4.5% merit salary pool was provided for all employees over three years. That includes a 0% in 2020-21, 1.5% in 2021-22 and 3.0% in 2022-23. UNO and UNK faculty increases will be governed by collective bargaining contracts which also includes a 4.5% increase over the three years.
- (f) Assumes a 9% increase in premiums in calendar year 2023. Overall budget increase of 6% is based on a fiscal year period, including six months (July-Aug 2022) of current premium increases at 3% and six months (Jan-June 2021) at 5.7%.
- (g) \$48 million of spending cuts have been made over the past three years to allow for the tuition freeze and to keep the budget structurally balanced
- (h) University priorities reflects anticipated investments in strategic planning initiatives such as faculty compensation competitiveness, Nebraska Promise, and IT/cybersecurity.
- (i) Nebraska Promise increase reflects expanding eligibility for fall 2022 to those with Adjusted Gross Income (AGI) of \$65,000 or below.

**University of Nebraska (Excluding NCTA)
Total Budget - All Funds
FY 2022-23**

	FY 2021-22 Budget	FY 2022-23 Estimated Budget	Change	
			Amount	Percent
General Fund Budget (state/tuition)	\$ 1,017,554,777	\$ 1,030,429,299	\$ 12,874,522	1.3%
Outside Revenues:				
Designated Cash Funds	95,400,000	102,760,000	7,360,000	7.7% (a)
Revolving/Auxiliary Funds	702,000,000	807,240,000	105,240,000	15.0% (b)
Restricted Federal Funds	541,000,000	626,320,000	85,320,000	15.8% (c)
Restricted Trust Funds	479,000,000	504,290,000	25,290,000	5.3% (d)
Subtotals	1,817,400,000	2,040,610,000	223,210,000	12.3%
TOTALS	\$ 2,834,954,777	\$ 3,071,039,299		

(a) Primarily clinical revenues (i.e. Dentistry, Munroe-Meyer Institute, etc.) and F&A recovery on research grants. These funds are primarily designated to go back to the generating campus/department.

(b) Represents the budgets for the self-supporting units at the University (student housing, dining, Husker Athletics, etc.). The 15% increase is not a spending increase, but a revenue increase driven primarily by a reorganization that will be moving most of the NUCORP utility financial activities to the UNL campus.

(c) Represents an increase in federal grant activity and ARPA funds

(d) Represents an increase in privately funded activities (grants and contracts, Foundation support, etc.)

Tuition Rates

University of Nebraska - Lincoln

Student Category	Per Tuition Unit	2020-21 Rate	2021-22 Rate	2022-23 Rate	Change
Undergraduate					
Resident	Sem. Credit Hr.	\$259.00	\$259.00	\$259.00	\$0.00
Nonresident	Sem. Credit Hr.	\$830.00	\$830.00	\$830.00	\$0.00
Graduate					
Resident	Sem. Credit Hr.	\$341.00	\$341.00	\$341.00	\$0.00
Nonresident	Sem. Credit Hr.	\$996.00	\$996.00	\$996.00	\$0.00
College of Architecture Undergraduate					
Resident	Sem. Credit Hr.	\$349.00	\$349.00	\$349.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,061.00	\$1,061.00	\$1,061.00	\$0.00
College of Architecture Graduate					
Resident	Sem. Credit Hr.	\$452.00	\$452.00	\$452.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,267.00	\$1,267.00	\$1,267.00	\$0.00
College of Business Administration Undergraduate					
Resident	Sem. Credit Hr.	\$321.00	\$321.00	\$321.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,028.00	\$1,028.00	\$1,028.00	\$0.00
College of Business Administration Graduate					
Resident	Sem. Credit Hr.	\$422.00	\$422.00	\$422.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,232.00	\$1,232.00	\$1,232.00	\$0.00
College of Engineering Undergraduate					
Resident	Sem. Credit Hr.	\$371.00	\$371.00	\$371.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,082.00	\$1,082.00	\$1,082.00	\$0.00
College of Engineering Graduate					
Resident	Sem. Credit Hr.	\$472.00	\$472.00	\$472.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,285.00	\$1,285.00	\$1,285.00	\$0.00
Law					
Resident	Sem. Credit Hr.	\$406.00	\$406.00	\$406.00	\$0.00
Nonresident	Sem. Credit Hr.	\$1,094.00	\$1,094.00	\$1,094.00	\$0.00

University of Nebraska at Omaha

Student Category	Per Tuition Unit	2020-21 Rate	2021-22 Rate	2022-23 Rate	Change
Undergraduate					
Resident	Sem. Credit Hr.	\$235.00	\$235.00	\$235.00	\$0.00
Nonresident	Sem. Credit Hr.	\$738.00	\$738.00	\$738.00	\$0.00
Graduate					
Resident	Sem. Credit Hr.	\$341.00	\$341.00	\$341.00	\$0.00
Nonresident	Sem. Credit Hr.	\$820.00	\$820.00	\$820.00	\$0.00
College of Business Administration Undergraduate					
Resident	Sem. Credit Hr.	\$305.00	\$305.00	\$305.00	\$0.00
Nonresident	Sem. Credit Hr.	\$842.00	\$842.00	\$842.00	\$0.00
College of Business Administration Graduate					
Resident	Sem. Credit Hr.	\$393.00	\$393.00	\$393.00	\$0.00
Nonresident	Sem. Credit Hr.	\$968.00	\$968.00	\$968.00	\$0.00
College of Information Science & Technology Undergraduate					
Resident	Sem. Credit Hr.	\$283.00	\$283.00	\$283.00	\$0.00
Nonresident	Sem. Credit Hr.	\$884.00	\$884.00	\$884.00	\$0.00
College of Information Science & Technology Graduate					
Resident	Sem. Credit Hr.	\$356.00	\$356.00	\$356.00	\$0.00
Nonresident	Sem. Credit Hr.	\$994.00	\$994.00	\$994.00	\$0.00

University of Nebraska at Kearney

Student Category	Per Tuition Unit	2020-21 Rate	2021-22 Rate	2022-23 Rate	Change
Undergraduate					
Resident	Sem. Credit Hr.	\$209.00	\$209.00	\$209.00	\$0.00
Nonresident	Sem. Credit Hr.	\$455.00	\$455.00	\$455.00	\$0.00
Graduate					
Resident	Sem. Credit Hr.	\$259.00	\$259.00	\$259.00	\$0.00
Nonresident	Sem. Credit Hr.	\$569.00	\$569.00	\$569.00	\$0.00

University of Nebraska Medical Center

Student Category	Per Tuition Unit	Programs Starting in 2021/2022	Programs Starting in 2022/2023	\$ Change
Undergraduate				
Resident	Per Credit Hour	\$259	\$259	\$0
NonResident	Per Credit Hour	\$815	\$815	\$0
Graduate				
Resident	Per Credit Hour	\$341	\$341	\$0
NonResident	Per Credit Hour	\$977	\$977	\$0
Allied Health - Cardiovascular Interventional Technology (CVIT) (Semester)				
Resident	Flat Rate	\$4,398	\$4,398	\$0
NonResident	Flat Rate	\$4,398	\$4,398	\$0
Allied Health - Clinical Perfusion (CLPR) (Semester)				
Resident	Flat Rate	\$6,681	\$6,681	\$0
NonResident	Flat Rate	\$17,363	\$17,363	\$0
Allied Health - Clinical Perfusion (CLPR) (Summer)				
Resident	Flat Rate	\$2,968	\$2,968	\$0
NonResident	Flat Rate	\$7,717	\$7,717	\$0
Allied Health - Cytotechnology (CYTO) (Semester)				
Resident	Flat Rate	\$5,412	\$5,412	\$0
NonResident	Flat Rate	\$14,066	\$14,066	\$0
Allied Health - Cytotechnology (CYTO) (Summer)				
Resident	Flat Rate	\$1,203	\$1,203	\$0
NonResident	Flat Rate	\$3,125	\$3,125	\$0
Allied Health - Diagnostic Medical Sonography (SONCAH) (Semester)				
Resident	Flat Rate	\$4,656	\$4,656	\$0
NonResident	Flat Rate	\$4,656	\$4,656	\$0
Allied Health - Diagnostic Medical Sonography (SONCAH) (Summer)				
Resident	Flat Rate	\$1,035	\$1,035	\$0
NonResident	Flat Rate	\$1,035	\$1,035	\$0
Allied Health - Genetic Counseling (GCI) (Semester)				
Resident	Flat Rate	\$6,550	\$6,550	\$0
NonResident	Flat Rate	\$11,525	\$11,525	\$0
Allied Health - Genetic Counseling (GCI) (Summer)				
Resident	Flat Rate	\$2,911	\$2,911	\$0
NonResident	Flat Rate	\$5,122	\$5,122	\$0
Allied Health - Magnetic Resonance Imaging (MRICAH) (Semester)				
Resident	Flat Rate	\$4,139	\$4,139	\$0
NonResident	Flat Rate	\$4,139	\$4,139	\$0
Allied Health - Medical Laboratory Science (MLS) (Semester)				
Resident	Flat Rate	\$5,562	\$5,562	\$0
NonResident	Flat Rate	\$5,562	\$5,562	\$0
Allied Health - Medical Nutrition (MNED) (Semester)				
Resident	Flat Rate	\$5,312	\$5,312	\$0
NonResident	Flat Rate	\$8,187	\$8,187	\$0
Allied Health - Medical Nutrition (MNED) (Summer)				
Resident	Flat Rate	\$1,771	\$1,771	\$0
NonResident	Flat Rate	\$2,729	\$2,729	\$0
Allied Health - Occupational Therapy (OT) (Semester)				
Resident	Flat Rate	8,662	8,662	\$0
NonResident	Flat Rate	15,240	15,240	\$0
Allied Health - Occupational Therapy (OT) (Summer)				
Resident	Flat Rate	1,925	1,925	\$0
NonResident	Flat Rate	3,387	3,387	\$0
Allied Health - Physical Therapy (Semester)				
Resident	Flat Rate	\$8,086	\$8,086	\$0
NonResident	Flat Rate	\$14,227	\$14,227	\$0
Allied Health - Physical Therapy (Summer)				
Resident	Flat Rate	\$4,620	\$4,620	\$0
NonResident	Flat Rate	\$8,130	\$8,130	\$0
Allied Health - Physician Assistant (Semester)				
Resident	Flat Rate	\$8,322	\$8,322	\$0
NonResident	Flat Rate	\$21,627	\$21,627	\$0
Allied Health - Physician Assistant (Summer)				
Resident	Flat Rate	\$2,311	\$2,311	\$0
NonResident	Flat Rate	\$6,008	\$6,008	\$0

University of Nebraska Medical Center

Student Category	Per Tuition Unit	Programs Starting in 2021/2022	Programs Starting in 2022/2023	\$ Change
Allied Health - Radiation Therapy (RTHCAH) (Semester)				
Resident	Flat Rate	\$4,656	\$4,656	\$0
NonResident	Flat Rate	\$4,656	\$4,656	\$0
Allied Health - Radiation Therapy (RTHCAH) (Summer)				
Resident	Flat Rate	\$1,035	\$1,035	\$0
NonResident	Flat Rate	\$1,035	\$1,035	\$0
Allied Health - Radiography (RDX) (Semester)				
Resident	Flat Rate	\$5,478	\$5,478	\$0
NonResident	Flat Rate	\$5,478	\$5,478	\$0
Allied Health - Radiography (RDX) (Summer)				
Resident	Flat Rate	\$2,434	\$2,434	\$0
NonResident	Flat Rate	\$2,434	\$2,434	\$0
Dentistry - Dental Hygiene				
Resident	Per Credit Hour	\$292	\$292	\$0
NonResident	Per Credit Hour	\$815	\$815	\$0
Dentistry (Semester)				
Resident	Flat Rate	\$16,179	\$16,179	\$0
NonResident	Flat Rate	\$33,729	\$33,729	\$0
Dentistry (Summer) P3 & P2 & P1				
Resident	Flat Rate	\$8,090	\$8,090	\$0
NonResident	Flat Rate	\$16,863	\$16,863	\$0
Dentistry - ASP (Semester)				
NonResident	Flat Rate	\$35,415	\$35,415	\$0
Dentistry - ASP (Summer)				
NonResident	Flat Rate	\$17,707	\$17,707	\$0
Medicine (Semester)				
Resident	Flat Rate	\$17,681	\$17,681	\$0
NonResident	Flat Rate	\$24,000	\$24,000	\$0
Nursing Undergraduate (Semester)				
Resident	Per Credit Hour	\$378	\$378	\$0
NonResident	Per Credit Hour	\$1,017	\$1,017	\$0
Nursing Graduate/Professional Admitted Fall 2016 & Prior				
Resident	Per Credit Hour	\$526	\$526	\$0
NonResident	Per Credit Hour	\$1,098	\$1,098	\$0
Nursing Graduate/Professional Admitted Fall 2017				
Resident	Per Credit Hour	\$580	\$580	\$0
NonResident	Per Credit Hour	\$1,098	\$1,098	\$0
Nursing Graduate/Professional Admitted Fall 2018 & Forward				
Resident	Per Credit Hour	\$608	\$608	\$0
NonResident	Per Credit Hour	\$1,098	\$1,098	\$0
Pharmacy (Semester)				
Resident	Flat Rate	\$12,985	\$12,985	\$0
NonResident	Flat Rate	\$12,985	\$12,985	\$0
Public Health Doctoral Programs - Admitted Fall 2017 & Prior				
Resident	Per Credit Hour	\$341	\$341	\$0
NonResident	Per Credit Hour	\$977	\$977	\$0
Public Health Doctoral Programs - Admitted Fall 2018 & Forward				
Resident	Per Credit Hour	\$351	\$351	\$0
NonResident	Per Credit Hour	\$977	\$977	\$0
Public Health Professional Programs - Admitted Fall 2017 & Prior				
Resident	Per Credit Hour	\$447	\$447	\$0
NonResident	Per Credit Hour	\$1,120	\$1,120	\$0
Public Health Professional Programs - Admitted Fall 2018 & Forward				
Resident	Per Credit Hour	\$461	\$461	\$0
NonResident	Per Credit Hour	\$1,120	\$1,120	\$0