

UNIVERSITY OF NEBRASKA AT KEARNEY

BUDGET OVERVIEW

2015-16

Barbara L. Johnson
Vice Chancellor
Business and Finance

November 2015

Jul 2014	Board action on biennial budget guidelines
Aug 2014	CCPE submission
Sep 2014	Governor & Legislature submission
Jan 2015(est.)	Collective Bargaining completed
Jan 2015	Governor's budget announced
Mar 2015 (est.)	NU Appropriation Committee hearing
May 2015	State of Nebraska biennial budget enacted
Jun 2015	Board adopts 2015-16 budget & tuition rates
June 2016	Board adopts 2016-17 budget and tuition rates



**First step in a two year
budget development process**

University of Nebraska at Kearney FY 2015-2016

Priorities

UNK Priorities

- **Quality teaching & undergraduate research**
 - **Conduct annual reviews of selected academic programs**
 - **Enhance academic offerings with POE financial support**
 - ❖ **Physics FY2016 and FY2017**
 - ❖ **Management FY2017**
 - ❖ **Teacher Education FY2017**
 - **Increase the research opportunities for faculty and students working with the Director of Sponsored Programs and Director of Honors**
 - **Continue to enhance our on-line offerings**

- **Analyze and develop a long-term strategic plan for enrollment management with a focus on increasing overall enrollment and increasing both retention and our four-year graduation rates**

Areas of Focus:

- ❖ **First Generation Students**
 - ❖ **First Time Freshmen**
 - ❖ **International Students**
 - ❖ **Minority Students**
 - ❖ **Transfer Students**
-
- **Development of our next strategic plan**

UNK Priorities Continued

- **Facility capital renewal/new construction projects on the drawing board:**
 - **Complete the design plan for University Heights replacement**
 - **Otto Olsen II Replacement Plan (B & T , NSS , Fine Arts, IT & Child Care Center)**
 - **Fine Arts Renovation Plan**
 - **Develop Residential Capital Renewal Phase II**
 - **Develop implementation timeline/renovation plan for the Nebraska Student Union**
 - **Plan for the demolition of Conrad, East Heating Plant and Cranewood**

- **Continue with the development and all related activities for University Village (South Campus) Project**

- **Continue with the review of the student directory information and keyless entry for the entire campus, and a campus-wide surveillance system**

- **Coordinate with the City/NDOR to create safer crossings for pedestrians and vehicular traffic around the campus**

FUND DEFINITIONS

- GENERAL FUND
 - State tax revenue allocated to the University.
- CASH FUNDS
 - Derived from tuition, fees, investment income, and other miscellaneous income.
- FEDERAL FUNDS
 - Provided by federal agencies for research, grants and contracts, and student aid programs.
- REVOLVING FUNDS
 - Self-generated from departmental sales, charges for housing, food services, etc.
- TRUST FUNDS
 - State and private gifts, grants, and contracts, non-federal student aid programs, etc.

UNIVERSITY OF NEBRASKA AT KEARNEY

2015-2016 OPERATING BUDGETS

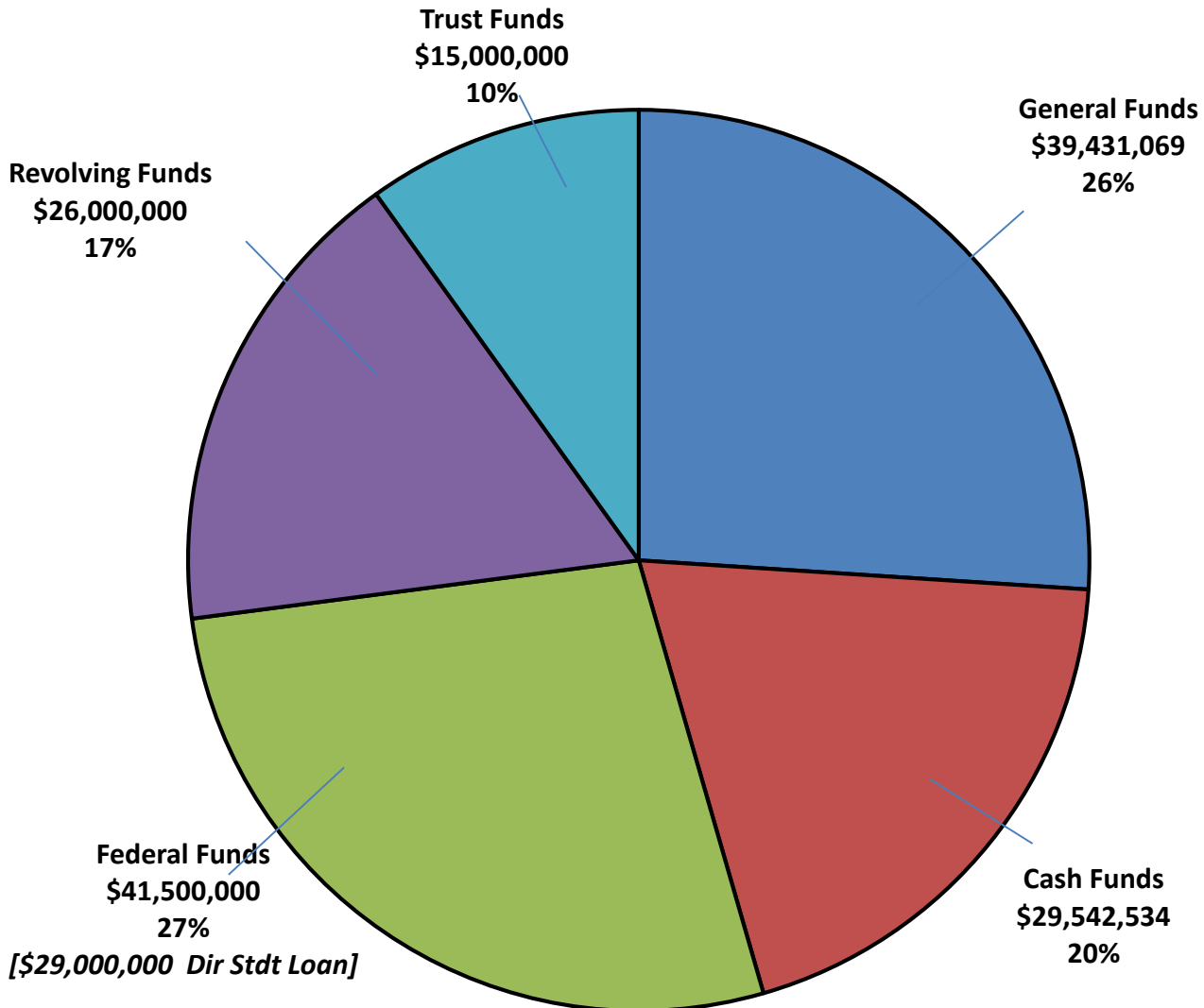
Estimated Revenue by Source

GENERAL FUNDS	\$39,431,069
CASH FUNDS (includes \$170,000 Indirect Costs)	\$29,542,534
FEDERAL FUNDS	\$41,500,000
REVOLVING FUNDS	\$26,000,000
TRUST FUNDS	\$15,000,000
TOTAL	<u>\$151,473,603</u>

Operating Budgets

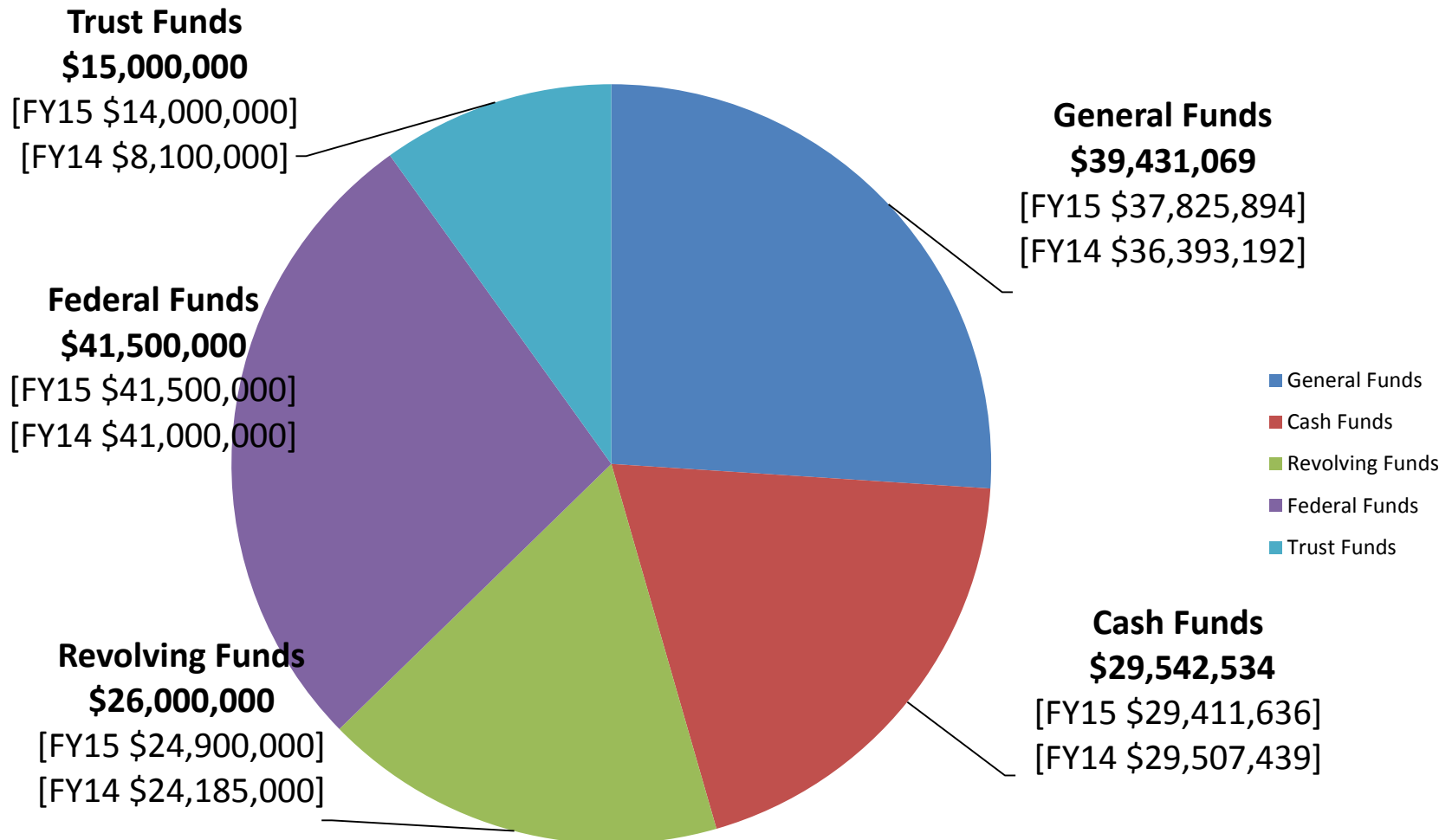
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Estimated Revenue by Source:</i>						
GENERAL FUNDS	\$34,097,172	\$34,260,675	\$34,867,838	\$36,393,192	\$37,825,894	\$39,431,069
CASH FUNDS	\$24,697,940	\$26,918,143	\$28,847,364	\$29,507,439	\$29,411,636	\$29,542,534
(includes \$160,000-\$170,000 Indirect Costs)						
FEDERAL FUNDS	\$39,300,000 *	\$40,000,000 *	\$40,800,000 *	\$41,000,000 *	\$41,500,000 *	\$41,500,000 *
REVOLVING FUNDS	\$20,600,000	\$23,000,000	\$23,460,000	\$24,185,000	\$24,900,000	\$26,000,000
TRUST FUNDS	\$5,300,000	\$7,000,000	\$7,700,000	\$8,100,000	\$14,000,000	\$15,000,000
TOTAL	\$123,995,112	\$131,178,818	\$135,675,202	\$139,185,631	\$147,637,530	\$151,473,603
*Federal - Direct Student Loan	\$ 25,066,963	\$ 27,934,552	\$ 28,104,519	\$ 28,693,286	\$ 29,000,000	\$ 29,000,000

University of Nebraska at Kearney
2015-2016 Est REVENUE by Source

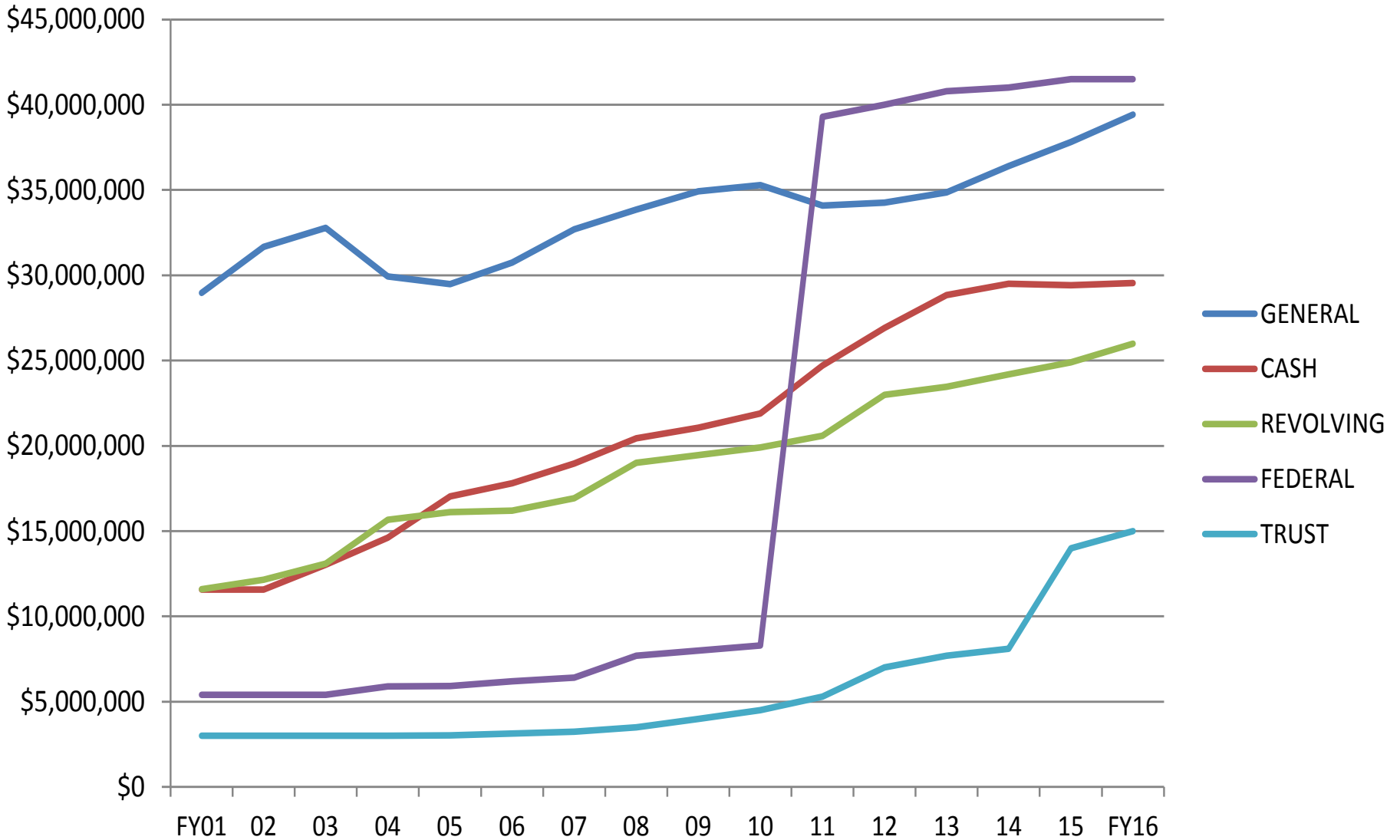


UNK ALL FUNDS

2015-16 BUDGET



UNK HISTORIC ALL FUNDS BUDGET



2015-16 University of Nebraska at Kearney**Budgeted Revenue by Fund Source**

Federal Funds	41,500,000
Revolving Funds	26,000,000
General Funds	39,431,069
Trust Funds	15,000,000
Cash Funds	29,542,534
Total Estimated Funding	\$151,473,603

2015-2016 University of Nebraska at Kearney**Estimated Expenditures by Spending Category**

10-Instruction	45,608,651
20-Research	1,294,650
30-Public Service	2,207,597
40-Academic Support	8,601,278
50-Student Services	7,009,159
60-Institutional Administration	9,595,884
70-Physical Plant Operations	8,442,151
80-Student Financial Support	14,416,048
90-Independent Operations	15,753,977
00-Other Non-Expenditures	38,544,208
Total Budgeted Expenditures	\$151,473,603

State Aided Budget 2015-16

(State and University Generated – Unrestricted & Designated)

- **General Fund** **\$39,431,069**

- **Cash Fund** **\$29,542,534**

- **TOTAL** **\$68,973,603**

State Aided Budget

(State & University Generated – Unrestricted)

- **General Fund:**

- State Appropriation of Tax \$'s \$39,431,069

- **Cash Funds:**

- Gross Tuition \$38,676,083

- Remissions (\$ 8,040,945)

- Refunds/Uncollect (\$ 1,087,065)

- Student Fees \$ 258,595

- Misc Other Cash \$ 697,000

- U-Wide Debt Svc (\$ 1,131,134) \$29,372,534

- TOTAL \$68,803,603**

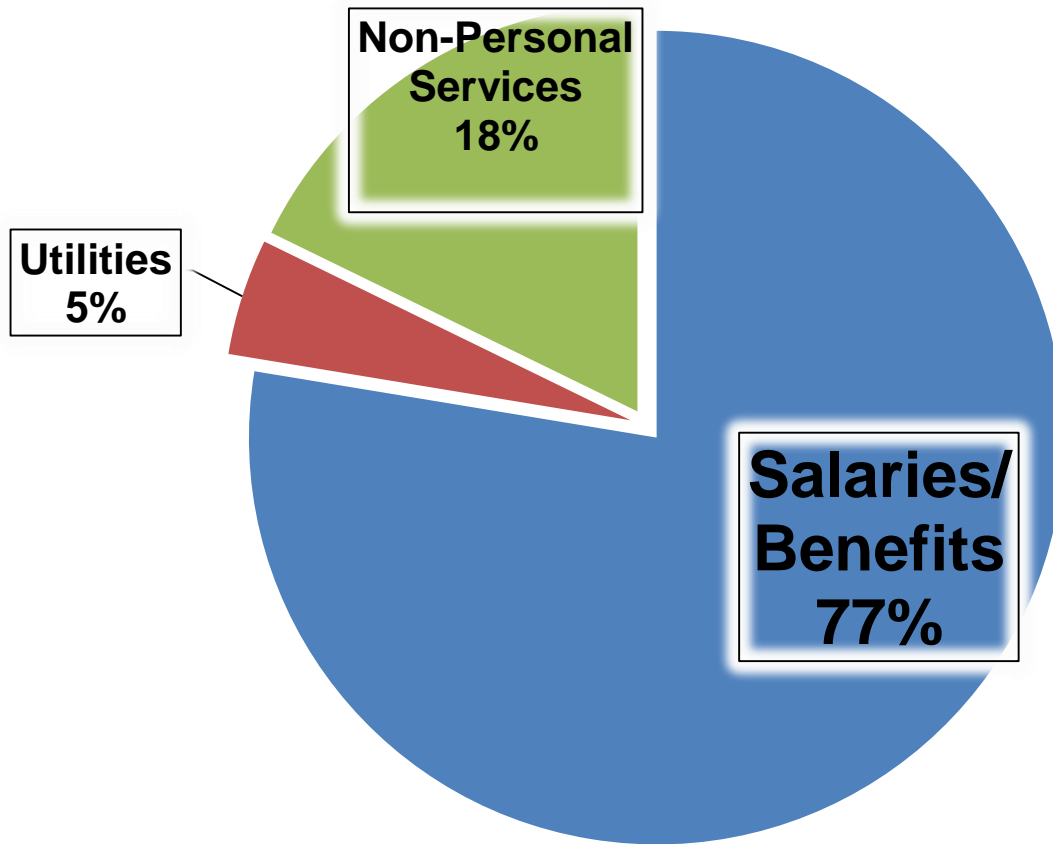
2015-16 BUDGET

	<u>Amount</u>	<u>% of Total</u>
SALARIES	41,249,977	
BENEFITS	12,143,012	
PERSONAL SERVICES	\$ 53,392,989	77%
UTILITIES	3,186,138	5%
NON-PERSONAL SERVICES	12,224,476	18%
TOTAL BUDGET	\$ 68,803,603	100%

FUNDING SOURCE:

General Fund	\$ 39,431,069	57%
Cash Fund	29,372,534	43%
TOTAL BUDGET	\$ 68,803,603	100%

UNIVERSITY OF NEBRASKA AT KEARNEY
2015-16
BUDGET



■ Salaries/Benefits ■ Utilities ■ Non-Personal Services

UNIVERSITY OF NEBRASKA AT KEARNEY

State Aided Budget

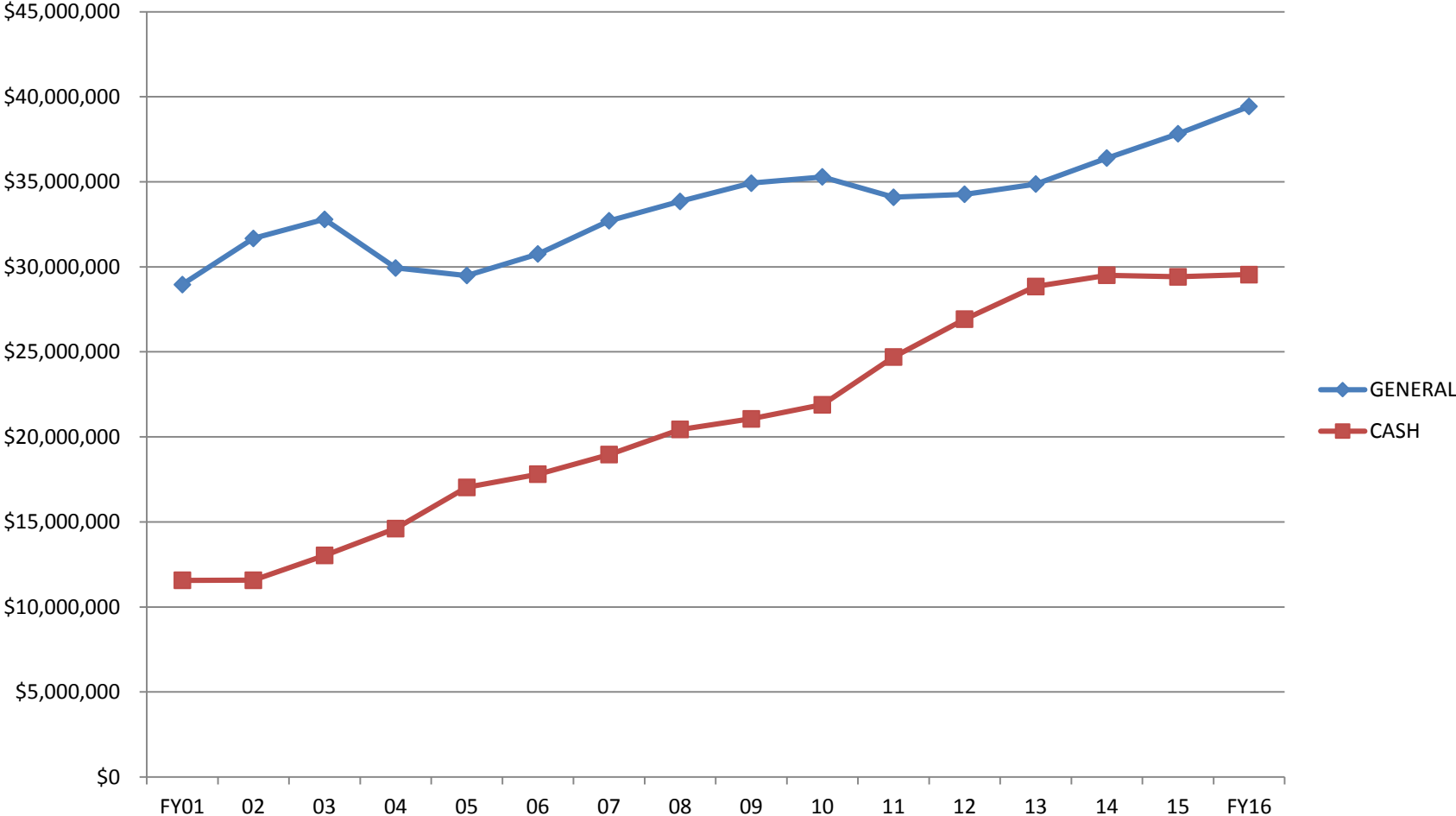
	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
	% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget	
Revenue Budget:																
General Fund	31,676,315	73.2%	31,583,598	70.8%	29,938,302	67.3%	29,489,468	63.5%	30,753,739	63.5%	32,705,096	63.4%	33,849,888	62.6%	34,919,679	62.6%
Cash Fund	11,573,457	26.8%	13,030,397	29.2%	14,577,432	32.7%	16,959,287	36.5%	17,672,788	36.5%	18,855,172	36.6%	20,257,670	37.4%	20,903,706	37.4%
GRAND TOTAL	43,249,772	100.0%	44,613,995	100.0%	44,515,734	100.0%	46,448,755	100.0%	48,426,527	100.0%	51,560,268	100.0%	54,107,558	100.0%	55,823,385	100.0%

	2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget		% of Budget	
Revenue Budget:														
General Fund	35,292,044	61.9%	34,097,172	58.2%	34,260,675	56.1%	34,867,838	54.9%	36,393,192	55.4%	37,825,894	56.4%	39,431,069	57.3%
Cash Fund	21,729,346	38.1%	24,537,940	41.8%	26,758,143	43.9%	28,687,364	45.1%	29,337,439	44.6%	29,251,636	43.6%	29,372,534	42.7%
GRAND TOTAL	57,021,390	100.0%	58,635,112	100.0%	61,018,818	100.0%	63,555,202	100.0%	65,730,631	100.0%	67,077,530	100.0%	68,803,603	100.0%

STATE AIDED BUDGET

FY 2015-16

University of Nebraska at Kearney



UNK Allocation	2014-15	2015-16	% Change FY15 to FY16
1. State-Aided Revenues			
State Appropriation - General Fund	\$ 37,825,894	\$ 39,431,069	4.24%
Cash Fund:			
Net Tuition	29,496,627	29,548,073 *	0.17%
Student Fees	261,475	258,595	
Other Cash	624,668	697,000	
Subtotal Cash Fund	\$ 30,382,770	\$ 30,503,668	
Less LB 1100/605 Debt Service (U-Wide Transfer)	\$ (1,131,134)	\$ (1,131,134)	
TOTAL ESTIMATED REVENUE	\$ 67,077,530	\$ 68,803,603	

2. Expenditures

July 1 Base	65,730,631	67,077,530	
Cash Shortfall (2014-15 cash actuals vs. budget)	(213,658)	(535,837)	w/ Remissions Budget Same as FY15
Adjusted Base	65,516,973	66,541,693	

Increases

Salary Pool Increase 3% Faculty 3% NonFaculty	930,925	1,189,687	
Corresponding Benefits	168,880	172,505	
Health Insurance LB254 Autism	144,249	35,489	
Workers Compensation	-	(48,479)	
Programs of Excellence	206,000	300,000	
College Bound Nebraska/Need-Based Aid	-	24,304	
DAS Accounting Fees	-	-	
Distance Education Tuition Increase	-	341,168	
Utilities	-	-	
Health Science Education Complex O&M	-	424,000	
UNK Internal Alloc	110,503	-	
Budget Cut - UNK Share		(176,764) **	
SUBTOTAL New Expenses	\$ 1,560,557	\$ 2,261,910	

TOTAL ESTIMATED EXPENDITURES	\$ 67,077,530	\$ 68,803,603
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* 1% Increase in Tuition = \$295,481

** Enrollment/Revenue Decline - Additional Budget Reduction <\$988,880> = <\$1,165,644>

University of Nebraska at Kearney 2015-16 General Operating Budget				
STATE-AIDED FUNDS (Non-Revolving)	FY16 Base Budget			
	Personal Services	NonPersonal Services	As of 10/24/15 2015-16 BASE BUDGET	% OF BASE BUDGET
<i>Unit- benefits separated</i>				
Chancellor's Office & General	\$547,622	\$65,000	\$612,622	0.89%
Alumni	4,603	75,000	79,603	0.12%
Intercollegiate Athletics	1,708,298	256,580	1,964,878	2.86%
Communications & Community Relations	296,748	147,979	444,727	0.65%
<i>Subtotal</i>	\$ 2,557,271	\$ 544,559	\$ 3,101,830	4.51%
Academic Affairs Office & General, incl Honors	\$1,982,687	\$249,508	\$2,232,195	3.24%
College of Business & Technology	5,967,200	386,627	6,353,827	9.23%
College of Education	5,155,312	439,098	5,594,410	8.13%
College of Fine Arts & Humanities	6,050,429	555,332	6,605,761	9.60%
College of Natural & Social Sciences	7,931,691	551,509	8,483,200	12.33%
Graduate Studies/Sponsored Programs/RSC	1,077,731	182,204	1,259,935	1.83%
eCampus	376,716	49,682	426,398	0.62%
Summer School	1,119,006	-	1,119,006	1.63%
Information Tech Svcs	902,269	-	902,269	1.31%
Library	1,470,238	673,342	2,143,580	3.12%
Student Affairs	596,793	28,314	625,107	0.91%
Enrollment Management (Adms/FinAid/AdvCareer/1st Yr)	1,489,776	356,689	1,846,465	2.68%
Student Aid	-	1,503,000	1,503,000	2.18%
<i>Subtotal</i>	\$ 34,119,848	\$ 4,975,305	\$ 39,095,153	56.82%
Business & Finance	\$4,794,510	\$2,221,903	\$7,016,413	10.20%
Utilities	\$0	\$3,186,138	\$3,186,138	4.63%
Benefits/DE Reclass/Alloc to Depts	\$12,302,096	3,247,693	\$15,549,789	22.60%
Campus Enhancement/Priority Funds	\$0	\$834,280	\$834,280	1.21%
SUBTOTAL BASE BUDGET	\$ 53,773,725	\$ 15,009,878	\$ 68,783,603	99.97%
Indirect Costs Rsch Incentive Alloc-Campus		\$20,000	\$20,000	0.03%
	\$ 53,773,725	\$ 15,029,878	\$ 68,803,603	100.00%
Indirect Costs Rsch Incentive Alloc-to Depts		\$170,000	\$170,000	
TOTAL BASE BUDGET	\$ 53,773,725	\$15,199,878	\$ 68,973,603	
FUNDING SOURCE:				
GENERAL FUND			\$ 39,431,069	
CASH FUND			29,372,534	
TOTAL BASE BUDGET			\$ 68,803,603	

Current Year Allocation

Personnel/Non-Personnel Percentages FY16

◆ Academic & Student Affairs	56.82%
- Distance Learning - Dept Alloc's	2.80%
◆ Business & Finance Division	14.83%
◆ Chancellor's Division	4.51%
◆ Campus Enhancement/Priorities	1.21%
◆ Benefits	19.80%
◆ Indirect Costs Research Incentive	0.03%
TOTAL	100.00%

Current Year Allocation

Personnel/Non-Personnel Base Budget FY16

◆ Academic & Student Affairs	\$ 39,095,153
- Distance Learning - Dept Alloc's	\$ 1,930,000
◆ Business & Finance Division	\$ 10,202,551
◆ Chancellor's Division	\$ 3,101,830
◆ Campus Enhancement/Priorities	\$ 834,280
◆ Benefits	\$ 13,619,789
◆ Indirect Costs Research Incentive	\$ 20,000
TOTAL	\$ 68,803,603

DISTANCE EDUCATION BUDGET

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Gross Income	\$6,030,498	\$8,066,343	\$9,426,570	\$ 10,032,916	\$11,402,280	\$12,602,165
Net Income	\$5,368,767	\$6,414,180	\$8,100,628	\$ 8,804,777	\$10,189,941	\$11,200,143
Allocated to Depts	\$ 799,100	\$1,195,000	\$1,500,000	\$ 1,755,000	\$ 1,930,000	\$ 1,930,000

BUDGET REDUCTION HISTORY

• 2001-02 Special Session	(\$ 288,246) (FY02)
• 2001-02 Special Session	(\$ 592,303) (FY03)
• 2001-02 April	(\$ 536,116) (FY03)
• 2002-03 July 1	(\$1,208,572)
• 2003-04 July 1	(\$1,675,828)
• 2004-05 July 1	(\$ 86,335)
• 2005-06 July 1	(\$ 531,021)
• 2006-07 July 1	\$ 0
• 2007-08 July 1	(\$ 243,893)
• 2008-09 July 1	(\$ 385,401)
• 2009-10 July 1	(\$ 794,059)
• 2009-10 Special Session	(\$ 342,763)
• 2010-11 July 1	(\$1,086,478)
• 2011-12 July 1	(\$ 368,430)
• 2012-13 July 1	\$ 0
• 2013-14 July 1	\$ 0
• 2014-15 July 1	\$ 0
• <u>2015-16 July 1</u>	<u>(\$ 176,764) *</u>
– TOTAL	(\$8,316,209)

*Enrollment/Revenue Decline – Add'l Budget Reduction <988,880> = <\$1,165,644>

TUITION INCREASE HISTORY

	<u>Tuition</u>
• 2001-02	10.0%
• 2002-03	10.0%
• 2003-04	14.9%
• 2004-05	12.0%
• 2005-06	4.9%
• 2006-07	5.9%
• 2007-08	6.0%
• 2008-09	6.0%
• 2009-10	4.0%
• 2010-11	6.0%
• 2011-12	5.0%
• 2012-13	3.75%
• 2013-14	0.00% Res; 3% NonRes
• 2014-15	0.00% Res; 3% NonRes
• 2015-16	1.75%

REVENUE BOND BUDGET

(Designated/Restricted)

2015-16

• Dormitory Rental	\$7,926,000
• Food Service	\$7,171,000
• Facility Fee	\$ 745,000
• Union Expansion	\$ 480,000
• Bookstore Commission	\$ 240,000
• University Heights Apts	\$ 360,000
• Misc Income	\$1,159,000
• Interest Income	<u>\$ 100,000</u>
– TOTAL INCOME	\$ 18,181,000

LESS OPERATION & MAINTENANCE (\$8,755,000)

LESS FOOD COSTS (\$4,722,000)

Available for Debt Service \$4,704,000

Bond Interest Committed \$1,342,690

Debt Service Charge 3.50

University of Nebraska at Kearney
2015-16 General Operating Budget

REVENUE BOND (Auxiliary/Revolving)

	FY16 Base Budget			
	Personal Services	NonPersonal Services	2015-16 BASE BUDGET As of 10/24/15	% OF BASE BUDGET
<i>Unit -benefits separated</i>				
Chancellor				
Internal Audit-Revenue Bond	\$31,827	\$0	\$31,827	0.36%
Intercollegiate Athletics Pre-Season Meals	\$0	\$20,000	\$20,000	0.23%
<i>Subtotal</i>	<i>\$31,827</i>	<i>\$20,000</i>	<i>\$51,827</i>	<i>0.59%</i>
Academic Affairs				
College of Education - Intramurals	\$39,920	\$0	\$39,920	0.46%
Information Technology Svcs	\$17,151	\$224,066	\$241,217	2.76%
Student Affairs	\$1,028,437	\$333,287	\$1,361,724	15.55%
<i>Subtotal</i>	<i>\$1,085,508</i>	<i>\$557,353</i>	<i>\$1,642,861</i>	<i>18.76%</i>
Business & Finance				
Utilities	\$0	\$1,693,839	\$1,693,839	19.35%
Benefits	\$1,053,233	\$0	\$1,053,233	12.03%
Campus Enhancement/Priority Funds*	\$4,025	\$427,004	\$431,029	4.92%
TOTAL BASE BUDGET	\$4,609,238	\$4,145,762	\$8,755,000	100.00%

* Funding accumulation will be used for future revenue bond projects.

ROOM & BOARD INCREASE HISTORY

	<u>ROOM/Sem</u>		<u>BOARD/Sem</u>		<u>Per Year</u>
• 2001-02	\$1,008	+\$88	\$ 943	+\$53	\$3,902
• 2002-03	\$1,071	+\$63	\$1,007	+\$64	\$4,156
• 2003-04	\$1,146	+\$75	\$1,072	+\$65	\$4,436
• 2004-05	\$1,289	+\$143	\$1,206	+\$134	\$4,990
• 2005-06	\$1,376	+\$87	\$1,287	+\$81	\$5,326
• 2006-07	\$1,469	+\$93	\$1,374	+\$87	\$5,686
• 2007-08	\$1,550	+\$81	\$1,450	+\$76	\$6,000
• 2008-09	\$1,635	+\$85	\$1,530	+\$80	\$6,330
• 2009-10	\$1,725	+\$90	\$1,690	+\$160	\$6,830
• 2010-11	\$1,820	+\$95	\$1,783	+\$93	\$7,206
• 2011-12	\$1,911	+\$91	\$1,868	+\$85	\$7,558
• 2012-13	\$2,007	+\$96	\$1,962	+\$94	\$7,938
• 2013-14	\$2,107	+\$100	\$2,060	+\$98	\$8,434
• 2014-15	\$2,212	+\$105	\$2,163	+\$103	\$8,880
• 2015-16	\$2,300	+\$88	\$2,250	+\$87	\$9,230

FREQUENTLY ASKED QUESTIONS

- Why does tuition increase when we want to keep attendance affordable?
We have annual increases in expenses, therefore, we increase tuition and fees to cover the increases in expenses. While 57% of our state budget is provided through state appropriations, this is not sufficient to cover all of our operating expenses.
- What is our number one expenditure?
Compensation (salaries and benefits) which is 77% of our operating budget.
- What is the average amount of debt a student has when they graduate from UNK?
All students do not have debt when they graduate. Nation wide, 34% of undergraduates do not have debt. At UNK those students that have debt usually have between \$20,000-\$21,000 of debt.
- Will more classes and programs be offered on-line?
The number of programs and courses that are available on-line is a market driven decision which is managed by the administrators of our on-line programs as well as the deans and faculty members.

**QUESTIONS OR COMMENTS SHOULD BE SUBMITTED
TO VICE CHANCELLOR BARBARA JOHNSON AT
JOHNSONBL@UNK.EDU**