An alternative vision for the University of Nebraska-Lincoln
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The proposed reductions to the UNL budget are severe and will do great damage to our public image, our stated goal of rejoining the AAU, and our basic mission to do good in the state of Nebraska and in the world more broadly. We must consider an alternative vision for our university if we are to meet our teaching, research, and service goals while providing proper support to those of us charged with delivering them. This requires reconsidering the proposals offered, and also systematically changing the financing of the university in a way that prioritizes UNL's flagship role.

First, I must note that APC procedures for significant budget reductions specify that as part of the public hearings on the proposals, "The Chancellor or a designee will present the justification for the proposals." I fully expect that the campus will be provided with a detailed explanation supporting the choices that have been made, beyond the minimal information provided in the Chancellor's memo.

I urge the APC to recommend **against** the following proposals:

- **Elimination of academic programs**. The delivery of academic programs is our reason for existence. Some of the programs proposed for elimination are unique in our state, and it is difficult to accept eliminating any programs at the system flagship campus while other campuses are providing duplicate degree offerings in other areas. Proposals to avoid elimination of unique academic programs by coordinating across campuses to minimize redundant offerings have been neglected; this must now change.
- **Reductions in graduate assistantship budgets**. As a department chair in CAS, I know that our budget for teaching assistantships is already insufficient, and cannot accept any further strain. My department's D-line budget (which includes graduate assistantships) for this year is about $453k. However, the actual cost to cover the cost of instruction in my department is about $847k, requiring the infusion of $394k in so-called temporary funds (available from un-filled faculty lines) to meet our baseline requirements for offering our courses. That is to say, our D-line budget is only about half of what it needs to be for us to offer our courses; as in other units most of this goes into service courses that are required by many degree programs outside our department. This has been the situation for many years. Reductions to graduate assistantships will only exacerbate this problem.
- **1% overall rescission to state-aided budgets**. My department's state-aided operating budget is $95k, an amount that has not been adjusted in many years. Last year our operating costs were $173k. This is what it costs to do the bare minimum in our department; for instance, we do not fund any faculty travel, and do not purchase computers for our faculty to do their university work. This too has been the case for many years, and a rescission will only exacerbate this problem too.

The above items have a budget of $12,860k. Obviously, funds must come from somewhere to pay for these items. Let us state this clearly: the University of Nebraska-Lincoln does not have a spending problem, it has a revenue problem. However, the source of the problem is not widely understood. In AY2024-25, net tuition revenue to UNL was $181M. To increase this amount by 10% would be considered miraculous – it would require an increase of enrollment of 2400 students on our campus (while maintaining our current tuition discount rate, and also not adding any expenses for e.g. offering additional seats in classes) or a marked change in our tuition list price or approaches to remissions. The Regents have proven resistant to the former, and the latter is difficult because of external mandates. And even if it could be done, it would not even offset the stated $27.5M deficit.

But such discussions obscure the fact that UNL receives significantly more funding from state appropriations: $279M in AY2024-25, out of a total appropriation of $695M to the university system. A 10% increase in the amount of state appropriations directed to UNL would completely resolve the stated structural deficit. It could be achieved by the stroke of one person's pen, and it would demonstrate the commitment of the University of Nebraska system to the mission of its flagship institution. Clearly such a significant internal reallocation of funds within the system could not happen quickly. However, the system has accumulated significant cash reserves that can be used to buffer the campuses during this transition, allowing all campuses to make the necessary adjustments to their staffing and academic offerings, with the aim of reducing duplicative programs and functions across the system. This transition is possible and would increase enrollments and strengthen our bid to rejoin the AAU.

All that being said, we still have significant work to do on this campus to improve our financial picture. The studies performed during the development of the now-discarded IBB model demonstrated that some campus units are significantly more subsidized with state-appropriated funds than others. Some of these units have also chosen to reject other forms of revenue available to them, such as maximal F&A recovery and fee-for-service opportunities. This is likely costing the campus several $M each year, and the burden of that lost revenue is distributed across the whole university, not just the units making what appear to be local decisions. UNL must commit to a thorough and public evaluation of how units are subsidized by state-appropriated funds, and develop plans to ensure that all are treated fairly.

APC would be wise to recommend this alternative vision for UNL that will put us on the road to financial stability while fulfilling our role as the flagship institution within the system, and as the state's only comprehensive R1 land-grant university.