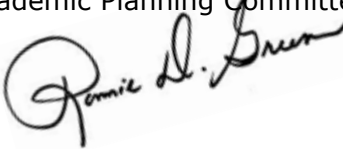




MEMORANDUM

TO: Dr. Ann Tschetter, Chair, Academic Planning Committee
FROM: Ronnie D. Green, Chancellor 
DATE: March 9, 2023
SUBJECT: Budget Reduction Framework

I am writing to notify you of the need to invoke the significant budget reallocation and reduction process due to a budget shortfall in the current fiscal year. This memorandum will serve as the required framework document and includes a description of the current situation, rationale for budget reductions, the scope of necessary reductions, and a desired timeline for completing the review process and implementing the changes.

Overview of Current Budget Situation and Rationale for Budget Reductions

Enrollment declines over the past two fiscal years resulting from multi-year record graduating classes and continued pressure on new international enrollment resulting from complications from the global pandemic and geopolitical challenges, combined with increased remissions have resulted in a significant structural state-aided budget deficit for UNL of \$23.2M moving in to FY24 (combined impact of \$10.2M deficit in FY22 and an additional \$13.0M deficit in FY23).

In FY22 careful control of operating expenses and the use of accumulated cash reserves were successful in mitigating the budget deficit, but with continued downward pressure on enrollment and net tuition revenue in FY23, and with additional pressure anticipated on the University budget in the coming biennium (FY24 and FY25), permanent budget reductions are required to eliminate the current deficit. This document outlines the plan to address the existing budget deficit prior to the beginning of FY24 on July 1, 2023.

Scope of Necessary Reductions

After carefully and conservatively modeling enrollment for the next two fiscal years we expect to recover **\$12,429,809** of the permanent structural state-aided budget deficit during this period. The remainder of the permanent structural budget deficit (**\$10,770,191**) will require permanent budget reductions to balance the current state-aided deficit.

The allocation of these budget reductions is to be based first on a reduction of 10% in the administrative salary pool across all academic divisions of the University (approximately \$3M). Additional budget reductions are required across Academic Affairs and IANR.

Timeline

Proposed budget reductions will be considered through the Academic Planning Committee process beginning with invoking the budget reduction process on March 8, 2023 and concluding with implementation of the budget reductions to the FY23 budget prior to July 1, 2023.

Date	Action
March 8	Chancellor invokes the budget reduction process and provides the APC with the framework for consideration.
March 10	Framework is made public.
April 12	Chancellor provides the APC a specific plan for budget reductions.
April 14	Specific plan on proposed reductions is made public.
April 14 – May 26	APC reviews plan and conducts hearings as needed.
May 26	APC makes budget reduction recommendations to Chancellor.
June 1	Public announcement of accepted recommendations by Chancellor.
Prior to June 30	Proposals are operationalized in FY24 budget.