

University of Nebraska Lincoln 5-Year Financial Analysis for the AAUP

October 2025

Completed by Bonnie Fox Garrity

foxgarrity@gmail.com

Member of the Higher Education Expert Panel of the AAUP National

Professor of Business at D'Youville University

Highlights

- ❖ University of Nebraska System – Good financial health
 - Net position increased for the past 6 years.
 - Revenue has exceeded expenses for the past 6 years.
 - Operating cash flow has been positive for the past 6 years.
 - High-grade bond ratings from 2 agencies
- ❖ University of Nebraska Foundation – Good financial health
 - Net assets increased from \$2.14 billion in 2019 to \$3.1 billion in 2024.
- ❖ University of Nebraska – Lincoln campus – Good financial health
 - Net position increased from \$1.5 billion in 2020 to \$2 billion in 2024
 - Total revenue reached \$1.45 billion in 2024 with total expenses and deductions of \$1.3 billion.
 - Net tuition revenue declined from 2019 to 2023 but increased in 2024 to \$219.6 million.
 - In 2023 expenses for auxiliary enterprises (including athletics) surpassed instruction as the largest expense category
 - State appropriations at UNL grew each year from 2019 to 2024 reaching \$311 million.
 - State appropriations per FTE student grew to \$14,086 in 2024 at UNL. This is higher than the reported state average per FTE.
 - Enrollment declined from 2019 to 2023 but increased in Fall 2024.
- ❖ Total state appropriations to the UN system grew in 2024 and 2025 with further increases in the state budgets for 2026 and 2027.
- ❖ Athletics at UNL have generated excess revenue beyond expenses each year except 2021 (Covid) and have transferred \$10 million to the university 4 of the past 6 years.
- ❖ Budgets
 - Total revenue and expenditures in the budgets for the UN-Lincoln campus are projected to grow.
 - From 2015-16 to 2025-26 the total budgeted growth in expenditures was 39.3%. However, budgeted expenditures for instruction grew by 30.3% while other areas such as institutional administration grew by 53.1%.
- ❖ **Proposed budget reductions**
 - The proposed budget reductions are 1.8% of the total UN-Lincoln expenses and deductions reported in FY24.
 - Instruction expenses would be reduced by an estimated 5.7% plus the 1% across the board cut.
 - Instruction is 20.22% of budgeted expenditures, but nearly 69% of the budget reductions would be instruction expenses.
- ❖ **Staffing and Salary Outlays**
 - Total full-time instructional employees declined by -7.8% from 2019 to 2025.
 - Total full-time non-instructional employees increased by 7.6% from 2019 to 2025.
 - Total salary outlays for full-time instructional employees increased by 4.5% from 2019 to 2025.
 - Total salary outlays for full-time non-instructional employees increased by 31.7% from 2019 to 2025.

Contents

Highlights	2
Introduction.....	4
Overview	4
Financial Health of the University of Nebraska System.....	5
Audited Financial Statements	5
Bond Ratings	12
Foundation.....	13
Financial Health of University of Nebraska - Lincoln	15
Net Position.....	15
Expendable Net Assets.....	18
Revenue and Expenses	19
Revenue at UNL.....	20
Expenses at University Nebraska Lincoln.....	25
Mean Faculty Salaries	30
State Appropriations.....	31
Athletics Revenue and Expenses	35
Enrollment	36
Budgets	38
Proposed Budget Reductions.....	41
Faculty Staffing Levels and Mean Salaries	43
Number of full-time employees.....	43
Salary outlays for Full-time Employees.....	46
Conclusion.....	50
Appendix A.....	51

Introduction

The administration of the University of Nebraska Lincoln has announced a proposal to cut \$27.5 million from the budget. The cuts include \$21 million to close a reported structural budget gap and \$6.5 million in what are being called “proactive reductions”.

These proposed cuts included the elimination of 6 academic programs (\$7.7 million), realigning four academic departments (\$2 million), and budget reductions in two colleges (\$550,000). Additionally, a voluntary separation incentive program for faculty is expected to generate an additional \$5.5 million of savings.

The remainder of the proposed cuts include student life (\$850,000), decrease unfunded remissions through fundraising (\$2.5 million), executive and administrative staff efficiencies (\$2.9 million), administrative and staff changes in colleges (\$1.1 million), and a reduction in all state-aided budgets by 1% (\$4.6 million).

The stated reasons in a video posted by the University (<https://mediahub.unl.edu/uploads/5a679824-8f3c-11f0-8a47-005056832e99/media.mp4>) include declining net tuition revenue, changes in state appropriations and campus allocation models, and sharply rising costs for healthcare, property and liability insurance, and utilities leading to a structural budget deficit compounding over time. This statement goes on to say that athletics funds and endowment funds cannot be used to reduce the deficit. The stated reason that endowment funds cannot be used is that they are largely designated for specific purposes.

During the past 7 years, the total number of full-time instructional employees has declined by -7.8% but full-time non-instructional employees have increased by 7.6%. Total salary outlays for the full-time instructional employees increased by 4.5% and for full-time non-instructional employees 31.7% since 2019.

The proposed budget reductions are approximately 1.8% of total budgeted expenditures but would result in a 5.7% reduction before the 1% across the board cut in instruction expenditures. Instruction is 20.22% of budgeted expenditures, but nearly 69% of the budget reductions would be instruction expenses.

Overview

This report includes an assessment of the financial health of the University of Nebraska System including the bond ratings and the financial health of the foundation. In addition, the financial health of the University of Nebraska Lincoln is assessed including changes in the revenue and expenses over time including tuition and fees, state appropriations, and athletics. Changes in enrollment at UNL and the budgets and the proposed budget reductions are discussed. The report concludes with a review of the staffing levels and salary outlays by functional area.

This financial analysis was completed during October 2025. Sources and data used include the University of Nebraska systemwide financial statements, the University of Nebraska Foundation audited financial

statements, the Integrated Postsecondary Education Data System (IPEDS), the Knight-Newhouse athletics finance database, and bond ratings from Moody's and S&P.

The most recent full-year financial statements available at the time of this analysis were the 2024 fiscal year (FY) financial statements. Fiscal year 2024 (FY24) at the University of Nebraska included transactions that occurred between July 1, 2023, and June 30, 2024. The systemwide financial statements include all of the campuses, as well as “six blended entities, those being the University of Nebraska Facilities Corporation (UNFC), the UNMC Science Research Fund, the University Dental Associates, UNeHealth, the Nebraska Utility Corporation, and the University Technology Development Corporation.” (University of Nebraska FY24 audited financial statements).

The audited financial statements do not include a set of financial statements for each individual campus. This report will rely on a combination of IPEDS data and EMMA disclosure documents for financial data specific to the Lincoln campus.

“In thousands” explained: A note about how numbers are presented in the financial statements. Some values in the University of Nebraska systemwide financial statements are presented “in thousands.” That means that “000” has been removed from the end of each number. In the financial statements, if a number is shown as \$42,563, add the 000 on the end and read that as forty-two million, five hundred sixty-three thousand dollars. It may also be presented as \$42.6 million.

A last note about the accounting style of presentation, all negative numbers are shown in parentheses. So, (\$500) in the financial statements stated in thousands represents \$-500,000.

Financial Health of the University of Nebraska System

The audited financial statements of the University of Nebraska system indicate that the system as a whole is financially healthy.

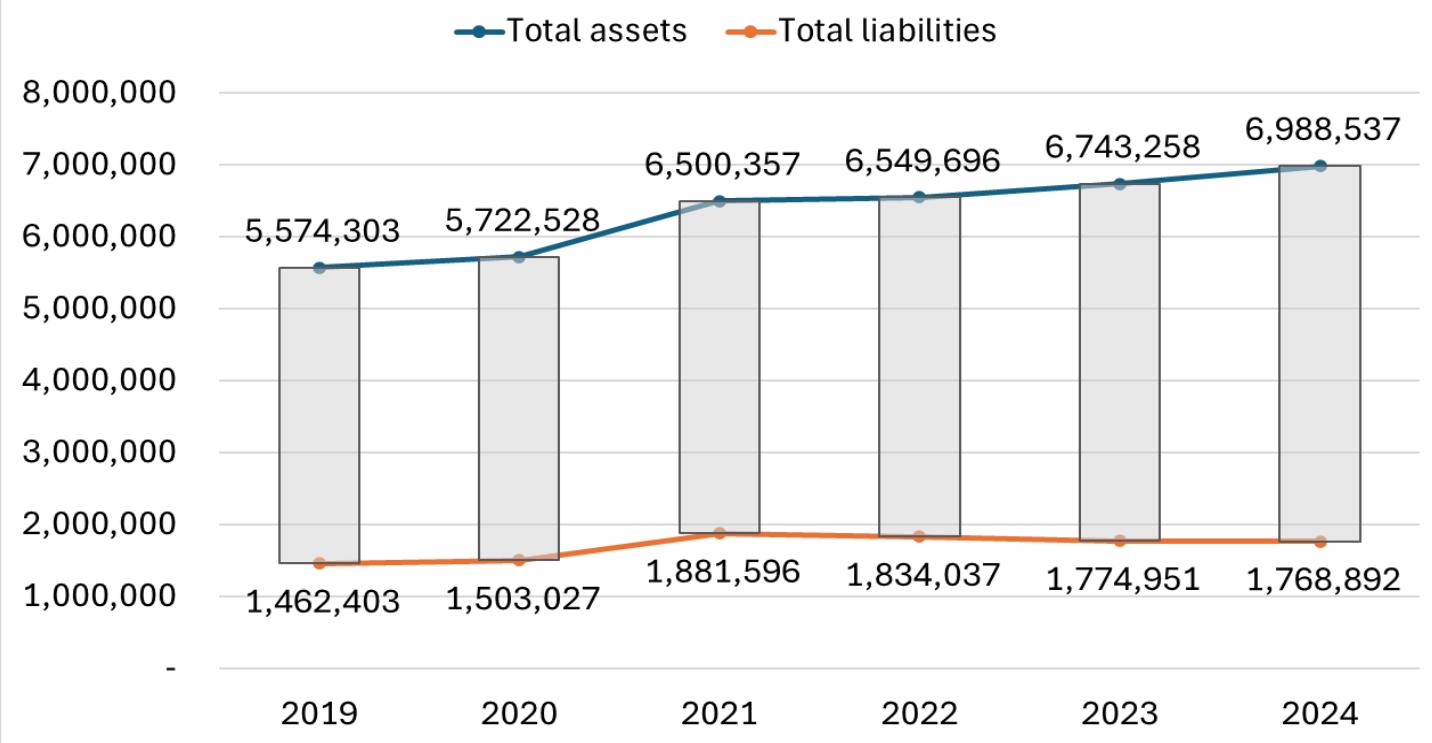
Audited Financial Statements

The assets and total net position (assets – liabilities) have grown each of the past 6 years.

Assets are items of value that the institution owns such as buildings, library books, land, and equipment. Liabilities are obligations or debts that are owed by the institution. Generally, these are loans, bonds that have been issued, future obligations for retiree benefits, and lease obligations. There are accounting rules that require some noncash future obligations to be included in the liabilities section of this statement.

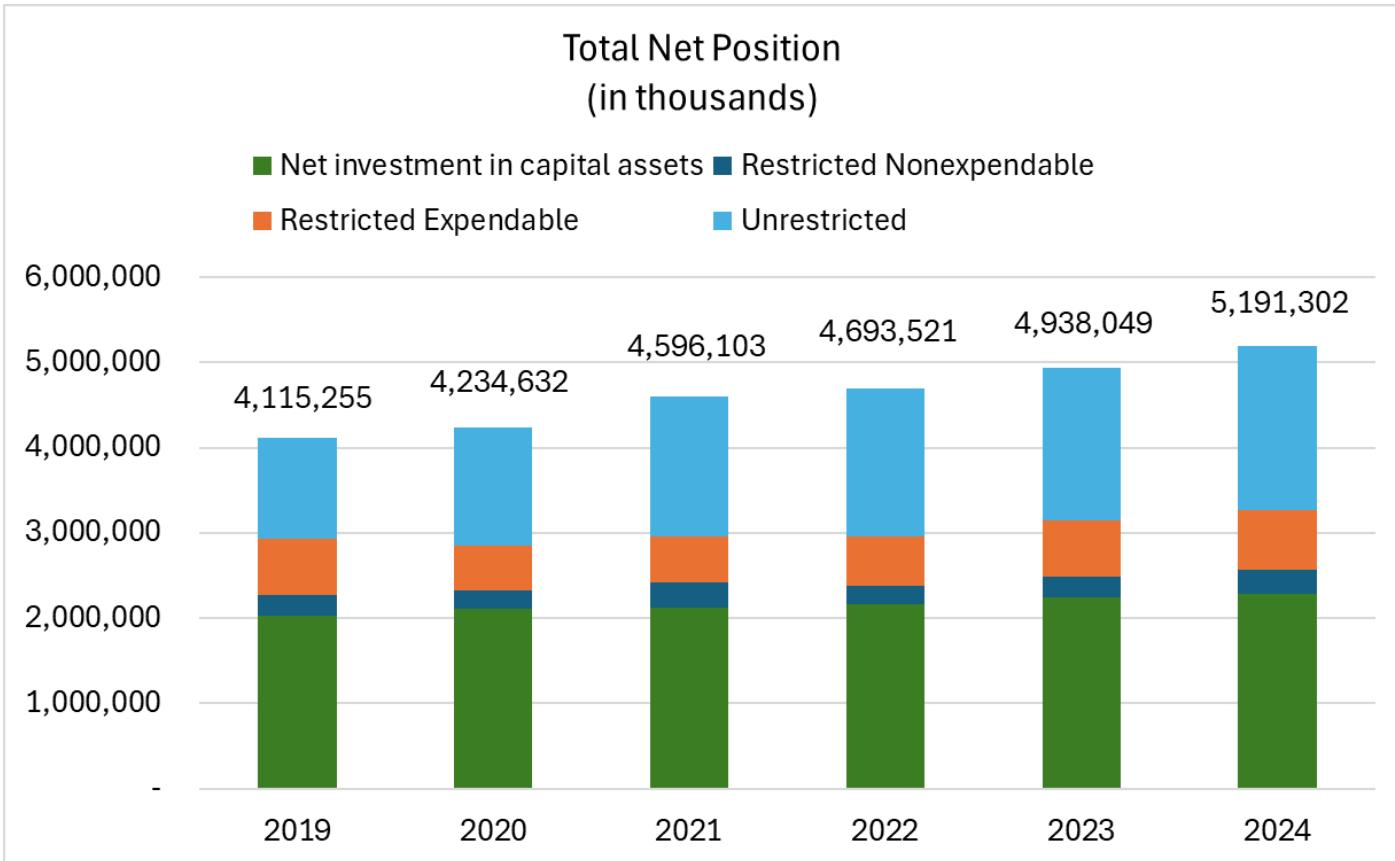
Net position may best be understood using the analogy of buying a house. If you buy a \$400,000 house and take out a \$300,000 mortgage, you have an asset valued at \$400,000 and a liability valued at \$300,000. You might call the difference between the two “home equity,” or in the case of this statement we would call this a “net position” of \$100,000.

Assets, Liabilities, and Net Position (in thousands)



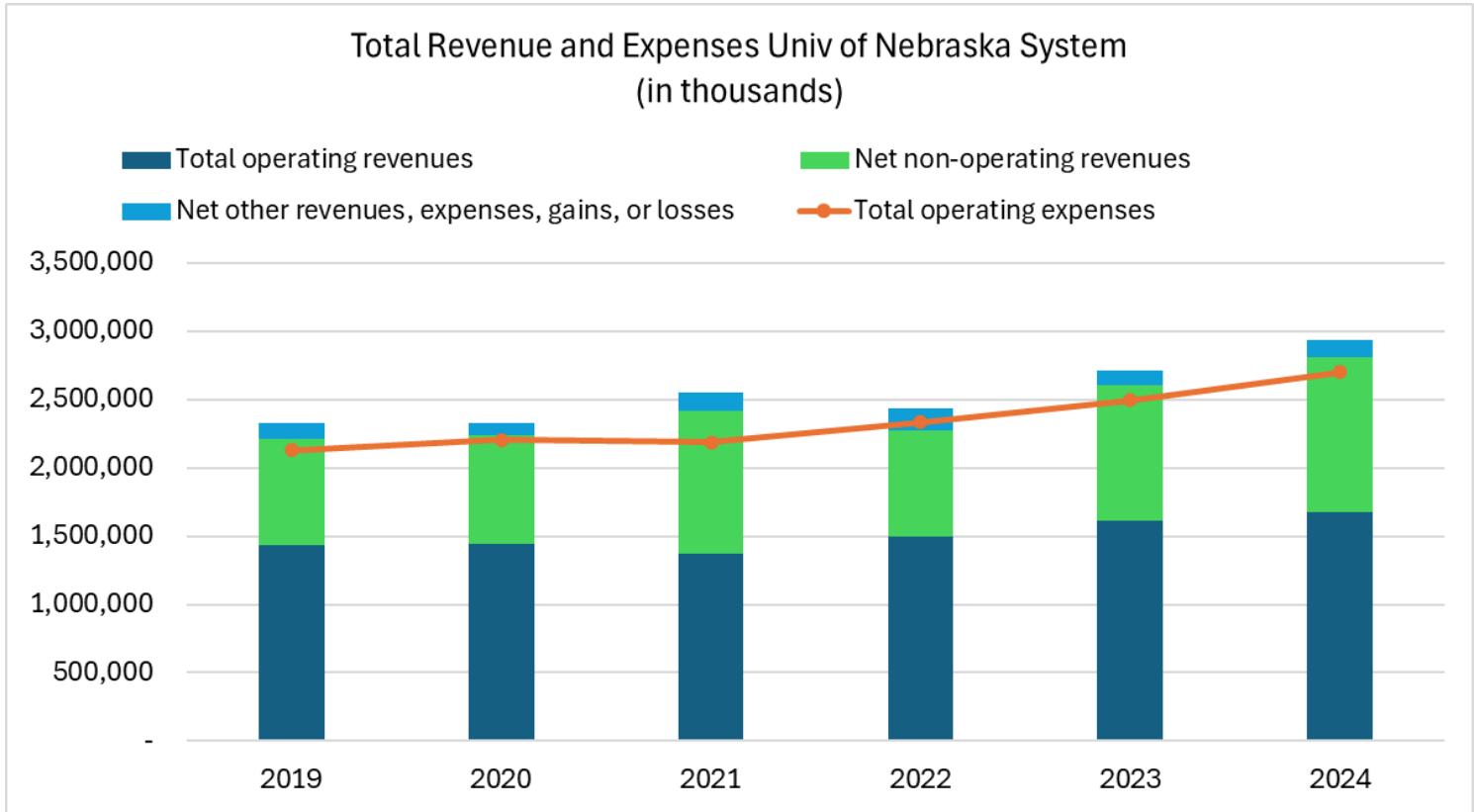
The University of Nebraska System had nearly \$7 billion of assets and \$1.8 billion of liabilities as of June 30, 2024. Growth of assets during a period of a decline in liabilities is a sign of financial health and results in an increased net position.

The net position is reported in four main categories: capital assets (buildings, land, equipment minus the associated debt), restricted nonexpendable (in perpetuity), restricted expendable (restricted for a specific time or purpose), and unrestricted. The University of Nebraska system has a sizable level of unrestricted assets, which are the most flexible for the institution. Increasing net position and unrestricted net position are signs of a financially healthy institution.



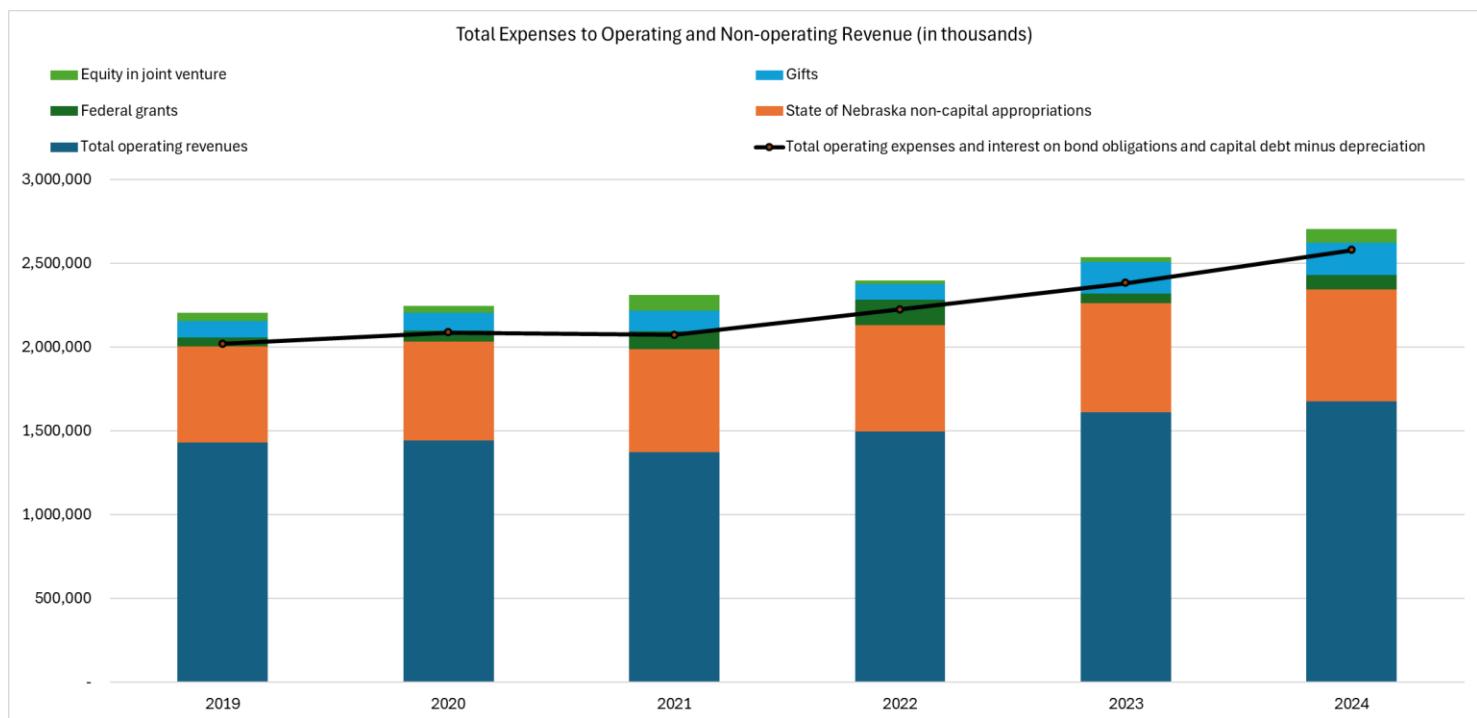
Expenses and revenues are classified into two categories, operating and nonoperating. Expenses such as salaries and other expenses related to providing an education to students are operating expenses. Tuition and room and board are operating revenues. State and other government appropriations and investment returns are nonoperating revenue. The difference between the expenses and revenue is called the change in net position.

The total expenses have been lower than total revenue each year. This is an indication of strong financial operations.

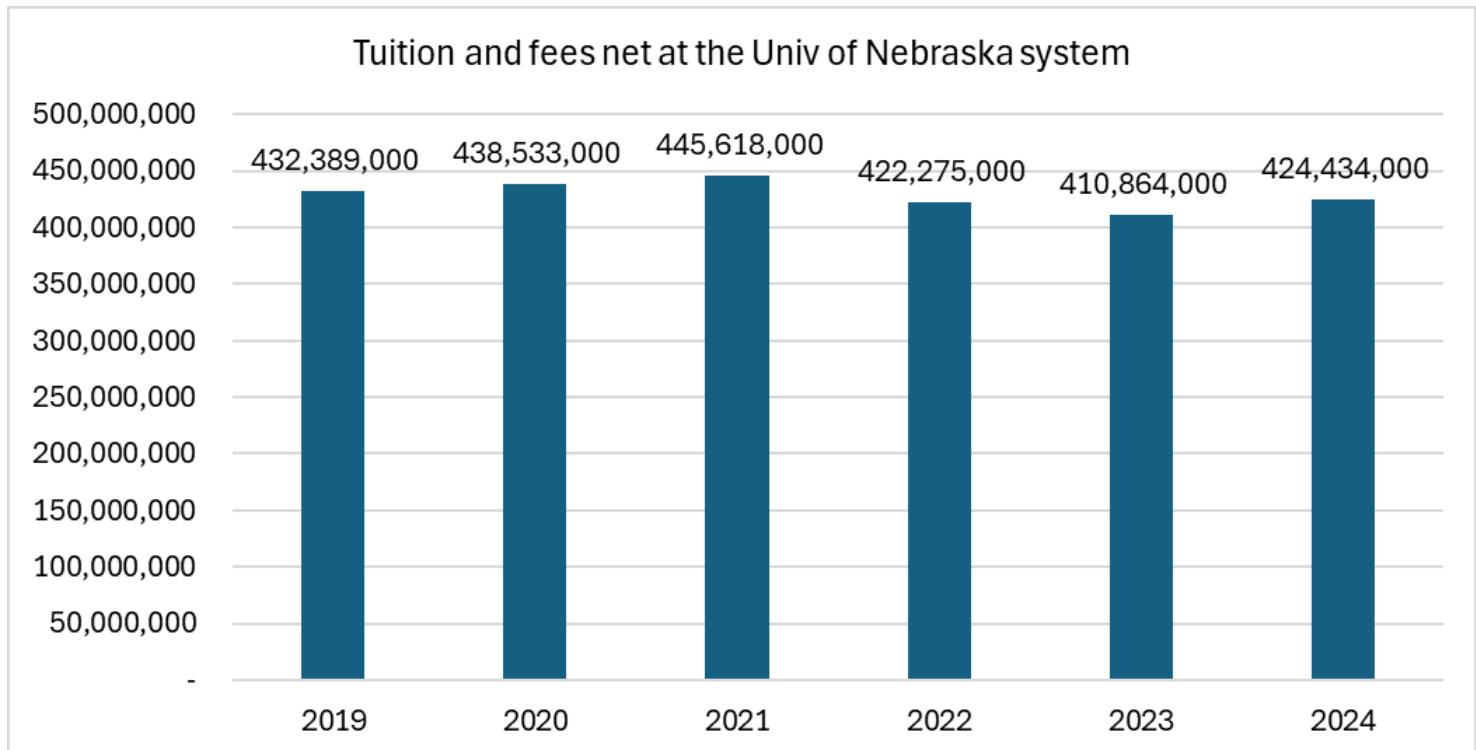


Another sign of a financially healthy and sustainable institution is a positive return from operations, meaning the returns excluding capital appropriations and permanent gifts to the endowment in the section called “Net other revenues, expenses, gains or losses”. Capital items include buildings, land, and equipment. These are essential to the operations of the institution but are often funded at least partially with appropriations and gifts that are donor restricted to specific projects. Since these are generally one-time, limited purpose appropriations, they are listed separately on this statement. This helps readers separate the annual expenses and revenues that are expected to continue each year, such as tuition and fees, from the one-time contributions to build a specific building.

The following graph adds interest paid on bond obligations and capital debt to the operating expenses and subtracts depreciation (a non-cash expense). The revenue columns do not include capital appropriations, investment income, or gifts to the permanent endowment. Even with these adjustments, total expenses are less than total revenue each year. Bond rating agencies would include a percentage of the total value of investments, a form of revenue that is not included in the graph below.



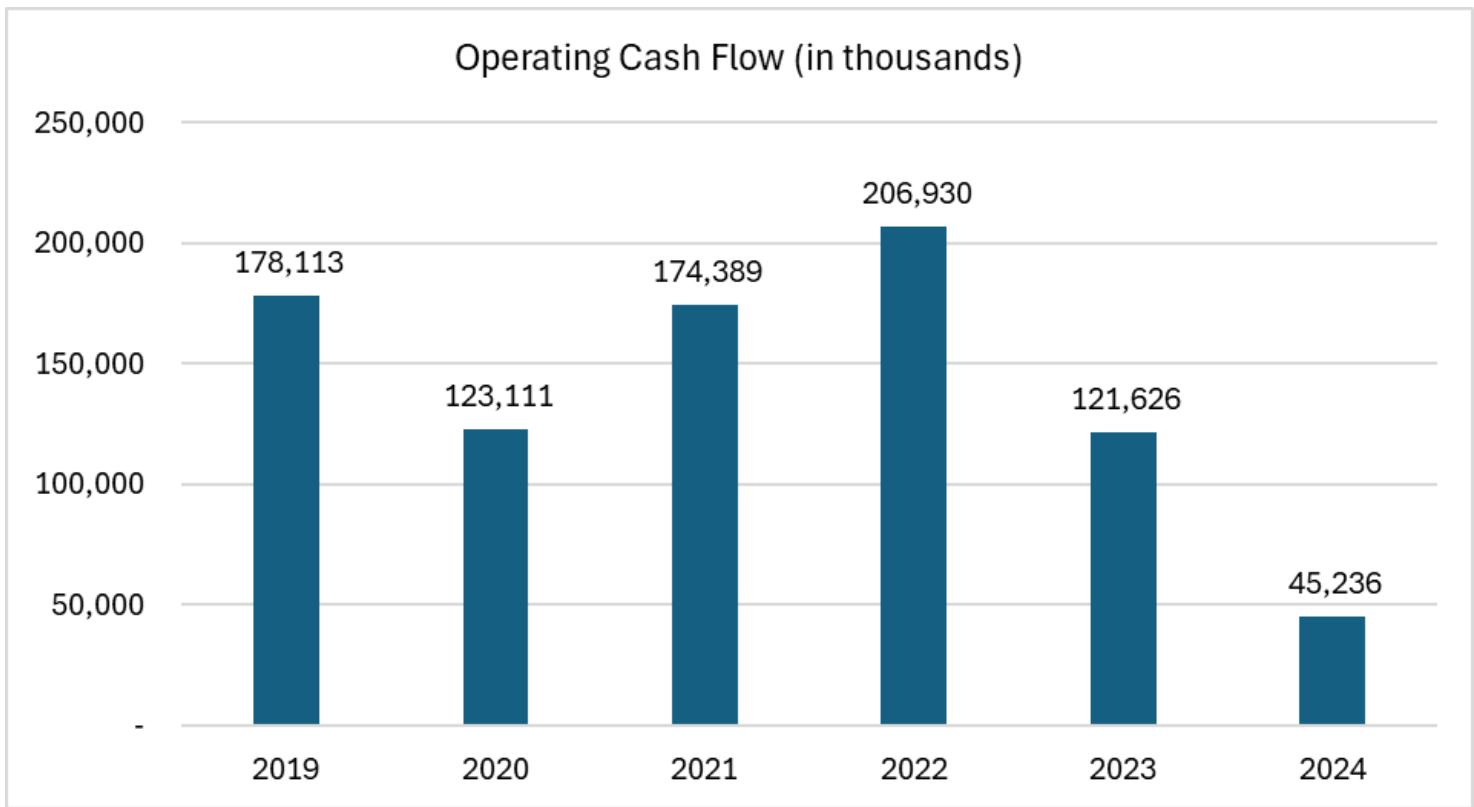
Total tuition and fees as a source of revenue declined at the university system as a whole in FY22 and FY23 but increased in FY24.



The statement of cash flow provides a summary of the actual flow of resources into and out of the institution during each fiscal year. The revenues and expenses shown previously included some non-cash expenses such as depreciation (merely an entry on paper), which will not change the resources available to operate. The cash flow is used to determine if the institution has enough resources on hand and enough cash being generated to sustainably maintain operations. Operating cash flow at the University of Nebraska System has been positive each year but has declined in the past two years.

The statement of cash flows records all cash flows in one of four categories. Cash flow from operating activities includes tuition and fees received and payments made to employees and suppliers. Cash flow from noncapital financing activities includes appropriations from county and state governments for operations. Cash flows from capital and related financing includes capital appropriations for large building projects, payments on bonds, and proceeds from issuing bonds. Cash flow from investing activities includes purchases, sales, and interest from investments.

Operating cash flow in the next graph includes cash flow from operating activities (tuition and fees, payments to suppliers and employees, etc.) and noncapital financing activities (state appropriations, etc.).



Overall, the increasing net assets, the revenue in excess of expenses, and the positive operating cash flow are indications of a financially healthy institution.

Bond Ratings

The bond ratings for the system are additional indications of financial health. External bond rating agencies including Moody's and S&P complete a review of the financial and competitive position of an institution and issue a score that alerts bond investors to the level of risk associated with the bonds issued by the institution. These ratings are similar to a personal credit score.

Moody's has issued a rating of Aa1, and S&P has issued a rating of AA. Both agencies consider the bonds to be high grade. In fact, a university press release (<https://nebraska.edu/news-and-events/news/2023/08/university-again-earns-strong-rating-for-fiscal-management>) boasts that this places the institution in the top 8 percent pf public higher education institutions in the country. These ratings are a sign of very strong financial health.

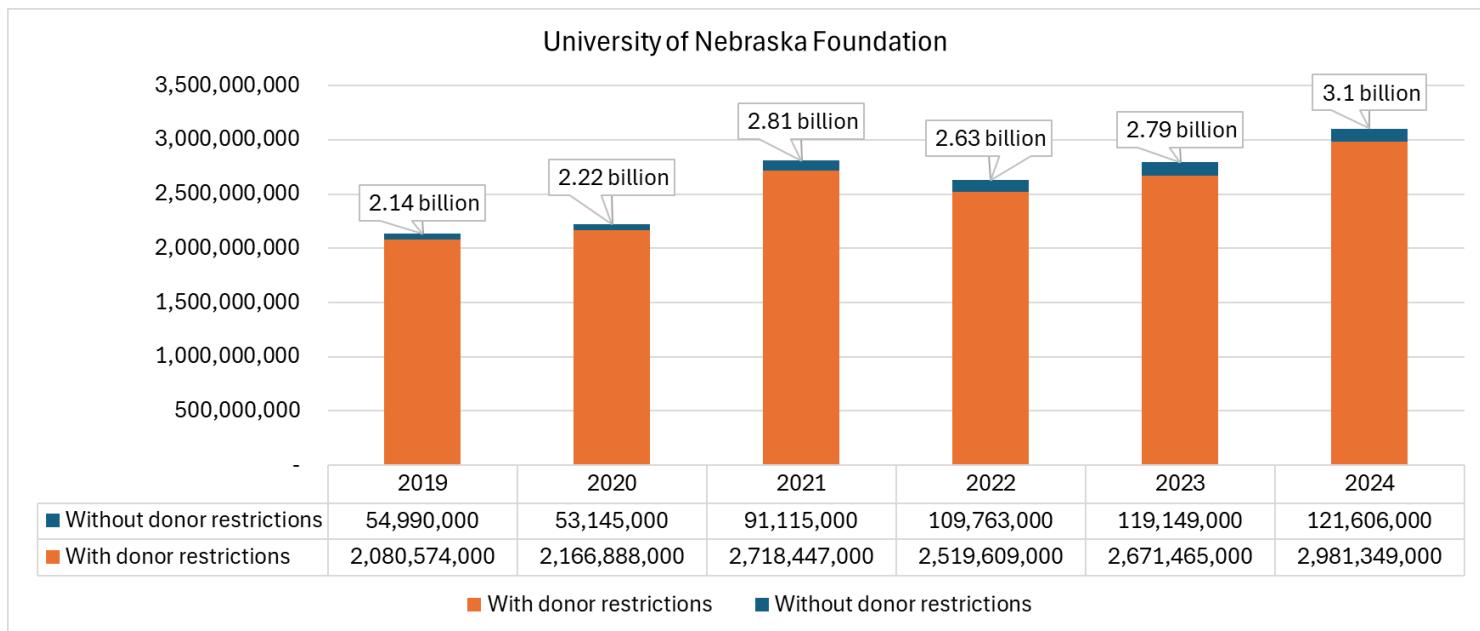
Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	
Aa2	AA	AA	High grade
Aa3	AA-	AA-	
A1	A+	A+	
A2	A	A	Upper medium grade
A3	A-	A-	
Baa1	BBB+	BBB+	
Baa2	BBB	BBB	Lower medium grade
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade
Ba2	BB	BB	speculative
Ba3	BB-	BB-	
B1	B+	B+	
B2	B	B	Highly speculative
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with
Ca	CC	CC	little prospect for
C	C	C	recovery
/	D	D	In default
/			

WOLFSTREET.com

Foundation

The University of Nebraska Foundation is an important source of revenue for the system. The financial statements of the foundation are separate from the University of Nebraska system statements. A video statement about the proposed cuts states that “we cannot permanently back fill deficits with foundation funds which are largely designated for specific purposes.” <https://mediahub.unl.edu/uploads/5a679824-8f3c-11f0-8a47-005056832e99/media.mp4>

The Foundation holds over \$3 billion of net assets. The assets are classified into two categories: with donor restrictions and without donor restrictions. Funds with donor restrictions may include funds restricted in perpetuity as well as temporarily restricted funds with restrictions related to the purpose or timing of use.



A portion of the net assets of the foundation are held in the endowment.

More than 60% of the unrestricted funds of the foundation were designated by the board as an endowment to support operations of the Foundation. Board-designated funds are unrestricted and may be used for any legally allowable purpose.

The endowment funds	2019	2020	2021	2022	2023	2024
Donor-restricted endowment funds	1,407,724,000	1,367,357,000	1,842,222,000	1,668,931,000	1,841,307,000	2,087,826,000
Board-designated endowment funds	28,030,000	28,478,000	63,613,000	53,941,000	57,147,000	73,590,000
amount appropriated for expenditure	57,741,000	59,659,000	63,012,000	72,666,000	75,262,000	77,305,000
	1,435,754,000	1,395,835,000	1,905,835,000	1,722,872,000	1,898,454,000	2,161,416,000
approximate appropriation rate	4.0%	4.3%	3.3%	4.2%	4.0%	3.6%

According to the financial statements of the foundation, the foundation policy allows for distribution of a set percentage of the funds each year. The general spending rate of the endowment funds at most

institutions is between 4% and 6%. A spending rate of over 7% would be a concern as that may lead to depletion of the endowment funds over time.

The Foundation has a policy of appropriating for distribution each year 4.25% of the average fair market value of the prior 20 quarters of the unitized endowment shares as of June 30 each year, for the following 12-month period beginning October 1. In establishing this policy and in the annual review of the policy, the Foundation considers the long-term expected return on its investment assets, the nature, and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation.

The foundation provides additional support beyond the endowment funds appropriated for expenditure each year. The foundation (including the endowment appropriations) contributed a total of \$159 million in FY23 and an additional \$159 million in FY24 to the University “for academic support, student assistance, faculty assistance, research, museums, and libraries” according to the FY24 audited financial statements. The foundation also provided capital gifts (for large projects such as buildings and renovations) of \$129 million in FY23 and \$133 million in FY24. Projects supported included Kiewit Hall and the North Stadium expansion at UNL.

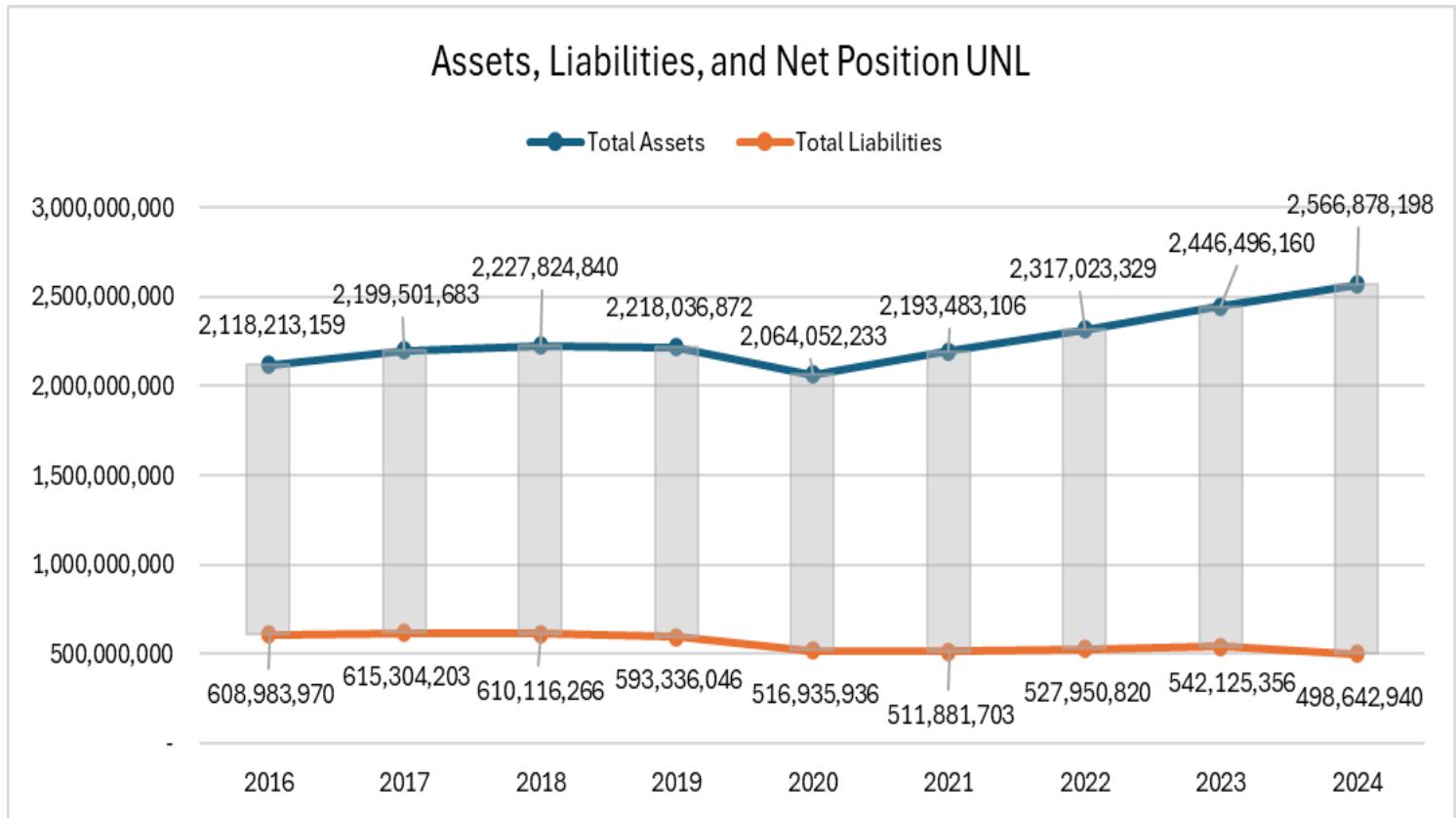
At the University of Nebraska, a large percentage of the funds in the endowment and the foundation are restricted, either permanently or temporarily. The spending rate is lower than at other institutions, which may be related to the high level of restricted assets. An additional 1.3% added to the spending rate would provide approximately \$27.5 million additional dollars each year. This would still be within a prudent range of appropriations, although near the higher end of that range. A better balance of unrestricted to restricted assets would provide more flexibility in this area.

Financial Health of University of Nebraska - Lincoln

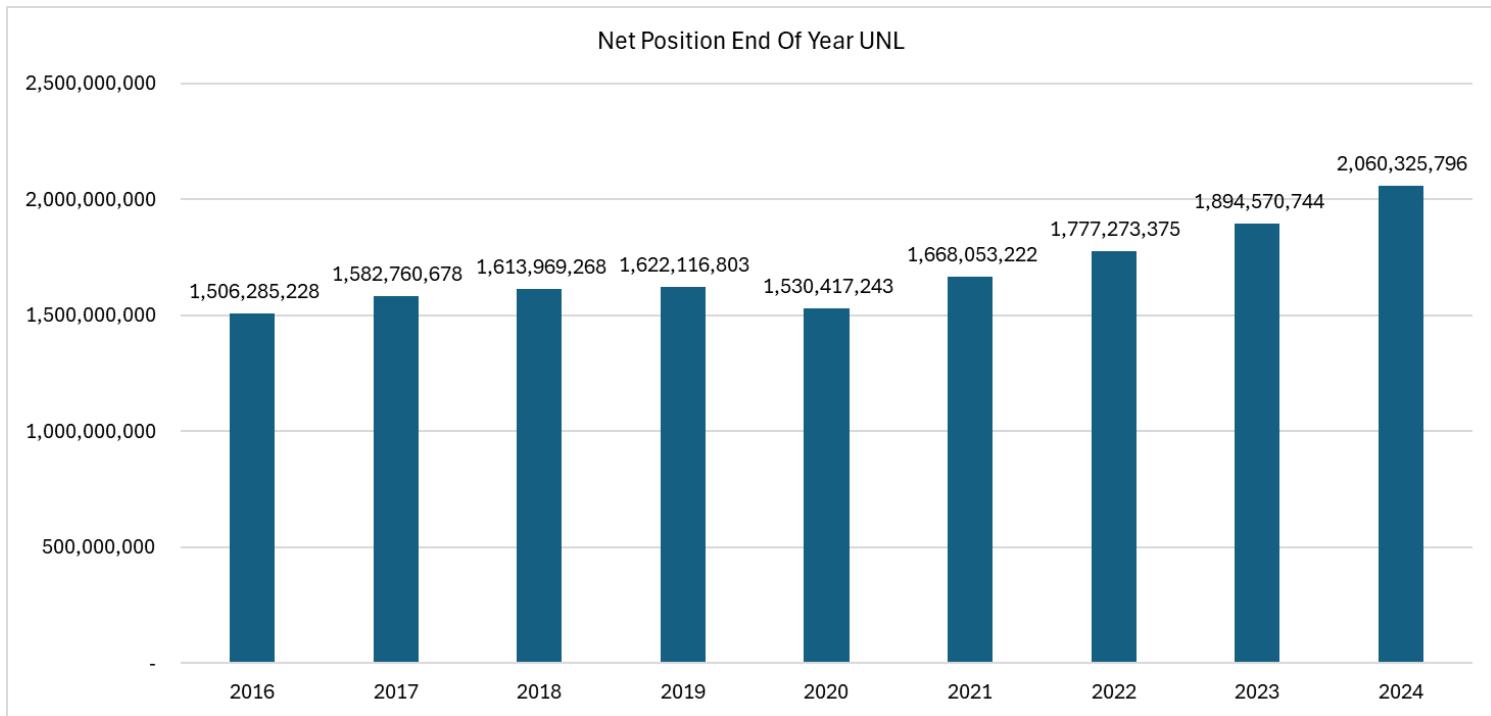
While there are no audited financial statements provided for the individual campuses, there are several key values reported to IPEDS for UNL.

Net Position

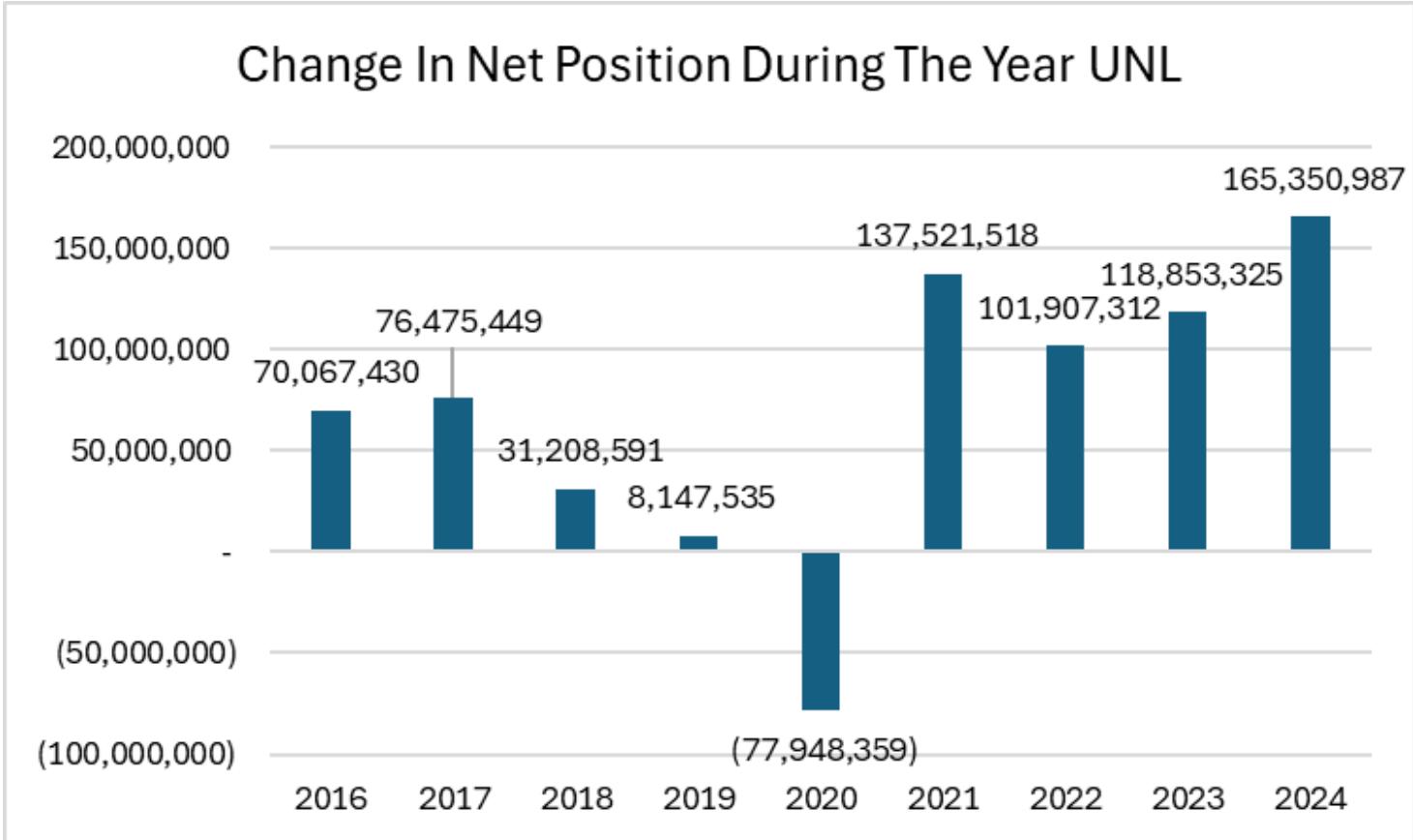
The assets and liabilities as well as the various components of net position are reported. Total assets minus total liabilities equals the net position. The assets grew from 2020 to 2024. The liabilities declined from 2017 to 2021 and grew slightly from 2021 to 2023 before a decline in 2024. The overall result is an increase in the net position.



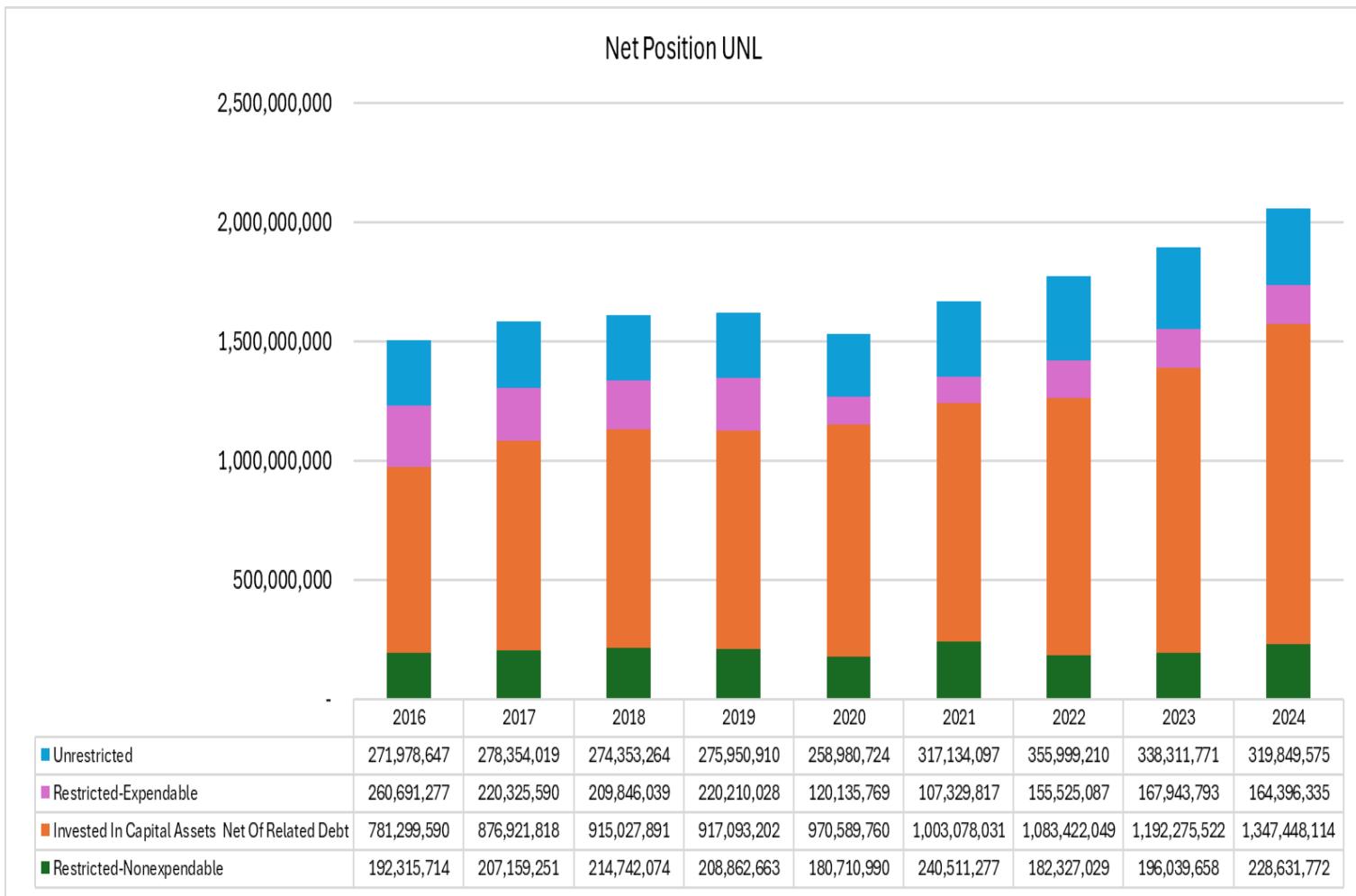
The gray columns in the previous graph are shown on the graph below. The growth of net position each year since 2020 is a sign of good financial health.



The change in the height of the columns in the previous graph is shown on the next graph. 2020 includes the first 4 months of pandemic influenced operations and many institutions incurred negative changes in net position during that period. It is important to note that the entire loss in 2020 was recovered in 2021.



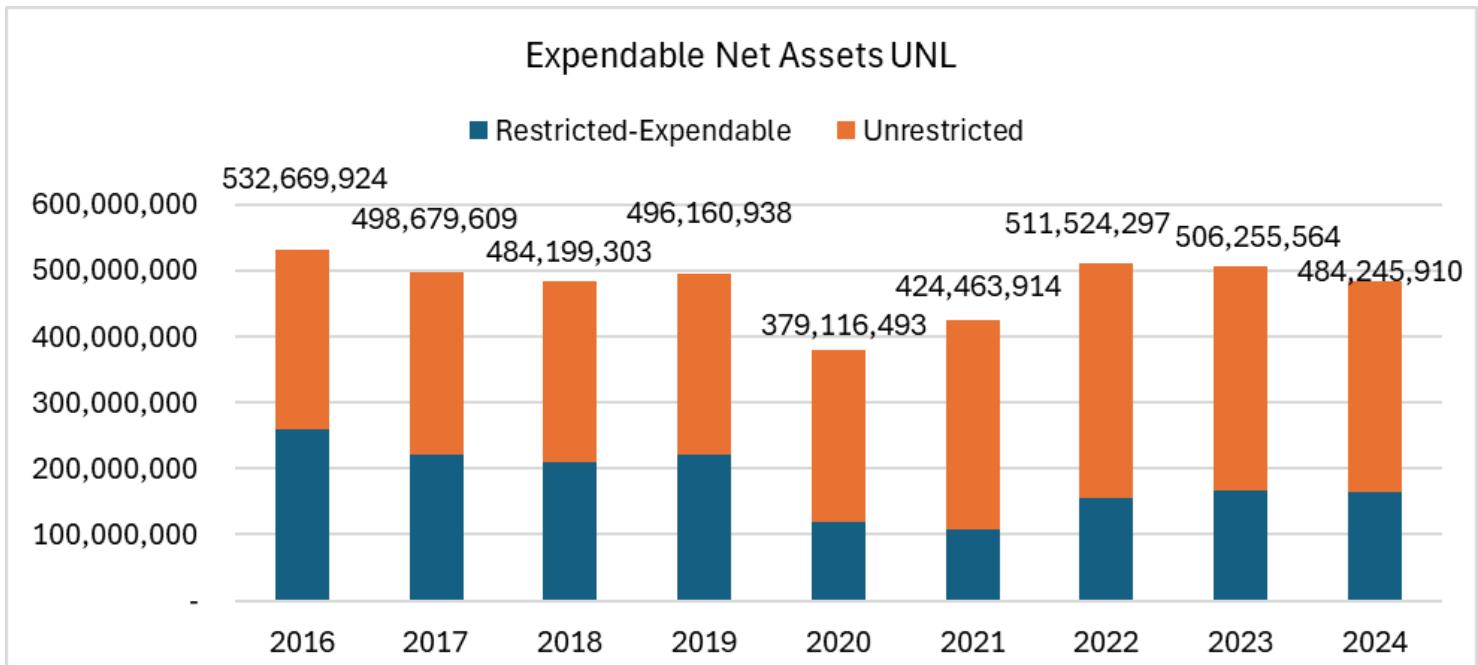
The next graph shows the components of the net position. The net position is reported in four main categories: capital assets (buildings, land, equipment minus the associated debt), restricted nonexpendable (in perpetuity), restricted expendable (restricted for a specific time or purpose), and unrestricted. UNL has a sizable level of unrestricted assets, which are the most flexible for the institution. Increasing net position and unrestricted net position are signs of a financially healthy institution.



Expendable Net Assets

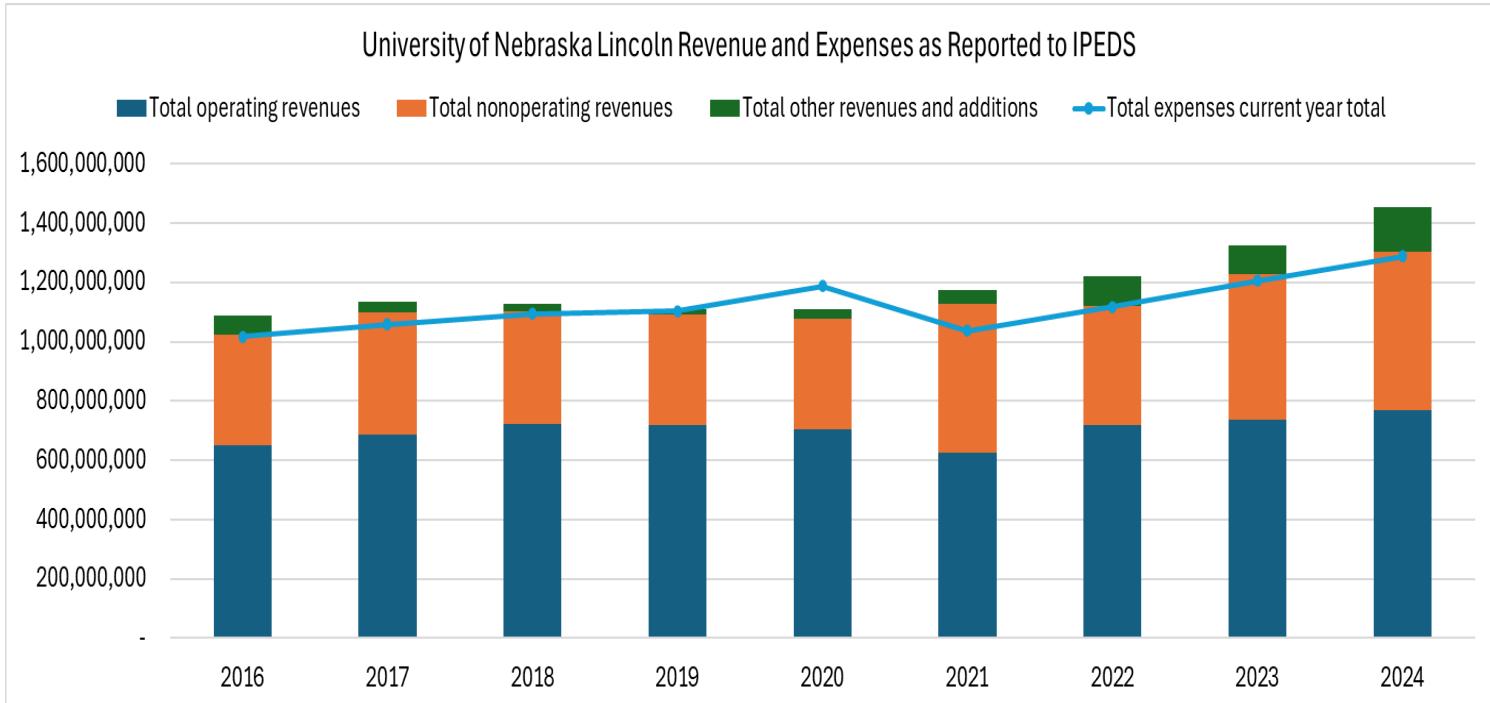
When calculating the financial reserves of the institution, many analysts and ratings agencies include the unrestricted funds as well as the restricted expendable assets. These two values together are referred to as the expendable net assets of the institution. The expendable net assets indicate the funds that could be available to fund the operations of the institution. This is a somewhat hypothetical value as some of these funds have restrictions and some of these funds may already be allocated for various operations. But this is a measure that is used by analysts to understand the assets that could be made available in extreme circumstances. An institution with a level of expendable net assets that could fund operations for a longer period of time is in a better position than an institution without such assets.

The expendable net assets were \$484 million dollars in FY24.



Revenue and Expenses

The total revenue and expenses reported to IPEDS for UNL show a healthy balance with greater total revenue than expenses in all years except 2020.



Revenue at UNL

Institutional revenue is reported in three categories: operating (tuition and fees, operating grants, room and board, etc.), nonoperating (state appropriations, Pell grants, etc.), and other revenues (capital appropriations, capital gifts, and additions to the permanent endowment).

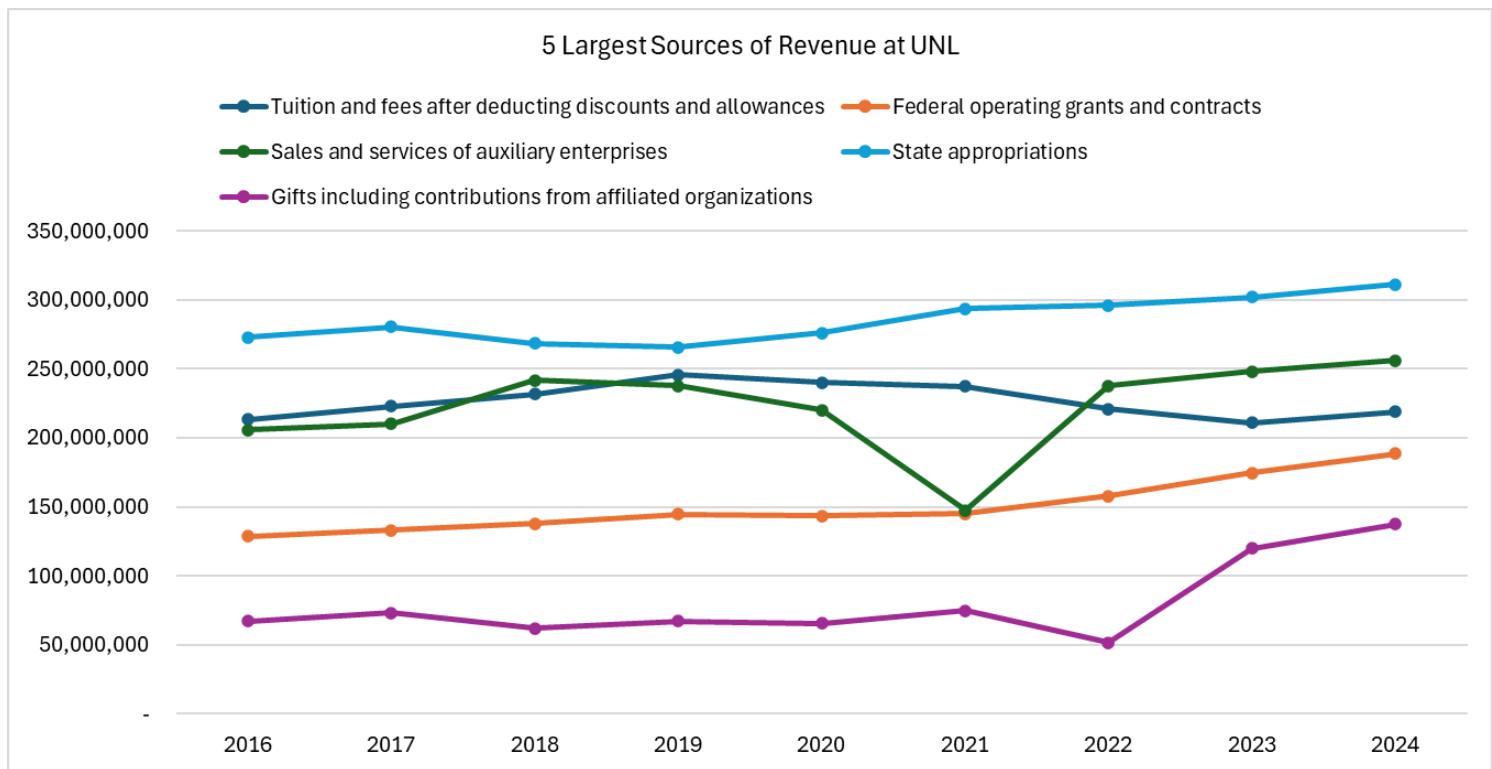
Reported to IPEDS/UNL	2016	2017	2018	2019	2020	2021	2022	2023	2024	% change 2016 to 2024
Tuition and fees after deducting discounts and allowances	213,447,548	222,881,714	231,705,131	245,700,579	240,072,561	237,259,872	220,924,166	211,010,141	218,086,695	2.5%
Federal operating grants and contracts	128,589,151	132,883,620	137,925,402	144,457,889	143,316,751	144,844,526	157,800,969	174,586,709	189,579,980	46.7%
State operating grants and contracts	6,988,037	8,424,392	8,207,728	7,425,355	7,651,711	12,011,224	13,645,053	18,784,276	17,645,121	157.5%
Local/private operating grants and contracts	25,031,096	24,784,512	26,646,548	32,119,647	43,076,369	35,084,325	34,187,642	34,517,655	30,088,619	19.9%
Local operating grants and contracts	1,732,454	1,351,700	1,268,774	1,588,797	2,197,803	2,797,200	2,639,531	2,437,467	2,843,357	64.1%
Private operating grants and contracts	23,358,642	23,432,812	25,377,774	30,529,850	40,878,566	32,297,125	31,549,111	32,000,188	27,745,262	16.6%
Sales and services of auxiliary enterprises	205,887,192	209,934,755	241,783,702	237,571,309	220,016,014	147,248,307	237,839,669	247,900,570	255,951,601	24.3%
Sales and services of educational activities	64,877,115	64,570,263	69,077,153	44,466,650	42,809,701	43,341,709	47,494,230	49,110,382	57,793,955	-10.6%
Other sources - operating	6,850,617	23,572,084	7,366,483	8,119,543	7,672,243	5,410,325	6,478,526	448,478	402,482	-94.1%
Total operating revenues	651,730,756	687,051,340	722,712,147	719,859,372	704,615,350	625,210,298	718,378,455	736,338,211	769,534,453	18.1%
State appropriations	272,863,747	280,559,605	268,604,585	265,541,302	275,975,426	293,620,142	295,853,767	302,126,214	311,040,222	14.0%
Federal nonoperating grants	17,211,122	17,987,531	20,332,703	20,975,583	26,945,901	48,264,016	67,785,539	21,457,632	24,478,380	42.2%
Gifts including contributions from affiliated organizations	67,187,441	73,022,177	61,888,156	67,316,371	65,737,130	74,882,325	51,394,115	119,941,618	137,789,180	104.3%
Investment income	12,809,690	35,672,541	28,180,335	16,215,125	4,763,709	84,961,106	(42,991,915)	33,470,333	4,799,505	-62.5%
Other nonoperating revenues	3,271,962	4,628,957	207,918	156,961	913,507	-	31,616,756	13,959,886	55,222,787	1587.8%
Total nonoperating revenues	373,343,962	411,880,811	379,223,997	370,205,342	374,335,673	501,727,559	403,658,262	490,955,683	532,830,074	42.7%
Total operating and nonoperating revenues	1,025,074,718	1,098,932,151	1,101,936,144	1,090,064,714	1,078,951,023	1,126,937,887	1,122,036,717	1,227,313,894	1,302,364,527	27.1%
Capital appropriations	13,950,664	8,307,491	2,221,744	644,231	520,736	1,999,955	316,890	1,309,208	945,677	-38.2%
Capital grants and gifts	47,184,255	25,941,514	19,890,781	16,196,451	27,413,439	35,343,764	96,965,362	59,319,888	73,344,459	55.4%
Additions to permanent endowments	1,700,769	1,982,695	2,259,437	4,029,795	2,134,327	209,413	644,082	356,826	74,973	-98.6%
Other revenues and additions	-	-	-	-	-	10,433,311	-	36,395,953	76,667,619	
Total other revenues and additions	62,835,688	36,211,700	24,371,962	20,870,477	30,068,502	47,986,453	97,926,334	97,381,875	151,032,728	140.4%
Total all revenues and other additions	1,087,910,406	1,135,143,851	1,126,308,106	1,110,935,191	1,109,019,525	1,174,924,340	1,219,935,651	1,324,685,769	1,453,397,255	33.6%

Total revenue and all other additions at the bottom of the table highlighted in yellow grew by 33.6% from 2016 to 2024. Total revenue and all other additions in 2024 were \$1.45 billion.

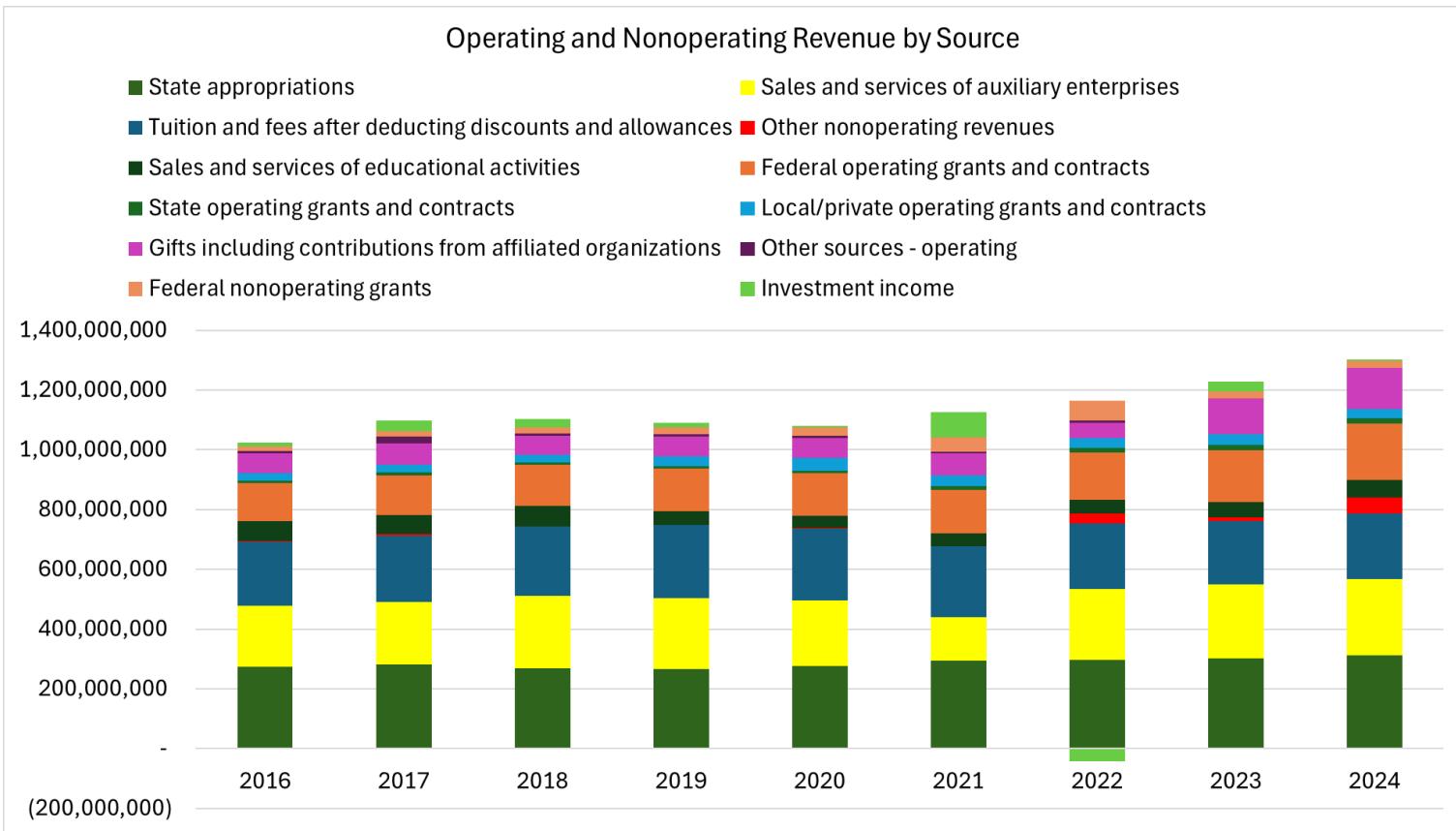
Operating revenue (tuition and fees, auxiliaries, grants and contracts) grew 18.1%, nonoperating (state appropriations, Pell grants, gifts, and investment income) grew 42.7%, and total other revenues and additions (capital appropriations, capital gifts and grants, additions to the endowment) grew by 140.4%.

The main sources of operating and nonoperating revenue are state appropriations (+14%), auxiliaries including athletics (+24.3%), and tuition and fees (+2.5%).

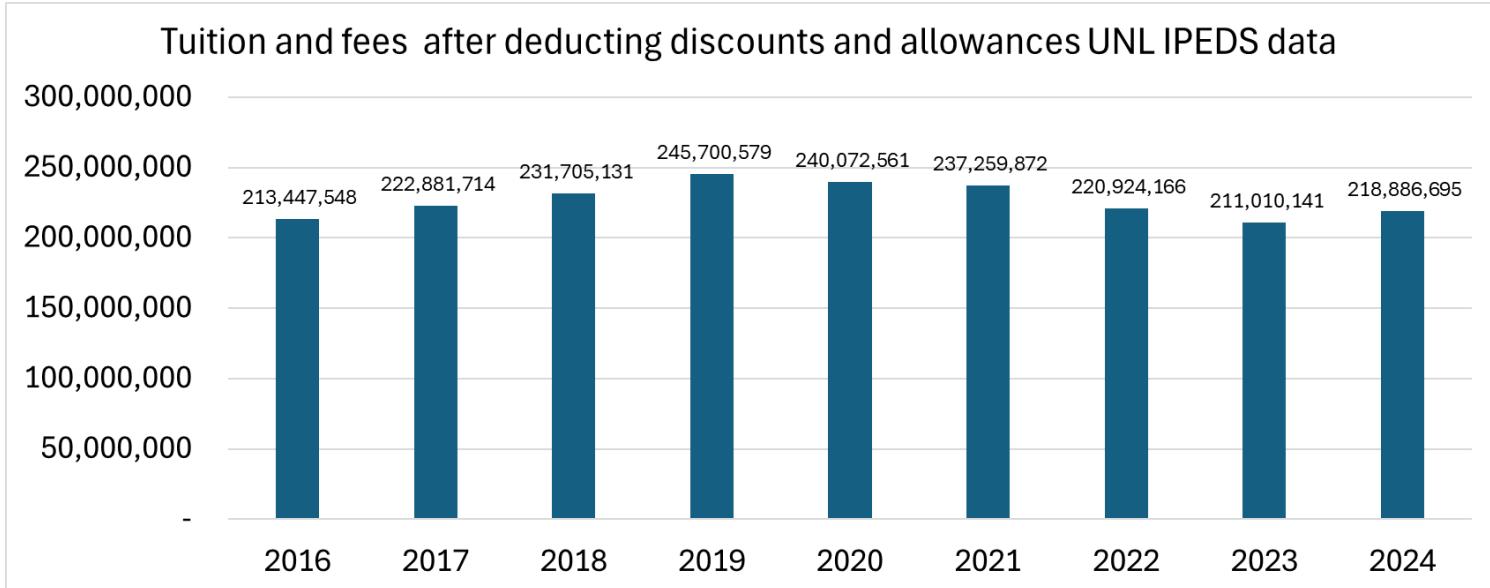
The five main sources of total revenue at UNL are shown in the following graph. After a downturn in auxiliary revenue (room and board, athletics) during Covid in FY21, auxiliary revenue surpassed tuition and fees to become the second largest source of revenue at UNL. Total auxiliary revenue is largely athletics funds at UNL. Athletics revenue as reported in the Knight Newhouse database in FY23 was \$205 million. This may include revenue that would not be reported in the auxiliary line of the financial statements so we cannot make an exact adjustment.



The bottom 3 slices on the following graph are state appropriations (green), auxiliaries (yellow), and tuition (blue).

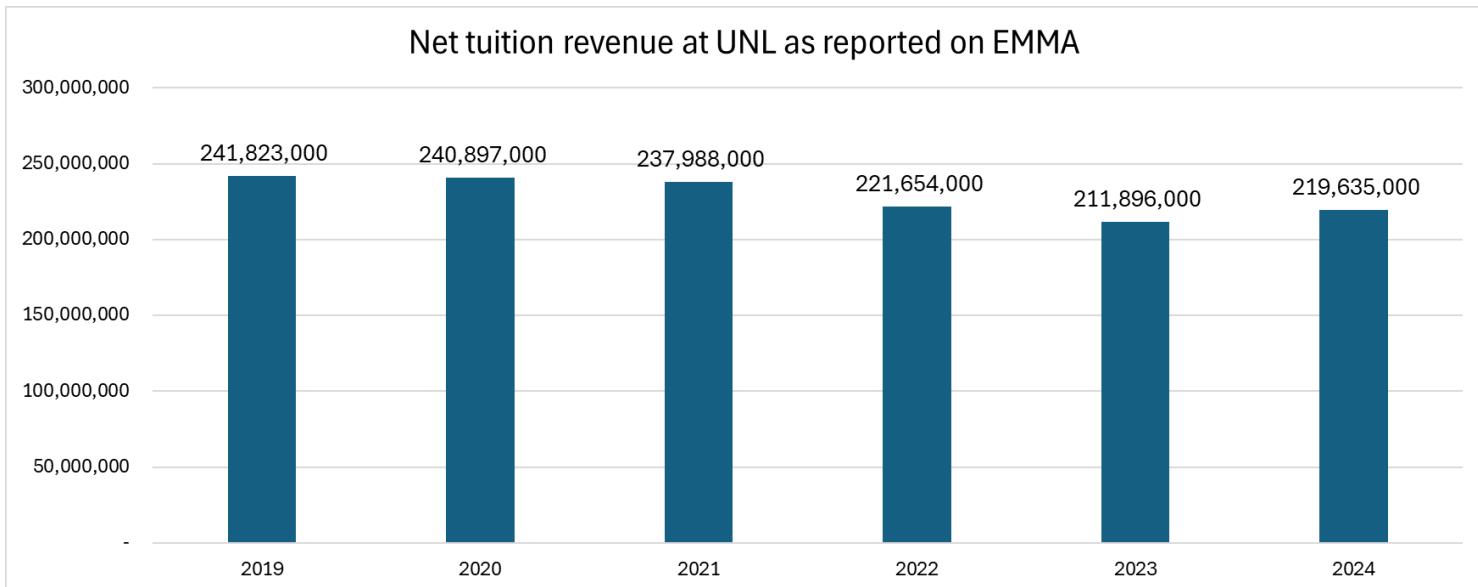


Tuition and fees net of scholarships grew each year until 2019 then declined from 2020 to 2023. Tuition and fees increased by \$7.9 million in FY24.



FY24 data is available in an operating disclosure document posted on the EMMA website.

<https://emma.msrb.org/IssueView/Details/P2407944> Here we see an upturn in net tuition and fees in FY24. Unfortunately, the FY25 data will not be posted until 2026. The formula used to calculate net tuition and fees appears to be slightly different in the two graphs, therefore the totals for each year do not match exactly.

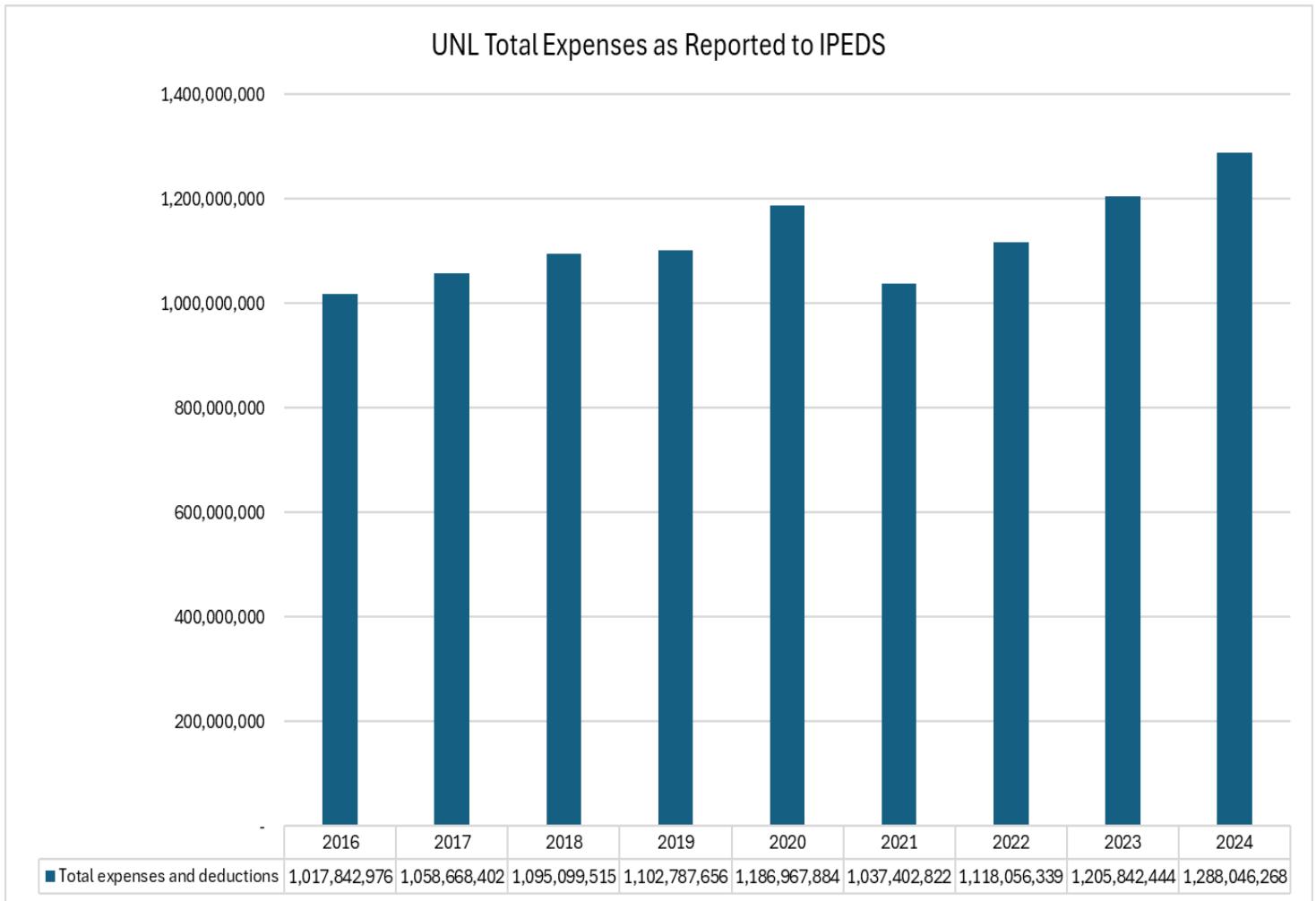


Changes in net tuition and fees are the result of some combination of changes in student enrollment, changes in tuition charged, and changes in financial aid provided.

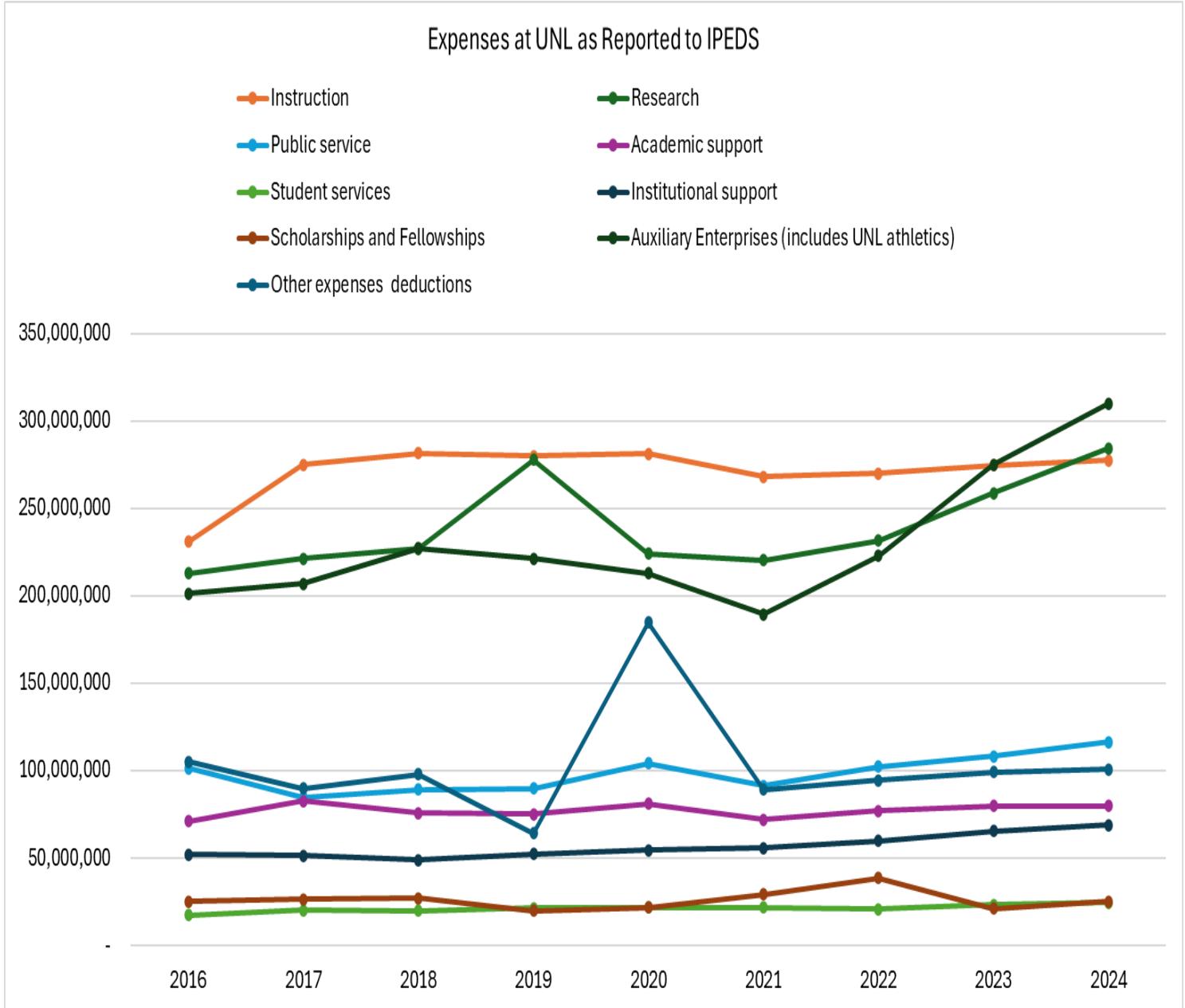
Expenses at University Nebraska Lincoln

Since we do not have audited financial statements for the individual campuses within the University of Nebraska system, we will rely on the IPEDS reported financial data for the expenses at UNL.

Total expenses at UNL were higher in FY20, a year that included the initial 4 months of operations during the Covid pandemic. Expenses declined by \$149.6 million the following year. Expenses increased by 7.9% in FY23 and 6.8% in FY24.



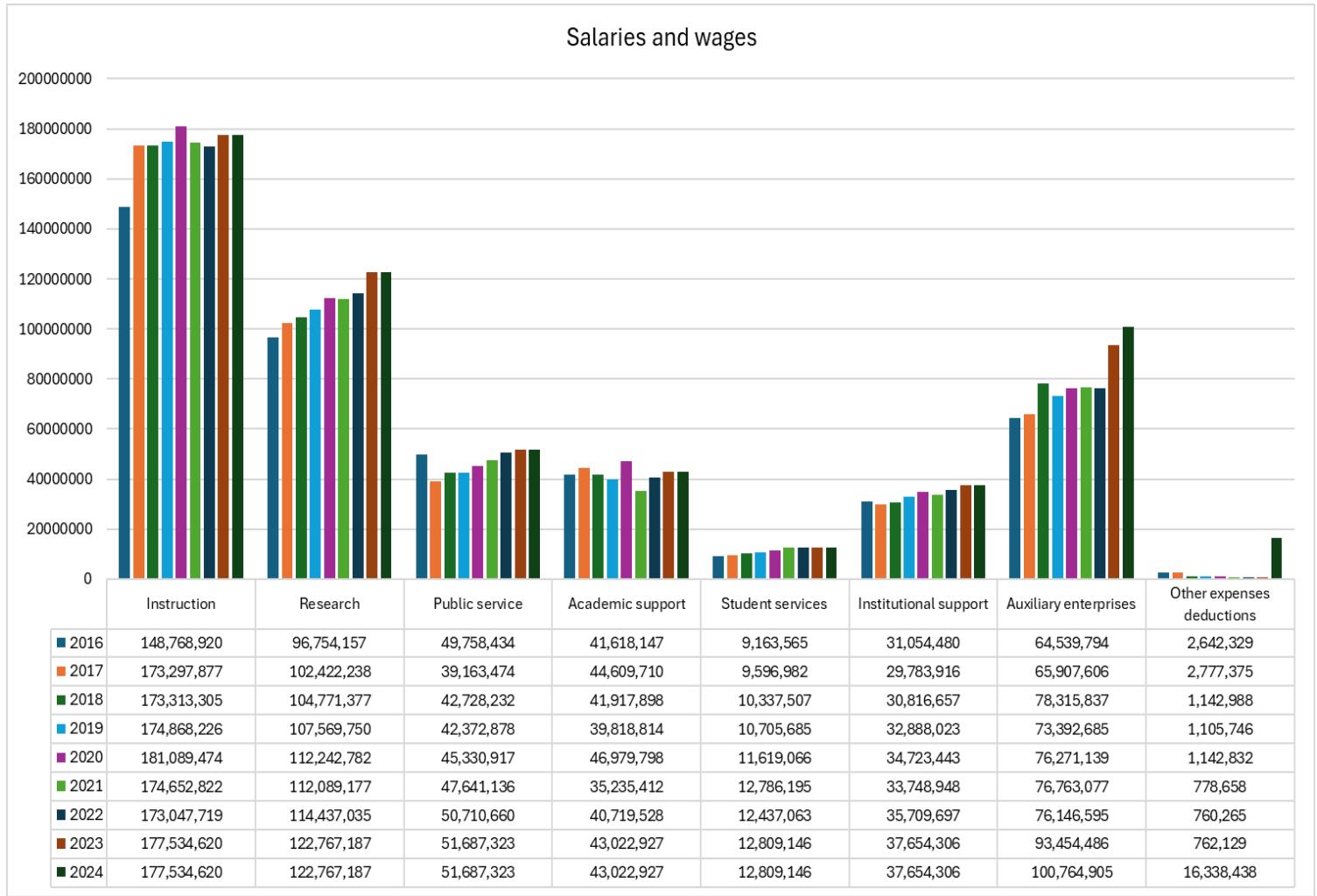
Expenses by functional area have increased at different rates. In fact, instructional expenses have been relatively flat since a decline in FY21, but auxiliary enterprises (which includes athletics at UNL) expenses have grown substantially. Appendix A of this report includes a description of each functional area, but generally instruction is faculty, and institutional support is upper administration.



Expenses	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction	231,004,188	274,920,802	281,474,899	280,031,599	281,096,578	268,118,701	270,012,355	274,517,187	277,391,570
Research	212,913,485	221,171,198	226,983,870	277,936,752	224,064,658	220,222,881	231,455,257	258,712,224	284,324,434
Public service	101,482,303	84,786,849	89,378,038	89,820,320	104,308,910	91,497,960	102,434,740	108,385,951	116,437,908
Academic support	71,052,612	82,756,412	75,778,036	75,247,763	81,112,563	71,982,625	77,148,108	79,888,143	80,030,813
Student services	17,440,229	20,200,713	19,947,613	21,639,315	21,977,094	21,932,620	20,972,306	23,266,200	24,662,935
Institutional support	52,239,128	51,376,736	49,073,738	52,572,499	54,584,296	55,735,026	59,852,490	65,451,803	69,093,767
Scholarships and Fellowships	25,171,590	26,629,673	27,181,167	19,843,756	21,930,059	29,270,407	38,724,290	21,354,102	25,320,156
Auxiliary Enterprises (includes UNL athletics)	201,380,515	206,810,052	227,368,791	221,406,161	212,987,101	189,370,893	222,732,579	274,939,471	309,933,314
Other expenses deductions	105,158,926	90,015,967	97,913,363	64,289,491	184,906,625	89,271,709	94,724,214	99,327,363	100,851,371
Total expenses and deductions	1,017,842,976	1,058,668,402	1,095,099,515	1,102,787,656	1,186,967,884	1,037,402,822	1,118,056,339	1,205,842,444	1,288,046,268

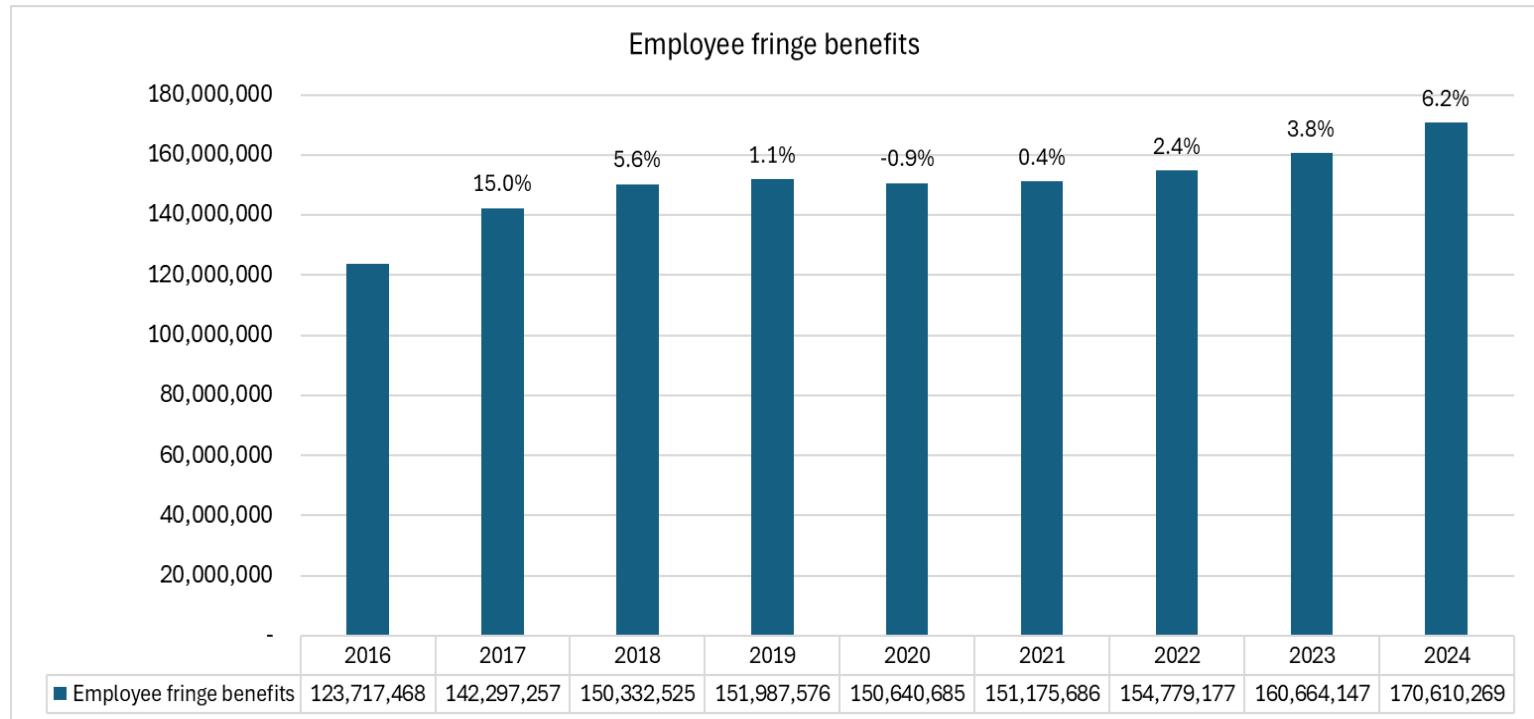
The expenses above include depreciation, operations and maintenance of plant, and interest expenses allocated across the functional categories.

IPEDS collects data on the total salaries and wages paid for each functional area as a subcomponent of the total expenses. Appendix A includes the definitions of all of the categories. One that many people are interested in is institutional support which includes “expenses for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.” These values include both full-time and part-time employees.



* *Athletics salaries increased by \$6.4 million between 2022 and 2023, but that total may include payments from third parties. That does not account for the entire increase in auxiliary services salaries.

The increasing cost of healthcare was mentioned as a reason for the proposed cuts. The total cost of fringe benefits at UNL as reported to IPEDS through FY24 show increases between 15% in FY17 to .9% in FY20. The increase in FY24 was 6.2%.



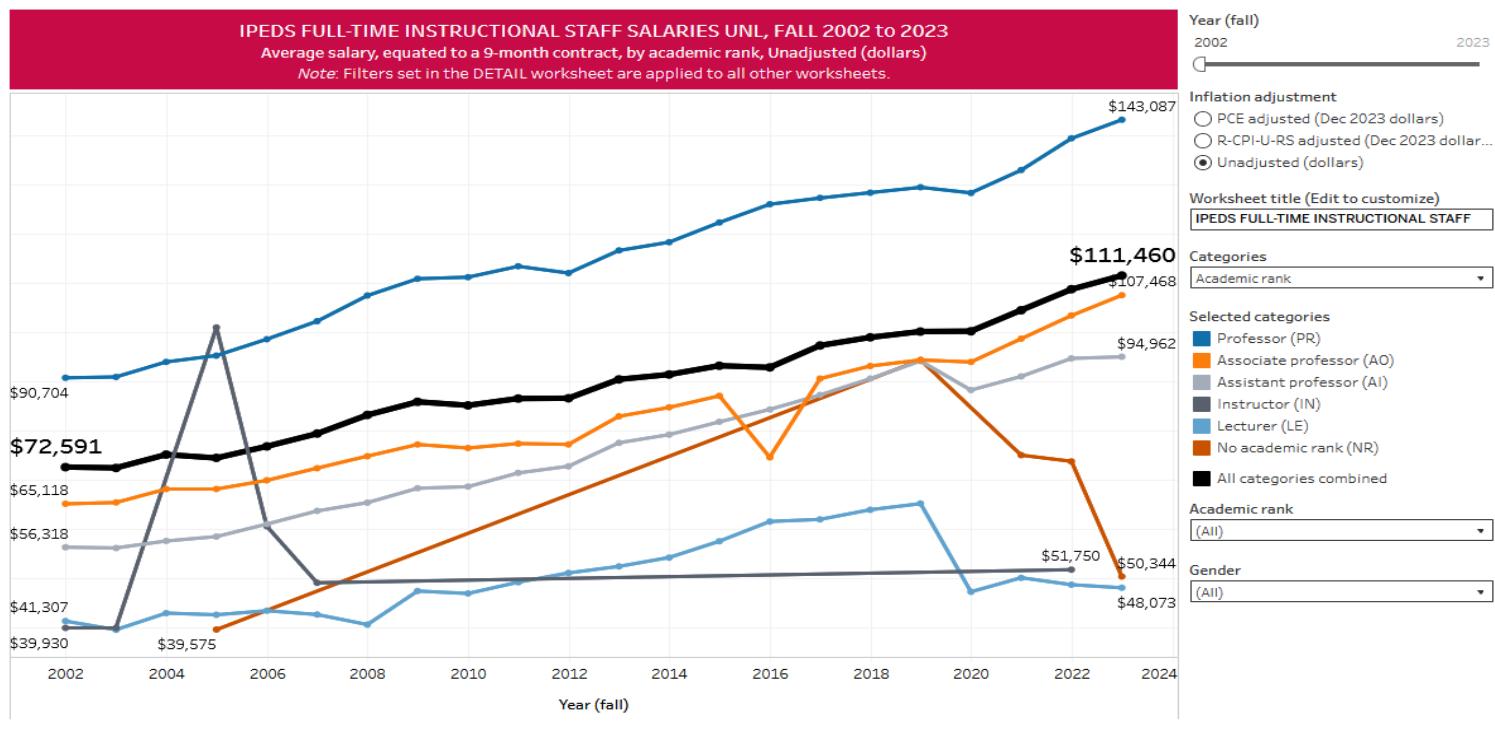
Mean Faculty Salaries

The mean faculty salaries for full-time faculty have increased at the professor, associate professor, and assistant professor ranks. In IPEDS, all institutions must equate their salaries to a 9-month contract for increased comparability between institutions.

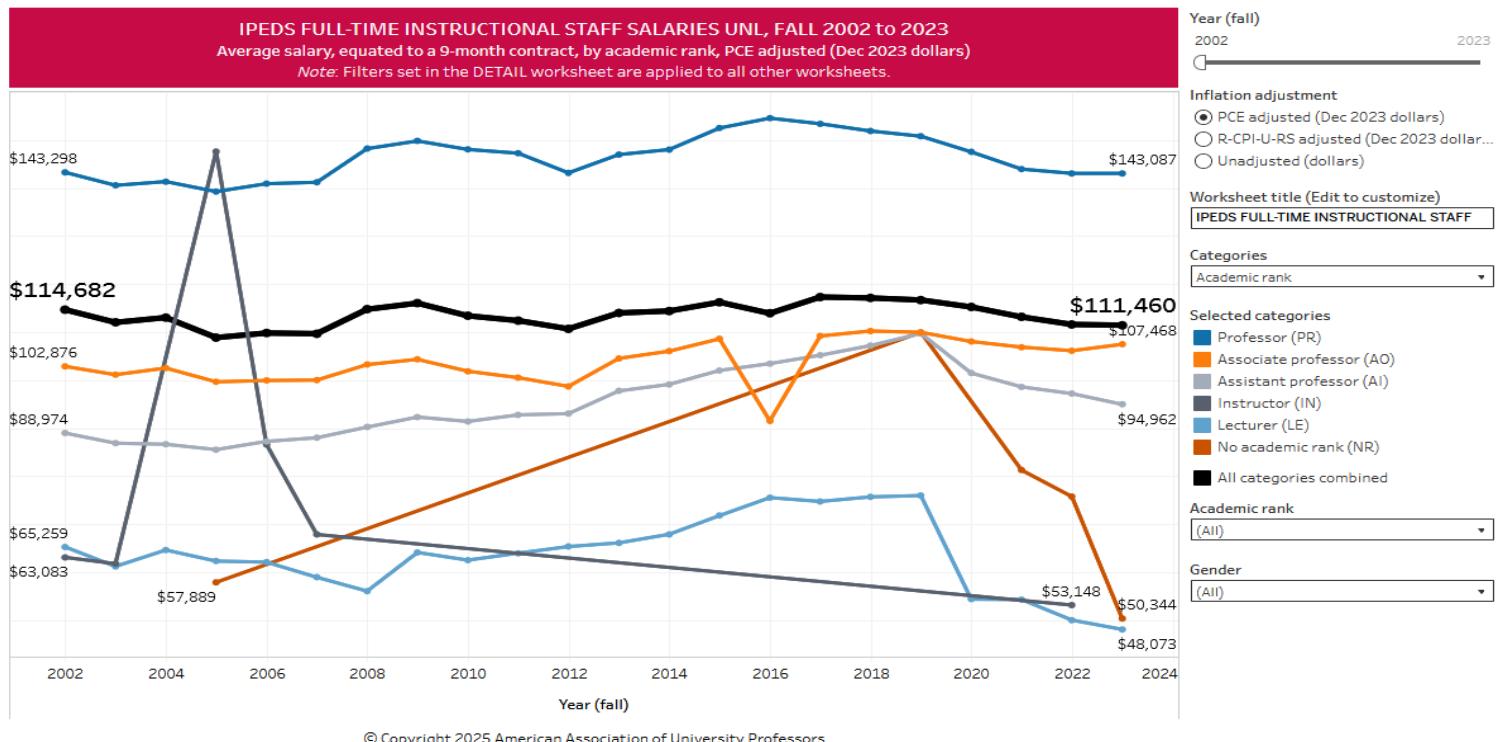
Average salary for instructional staff equated to a 9-month contract	2017	2018	2019	2020	2021	2022	2023	2024
Professor	125,939	127,205	128,298	129,375	128,249	132,868	139,317	143,087
Associate professor	74,573	90,538	93,106	94,328	93,912	98,639	103,346	107,468
Assistant professor	84,286	87,216	90,539	94,124	88,205	90,995	94,649	94,962
Instructor							51,750	
Lecturer	61,538	61,963	63,922	65,161	47,261	50,116	48,707	48,073
No academic rank				94,325		75,000	73,750	50,344

The following graphs were made using the freely available AAUP data website <https://data.aaup.org/>.

The first graph shows the changes in salaries without adjusting the values for inflation.

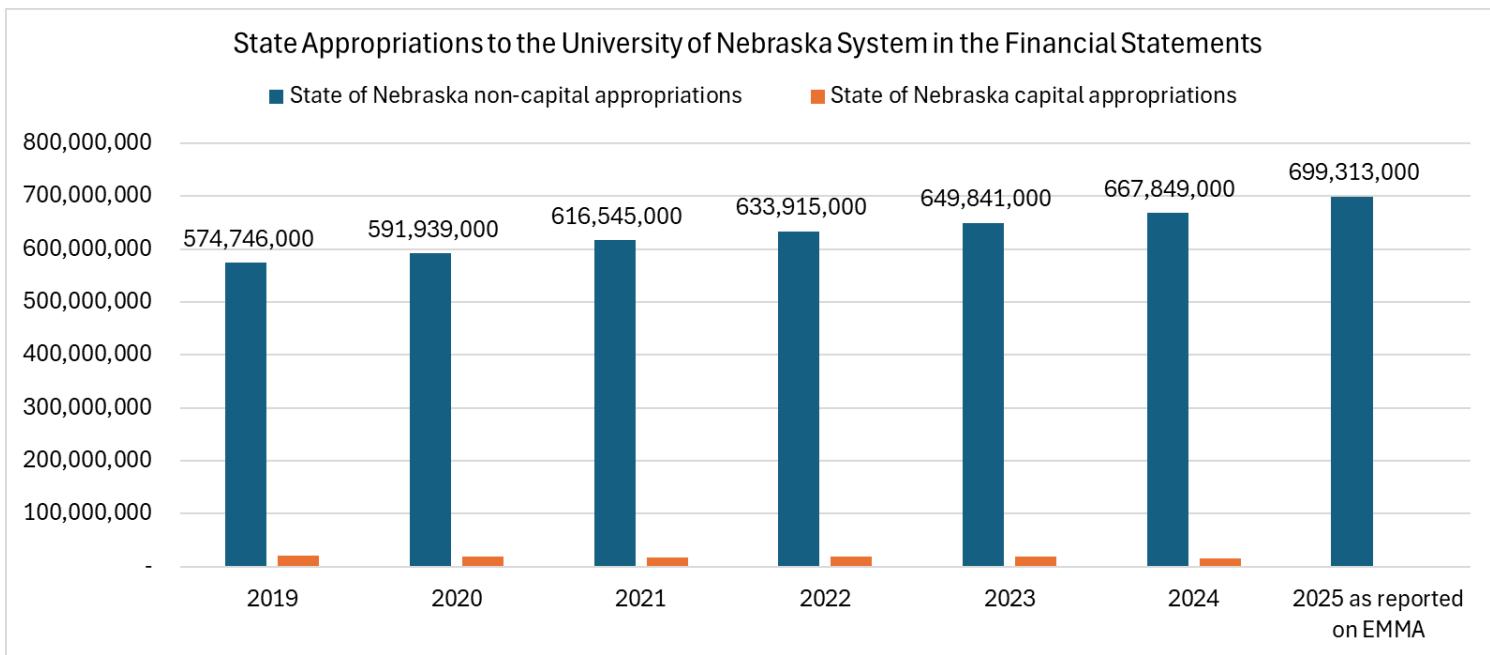


However, when we adjust the mean salaries for inflation, the buying power has declined for many ranks.



State Appropriations

The State of Nebraska provides funding to the University of Nebraska system each year. A majority of the funds are general state appropriations, and a small portion are capital appropriations (designated for capital projects such as a specific new building or large renovation project). The general appropriations grew each year from 2019 to 2024 according to the audited financial statements.



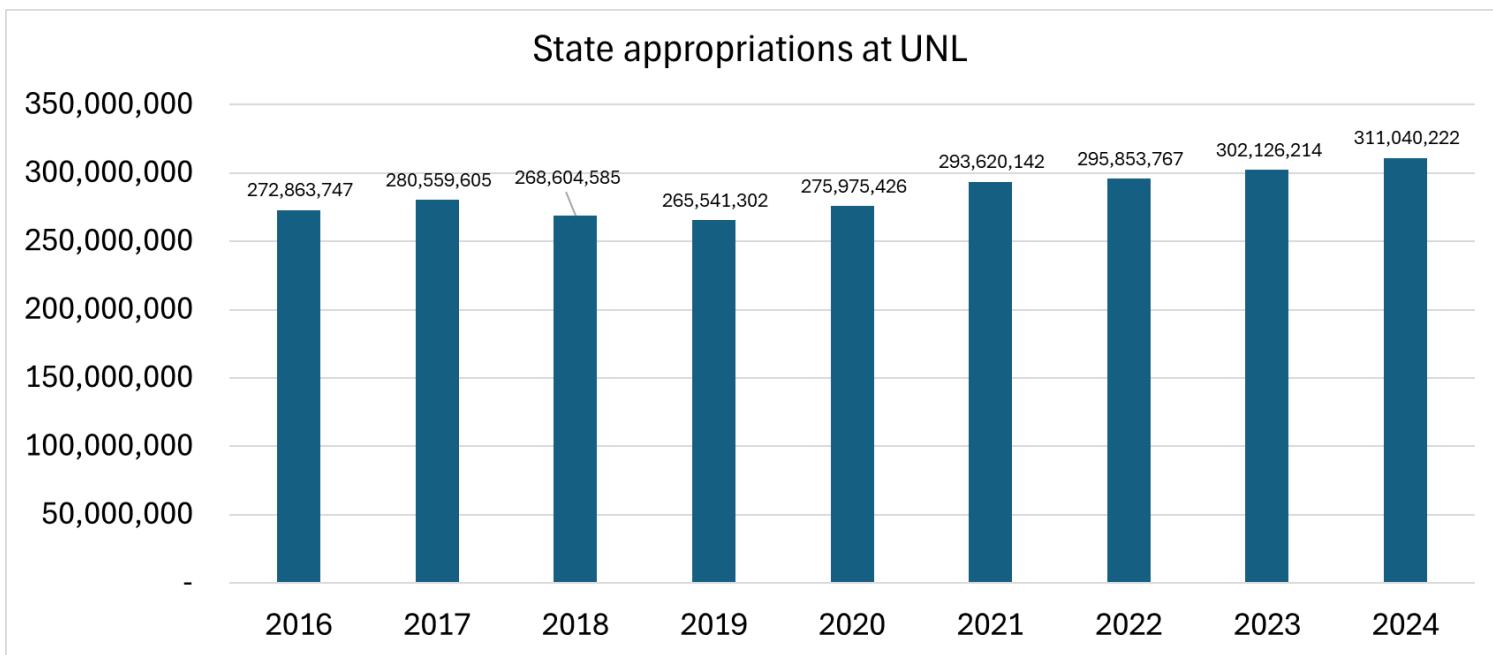
The State of Nebraska Biennial Budget enacted in August 2025

<https://nebraskalegislature.gov/pdf/reports/fiscal/2025budget.pdf> shows small increases in appropriations to the UNL system in the 25-26 budget and 26-27 budget.

Table 19 General Fund Appropriations – University of Nebraska

	Base FY24-25	Committee Recommendation		Enacted Budget	
		FY25-26	FY26-27	FY25-26	FY26-27
General Fund Operating Base	691,313,062	700,054,475	700,054,475	695,683,768	700,054,475
Aid - Career Scholarships	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
General Fund Total	699,313,062	708,054,475	708,054,475	703,683,768	708,054,475
\$ increase to FY24-25 Base		8,741,413	8,741,413	4,370,706	8,741,413
NCTA earmark	3,889,738	3,938,360	3,938,360	3,938,360	3,938,360

The specific allocation of general state appropriations received by UNL are reported to IPEDS. The amount has grown each year since 2019.

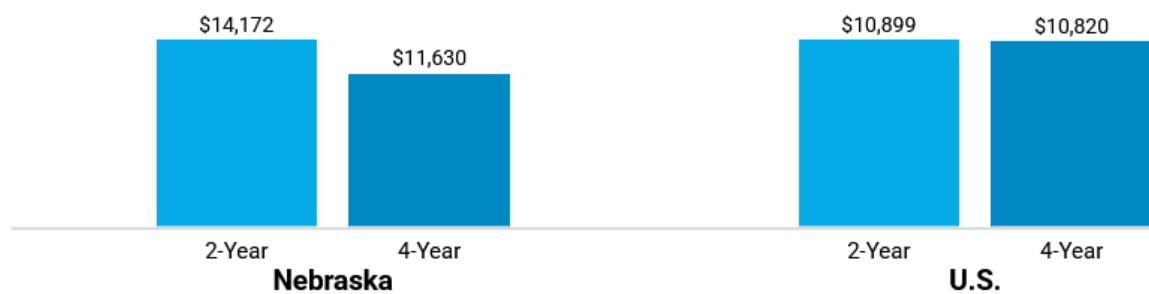


The percentage change has not been consistent over time.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Percentage change in state appropriations year over year		2.8%	-4.3%	-1.1%	3.9%	6.4%	0.8%	2.1%	3.0%

According to the State Higher Education Finance of SHEEO, <https://shef.sheeo.org/state-profile/nebraska/>, Nebraska provides on average \$11,630 per FTE student at 4-year institutions in Nebraska.

Education appropriations differ by institutional sector. i In Nebraska, two-year institutions received \$14,172 in education appropriations per FTE in 2024 (1.3 times the U.S. average), while four-year institutions received \$11,630 (1.1 times the U.S. average).

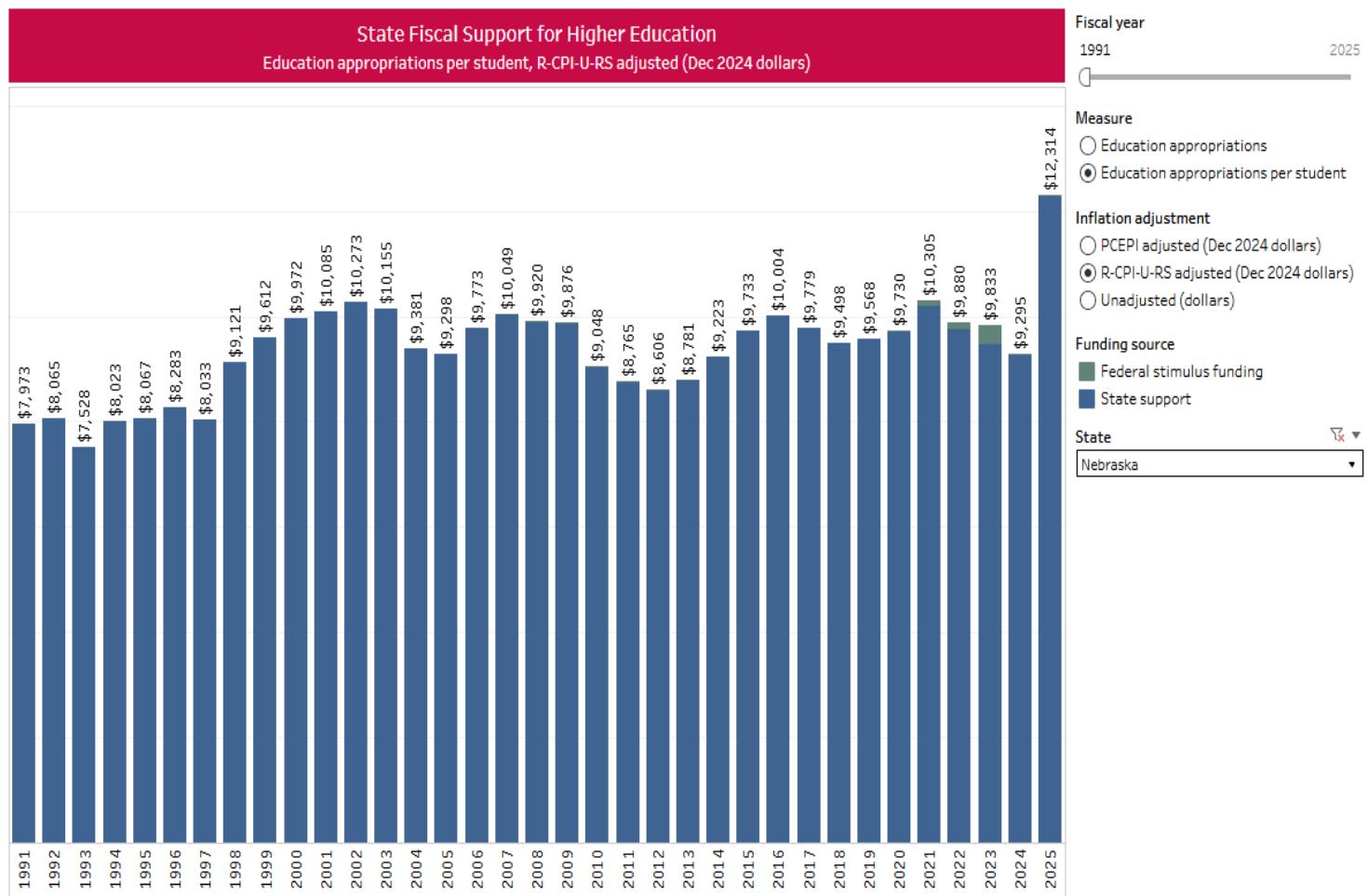


At UNL, state appropriations per FTE student were \$14,086 in 2024. This is based on the reported Fall FTE enrollment from the EMMA website. If we calculate using the IPEDS reported 12-month FTE student

enrollment the values per FTE are slightly higher each year. It appears that UNL has higher than average per FTE student appropriations from the state as of 2024.

UNL	2019	2020	2021	2022	2023	2024
State appropriations	265,541,302	275,975,426	293,620,142	295,853,767	302,126,214	311,040,222
State appropriations per FTE	11,580.01	12,150.01	13,238.06	13,620.63	13,929.29	14,086.33

Using data from the Grapevine study, the AAUP data website provides access to the state support for higher education up to FY25. State funding per FTE student on average in Nebraska grew substantially to \$12,314 per FTE student in FY25. This graph's values are in inflation adjusted dollars. Users can customize this graph at <https://data.aaup.org/state-support/>.



© Copyright 2025 American Association of University Professors

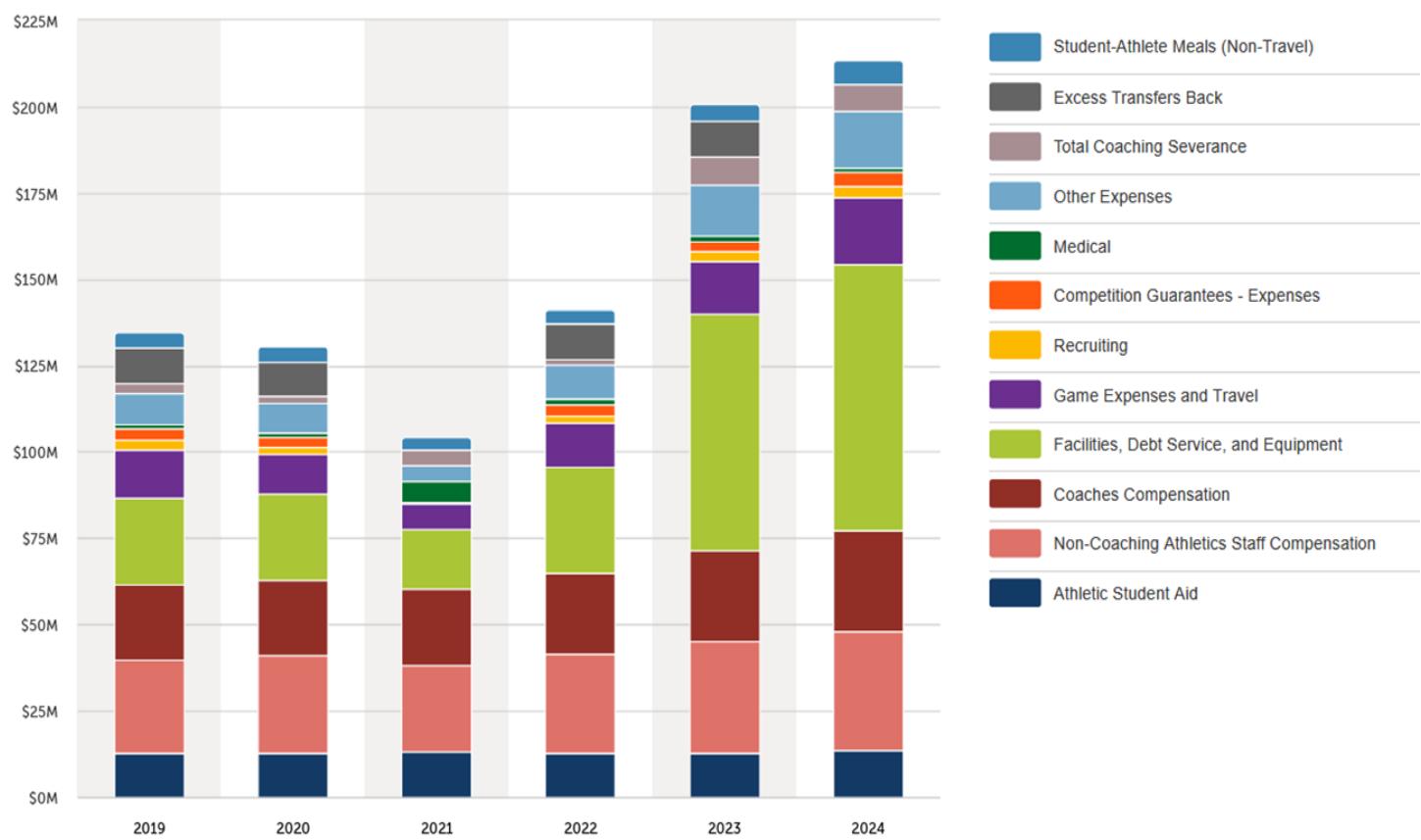
Athletics Revenue and Expenses

The Knight-Newhouse athletics database provides information on the expenses and revenues of public Division I athletic programs. At the University of Nebraska Lincoln, there are no subsidies from the institution or student fees to the athletics program. Instead, in select years, there have been transfers of excess revenue back to the institution, generally in the range of \$10 million. There was no transfer back to the institution in 2024 resulting in the largest level of excess revenue for the athletics programs of the past 6 years.

Athletics Revenue	2019	2020	2021	2022	2023	2024
Total Revenue	136,233,460	133,629,080	92,093,093	143,423,944	204,831,356	220,165,405
Total Expenses	134,713,519	130,582,125	104,087,284	141,181,951	200,870,384	213,456,031
Excess transfers back to the institution included in total expenses	10,565,313	10,000,000	-	10,000,000	10,000,000	-

The excess transfers back to the institution are the dark gray slices of the columns in the next graph.

<https://knightnewhousedata.org/reports/533a00bf>

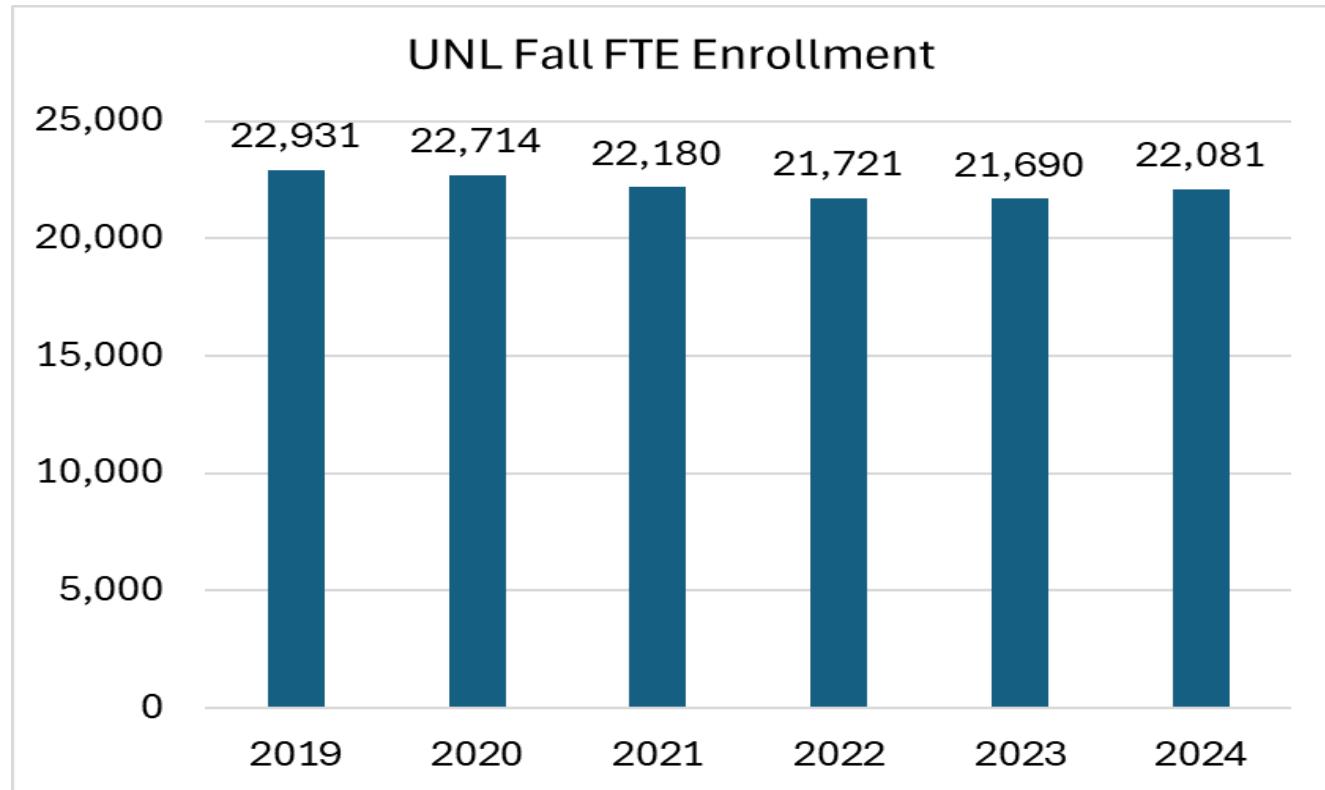


Amounts reflect current dollars.

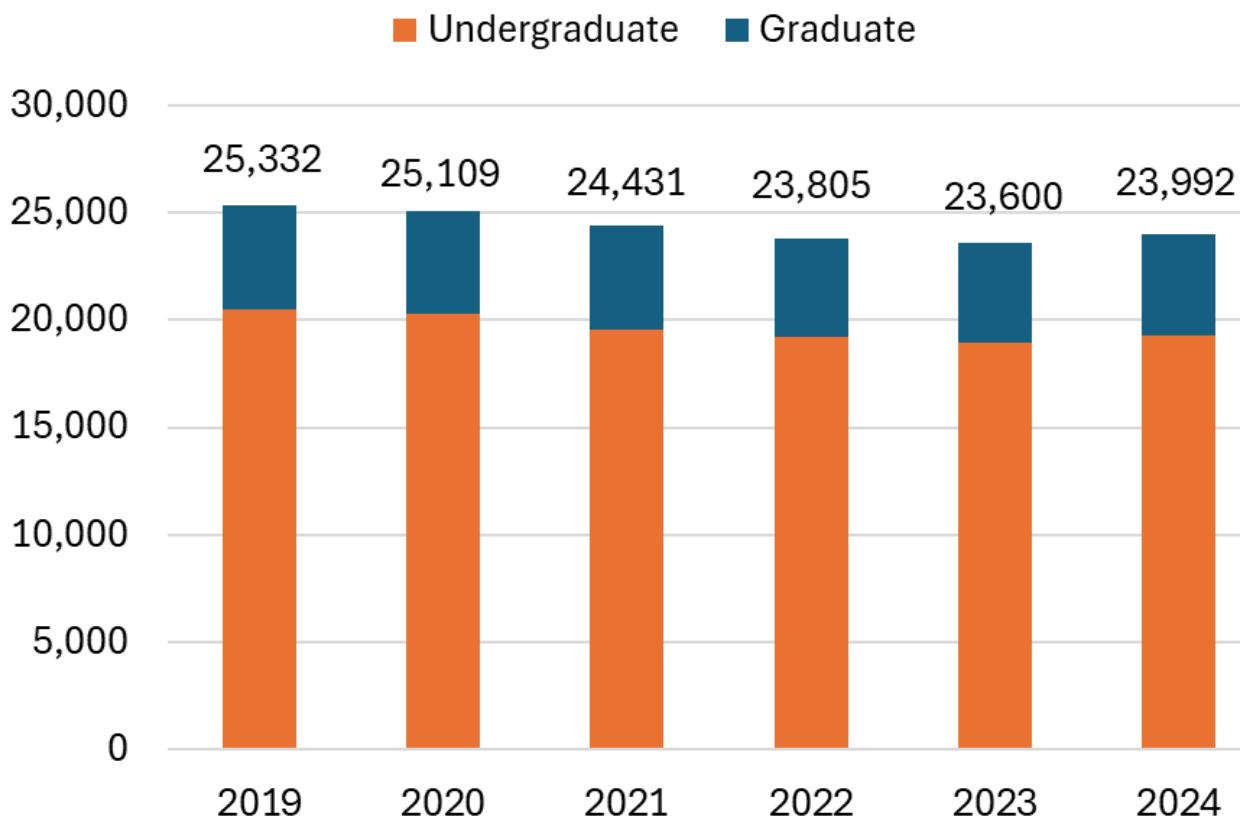
Enrollment

Student enrollment at UNL is reported as headcount (each student counts as 1) and full-time equivalent (FTE) enrollment (based on total instructional activity equated to total full-time students). Data on enrollment at UNL can be found in the EMMA disclosure documents.

Enrollment mirrors the pattern of net tuition and fees with declines followed by a recent uptick. Since these are fall enrollment numbers, Fall 24 is FY25 on the previous graphs of net tuition and fees. FY25 includes July 1, 2024, to June 30, 2025.



UNL Fall Headcount Enrollment from EMMA



Tuition charged per credit hour at UNL did not change from 2020-21 to 2022-23. There were modest increases per credit hour in 2023-2024 and 2024-2025. This may have contributed to the changes in net tuition revenue.

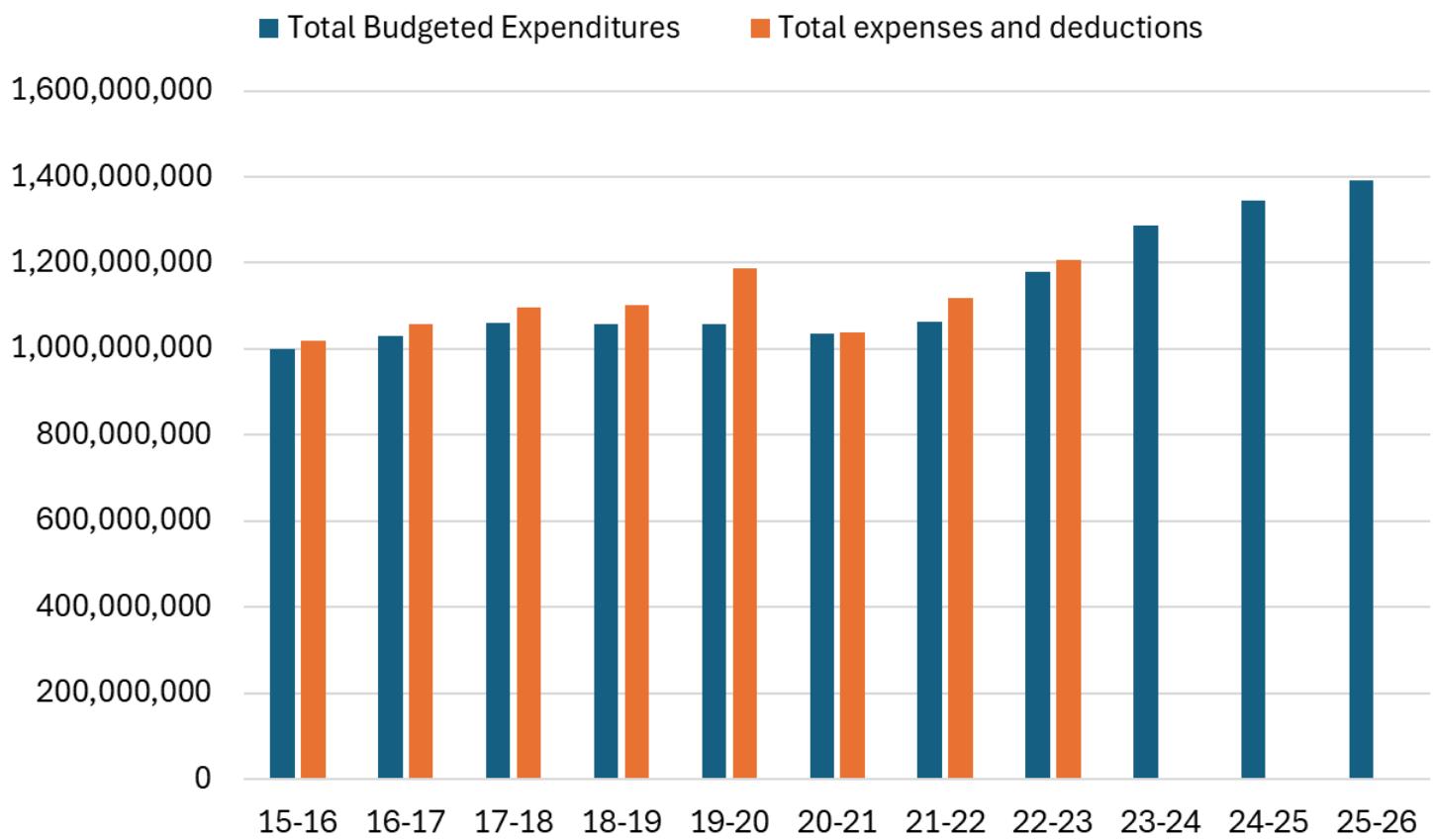
Tuition and Fees per credit hour				
UNL	Resident		Non-resident	
	Undergraduate	Graduate	Undergraduate	Graduate
2020-21	259	341	830	996
2021-22	259	341	830	996
2022-23	259	341	830	996
2023-24	268	353	859	1031
2024-25	277	365	888	1066

Budgets

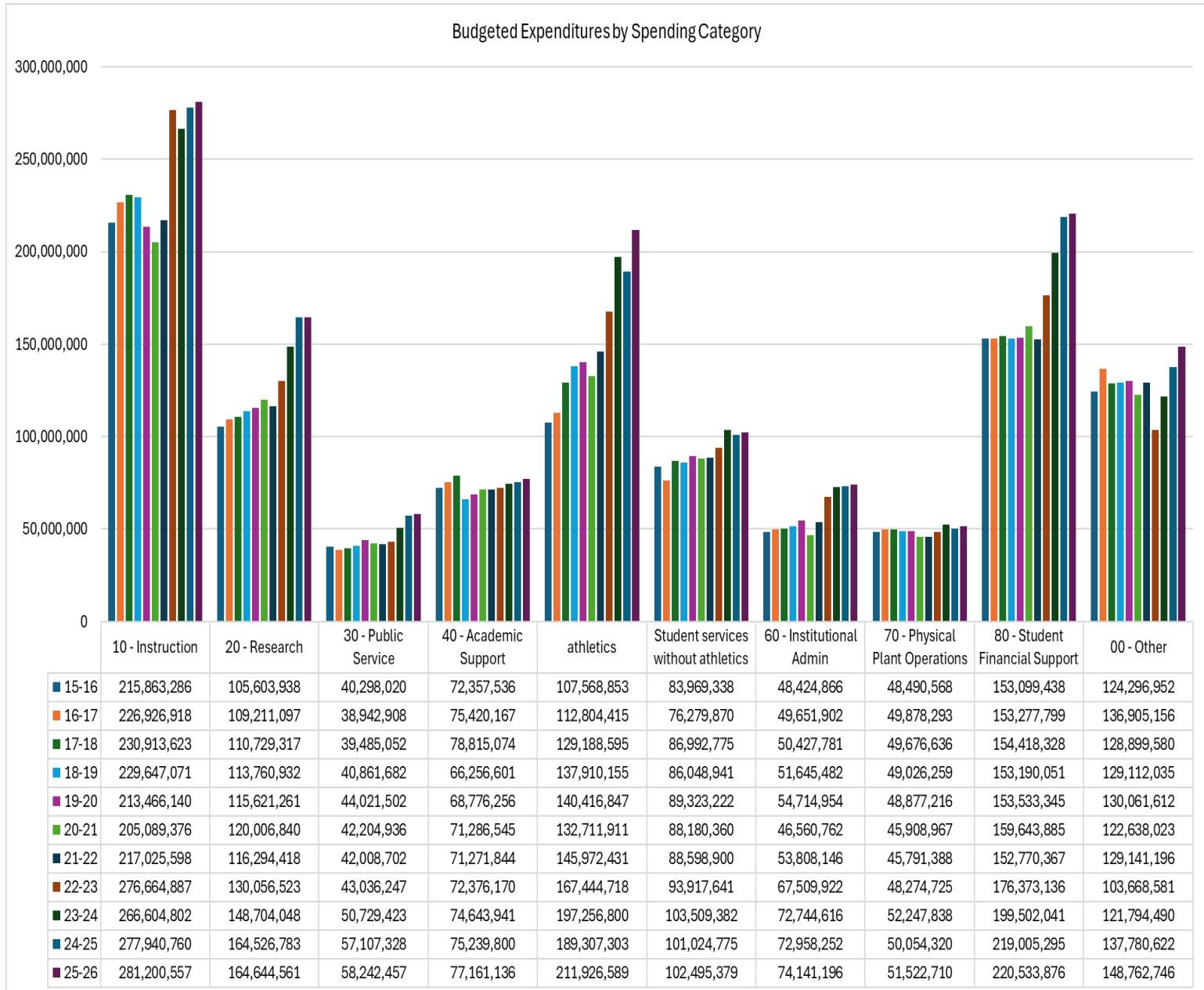
An important note about budgets: Budgets are important planning tools, but they can be manipulated to amplify whatever financial situation the creators may want to highlight. Some administrators like to use projected or actual budget deficits as a reason to reduce compensation and benefits for faculty. For these purposes, budgets can be meaningless. For example, you could budget to spend \$40 a week on groceries to feed a family of four. You will likely show a budget deficit each week when you spend more than that, and at the end of 52 weeks, your annual budget deficit will be quite large. In this case the deficit is due to an unrealistic budget of \$40 per week. Many institutions will state in their budget documents that they are using “conservative” estimates of enrollment, tuition revenue, etc. Therefore, strongly challenge the idea that a “budget deficit” is a justification for any action.

The University of Nebraska publishes operating budgets by year for each campus <https://nebraska.edu/offices-policies/business-finance/budget-and-planning/operating-budget>. Using the UN – Lincoln campus budgets, we can track projected changes in spending. The individual budget categories do not match the categories as reported to IPEDS. For example, in IPEDS, athletics expenses are included in auxiliaries, while in the budget report athletic expenses are included in student services. There are other distinctions in subcategories. However, the total expenditures are aligned each year.

Total Budgeted Expenditures to Total Expenditures



Total expenditures grew each year from 20-21 to 22-23. The growth shown in the budgets between 22-23 and 25-26 is a total of \$211.3 million. \$44.5 million is growth in athletics expenses, \$44.2 million is growth in student financial support, and \$45.1 million is in a category called “other”. The growth in instruction expenses is just \$4.5 million.



The growth in instruction expense between 21-22 and 22-23 was \$59.6 million with the subcategory of “other instruction or research” growing from \$3.4 million to \$68.5 million in one year.

If we compare the budgeted values from 15-16 to 25-26, the percentage growth in overall expenditure is 39.1%. However, this includes a 97% increase in athletics expenses, a 53.1 % increase in institutional administration spending, 55.9% increase in research spending, and just a 30.3% increase in instructional spending.

Budgeted Expenditures by Spending Category	15-16	25-26	% change 15-16 to 25-26
10 - Instruction	215,863,286	281,200,557	30.3%
20 - Research	105,603,938	164,644,561	55.9%
30 - Public Service	40,298,020	58,242,457	44.5%
40 - Academic Support	72,357,536	77,161,136	6.6%
athletics	107,568,853	211,926,589	97.0%
Student services without athletics	83,969,338	102,495,379	22.1%
60 - Institutional Admin	48,424,866	74,141,196	53.1%
70 - Physical Plant Operations	48,490,568	51,522,710	6.3%
80 - Student Financial Support	153,099,438	220,533,876	44.0%
00 - Other	124,296,952	148,762,746	19.7%
Total Budgeted Expenditures	999,972,795	1,390,631,207	39.1%

Proposed Budget Reductions

The proposed budget reductions were accessed at <https://budgetprocess.unl.edu/proposed-budget-reductions/>.

The proposed budget cuts more heavily impact instruction than other areas of the institution on a percentage of total expenses basis. This table provides an estimate of the expense line item that will change based on the proposed reductions.

proposed budget reductions - estimated by expense category		
Instruction	Academic Program Eliminations	7,700,000
Instruction	Department Realignments	2,000,000
Instruction	College budget Reductions	550,000
Instruction	Voluntary Separation Incentive Program for Faculty	5,500,000
Instruction	Total of 4 lines	15,750,000
Student services	Student Life	850,000
Scholarships and Fellowships	Decrease unfunded remissions (fundraising)	2,500,000
Institutional Support	Executive administrative & staff efficiencies	2,690,000
Academic Support	Administrative and staff efficiencies in Colleges	1,100,000
Most/All categories	Recission of all state-aided budgets by 1%	4,610,000
TOTAL		27,500,000

These proposed cuts include a much higher percentage cut to instruction than many other expense categories at 5.7% plus the additional across the board 1% cut to state-aided budgets.

The scholarships and fellowships line reflects the proposed decrease in unfunded remissions through fundraising for scholarships. It appears that the institution intends to have donors fund a larger portion of the scholarships for students. This may not change the total amount of financial aid for students; it appears to be a way to shift the funding source from the institution to donors while possibly maintaining the same level of aid for students.

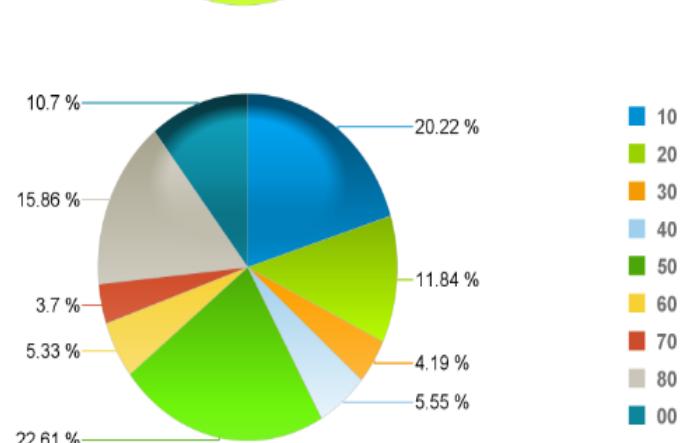
	FY24 expenses	proposed cuts	Cuts as % of FY24 total	Additional recession 1% of all state-aided budgets
Instruction	277,391,570	15,750,000	5.7%	
Research	284,324,434		0.0%	
Public service	116,437,908		0.0%	
Academic support	80,030,813	1,100,000	1.4%	
Student services	24,662,935	850,000	3.4%	
Institutional support	69,093,767	2,690,000	3.9%	
Scholarships and Fellowships	25,320,156	2,500,000	9.9%	
Auxiliary Enterprises (includes UNL athletics)	309,933,314		0.0%	
Other expenses deductions	100,851,371		0.0%	
Total expenses and deductions	1,288,046,268	22,890,000	1.8%	4,610,000

According to the University of Nebraska Lincoln Campus Budget documents

[https://nebraska.edu/offices-policies/business-finance/budget-and-planning/operating-budget for 2025-2026](https://nebraska.edu/offices-policies/business-finance/budget-and-planning/operating-budget-for-2025-2026), only 20.22% of the budgeted expenditures are for instruction but nearly 69% of the proposed cuts would be from instructional areas.

Budgeted Expenditures by Spending Category

10 - Instruction	281,200,557
20 - Research	164,644,561
30 - Public Service	58,242,457
40 - Academic Support	77,161,136
50 - Student Services	314,421,968
60 - Institutional Admin	74,141,196
70 - Physical Plant Operations	51,522,710
80 - Student Financial Support	220,533,876
00 - Other	148,762,746
Total Budgeted Expenditures	1,390,631,207



Faculty Staffing Levels and Mean Salaries

Institutions are required to report information to IPEDS about the numbers of employees by function as well as total salary and wage outlays for the full-time employees. Changes over time suggest which functional areas have been prioritized. In general, the faculty are instructional and research. The category called management is the upper administration. Academic deans and other academic administrators are in the librarian, curators, archivists, academic affairs and other education services category. The categories use standard occupational codes with more information available at this website: [https://www.airweb.org/learning/NCES-ipeds-training-center/ipeds-tutorials/human-resources-\(hr\).](https://www.airweb.org/learning/NCES-ipeds-training-center/ipeds-tutorials/human-resources-(hr).)

Number of full-time employees

The number of full-time faculty at UNL has declined by -7.8% since fiscal year 2019.

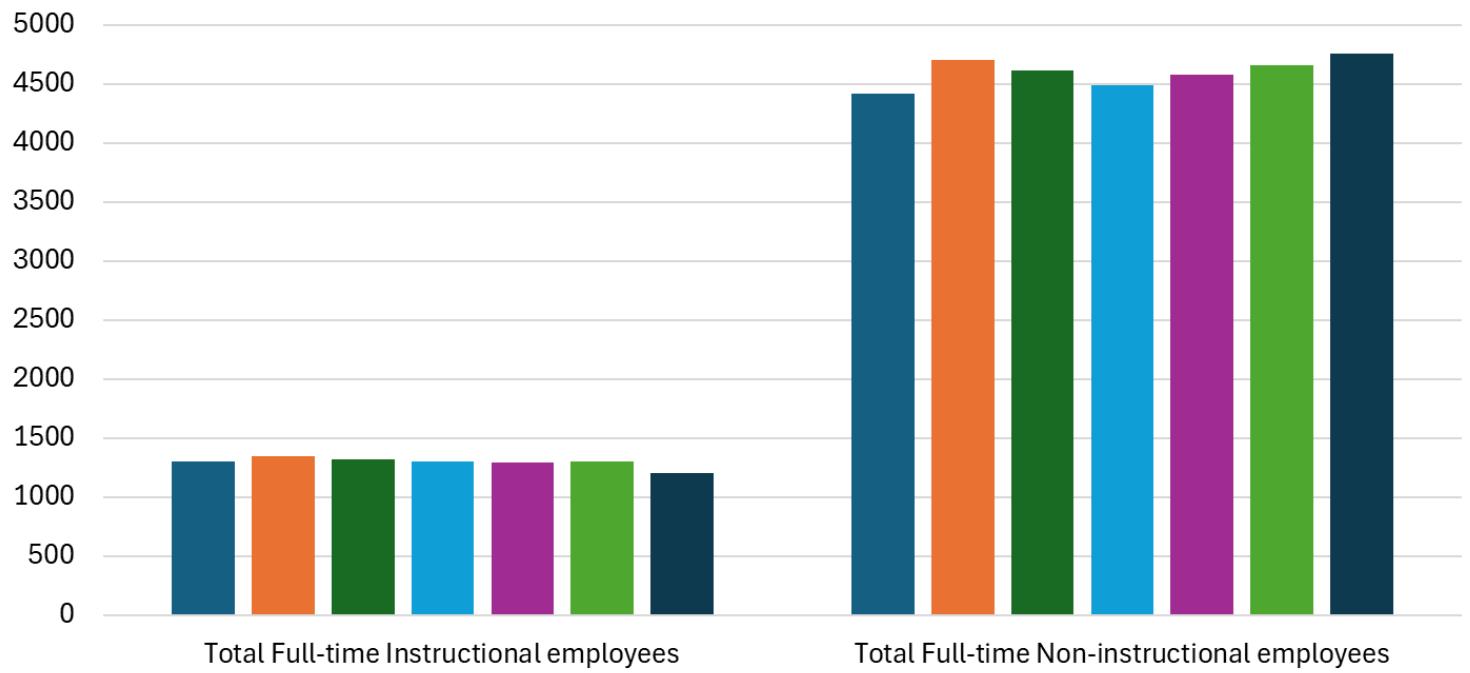
Fulltime Instructional Employees	2019	2020	2021	2022	2023	2024	2025	change 2019 to	% change 2019 to
Professor	439	446	432	440	429	449	433	(6)	-1.4%
Associate professor	331	339	393	388	418	397	368	37	11.2%
Assistant professor	286	275	397	370	333	333	298	12	4.2%
Instructor					1		0	-	
Lecturer	245	275	96	102	109	110	96	(149)	-60.8%
No academic rank		6	3	4	5	7	5	5	
Total Full-time Instructional employees	1301	1341	1321	1304	1295	1296	1200	(101)	-7.8%

During this same period the number of non-instructional employees grew by 7.6%. There was an increase of 50.9% or an additional 175 employees in the business and financial operations area of the institution.

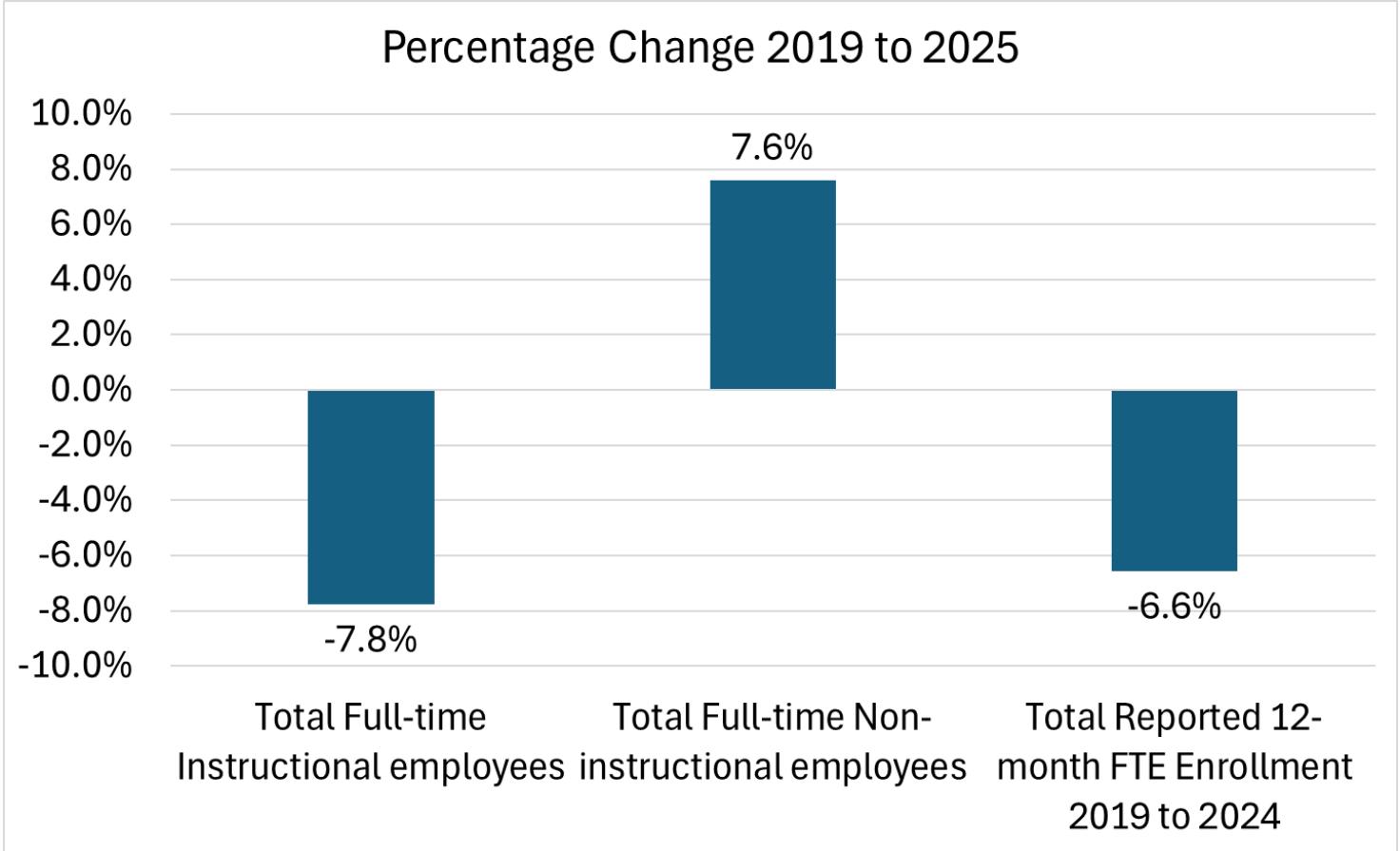
Total full-time non-instructional employees	2019	2020	2021	2022	2023	2024	2025	change 2019 to	% change 2019 to
Research	326	332	290	266	269	257	270	(56)	-17.2%
Public service	197	203	200	191	200	209	275	78	39.6%
Librarians Curators Archivists and Academic Affairs and Other Education Services	273	312	301	307	298	321	319	46	16.8%
Management	594	628	588	579	580	578	584	(10)	-1.7%
Business and Financial Operations	344	450	450	436	469	508	519	175	50.9%
Computer Engineering and Science	616	627	670	644	641	662	666	50	8.1%
Community Social Service Legal Arts Design									
Entertainment Sports and Media	487	487	531	521	543	574	576	89	18.3%
Healthcare Practitioners and Technical	46	54	47	52	51	41	47	1	2.2%
Service	636	620	611	593	584	569	590	(46)	-7.2%
Sales and related	20	25	28	28	31	27	28	8	40.0%
Office and Administrative Support	598	699	614	597	628	615	586	(12)	-2.0%
Natural Resources Construction and Maintenance	216	202	213	210	215	211	207	(9)	-4.2%
Production Transportation and Material Moving	66	67	65	61	66	85	88	22	33.3%
Total Full-time Non-instructional employees	4419	4706	4608	4485	4575	4657	4755	336	7.6%

Total Number of Full-time Employees UNL

■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024 ■ 2025



Comparing the changes in staffing levels to the changes in 12-month FTE student enrollment reported to IPEDS it is clear that the growth in full-time non-instructional employee numbers happened during a period of declining FTE student enrollment.



Salary outlays for Full-time Employees

The total salary outlays for full-time employees show a clear prioritization of non-instructional positions over instructional positions. Total salaries for full-time instructional employees have grown 4.5% from 2019 to 2024. The increase was \$6.1 million. These dollars are not adjusted for inflation.

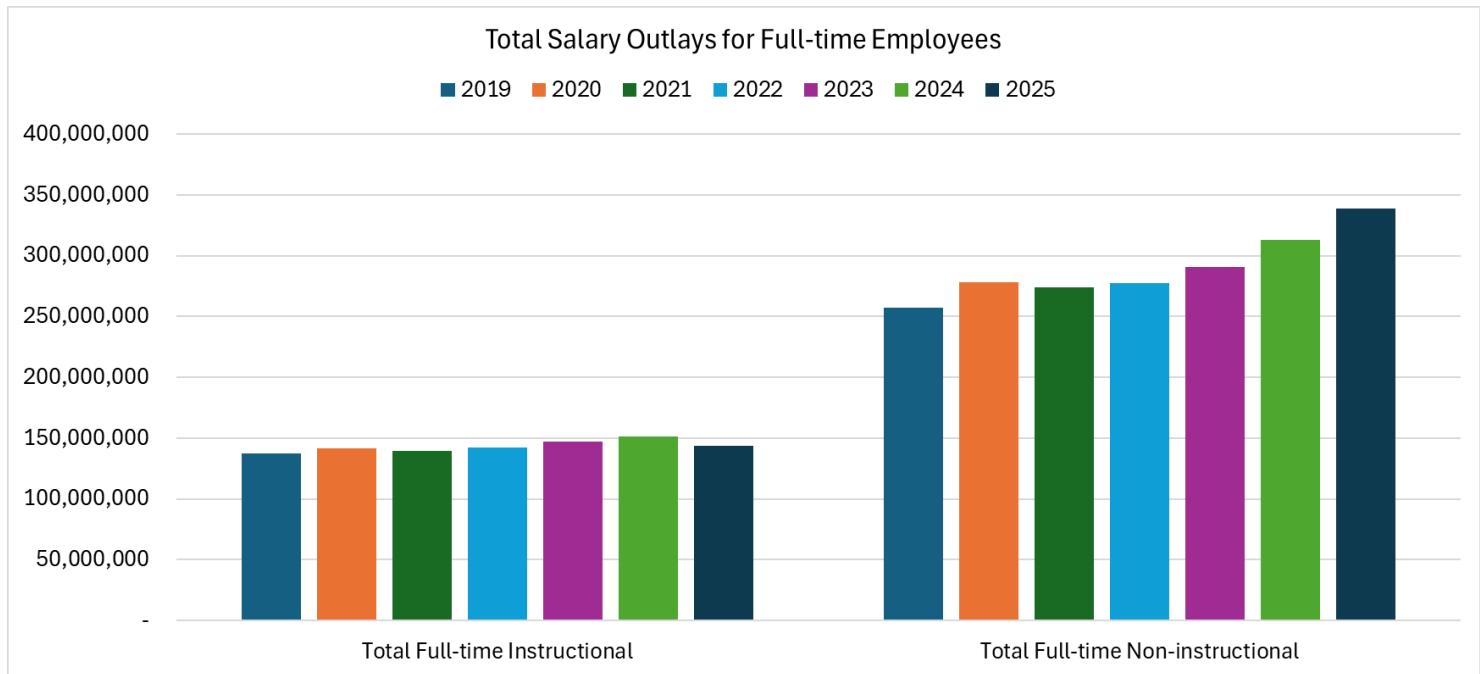
	2019	2020	2021	2022	2023	2024	2025	change 2019 to 2025	% change 2019 to 2025
Total Salary Outlays for Fulltime									
Professor	60,800,784	61,993,422	59,491,635	62,311,335	63,641,214	68,338,934	66,511,934	5,711,150	9.4%
Associate professor	32,589,293	33,701,186	38,742,172	39,983,975	45,362,568	44,655,149	42,087,872	9,498,579	29.1%
Assistant professor	27,248,655	26,943,208	36,480,226	34,946,993	32,475,711	32,482,374	29,188,449	1,939,794	7.1%
Instructor					69,000		-	-	
Lecturer	16,798,417	18,874,527	4,823,748	5,282,912	5,486,979	5,796,229	5,517,490	(11,280,927)	-67.2%
No academic rank		282,976	-	75,000	255,000	218,500	307,150	307,150	
Total Full-time Instructional	137,437,149	141,795,319	139,537,781	142,600,215	147,290,472	151,491,186	143,612,895	6,175,746	4.5%

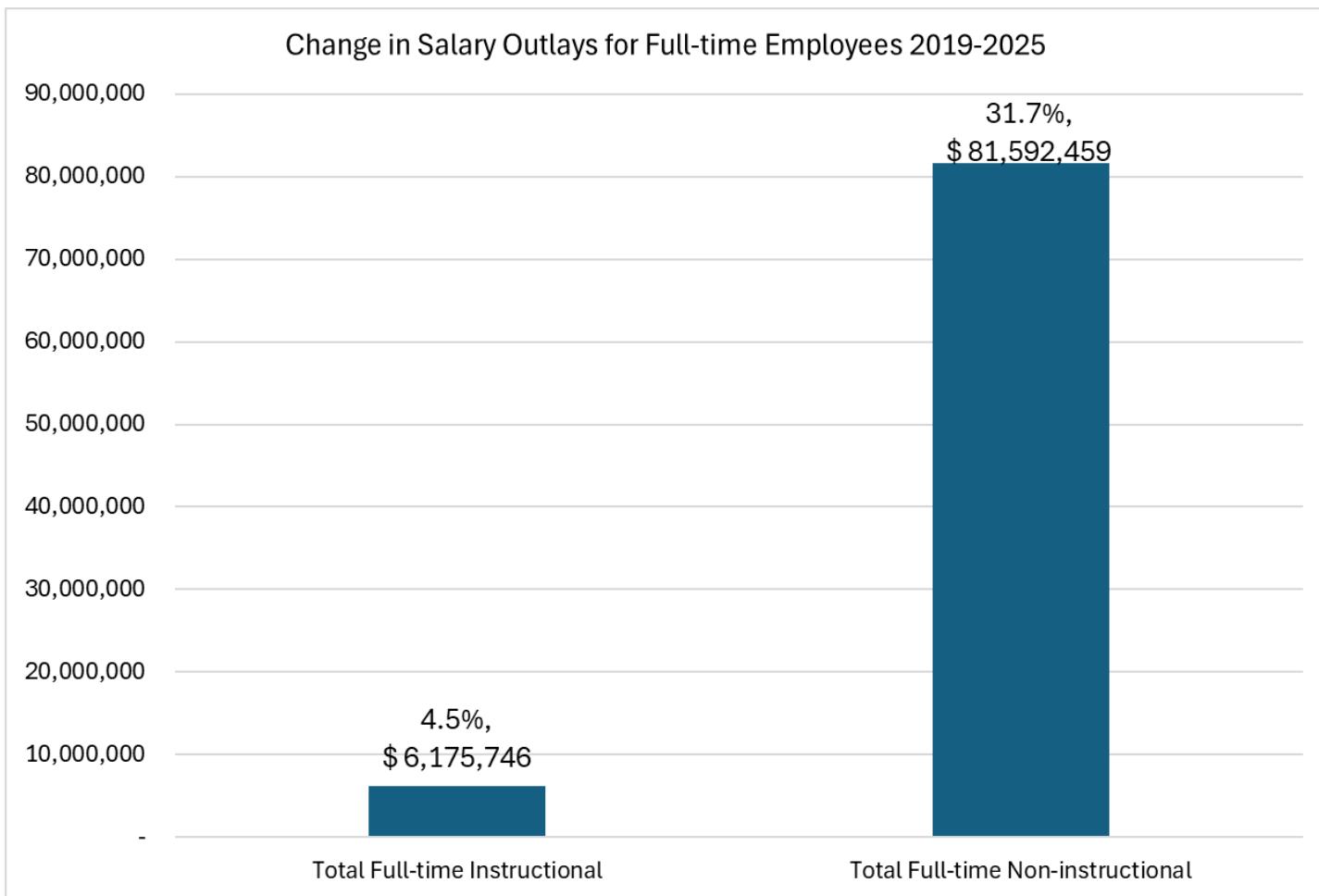
Meanwhile the total salary outlays for full-time non-instructional employees have grown 31.7% or \$81.6 million.

	2019	2020	2021	2022	2023	2024	2025	change 2019 to 2025	% change 2019 to 2025
Salary outlays for full-time non-instructional employees									
Research	18,270,928	19,338,307	16,997,870	16,376,148	16,708,078	16,864,546	18,467,569	196,641	1.1%
Public service	13,293,678	14,443,621	14,299,578	13,887,496	14,970,224	15,786,187	24,990,618	11,696,940	88.0%
Librarians Curators Archivists and Academic Affairs and Other Education Services	12,085,071	15,547,332	14,664,684	15,545,216	16,276,632	17,981,636	18,222,954	6,137,883	50.8%
Management	61,653,051	75,925,972	63,775,727	64,427,847	66,437,513	67,977,062	70,603,284	8,950,233	14.5%
Business and Financial Operations	18,751,296	23,891,890	24,054,227	23,979,410	27,121,887	31,164,271	33,080,502	14,329,206	76.4%
Computer Engineering and Science	30,854,566	32,706,218	34,511,231	34,183,196	36,686,983	39,422,634	40,473,617	9,619,051	31.2%
Community Social Service Legal Arts Design									
Entertainment Sports and Media	40,500,819	31,167,959	43,981,909	45,266,915	41,969,688	51,720,005	57,604,846	17,104,027	42.2%
Healthcare Practitioners and Technical	3,356,846	3,949,660	3,349,325	3,478,329	3,837,113	3,371,730	4,237,626	880,780	26.2%
Service	19,793,419	19,610,522	19,399,459	20,732,819	22,569,627	23,574,814	25,177,285	5,383,866	27.2%
Sales and related	1,178,983	1,263,348	1,417,788	1,563,548	1,898,569	1,718,656	1,917,044	738,061	62.6%
Office and Administrative Support	23,819,148	27,466,009	24,052,426	24,367,112	27,067,599	27,117,246	26,679,044	2,859,896	12.0%
Natural Resources Construction and Maintenance	10,847,475	10,241,953	10,788,513	10,760,744	11,884,709	12,089,934	12,615,797	1,768,322	16.3%
Production Transportation and Material Moving	2,913,651	2,976,046	2,865,609	2,885,509	3,493,897	4,490,158	4,841,204	1,927,553	66.2%
Total Full-time Non-instructional	257,318,931	278,528,837	274,158,346	277,454,289	290,922,519	313,278,879	338,911,390	81,592,459	31.7%

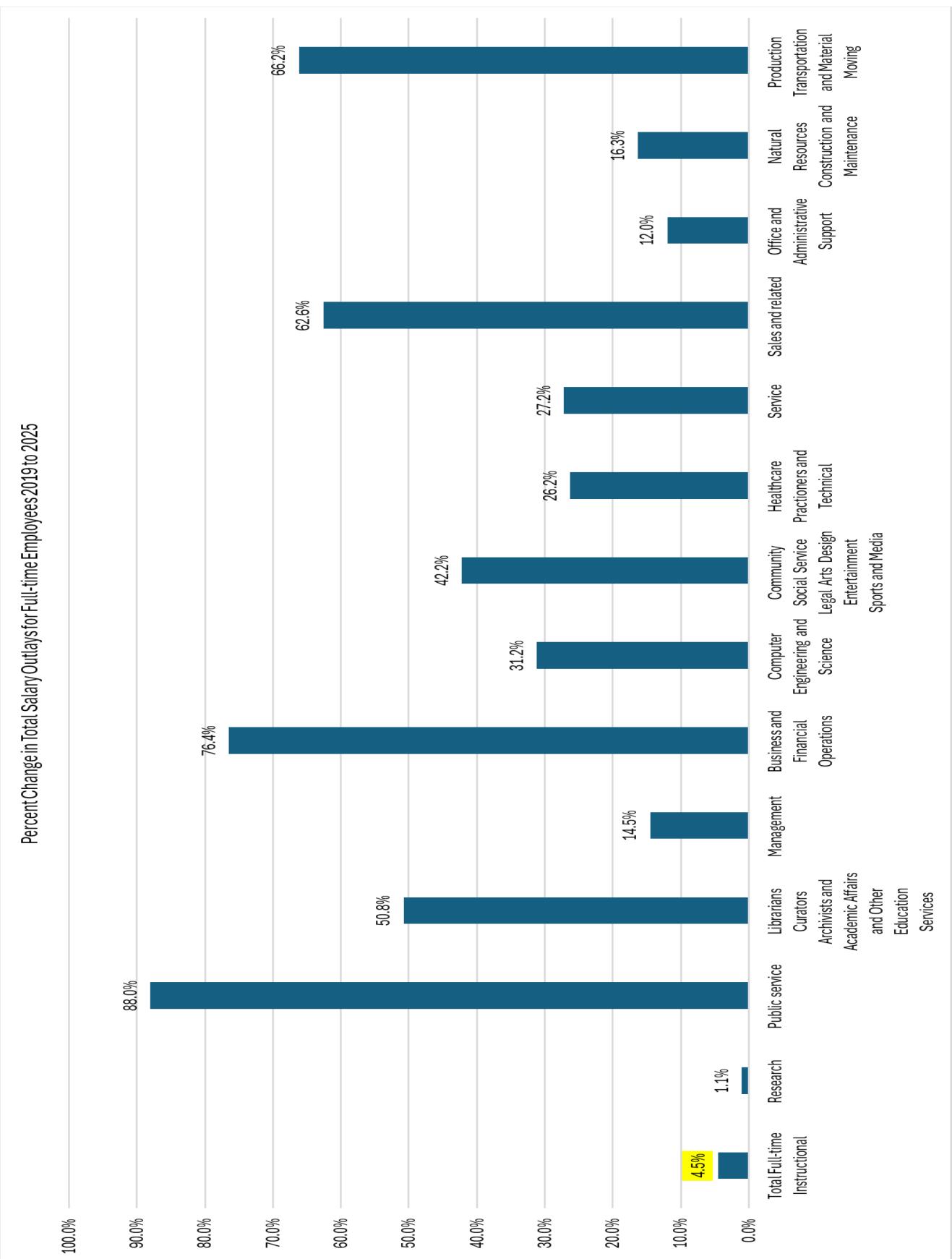
The largest areas of growth were public service with an 88% or \$11.7 million increase and business and financial operations, with a 76.4% or \$14.3 million increase in 7 years. **The \$14.3 million growth in**

salaries for business and financial operations, which had 519 employees, was more than twice as large as the \$6.2 million growth in salaries for all full-time faculty, a total of 1200 employees.





The increases in salary outlays have been uneven across the functional areas.



Conclusion

Both the system and the campus of the University of Nebraska Lincoln show many signs of good financial health with increasing net positions, total revenue exceeding total expenses, and increases in state appropriations. Budgeted revenue and expenses for the campus are both projected to grow.

Staffing levels and salary outlays at UNL have shown different patterns of changes over time in instructional and non-instructional functions. The number of full-time instructional employees has declined by -7.8% and full-time non-instructional employees have increased by 7.6% since 2019. Total salary outlays for the full-time instructional employees grew by 4.5% while the salary outlays for full-time non-instructional employees grew by 31.7%.

Not only have non-instructional functions grown more rapidly, but the proposed budget reductions would be a larger percentage of the instructional expenses than other expenses. Total expenses would be reduced by 1.8%, but instructional expenses would be reduced by at least 5.7%.

It appears that the administration is doubling down on its recent history of deprioritizing instruction and students. It is time to defend instruction at the University of Nebraska at Lincoln and resist cuts that would undermine the educational mission.

Appendix A

Glossary of Functional Expense Categories GASB – public institutions

01 – Instruction - Expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted should be included in this classification. Include expenses for both credit and noncredit activities. Exclude expenses for academic administration where the primary function is administration (e.g., academic deans); such expenses should be reported on line 05. The instruction category includes academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction conducted by the teaching faculty for the institution's students.

02 – Research - This category includes all expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. Do not report nonresearch sponsored programs (e.g., training programs). Training programs generally are reported on line 01(Instruction).

03 – Public service - Report expenses for all activities budgeted specifically for public service and for activities established primarily to provide noninstructional services beneficial to groups external to the institution. Examples are seminars and projects provided to particular sectors of the community. Include expenditures for community services and cooperative extension services.

05 – Academic support - This category includes expenses for the support services that are an integral part of the institution's primary missions of instruction, research, and public service. Include expenses for museums, libraries, galleries, audio/visual services, ancillary support, academic administration, personnel development, and course and curriculum development. Include expenses for veterinary and dental clinics if their primary purpose is to support the institutional program. (NOTE: Deans are included in this category.)

06 – Student services - Report expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples are career guidance, counseling, and financial aid administration. This category also includes intercollegiate athletics and student health services, except when operated as self-supporting auxiliary enterprises.

07 – Institutional support - Report expenses for the day-to-day operational support of the institution. Include expenses for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.

10 – Scholarships and fellowships expenses, excluding discounts & allowances - This amount is carried forward from Part E: Scholarships and Fellowships, line 11. Scholarships and fellowships expenses in the form of outright grants to students selected and awarded by the institution. This is the amount that exceeds fees and charges assessed to students by the institution and that would not have been recorded as discounts & allowances. This classification will include the excess of awards over fees and charges from Pell Grants and other resources, including funds originally restricted for student assistance. Do not

include loans to students or amounts where the institution is given custody of the funds but is not allowed to select the recipients; these are transactions recorded in balance sheet accounts and not revenues and expenses.

11 – Auxiliary enterprises - Report expenses of essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics, college unions, college stores, and barber shops when the activities are operated as auxiliary enterprises.

12 – Hospital services - Report all expenses associated with the operation of a hospital, including nursing expenses, other professional services, general services, administrative services, fiscal services, and charges for physical plant operations.

13 – Independent operations - Include all expenses for operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service), although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of major federally funded research and development centers. Do not include the expenses of operations owned and managed as investments of the institution's endowment funds.

14 - Other functional expenses and deductions - This amount is generated by taking the total of line 19 and deducting the total of lines 01 through 13. Pension (Part M-1 – Line 01) and OPEB (Part M-2 – line 05) expenses as recognized by GASB 68 and 75 should be allocated to this category.

Further details can be found at: <https://surveys.nces.ed.gov/ipeds/public/survey-materials/instructions?instructionid=30068>