Governor’s Proposed Budget for FY 09-11
- Increases General Fund appropriations by 1.8% per year average
- Transfers $80 M from Cash Reserve to General Fund
- Holds $200 M of Cash Reserve for emergencies
- Continues $112 M per year of property tax relief
- Recaptures $66 M of FY 08-09 appropriations (not NU), and moves $33.3 M per year of various cash fund balances to General Fund
- 6/30/11 General Fund balance -- $5 M over minimum reserve
- 6/30/11 Cash Reserve “free” balance -- $307.5 M
- Notes many risks: state revenues, Beatrice Center, water litigation, etc.

General Fund Receipts
- Six months through 12/31 – 0.7% above July 2008 certified forecast
- December -- sales tax 5.8% below & indiv. income tax 8.3% below forecast

The Economy – markets @ 1/26; unemployment @ 12/31; recovery @ ???

<table>
<thead>
<tr>
<th>S&amp;P: $845.70</th>
<th>Unemployed (looking for work): 11.1 M</th>
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</thead>
<tbody>
<tr>
<td>Oil (light sweet crude): $41.58</td>
<td>Unemployment Rate: 7.2%</td>
</tr>
<tr>
<td>Ten-year Treasuries: 2.52%</td>
<td>Stimulus package: $825 B and praying</td>
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</tbody>
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University 2009-11 Budget
- Governor recommended 1% General Fund increase each year (about $5 M per yr)
- 6% tuition increases likely for both years (about $13 M per year)
- September 2009 request called for $36 M per year in new expenses
- Governor recommended two-year depreciation suspension worth $8.4 M (one-time)
- President will work with Legislature (and continue talking to Governor)
- President and Chancellors will debate budget for next five months

Governor did NOT recommend funding key University and UNMC initiatives
- Student Information System -- $11.5 M (one-time)
- College of Nursing - Lincoln Division building -- $17.5 M (one-time)
- College of Nursing – Norfolk operating $1.5 M (ongoing)
- UNMC new building operations & maintenance -- $1.2 M (ongoing)

Upcoming Budget Events:
- Appropriations Committee Preliminary Report – end of February
- Forecasting Board meets – February 28