

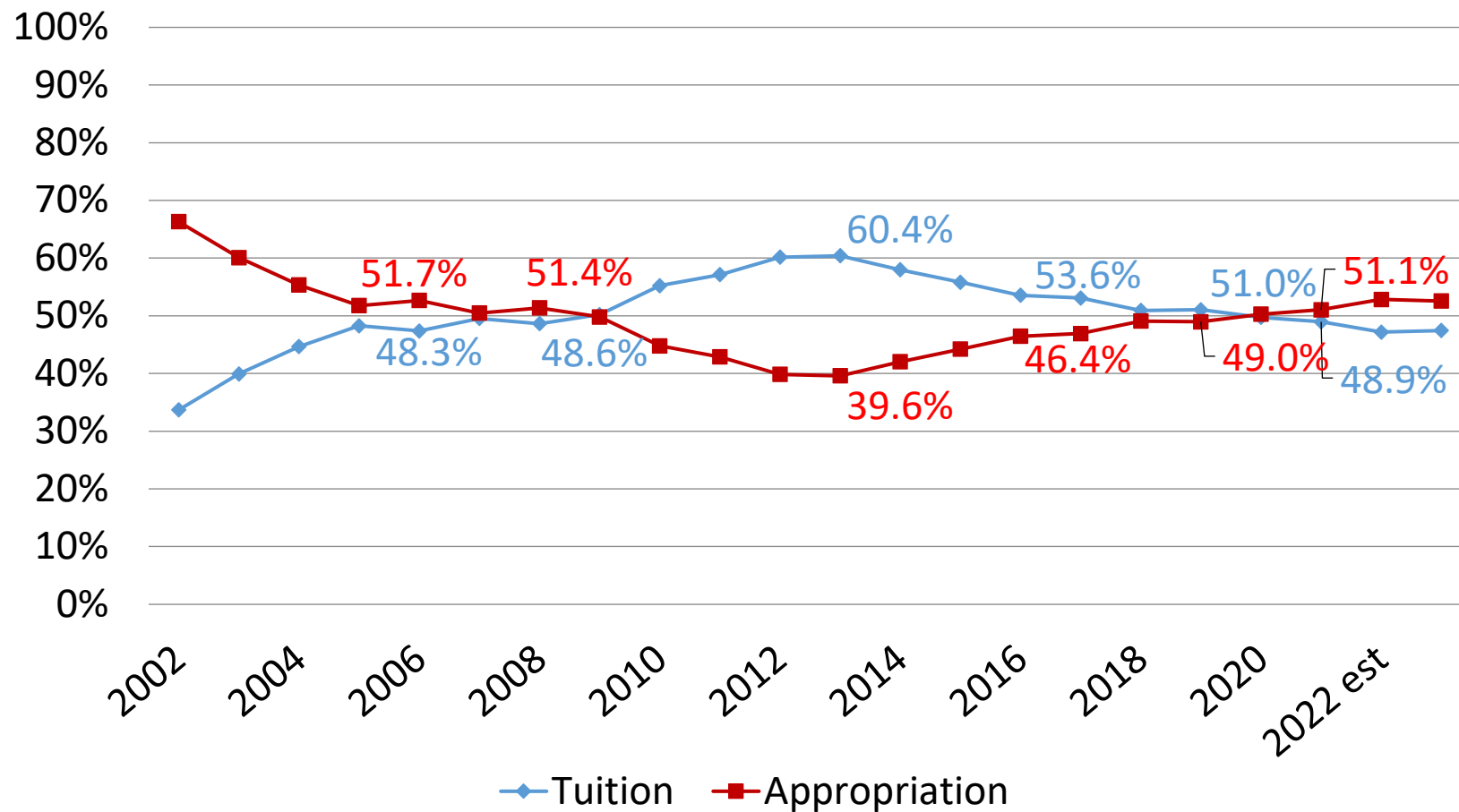


October 19, 2022

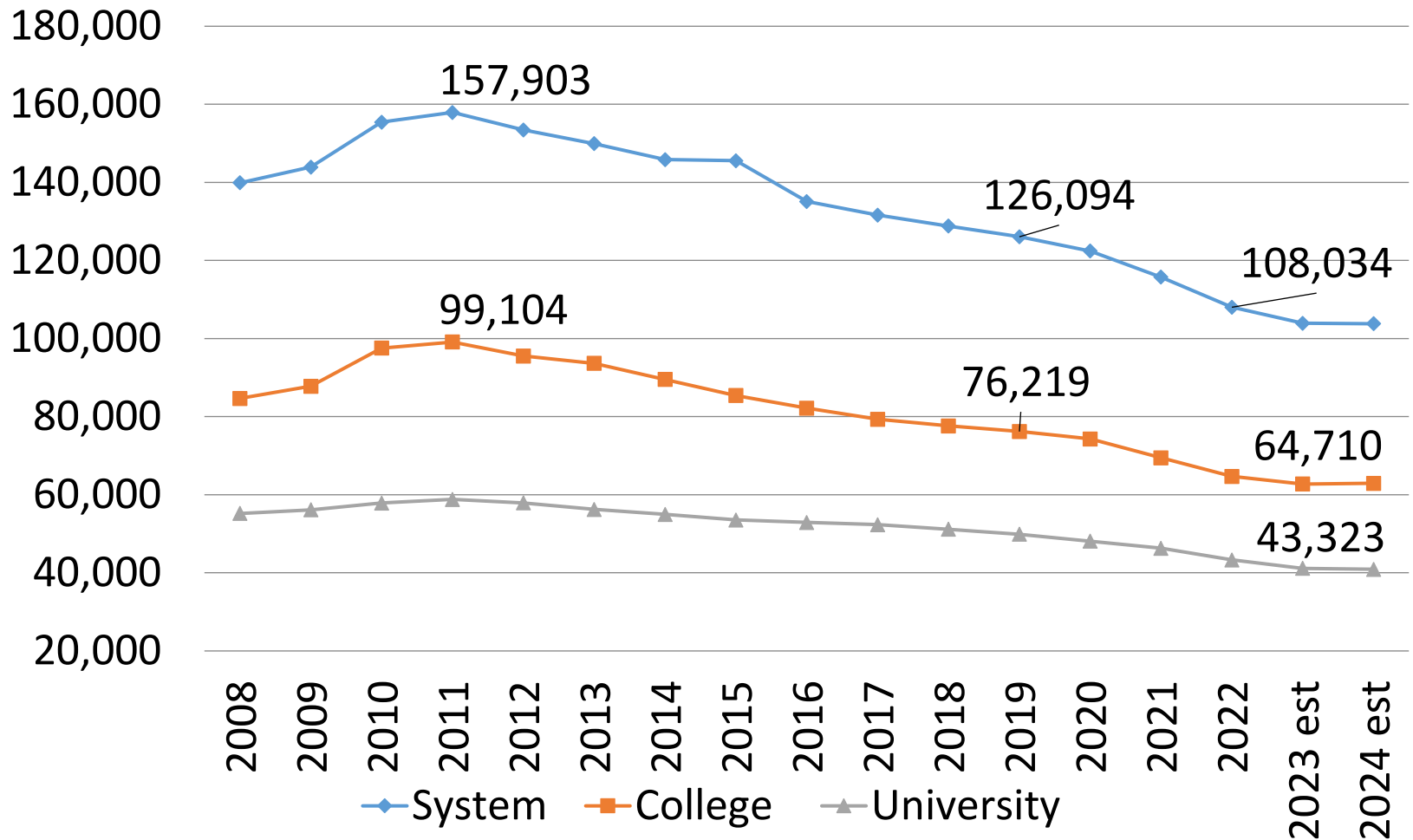
FY2023 Annual Operating Budget Update

Appropriation and Tuition

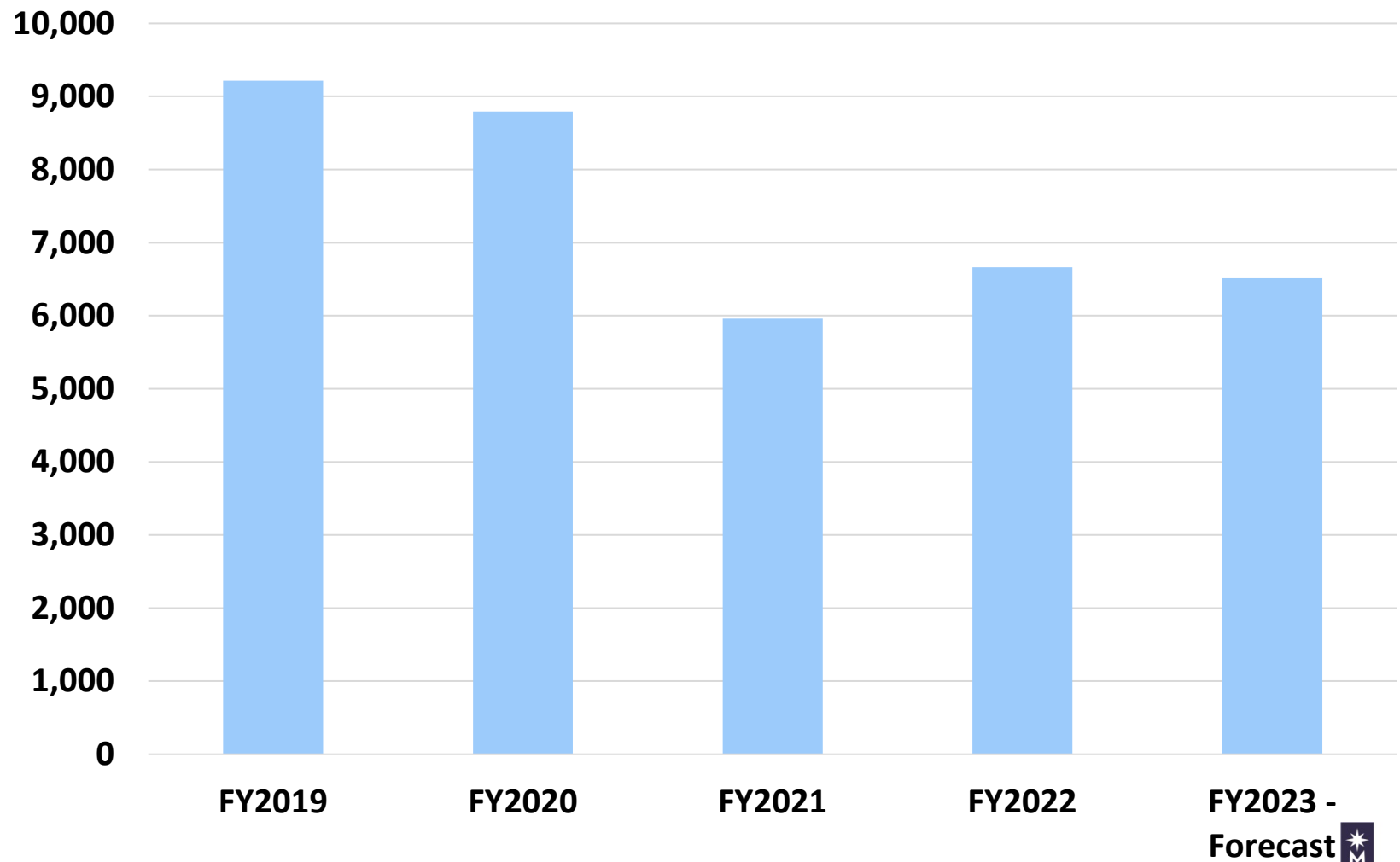
Appropriation and Tuition Relationship



Historical & Projected Enrollment for the System



University Revenue Fund Residential Beds Used



Year-to-date enrollment as of October 10

FY2023 Compared to FY2022	Summer YTD	Fall YTD
Colleges	-7.3%	-1.5%
Universities	-3.8%	-4.9%
System	-5.7%	-2.8%



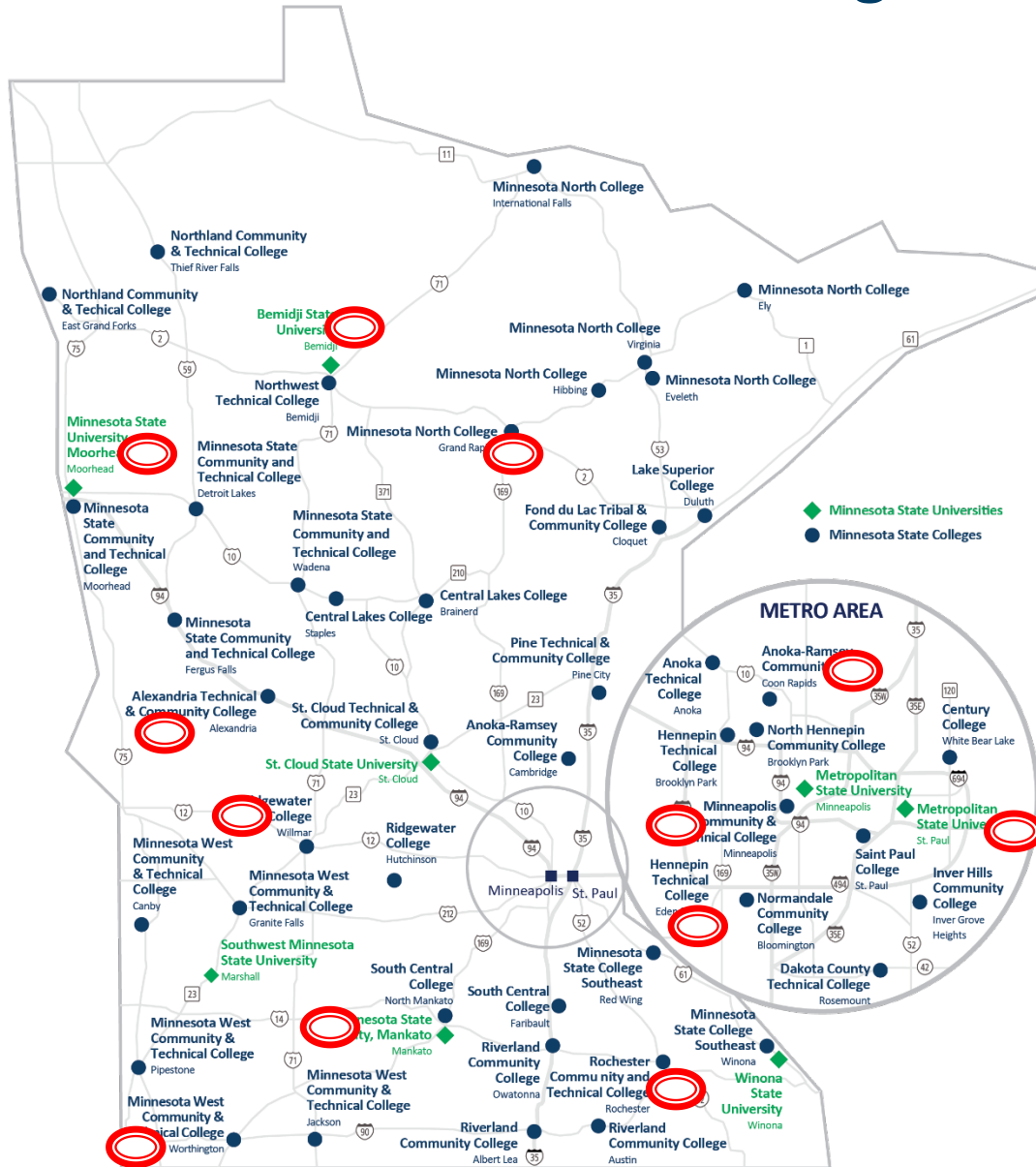
Finance Committee

October 19, 2022

State Biennial Budget Request for FY2024 and FY2025

First Reading

Minnesota State Biennial Budget Listening Sessions



September 2022

By The Numbers:

- 12 listening sessions
- 550+ attendees
- 14 legislators
- Local print and tv coverage in many regions visited

Summary of Themes from Listening Sessions

Student Success and Equity

- Funded tuition freeze
- Financial support directly to students
 - Additional student scholarships
 - Additional student emergency grants
 - Increase of student worker wages
 - All required internships, practicums, student teaching, etc. become paid experiences
- Basic needs support
 - Additional funding for food pantries
 - Housing insecurity
 - Childcare
 - Transportation
 - Campus coordinators
- Additional student services
 - Mental health resources
 - Social workers
 - Community resource connectors
 - Additional college and university staffing to provide services



Summary of Themes from Listening Sessions

Minnesota State Stabilization

- Direct campus support to cover inflation – campuses can no longer do more with less
- Faculty and staff compensation not keeping up with the market and inflation
- Asset preservation: taking care of buildings
- Technology funding
 - Additional mobile devices for students
 - Digital literacy
- Need state funding to replace HEERF funding for mission-critical positions added during the pandemic

Summary of Themes from Listening Sessions

Workforce and Economic Development

- Increase collaboration and partnerships with K-12 and business and industry
 - More career pathway and pipeline programs
 - Expand the number of internships and apprenticeships
- Expand career, technical, and professional programs
 - Funding for equipment
 - Funding for additional supplies
 - Competitive salaries to be able to recruit & retain faculty
- Funding for innovation and program development
- Increase non-credit training opportunities
 - Adult learning
 - Removal of financial barriers

Minnesota State Biennial Budget History

\$ in millions

Fiscal Year	Request	Appropriation	College Tuition Increase	University Tuition Increase	Fiscal Year	Request	Appropriation	College Tuition Increase	University Tuition Increase
1996	\$115.7	\$42.5	3.9%	6.0%	2010	\$71.7	(\$92.7)	4.8%	5.0%
1997	\$29.7	\$4.9	4.3%	8.9%	2011	\$0	(\$60.5)	4.7%	5.0%
1998	\$127.9	\$110.5	2.2%	3.0%	2012	\$50.0	(\$120.0)	3.7%	4.9%
1999	\$42.0	\$36.0	3.8%	0.6%	2013	\$0	\$0.5	3.7%	4.4%
2000	\$253.0	\$104.4	3.6%	4.6%	2014	\$97.0	\$88.3	0.0%	0.0%
2001	\$21.6	\$13.2	4.5%	6.3%	2015	\$31.0	\$17.0	0.0%	0.0%
2002	\$310.9	\$105.0	11.2%	10.3%	2016	\$142.0	\$101.5	0.0%	3.5%
2003	\$0	(\$22.7)	11.4%	10.3%	2017	\$21.0	\$0.6	(1.0%)	0.0%
2004	\$107.6	(\$189.0)	13.2%	14.9%	2018	\$178.0	\$106.3	1.0%	3.9%
2005	\$0	\$0	13.0%	15.3%	2019	\$31.0	\$0	0.0%	0.0%
2006	\$197.3	\$107.5	5.9%	6.6%	2020	\$246.0	\$81.5	3.0%	3.2%
2007	\$31.5	\$0	6.9%	8.4%	2021	\$54.2	\$0	3.0%	3.0%
2008	\$177.0	\$151.8	3.4%	3.9%	2022	\$120.0	\$56.4	3.3%	3.5%
2009	\$0	(\$7.6)	2.0%	4.1%	2023	\$60.0	\$0	3.3%	3.5%



Recent Biennial Budget Requests

(requested vs. received in biennial numbers)

- 2022-2023 request - (\$120 mil vs. \$56.4 mil)
 - Campus support (\$75 mil vs. \$45 mil)
 - Equity & Affordability (\$45 mil vs. \$3 mil)
 - Additional legislative funded priorities - \$8.4 mil for rural colleges, workforce scholarships, system office
- 2020-2021 request - (\$246 mil vs. \$81.5 mil)
 - Campus support, including funding a tuition freeze (\$169 mil vs. \$64.5 mil)
 - ISRS Next Generation (\$37 mil vs. \$8 mil) total of \$8 million ongoing
 - College Promise/University Transfer Grants (\$25 mil vs. \$0 mil)
 - Career Technical Education (\$15 mil vs. \$0 mil)
 - Additional legislative funded priorities - \$9 mil for workforce scholarships, mental health, leveraged equipment, etc.
- 2018-2019 request - (\$178 mil vs. \$106.2 mil)
 - Campus support, including funding a tuition freeze (\$173 mil vs. \$91.1 mil)
 - ISRS Next Generation (\$25 mil vs. \$8 mil) total of \$4 million ongoing
 - Student Incentive Grants (\$10 mil vs. \$0)
 - Additional legislative funded priorities - \$7.2 mil for rural colleges, workforce scholarships, etc.

Minnesota State Proposed FY2024-FY2025 Biennial Budget Request

	FY2024	FY2025	Biennium
Student Support	\$50	\$75	\$125
Minnesota State Stabilization	\$40	\$85	\$125
Workforce & Economic Development	\$50	\$50	\$100
Total	\$140	\$210	\$350
<i>(dollars in millions)</i>			



Student Support

Tuition Freeze, Affordability

\$77 million

- Consistent with past legislated limitations on undergraduate tuition, would be in-lieu of 3.5 percent increase each year
- Would save students \$25 million in FY2024 and \$50 million in FY2025
- Expanded offerings of free Open Educational Resources (OERs) and zero materials costs Z-degrees would save students additional out of pocket costs

Student Support

Student Support Services

\$26 million

- Funding direct to campuses, customized for local needs with local and systemwide data assessment to guide responsiveness and improvement
- Student support services such as
Advisors Transfer specialists Social workers
Community resource connectors Mental health support staff
Basic needs coordinators, etc.
- Basic needs access via support for 24/7 phone, text, and online hub connecting students with campus and community resources
- Mental health support including 24/7 access to
Peer mental health resource platform
Professional clinical support platform including telepsychiatry
Mental health education for students, faculty and staff,
including bystander intervention training

Student Support

Transfer Scholarships, Emergency Grants

\$22 million

- \$12 million in scholarships for students who transfer from a Minnesota State College to a Minnesota State university completing a transfer pathway program to further their educational goals
- \$10 million for emergency grants that are locally customized, administratively streamlined, promptly awarded fund to help with unforeseen emergencies
- These funds help fill funding needs where HEERF dollars have gone away

Systemwide Funding Stabilization Continuing Operations \$125 million

- \$40 million in FY2024 and \$85 million in FY2025
- Providing exceptional education and ensuring availability of the programs and services that serve students on a daily basis
- Equates to roughly five percent annual increase in core operations funding

Appropriation and Tuition Changes since 2014

Fiscal Year	Appropriation in \$millions	Appropriation Change from previous year	College Tuition Compared to previous year	University Tuition Compared to previous year	State Funding in-lieu of Tuition
2014	587.9	7.7%	Frozen	Frozen	Yes, fully funded
2015	622.1	5.8%	Frozen	Frozen	Yes, fully funded
2016	672.9	8.2%	Frozen	Increased overall average of 3.4%	Colleges fully funded
2017	673.5	0.1%	Reduced by 1%	Frozen	None
2018	731.0	8.5%	Increased overall average of 1%	Increased overall average of 3.9%	Colleges fully funded
2019	721.9	-1.2%	Frozen	Frozen	None
2020	758.7	5.1%	Increased by 3%	Increased by 3%	None
2021	765.7	0.9%	Increased by 3%*	Increased by 3%*	None
2022	792.0	3.4%	Increased overall average of 3.3%	Increased by 3.5%**	None
2023	789.5	-0.3%	Increased overall average of 3.4%	Increased by 3.5%**	None

*Fall 2020 tuition frozen by Board **Not including online reset at four universities



Workforce and Economic Development Equipment and Learning Environments \$49 million

- Strategically directed funding for program modernization
- Enhancing stand-alone equipment, technologies or learning environments, such as: labs for applied research, data visualization spaces, spaces for collaboration
- Funding matched one-to-one with non-state funds in-kind or cash

Workforce and Economic Development

Workforce Development Scholarships

\$25.5 million

- Funding directly to colleges and universities to award to students
- Adding three new degree fields for scholarship eligibility: construction, education, and law enforcement and public safety
- Expanding eligibility to state university students, increasing award maximum in recognition of the difference in tuition and fees
- Adding select credit and non-credit certificates and short-term stackable credentials
- Funding matched one-to-one with non-state funds in-kind or cash



Workforce and Economic Development Industry Sector Programming \$25.5 million

- Add Centers of Excellence for:
 - Public Safety (law enforcement, first responders, firefighting)*
 - Construction/Building Trades*
- Develop programs in high-demand areas experiencing extraordinary changes in occupational skills due to technological changes
- Create multiple-entry stackable credential career pathways to enable students to further their education, secure employment and advance
- Funding matched one-to-one with non-state funds in-kind or cash



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