

FY2016-17 Biennial Budget Request

Board of Regents | September 12, 2014

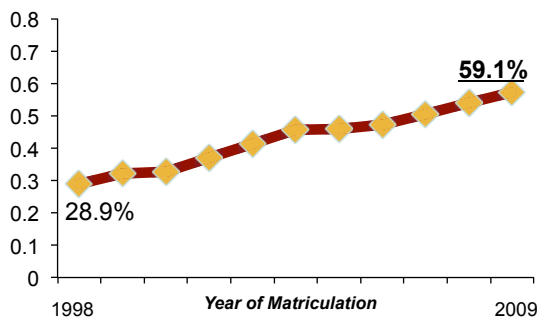
President Eric W. Kaler
 Vice President Richard Pfitzenreuter



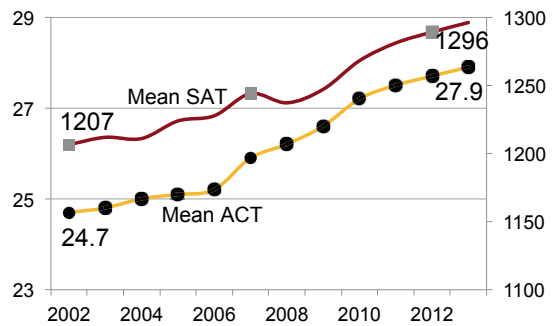
Student Profile

63,138 Students Spring 2014	Undergraduate	Graduate	Professional	Non-degree
	40,932	13,019	4,206	4,981

Four-Year Graduation Rates-
Twin Cities



Average ACT and SAT Scores-
Twin Cities



Legislative Budget Request Goals

- Tuition Freeze
 - Provide qualified students access to an affordable University education
- Facility Condition Improvement Strategy
 - Modern educational and research facilities
- Healthy Minnesota
 - Improve the health of Minnesotans through research, clinical services, and innovative programs
- Vibrant Economy
 - Strong Minnesota communities with economic development opportunities

3

FY2016-17 Biennial Budget Request

4

Tuition Freeze

Vision

Hold down higher education costs and promote access for qualified Minnesota students and families

- Freeze the resident tuition rate for all Minnesota students



Request

<i>Incremental over prior year</i>	FY16	FY17
Undergraduate Freeze (3%)	\$13.8M	\$14.2M
Grad/Professional Freeze (3.5%)	\$7.7M	\$8.0M
TOTAL	\$21.5M	\$22.2M

5

Tuition Freeze – Outcomes

Holds down the total burden on approximately 53,000 students and families by **\$65 million** for the biennium

- Incoming freshman savings (varies by campus):
 - \$2,100 - \$2,600 over four years
- Graduate and professional student savings (examples – varies by program):
 - \$1,600 over two year master’s degree
 - \$15,000 over six year degree program (Medicine)

Holds down debt burden for students who borrow – 10% decrease for undergraduates that would have otherwise borrowed the full increase



6

Facility Condition Improvement Strategy

Vision

- Reduce long-term maintenance costs, resulting in future budget savings for the University and the State of Minnesota
- Provide a predictable source of funding to improve multi-year planning and execution of facility repair and renewal projects on the University's five campuses

Request

Incremental over prior year

FY16	FY17
\$5.0M	\$5.0M

7

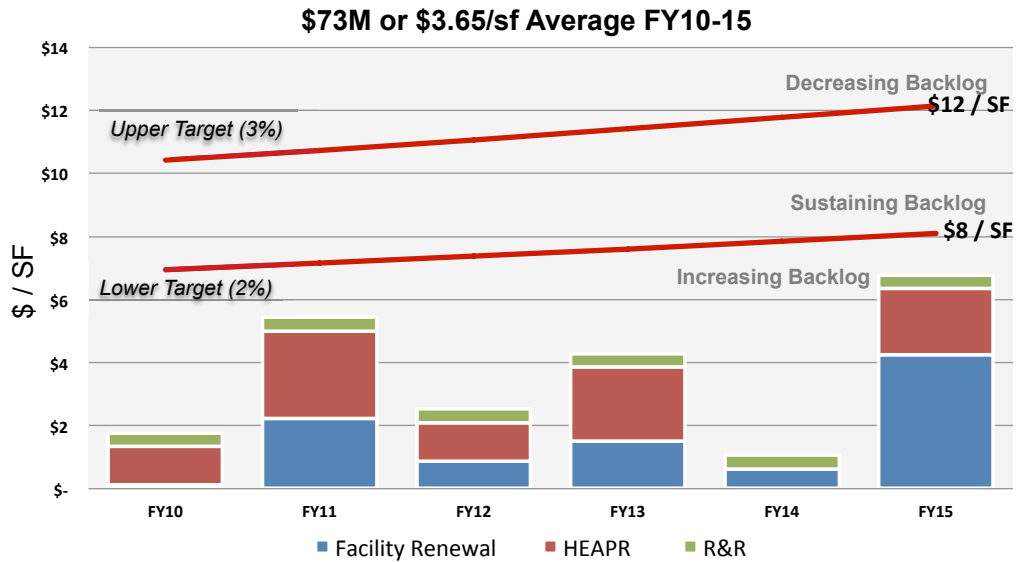
Facility Condition Improvement Strategy – Immediate Action

- State of Minnesota provides an incremental \$5 million in recurring Operations and Maintenance funds in each of four years
- The University then decreases its planned capital request for HEAPR funds (averaging \$60M) by an incremental \$5 million

Year	HEAPR Request	R&R Request	Total New R&R Investment
2015	\$55.0M	\$5.0M	\$5.0M
2016	\$50.0M	\$5.0M	\$10.0M
2017	\$45.5M	\$5.0M	\$15.0M
2018	\$40.0M	\$5.0M	\$20.0M

8

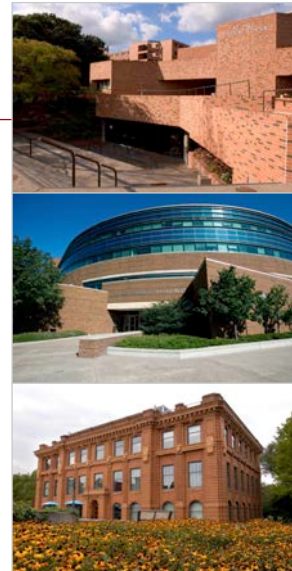
Actual Facility Investment vs. Target



9

Facility Condition Improvement Strategy – Outcomes

- University reduces long term facilities costs by renewing and repairing facilities before the problems become more expensive
- Reduce by 25% the gap between current funding levels and the minimum allocation recommended by industry standards and independent analyses
- Better facilities improve student learning, recruitment, retention and success
- Improved funding predictability and more strategic facility renewal plans
- Safe, functional campuses



10

Healthy Minnesota

Vision

Ensure Minnesota remains one of the healthiest states in the nation, with top ranked health programs by:

- Training the next generation of health care professionals to serve an aging and diverse population
- More effectively serving Greater Minnesota and other under-served communities
- Making life saving discoveries, promoting health and researching cures for conditions prevalent in our state

Request

Incremental over prior year

FY16	FY17
\$11.5M	\$11.5M



11

Healthy Minnesota – Immediate Action

- Develop statewide network of up to six interdisciplinary teaching clinics
- Expand education and training programs in areas of increasing demand (dentistry, mental health, and care of the elderly)
- Increase diversity of health care workforce
- Revamp curriculum and clinical training programs to incorporate new models for health care
- Accelerate research in the major chronic conditions (cancer, heart disease, diabetes, obesity, stroke and arthritis) facing Minnesotans
- Provide access to evidence-based clinical care resources for all Minnesotans

12

Healthy Minnesota – Outcomes

- Minnesota’s most acute health work force shortages will be addressed and more providers in underserved communities
- New treatments and cures for cancer, heart disease and other chronic geriatric conditions
- Increased diversity of Minnesota’s health professional workforce
- Equitable access across the state to evidence-based health information



13

Vibrant Economy

Vision

Ensure Minnesota has strong urban and rural communities by creating economic development opportunities through research

- Address environmental issues associated with mineral extraction
- Reduce disparities and enhance the vitality of communities statewide

Request

<i>Incremental over prior year</i>	FY16	FY17
Mining Solutions	\$1.75M	\$2.75M
Vital Communities	\$1.75M	\$2.75M
TOTAL	\$3.5M	\$5.5M



14

Vibrant Economy – Immediate Action

Mining Solutions

Conduct basic and applied research that encompasses the entire mining lifecycle.

- Research environmental, health and safety issues associated with mineral extraction
- Develop a repository of specimens to increase knowledge and make information more accessible to the public and industry
- Bring together mining and remediation industries, state agencies and researchers to improve mineral extraction sustainability

Vital Communities

The University will promote economic prosperity for Minnesota's rural and urban communities

- Identify and prioritize critical issues for individual communities and/or populations
- Develop research- and evidence-based solutions
- Spread best practices statewide through Extension, campuses and other outreach

15

Vibrant Economy – Outcomes

Mining Solutions

- Eliminated negative impacts of mining on the environment
- New systems developed to derive valuable products from waste materials
- Increased community awareness of the environmental opportunities and health effects associated with mining

Vital Communities

- Critical issues, such as reducing the achievement gap, improving nutrition, and greater assimilation of immigrant communities, are addressed
- Quality of life across Minnesota is improved
- Increased external research support and funding is leveraged for Minnesota
- Quality of undergraduate education is improved through experiential learning and community immersion

16

Biennial Budget Request FY2016 - 2017

Incremental over prior year

	2016	2017
Tuition Freeze	\$21.5M	\$22.2M
Facility Condition Improvement Strategy	\$5.0M	\$5.0M
Healthy Minnesota	\$11.5M	\$11.5M
Vibrant Economy	\$3.5M	\$5.5M
Total	\$41.5M	\$44.2M



Change to current base – biennial math

	2016	2017	Biennial
Beginning base	\$598.9	\$598.9	\$1,197.8
U of M total request	\$41.5	\$85.7	\$127.2
Total requested appropriation	\$640.4	\$684.6	\$1,325.0
Percent change from base			10.6%

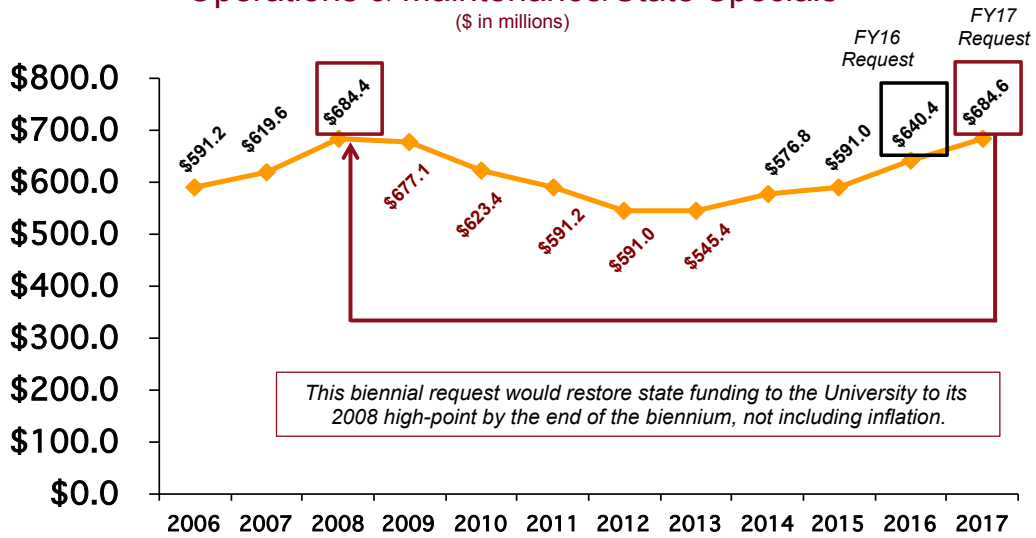
(dollars in millions)

17

State Appropriations Trend: 2006-2017*

Operations & Maintenance/State Specials

(\$ in millions)



*Excludes Cigarette Tax, MnCare, and nonrecurring project appropriations

18

Biennial Budget Request

Benefits our state, students and faculty

- 53,000 students and their families will benefit annually from tuition freeze
- Minnesota's most acute health work force shortages will be addressed
- New treatments and cures for chronic conditions are discovered
- Negative impacts of mining are eliminated
- Improved quality of life for Minnesotans (reduced achievement gap, stronger communities)
- Renewed and repaired facilities reduce long term costs and improve student recruitment and success

19



NOW, THEREFORE, BE IT RESOLVED that the biennial budget request for the 2016-2017 biennium be adopted by the Board of Regents for presentation to the State of Minnesota. The request is for a general fund appropriation of \$640,400,000 in fiscal year 2016 and \$684,600,000 in fiscal year 2017 for a biennial total of \$1,325,000,000 in the form of general operations and maintenance and state specials appropriations. The Board of Regents further requests continuation of fiscal year 2015 base funding levels for the Primary Care Education Initiatives totaling \$2,157,000 and for the Academic Health Center funding under Minnesota Statutes 297F.10 totaling \$22,250,000 for fiscal years 2016 and 2017.

20



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM



UniversityofMinn



UMNews



UofMN

©2014 Regents of the University of Minnesota. All rights reserved.
The University of Minnesota is an equal opportunity educator and employer.