

# House Higher Education Policy and Finance Committee

February 18, 2015

**Eric W. Kaler**  
**President**



UNIVERSITY OF MINNESOTA

**Driven to Discover<sup>SM</sup>**

# **Reducing administrative costs**

**Commitment:** \$90 million over 6 years

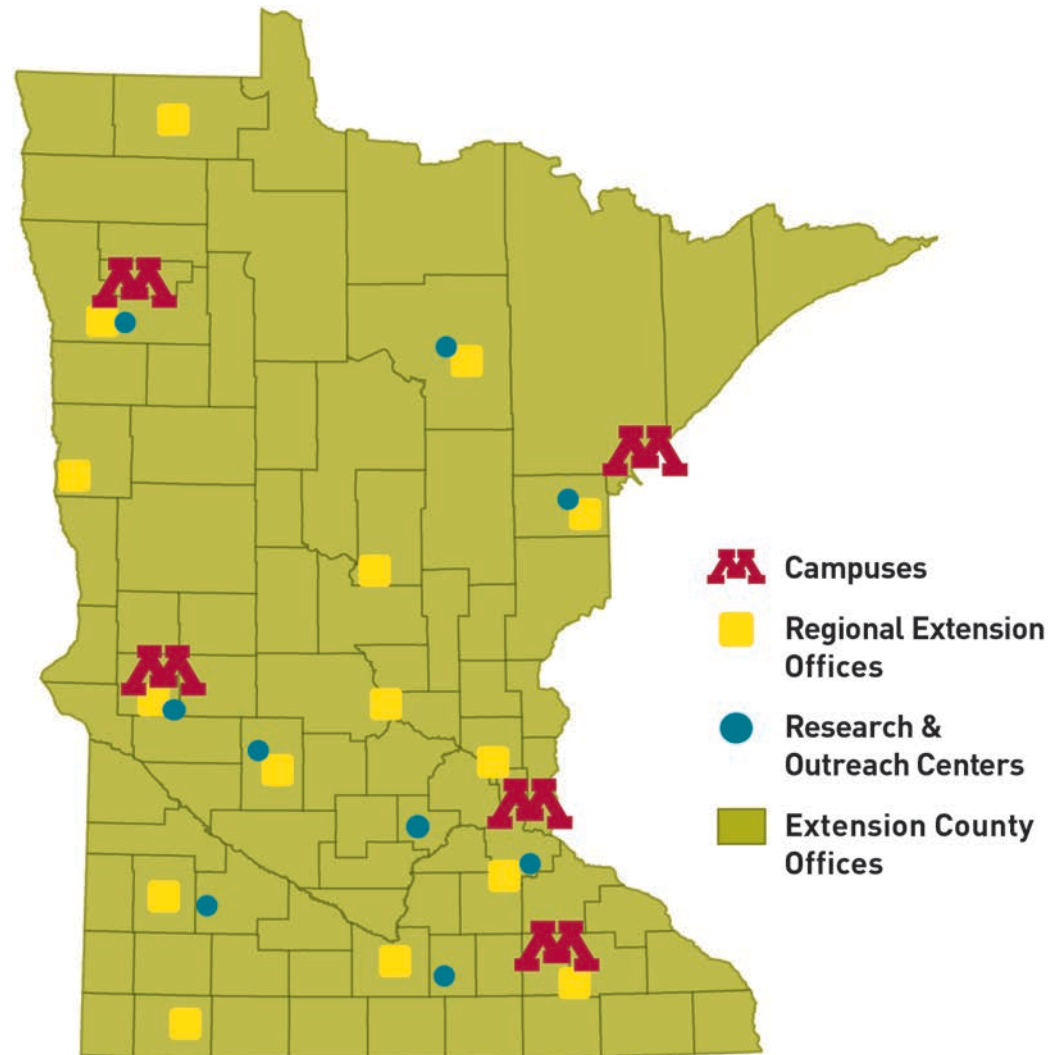
**Ahead of schedule:** \$36 million in first two years

## Top Public Research University In 9 Categories

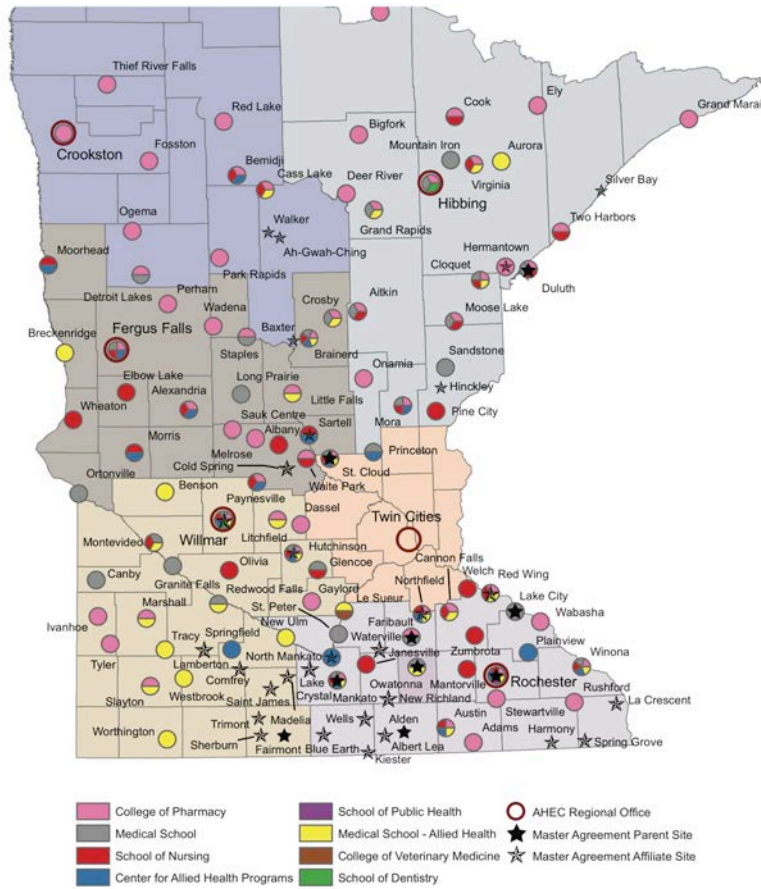
---

Category	U ranking
Total Research	8
Federal Research	9
Endowment Assets	7
Annual Giving	10
National Academy Members	12
Faculty Awards	5
Doctorates Granted	7
Postdoctoral Appointees	14
SAT/ACT scores	25

Source: Center for Measuring University Performance, 2015, Arizona State University



# University of Minnesota Academic Health Center Affiliation Agreements



# Legislative Budget Request Goals

---

- Affordability and Access
  - 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 Communities
  - Minnesota communities with economic development opportunities

# Affordability and Access

---

## Vision

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

- Continue partnership with the state to pause resident tuition rates for all Minnesota students for another two years

## Request

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



# Affordability – Outcomes

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

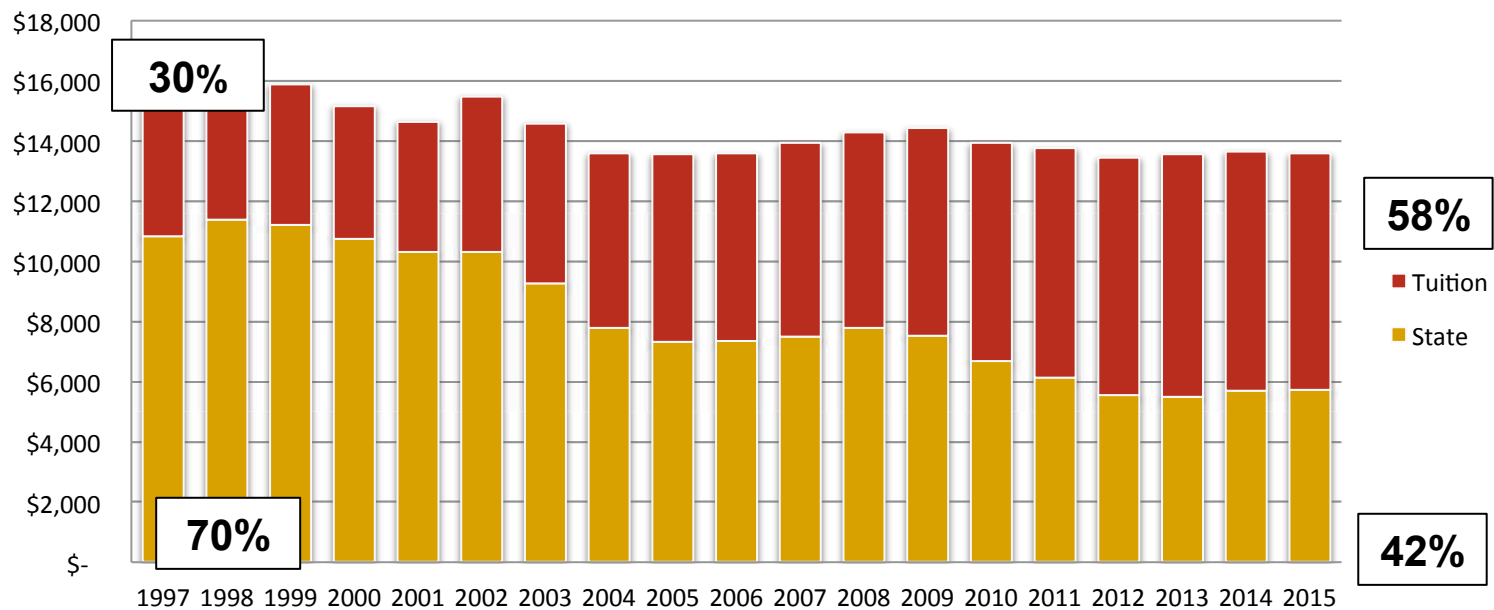
- Incoming freshman savings (varies by campus):
  - \$2,100 - \$2,600 over four years
- Graduate and professional student savings (examples – varies by program):
  - \$1,600 over two year master's degree
  - \$5,000 over four year degree program (Medicine)

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





## State investment and tuition revenue per degree seeking student constant 1997 dollars



Inflation index: Higher Education Price Index, 2% assumed inflation in 2015.  
Source: Commonfund, <https://www.commonfund.org/CommonfundInstitute/HEPI/>

# 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

# 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 Minnesota's aging and diverse population
- More effectively serving Greater Minnesota and other under-served communities
- Making life saving discoveries, promoting health and finding cures for conditions ailing Minnesotans

## Request

*Incremental over prior year*

FY16	FY17
\$7.5M	\$10.5M



# Governor's Budget Proposal

---

- Medical Discovery Teams
  - 50 new tenure-track faculty over 8 years to address the state's most pressing health concerns
  - Target for top 20 ranking in NIH funding in 8 years
- Clinical Research Infrastructure Investment
- Investment in physician training programs that benefit rural, underserved communities (Rural Physician Associate Program, MetroPAP, Duluth)

<i>Incremental over prior year</i>	
<b>FY16</b>	<b>FY17</b>
\$5M	\$20M

# Healthy Minnesota – Outcomes

- Minnesota's most acute health work force shortages will be addressed and more providers in underserved communities
- New treatments and cures
- Increased diversity of Minnesota's health professional workforce
- Equitable access across the state to evidence-based health information



# Vibrant Communities

---

## Vision

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

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

## Request

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



# Vibrant Communities – Immediate Action

---

## Mining Solutions

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

- Develop answers to environmental, health and safety questions 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

# Vibrant Communities – Outcomes

---

## Mining Solutions

- Address negative impacts of mining on the environment
- New systems developed to derive valuable products from waste materials

## Vital Communities

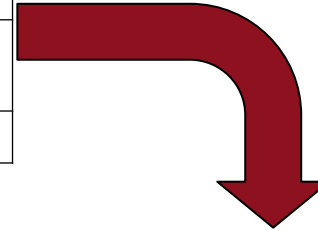
- Critical issues, such as reducing the achievement gap, improving nutrition, and enable immigrant communities, are addressed
- Quality of life across Minnesota is improved
- Increased external research support and funding is leveraged for Minnesota
- Quality of undergraduate education is improved through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



# Biennial Budget Request

## FY2016 - 2017

<i>Incremental over prior year</i>	2016	2017
Tuition Freeze	\$21.5M	\$22.2M
Facility Condition Improvement Strategy	\$5.0M	\$5.0M
Healthy Minnesota	\$7.5M	\$10.5M
Governor's Blue Ribbon Committee	\$5.0M	\$20.0M
Vibrant Economy	\$3.5M	\$5.5M
<b>Total</b>	<b>\$42.5M</b>	<b>\$63.2M</b>



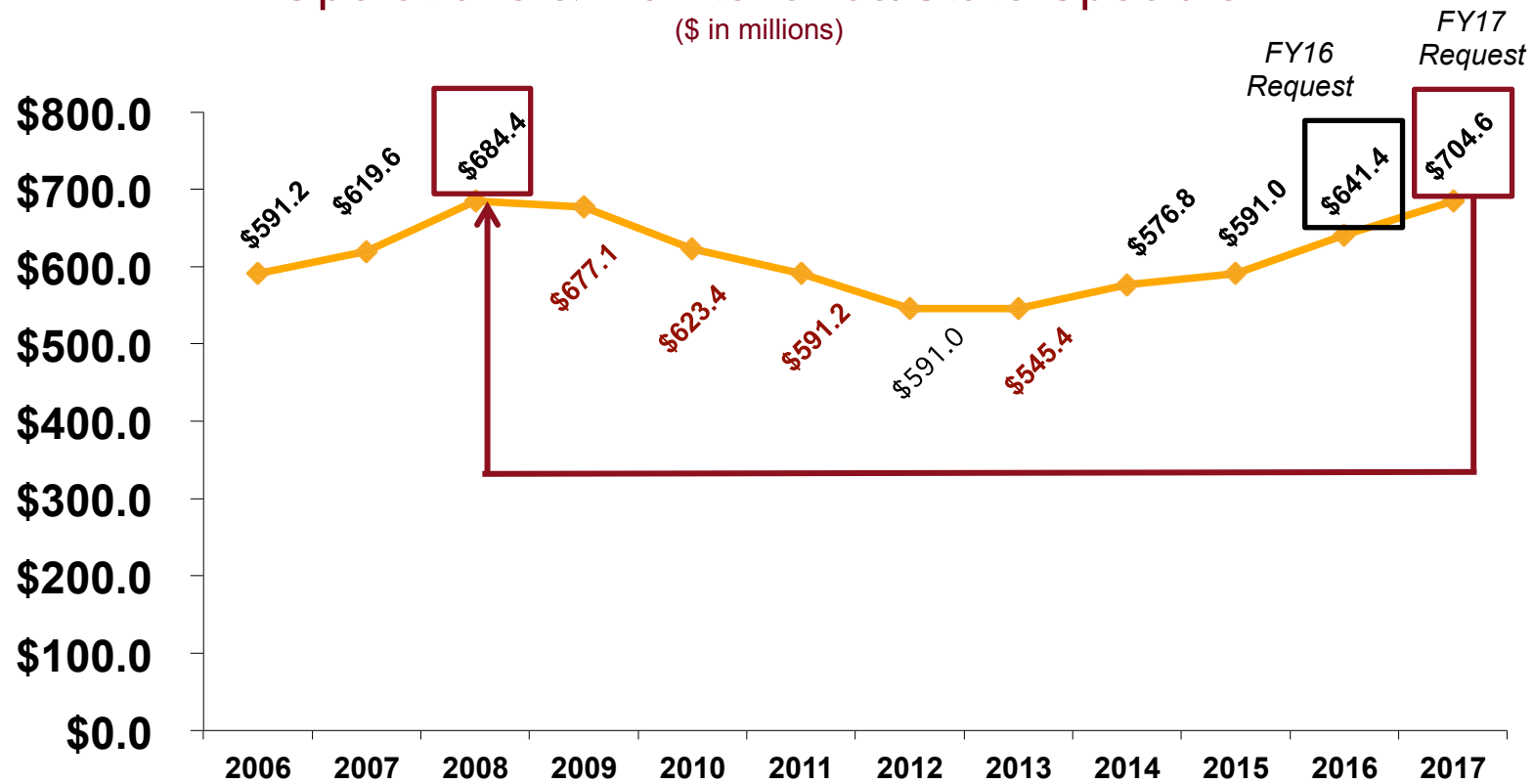
<i>Change to current base – biennial math</i>	2016	2017	Biennial
Beginning base	\$598.9	\$598.9	\$1,197.8
U of M total request	\$ 42.5	\$105.7	\$ 148.2
<b>Total requested appropriation</b>	<b>\$641.4</b>	<b>\$704.6</b>	<b>\$1,346.0</b>

(dollars in millions)

# State Appropriations Trend: 2006-2017\*

## Operations & Maintenance/State Specials

(\$ in millions)



\*Excludes Cigarette Tax, MnCare, and nonrecurring project appropriations

# **Biennial Budget Request**

## **Benefits our state, students, faculty and staff**

- 53,000 students and their families benefit annually from tuition freeze
- Minnesota's most acute health work force shortages are addressed
- New treatments and cures for chronic conditions are discovered
- Opportunities for mining industry are advanced
- The quality of life for Minnesotans is improved (reduced achievement gap, stronger communities)
- Stable, predictable funding improves facilities, student success and provides long term cost savings
- University excellence is retained through continued partnership with the state, administrative cost reductions, and stewardship of resources



UNIVERSITY OF MINNESOTA  
**Driven to Discover<sup>SM</sup>**



UniversityofMinn



UMNews



UofMN

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