

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee

Date of Meeting: October 17, 2012

Agenda Item: FY2014-2015 Biennial Legislative Request – First Reading

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|---|--|--|-------------------------------------|
| <input type="checkbox"/> Proposed Policy Change | <input checked="" type="checkbox"/> Approvals Required by Policy | <input type="checkbox"/> Other Approvals | <input type="checkbox"/> Monitoring |
| <input type="checkbox"/> Information | | | |

Cite policy requirement, or explain why item is on the Board agenda: As part of the state's operating budget process, the Minnesota State Colleges and Universities develops a biennial operating budget request. Board Policy 5.9, *Biennial and Annual Operating Budget Planning and Approval* requires the Board to approve the systemwide request.

Scheduled Presenter(s): Steven J. Rosenstone, Chancellor

Laura M. King, Vice Chancellor of Finance – CFO

Edna Szymanski, President – Minnesota State College Moorhead

Larry Lundblad, President – Central Lakes College

Outline of Key Points/Policy Issues:

The fiscal year 2014-2015 budget request, *Working Together for Minnesota's Prosperity*, asks for additional state support of \$97 million over the biennium (\$40 million in the first year and \$57 million in the second). The state's support represents 35% of a three-way partnership that comprises the total support for the system. An additional 35% of the proposal is supported by campus efficiencies and external funding. The remaining 29% is contributed by students through a modest tuition increase. The additional state support contained in the proposal would be directed to three specific areas all of which are tied to advancing the Strategic Framework: 1. Advance competitiveness of Minnesota's workforce; 2. Increase access and affordability; and 3. Accelerate completion.

Background Information:

The 2014-15 biennial budget request advances strategies and actions necessary to secure Minnesota's prosperity. It builds upon what was learned from statewide listening sessions conducted with Minnesota employers over the summer, conversations with faculty on how to deliver an extraordinary education, and our ongoing work with Minnesotan's business community and our state agency partners. The advice and input from the Board of Trustees, the Leadership Council, and other constituent groups was also sought. The budget request is a plan for investment intended to advance Minnesota's prosperity by educating students who are well prepared to enter the workforce and by protecting and enhancing affordability so that educational opportunities are available to all Minnesotans.

Working Together for Minnesota's Prosperity



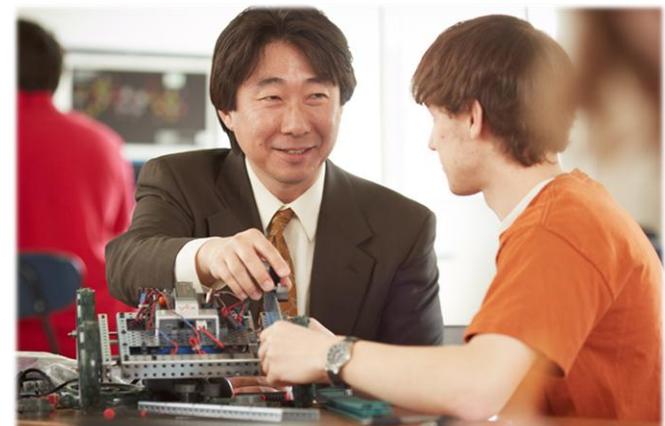
FY2014 - FY2015 Budget Request
October 17, 2012

Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities system is an Equal Opportunity employer and educator.

Urgent Challenges Facing Minnesota

- By the end of the decade, 620,000 jobs will become vacant and will need to be filled with employees with post-secondary credentials
- To meet demand, 150,000 additional certificates and degrees will be required
- Today, 25% of high school students (50% of students of color) do not graduate on time
- One-third of all high school graduates are not prepared for college



Outcomes that will Advance Minnesota's Prosperity

- Academic programs aligned with workforce needs
- Skills gap reduced
- More graduates in critical high-demand, high-growth professions
- More graduates with experience on state-of-the-art equipment and technologies
- Affordability protected and enhanced
- Increased enrollment, particularly among underserved communities
- Improved degree completion rates

Shared Values

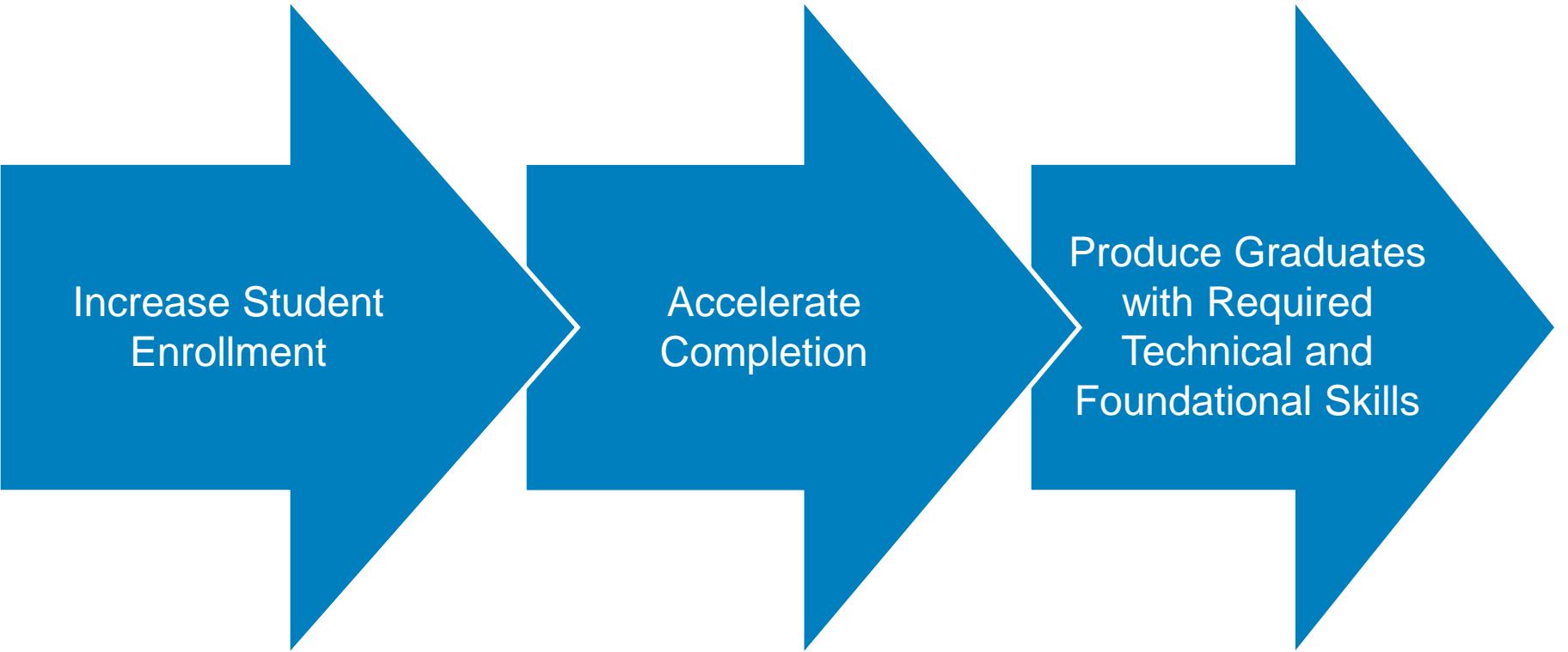
- Every Minnesotan deserves the opportunity to create a better future for him/herself and contribute to our state's prosperity
- Minnesota and its regional economies must compete globally
- Minnesota must lead the nation, be among the best in the world in delivering high-quality, affordable education
- Minnesota State Colleges and Universities must deliver graduates with both the technical and foundational skills needed to advance Minnesota's competitiveness

Working Together: A Shared Responsibility



Ensure Minnesota's Prosperity

Focused Strategies



Increase Student Enrollment

Accelerate Completion

Produce Graduates
with Required
Technical and
Foundational Skills

Working Together for Minnesota's Prosperity

- Advance Competitiveness of Minnesota's Workforce
- Increase Access and Affordability
- Accelerate Completion



Advance Competitiveness of Minnesota's Workforce

- Internships and apprenticeships
 - \$12 million in state funding matched by \$12 million of employer funding
 - 10,000 internships and apprenticeships in 2015
- Leveraged equipment program
 - Train students on state-of-the-art equipment and technology
 - \$21 million in state funding matched by \$21 million of private funding
 - Matching funds secured, equipment in place or ordered within 12 months
- Faculty-driven educational innovations
 - Innovations focused on technology-driven learning and applied learning experiences
 - 50% of programs with defined outcomes in FY 2014

Increase Access and Affordability

- Meet critical needs in high-demand, high-growth professions
 - 5,000 additional students, 2,500 additional graduates in 25 high-demand academic programs by 2021
- Drive efficiencies to hold tuition down and improve quality
 - \$44 million in administrative efficiencies
- Modest tuition increases
 - \$145 for full-time college students, \$205 for full-time university students
- Complete a state-wide scholarship campaign
 - Raise > \$20 million in private funds to assist >16,000 students
- Provide access to the state grant program for part-time students
 - Expand financial aid availability for at least 7,500 additional students

Accelerate Completion

- Increase student retention and completion
 - Implement student progress tracking and predictive analytics
 - Improve persistence to at least 77% by 2017
 - Improve student success to at least 55% by 2021
- Expand PSEO and concurrent enrollment
 - Increase student participation to at least 27,000 students by 2015
- Provide competitive compensation to retain the talented faculty and staff needed to ensure student success
 - State support limited to one-third of cost; two-thirds supported through efficiencies and tuition

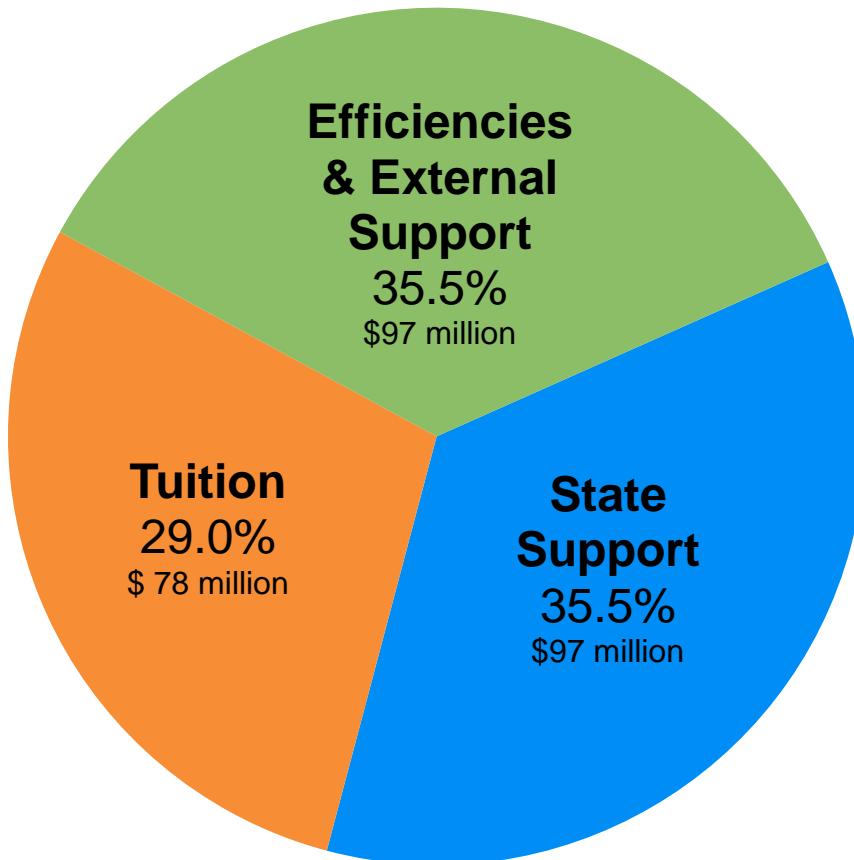
Biennial Budget Request: FY2014-FY2015

State Support

(\$ in millions)	2014	2015	Biennium
Advance Competitiveness of Minnesota's Workforce	\$ 18	\$ 23	\$ 41
Increase Access and Affordability	\$ 3	\$ 7	\$ 10
Accelerate Completion	\$ 19	\$ 27	\$ 46
Total	<u>\$ 40</u>	<u>\$ 57</u>	<u>\$ 97</u>
Percent change over prior year	7.3%	2.9%	
Biennial percent change			8.9%
State base support	\$ 545	\$ 545	\$1,091
Revised state support	\$ 585	\$ 602	\$1,188

Collaborative Funding Strategy

All Sources of Support



Working Together for Minnesota's Prosperity

- Advance Competitiveness of Minnesota's Workforce
- Increase Access and Affordability
- Accelerate Completion



Appendix

Biennial Budget Request: FY2014-FY2015

State Support — Detail

(\$ in millions)	2014	2015	Biennium
Advance Competitiveness	\$ 18	\$ 23	\$ 41
Internships/apprenticeships	\$ 4	\$ 8	\$ 12
Leverage equipment	\$ 10	\$ 11	\$ 21
Education Innovations	\$ 4	\$ 4	\$ 8
Increase Access and Affordability	\$ 3	\$ 7	\$ 10
High-demand professions	\$ 3	\$ 7	\$ 10
Accelerate Completion	\$ 19	\$ 27	\$ 46
High-Impact Strategies	\$ 8	\$ 4	\$ 12
Competitive Salaries	\$ 11	\$ 23	\$ 34
Total	\$ 40	\$ 57	\$ 97