



MINNESOTA STATE

# 2024 Biennial Budget Listening Session



## fourth largest

system of colleges and universities in the United States

26 state colleges | 7 state universities | 54 campuses | 47 communities



### 270,000

students attend our colleges and universities each year



### 34,000+

degrees, certificates, and diplomas awarded each year



### 14,265

faculty and staff



### 4,112

academic programs to choose from



### 9,600

customized training, occupational, and professional classes



### 63%

of Minnesota resident students who are pursuing an undergraduate credential are doing so at a Minnesota State college or university

# Biennial Budget Request Process

## Timeline: State Funding for FY2026-27 Biennium

Sep-Nov 2024	System develops FY2026-27 biennial budget request
Oct 15-16, 2024	Board hears first reading of biennial budget request
Nov 5, 2024	Election day
Nov 19-20, 2024	Board approves biennial budget request; submits request to MMB
Late Nov 2024	State releases November Budget and Economic Forecast
Jan 14, 2025	Legislative Session Begins
Jan 28, 2025	Governor sends budget to legislature; may differ from Board request
Late Feb 2025	State releases February Budget and Economic Forecast
May 19, 2025	Legislative Session Ends
May 20-21, 2025	Board hears first reading of FY2026 operating budgets
June 17-18, 2025	Board approves FY2026 operating budgets
July 1, 2025	System begins FY2026

## 2024-2025 Biennial Budget Request

*\$350 million requested vs. \$293 million received in biennial numbers*

- » Minnesota State Stabilization (\$125 million vs \$128 million)
- » Student Support (\$125 million vs \$83.3 million)
- » Workforce and Economic Development (\$100 million vs \$27 million)
- » Additional legislative funding (\$50 million one-time support, \$1.7 million IRAP increases, \$1.6 million unemployment changes, \$764,000 menstrual products, \$475,000 child development pathway)

## Prior Biennial Budget Requests

### 2022-2023 Request

*\$120 million requested vs. \$56.4 million received*

- » Campus support (\$75 million vs \$45 million)
- » Equity and Affordability (\$45 million vs \$3 million)
- » Additional legislative funding (\$8.4 million including rural colleges, workforce scholarships, system office)

### 2020-2021 Request

*\$246 million requested vs. \$80.3 million received*

- » Campus support, including funding a tuition freeze (\$169 million v. \$64.5 million)
- » ISRS Next Generation (\$37 million vs \$8 million) total of \$8 million ongoing
- » College Promise/University Transfer Grants (\$25 million vs \$0 million)
- » Career Technical Education (\$15 million vs \$0 million)
- » Additional legislative funding (\$9 million including workforce scholarships, mental health, leveraged equipment)

### 2018-2019 Request

*\$178 million requested vs. \$106.2 million received*

- » Campus support, including funding a tuition freeze (\$173 million vs \$91.1 million)
- » ISRS Next Generation (\$25 million vs \$8 million) total of \$4 million ongoing
- » Student Incentive Grants (\$10 million vs \$0 million)
- » Additional legislative funding (\$7.2 million including rural colleges, workforce scholarships)

# Starting Point for Requests

## Biennial Appropriation Increase Amounts and Tails

(dollars in thousands)

Request Area	Requested		Received		Tails	
	2024	2025	2024	2025	2026	2027
Minnesota State Stabilization	\$40,000	\$85,000	\$64,000	\$64,000	\$41,500	\$41,500
Student Support	\$50,000	\$75,000	\$29,158	\$54,158	\$40,658	\$40,658
Workforce & Economic Development	\$50,000	\$50,000	\$13,500	\$13,500	\$0	\$0
Additional Legislative Funding	\$0	\$0	\$52,627	\$1,963	\$1,974	\$1,985
<b>Totals</b>	<b>\$140,000</b>	<b>\$210,000</b>	<b>\$159,285</b>	<b>\$133,621</b>	<b>\$84,132</b>	<b>\$84,143</b>
		<b>\$350,000</b>		<b>\$292,906</b>		<b>\$168,275</b>

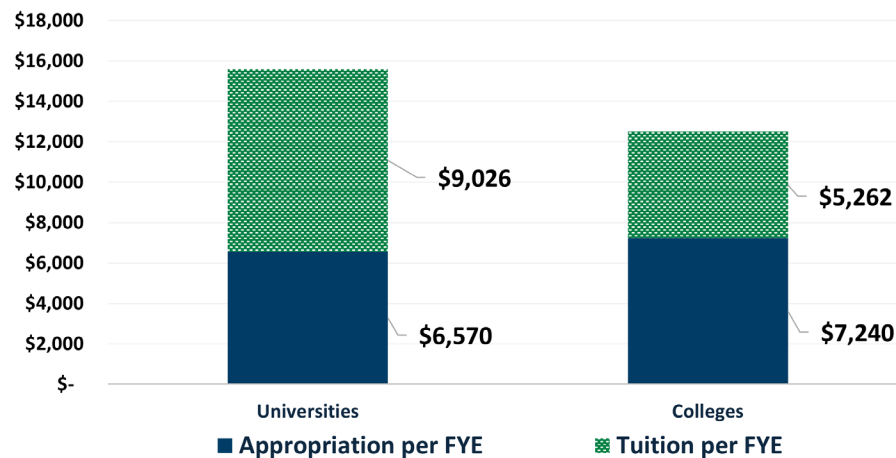
Tails numbers are the starting point for the following biennium. Budgetary standards generally assume that amounts appropriated in the second year of one biennium become the base/tail amount in each year of the following biennium. Exceptions to this practice are often specified in law, when language provides for appropriations to be one-time only or to continue at a different amount in the following biennium.

The next legislature may add to the base to cover inflation or special initiatives by appropriating higher amounts or may reduce base amounts and appropriate lower amounts. Notable in the FY2026 base is the amount of new funding provided for general campus operations is specified to start \$22.5 million (37 percent) lower than the \$60.5 million amount provided for FY2025.

Similarly, the amount specified for student tuition relief (making up for tuition increases not implemented because tuition was frozen) is specified to start \$12.5 million (25 percent) lower than the \$50 million amount for FY2025.

## State Appropriation Relationship with Tuition Revenues

### Appropriation and Tuition per FYE, FY2023



Each college or university has a unique relationship between state appropriation and local tuition revenues. Historical tuition rates for each sector—technical college, community college and university—are the starting point.

Within each sector, rates at each institution have also varied. Decisions to change rates have been made at the sector level and at the institution level over the years.

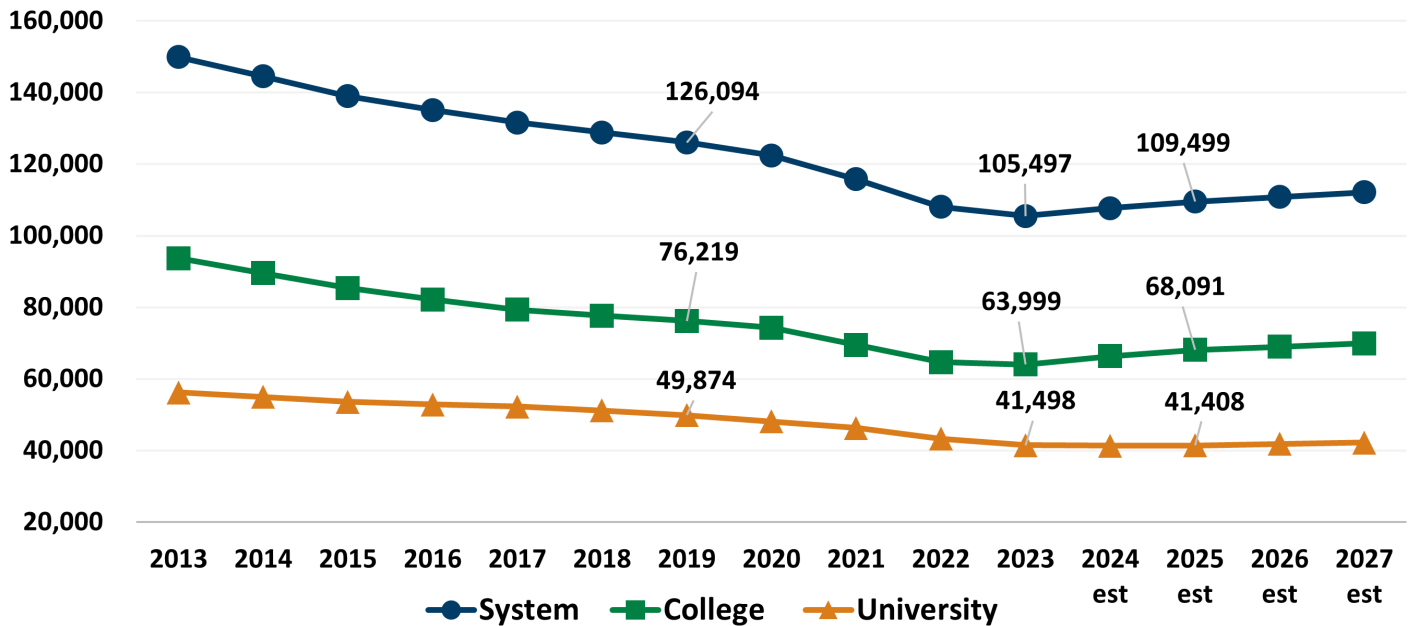
In more recent years, decisions to freeze or limit tuition rates have been placed in law by the legislature, restricting system and local options. College tuition has been frozen more often than university tuition.

Finally, local enrollment patterns determine how much tuition revenue is received at each institution.

# Historical Context

## Enrollment History

Full-Year Equivalents (FYE)



For budgetary purposes, enrollment is defined as full-year equivalent (FYE) students rather than as a headcount of individual students. For undergraduate college and university students, one FYE is defined as 30 credits of coursework per academic year. For graduate students, one FYE represents 20 credits of coursework. Because many students do not enroll in a full load of credits each term, one FYE may represent two or three part-time students as measured by headcount.

### For FY2023:

	FYE	Headcount
Colleges	63,999	140,992
Universities	41,498	65,948

The FYE measure provides a better estimate of revenue than headcount does because it represents tuition revenue. FYE counts can also help in assessing appropriate costs for different types of instruction. For non-instructional costs like student services, headcounts may provide a better measure of budgetary needs.

Enrollment at Minnesota State peaked in FY2011 at 157,903 FYE. Current projections estimate that system enrollment for FY2025 will total 109,499 FYE.

Pre-pandemic enrollment in FY2019 totaled 126,094 FYE, with college enrollment at 76,219 FYE and university enrollment at 49,874 FYE. If current projections hold for FY2027, college enrollment will be at 69,912 FYE—92 percent back to pre-pandemic levels—and university enrollment will be at 42,230—only 85 percent back to pre-pandemic levels.

# Minnesota State Biennial Budget History

in millions

Fiscal Year	Request	Appropriation Change	Appropriation - Tuition Relationship	College Tuition Increase	University Tuition Increase
1996	\$115.7	\$42.5	68% - 32%	3.9%	6.0%
1997	\$29.7	\$4.9	67% - 33%	4.3%	8.9%
1998	\$127.9	\$110.5	68% - 32%	2.2%	3.0%
1999	\$42.0	\$36.0	70% - 30%	3.8%	0.6%
2000	\$253.0	\$104.4	67% - 33%	3.6%	4.6%
2001	\$21.6	\$13.2	67% - 33%	4.5%	6.3%
2002	\$310.9	\$105.0	66% - 34%	11.2%	10.3%
2003	\$0.0	(\$22.7)	60% - 40%	11.4%	10.3%
2004	\$107.6	(\$189.0)	55% - 45%	13.2%	14.9%
2005	\$0.0	\$0.0	52% - 48%	13.0%	15.3%
2006	\$197.3	\$107.5	53% - 47%	5.9%	6.6%
2007	\$31.5	\$0.0	50% - 50%	6.9%	8.4%
2008	\$177.0	\$151.8	51% - 49%	3.4%	3.9%
2009	\$0.0	(\$7.6)	50% - 50%	2.0%	4.1%
2010	\$71.7	(\$92.7)	45% - 55%	4.8%	5.0%
2011	\$0.0	(\$60.5)	43% - 57%	4.7%	5.0%
2012	\$50.0	(\$120.0)	40% - 60%	3.7%	4.9%
2013	\$0.0	\$0.5	40% - 60%	3.7%	4.4%
2014	\$97.0	\$88.3	42% - 58%	0.0%	0.0%
2015	\$31.0	\$17.0	44% - 56%	0.0%	0.0%
2016	\$142.0	\$101.5	46% - 54%	0.0%	3.5%
2017	\$21.0	\$0.6	47% - 53%	-1.0%	0.0%
2018	\$178.0	\$106.3	49% - 51%	1.0%	3.9%
2019	\$31.0	\$0.0	49% - 51%	0.0%	0.0%
2020	\$246.0	\$81.5	50% - 50%	3.0%	3.2%
2021	\$54.2	\$0.0	51% - 49%	3.0%	3.0%
2022	\$120.0	\$56.4	53% - 47%	3.3%	3.5%
2023	\$60.0	\$0.0	53% - 47%	3.4%	3.5%
2024	\$350.0	\$292.2	57% - 43%*	0.0%	0.0%
2025	\$61.0	\$0.00	56% - 44%*	0.0%	0.0%

\*FY2024 & FY2025 appropriation/tuition relationship is estimated based on budget not actuals

