

University of Minnesota FY 2024-25 State Requests

University of MN Retirees Association Forum

March 28, 2023

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

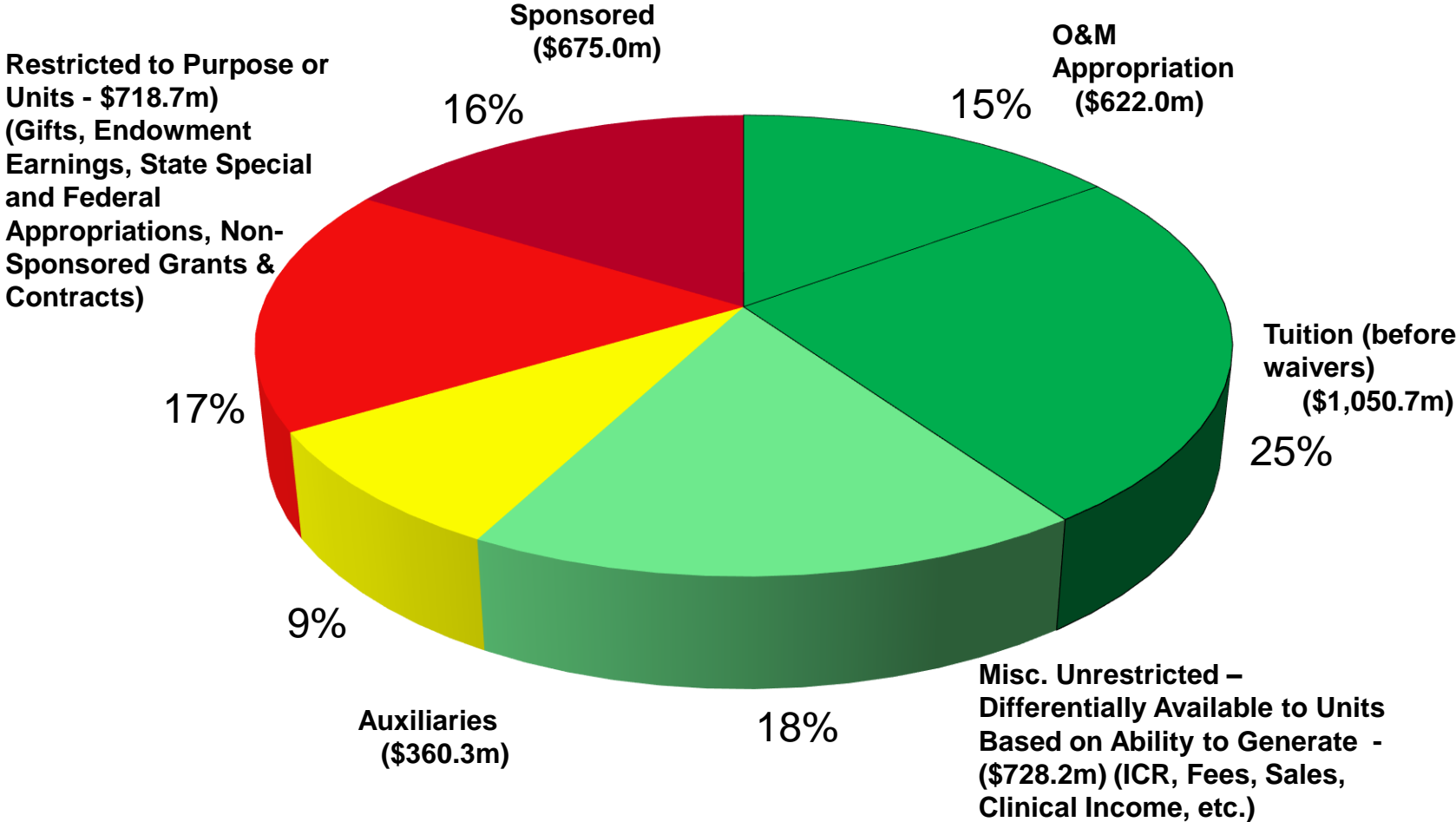
World Class Services for a World Class University



UNIVERSITY BUDGET

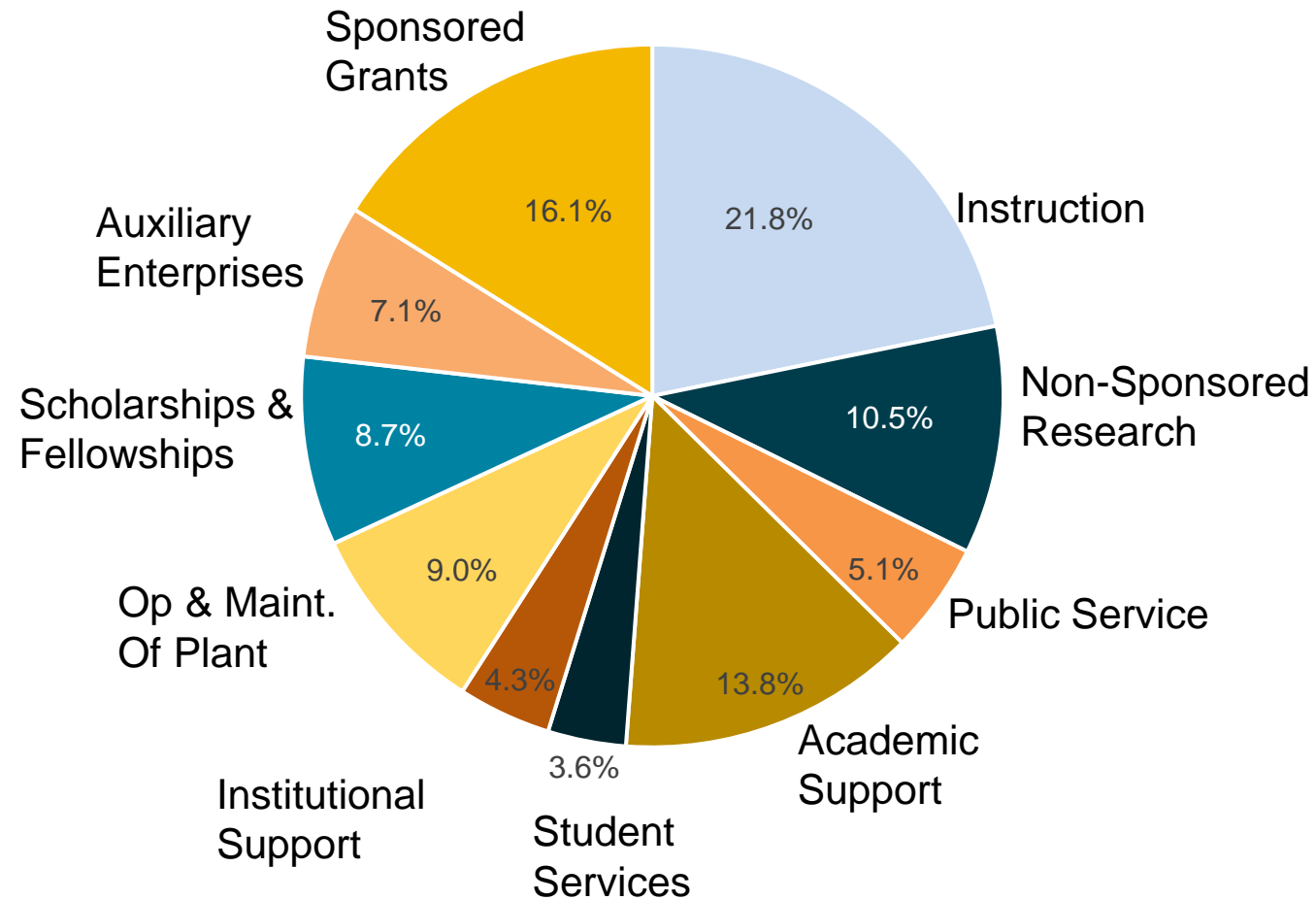
UNIVERSITY OF MINNESOTA

University of Minnesota Revenue Sources By Fund Category-FY23: \$4.2 Billion (excludes internal sales)



University of Minnesota Expenditures

All Funds FY 2023: \$4.1 Billion



President's Recommended FY 2024-25 Biennial Operating Budget Request

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University of Minnesota

FY 2024-2025 Original Biennial Budget Request

Approved by the Board October 2022

(dollars in millions – biennial math)

	2024	2025	Biennium
Core Mission	\$45	\$90	\$135
Minnesota Resident Scholarship	\$30	\$30	\$60
Systemwide Safety & Security	\$5	\$5	\$10
Total University Request	\$80	\$125	\$205



Core Mission Support

- \$45 million incremental each year of the biennium
 - Proposed at 50% of projected \$90 million annual cost increases (inflation at 6%)
 - The University will cover the remaining 50% with tuition revenue growth, leveraging other revenue growth where possible, and spending cuts
-
- Compensation increases to retain faculty and staff – including costs of negotiated bargaining agreements
 - Facility costs: utilities, debt, operations
 - Other operating pressures: student support services, mental health support, lab supplies, equipment, library materials, security, technology



Minnesota Resident Scholarship

- Recruit MN students to stay in Minnesota at one of our campuses & retain them through to graduation (benefitting 13,000-15,000 students per yr)
- Multi year awards to students at UMC, UMD, UMM and UMR
 - ~\$10,000 over four-year time frame to each MN resident entering as freshmen
- Multi year awards to student at UMTC
 - ~\$5,000-\$7,000 over two or four-year time frame to each MN resident first-generation student entering as freshmen or transfer students

Public Safety

- Supplement ongoing University investments to immediately improve safety and security on all campuses: Installation, ongoing maintenance, replacement and operation of improved building access systems on all campuses; Increased security presence on all campuses based on priority needs by location



University of Minnesota

FY 2024-2025 Biennial Budget Request

March Revised Proposal

(dollars in millions – biennial math)

	2024	2025	Biennium
Core Mission	\$45.0	\$90.0	\$135.0
Minnesota Resident Scholarship	\$30.0	\$30.0	\$60.0
Systemwide Safety & Security	\$5.0	\$5.0	\$10.0
American Indian Scholars Program	\$4.5	\$4.5	\$9.0
Enrollment Driven Tuition Shortfall	\$24.0	\$24.0	\$48.0
Resident Undergraduate Tuition Freeze	\$13.5	\$13.5	\$27.0
Total University Request	\$122.0	\$180.5	\$302.5



Additional Items

American Indian Scholars Program: Provide full tuition and fee scholarships for eligible American Indian students to complete an undergraduate education at any of the University's five campuses (Governor's recommendation).

Enrollment Driven Tuition Shortfall: Offset recently forecasted tuition revenue shortfalls across most colleges and campuses of the University of Minnesota system, driven by a variety of factors exacerbated by the COVID-19 pandemic.

Resident Undergraduate Tuition Freeze: Hold tuition flat for all resident undergraduate students across all five University campuses for both years of the biennium.



President's Recommended FY 2023 State Capital Request

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2023 State Capital Request

	Total	State	University
Higher Education Asset Preservation and Replacement (HEAPR) Systemwide	\$200,000,000	\$200,000,000	
Chemistry Undergrad Teaching Laboratories Twin Cities	*\$138,900,000	\$92,600,000	\$46,300,000
Agricultural Research and Education Complex (FAARM) Systemwide	\$120,000,000	\$60,000,000	**\$60,000,000
Academic Health Sciences – Design Duluth	\$18,000,000	\$12,000,000	\$6,000,000
Heating Plant and Utility Infrastructure Improvement Crookston	\$5,000,000	\$3,333,000	\$1,667,000
Multi-Ethnic Resource Center Improvements Morris	\$5,000,000	\$3,333,000	\$1,667,000
	\$486,900,000	\$371,266,000	\$115,634,000

Notes:

*The State provided funds for the design of the Chemistry Undergrad Teaching Labs in 2020. This request represents the balance of this project. Project costs now reflect increases made per Minnesota Management and Budget (MMB) guidance.

**Non-state match includes a gift to the University of Minnesota from the Hormel Foundation

-The Board approved a University funded investment at UMR Housing and Dining in June 2022.



President's Recommended State Request MPACT 2025 Innovative Health Care Strategy

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MPACT Health Care

An Innovative 5-Point Vision

1. World-Class Academic Health System for Minnesotans
2. University Governance and Control over University Flagship facilities
3. Opportunities for Strategic Partnerships
4. Future: A New State-of-the-Art Hospital
5. Now: Investment in Current Facilities.

<https://bettercaremn.umn.edu/>



MPACT Health State Investment Request

- \$300 million to acquire from Fairview the assets and facilities that support the University's academic medical mission
- \$650 million for post-acquisition financial support to operate the facilities, including working capital and covering operating losses
- Total request = \$950 million





UNIVERSITY OF MINNESOTA

Driven to Discover[®]

Crookston Duluth Morris Rochester Twin Cities

The University of Minnesota is an equal opportunity educator and employer.

HEAPR Allocation across the State

Campus	Allocation (%)	Allocation (\$)
Twin Cities	83.5%	\$ 167,003,094
Duluth	9%	\$ 17,906,463
Morris	3%	\$ 5,927,906
Crookston	2%	\$ 3,989,472
Research Outreach Centers	2.6%	\$ 5,173,065
Grand Total	100%	\$ 200,000,000



HEAPR – Example Projects

Crookston Campus

Natural Gas Distribution Lines Replacement

Duluth Campus

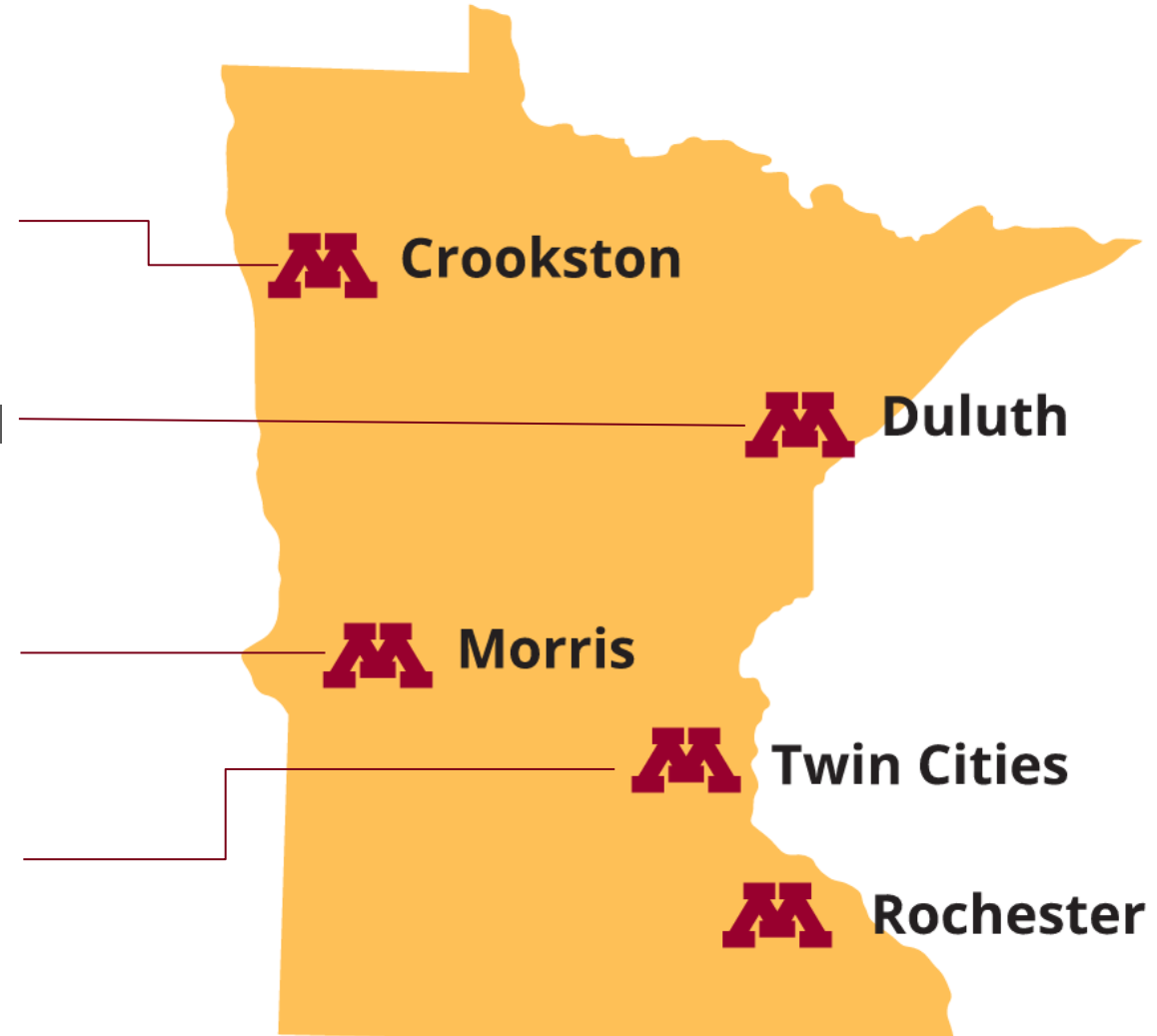
Business School Annex - HVAC and Code Renewal

Morris Campus

Briggs Library - Fire Code and Restroom Upgrades

Twin Cities Campus

Food Science Nutrition Building Renewal



Chemistry Undergraduate Teaching Laboratories



Chemistry Undergraduate Teaching Laboratories **\$92.6 million in state funding**

Renovate 95-year-old Fraser Hall to create a 117,000-square-foot modern chemistry teaching laboratory serving students from every college on the Twin Cities campus. This building will provide 18 active learning laboratories—serving high demand STEM courses—with space for lab preparation, academic support, and collaborative learning. Funding for design was provided in the 2020 bonding bill.



Agricultural Research & Education Complex (FAARM)



Agricultural Research and Education Complex

\$60 million in state funding

Design, acquire land, and build a new agricultural research and education complex dedicated to the Future of Advanced Agriculture Research in Minnesota (FAARM). This integrated hub will support researchers, instructors, and industry partners to study all aspects of agriculture, including smart farming, livestock, soil health, water quality, climate, and the sustainability of rural economies.



Duluth Academic Health Sciences (Design)

\$12 million in state funding

Design an approximately 180,000 square foot facility in the Duluth Medical District to provide high demand health care education and interprofessional training. The facility's teaching, clinical practice, and research spaces will support Greater Minnesota workforce needs in partnership with area colleges and health systems and serve local communities with a focus on increasing access to health care.



Crookston Heating Plant & Utility Infrastructure



Heating Plant and Utility Infrastructure

\$3.3 million in state funding

Replace deteriorated equipment inside the Crookston campus' heating plant, as well as related utility infrastructure to improve safety within the plant and reliability of heat and hot water across campus. The heating plant, built in 1911, provides heat to the entire campus and hot water to most of the academic buildings. The hot water storage tank is degrading and the electrical gear is obsolete.



Morris Multi-Ethnic Resource Center Improvements

Multi-Ethnic Resource Center

\$3.3 million in state funding

Improve accessibility and upgrade life safety and building systems in the Multi-Ethnic Resource Center on the Morris campus. Constructed in 1899, this hub for Equity, Diversity and Intercultural Programs is the only campus building original to the Native American boarding school. The building lacks an elevator.

