

# University of Minnesota Health Sciences: Budget Overview, Strategic Plan & Legislative Request

House of Representatives | Higher Education Finance & Policy  
February 25, 2025

# Agenda

~~February 20: Overview of Revenues and Budget Process~~

- ~~● Overview of State Funds: Operations & Maintenance appropriation, select riders; College of Science and Engineering State Special; System Special—select programs~~

**February 25: Health Sciences Appropriations and Riders**

- I. Overview**
  - **Dr. Rebecca Cunningham, President**
- II. Medical School Budget**
  - **Bill Sibert, Senior Associate Dean and Chief Financial Officer, Medical School and Chief Financial Officer, UM Physicians**
- III. State Specials**
  - **Peter Crawford, MD, PhD, Vice Dean for Research, Medical School**
- IV. Cigarette Tax & Health Care Access Fund**
  - **Beth Nunnally, Associate Vice President and Chief Financial Officer, Office of Academic Clinical Affairs**
- V. Health Sciences Strategic Plan and Legislative Request**
  - **Amy Pittenger, PharmD, MS, PhD, Interim Dean, College of Pharmacy**

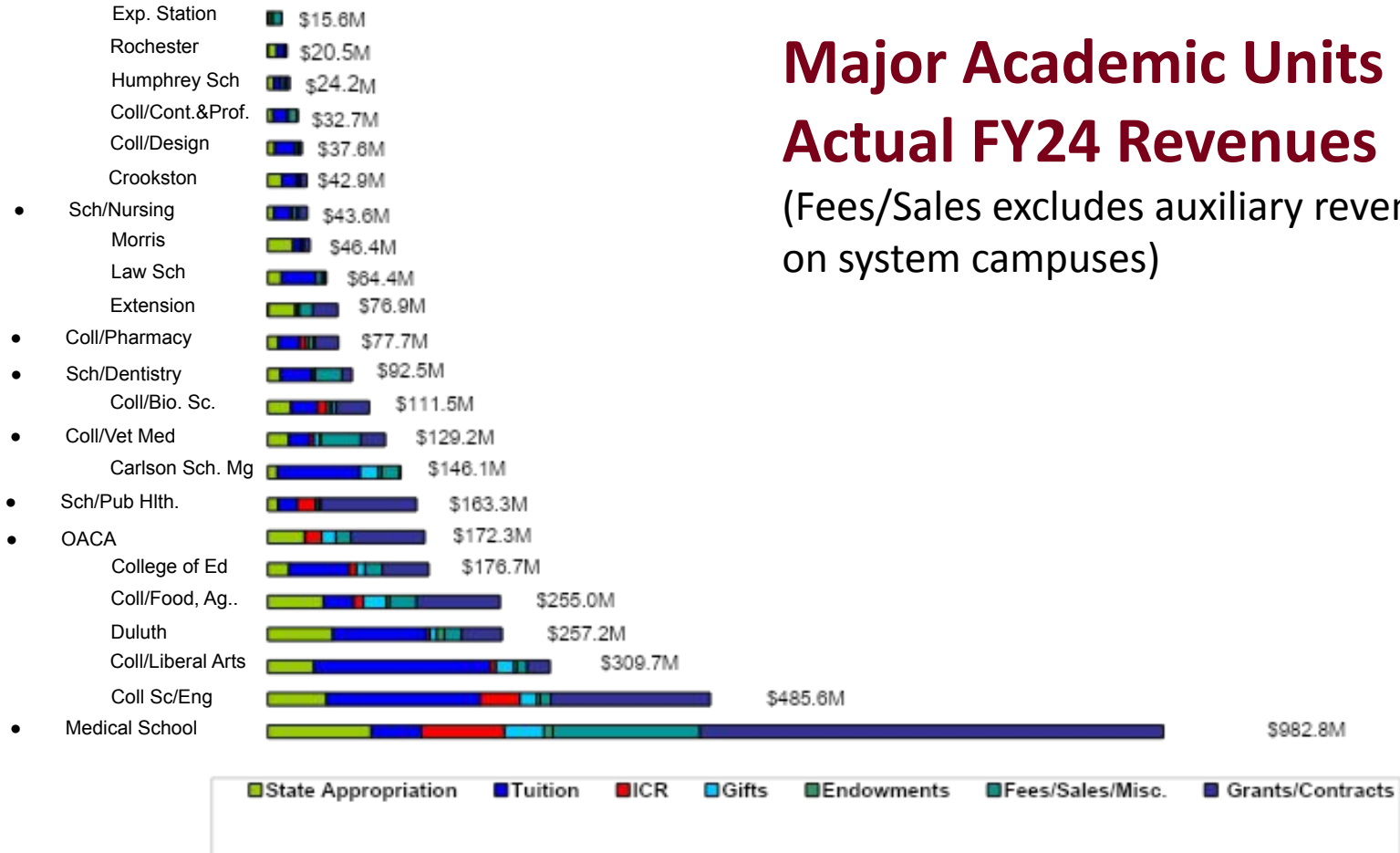
February 27: Public Safety, Agriculture and Research-related Appropriations & Riders

# Medical School Budget & Process

# Major Academic Units

## Actual FY24 Revenues

(Fees/Sales excludes auxiliary revenues on system campuses)



# O&M Appropriation is the “Glue”

Pays for:

- Compensation (all employee types) – faculty, lab personnel, custodians, accountants, advisors....
- Facility operations – utilities, debt service, leases...
- Equipment – microscopes, freezers, computers, printers, mowers...
- Supplies – “paper & pencils”, cleaning materials, gases for labs, etc
- Communications – software, media buys, recruiting materials...
- Library materials – journal subscriptions, manuscripts, course requirements...

# **State Appropriations 2023 Session, Chapter 41**

# Medical School O&M: MDT & Health Training Restoration

(a) \$15,000,000 in fiscal year 2024 and \$15,000,000 in fiscal year 2025 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2024 and \$7,800,000 in fiscal year 2025 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

# Medical School O&M: CentraCare

## 2024 Session

(g) \$10,000,000 the first year is for programs at the University of Minnesota Medical School CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, including a scholarship program targeted at students who will practice in rural areas and targeted at students from diverse backgrounds; costs associated with opening and operating a new regional campus; costs associated with the expansion of a residency program; and costs associated with starting and operating a rural health research program. This appropriation is available until June 30, 2027, and must be spent for activities on or associated with the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.

## 2023

(g) \$10,000,000 the first year is for programs at the University of Minnesota Medical School Campus on the CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas. This appropriation is available until June 30, 2027, and must be spent on the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.



# **State Special Appropriations**

# Health Sciences State Special

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

## State Special Allocation Breakdown

|                                |             | A                      | B                      | C                      | D                      | E                      |
|--------------------------------|-------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                |             |                        |                        |                        |                        |                        |
|                                | Current RRC | <u>FY21 Allocation</u> | <u>FY22 Allocation</u> | <u>FY23 Allocation</u> | <u>FY24 Allocation</u> | <u>FY25 Allocation</u> |
| <b>Health Sciences</b>         |             |                        |                        |                        |                        |                        |
| Biomedical Engineering         | MED         | \$76,742               | \$76,742               | \$76,742               | \$76,742               | \$76,742               |
| Rural Physicians Assoc Program | MED         | \$193,064              | \$193,064              | \$193,064              | \$193,064              | \$193,064              |
| St Cloud Residency Program     | MED         | \$346,000              | \$346,000              | \$346,000              | \$346,000              | \$346,000              |
| Dental Care                    | DENT        | \$100,000              | \$100,000              | \$100,000              | \$100,000              | \$100,000              |
| Health Sciences Research       | PUBHL       | \$340,743              | \$340,743              | \$340,743              | \$340,743              | \$340,743              |
| Health Sciences Research       | AHCSH       | \$2,124,211            | \$2,124,211            | \$2,124,211            | \$2,124,211            | \$2,124,211            |
| Regenerative Medicine/Mayo     | AHCSH       | \$4,350,000            | \$4,350,000            | \$4,350,000            | \$4,350,000            | \$4,350,000            |
| Veterinary Diagnostic Lab      | VETMD       | \$1,673,240            | \$1,673,240            | \$1,673,240            | \$1,673,240            | \$1,673,240            |
| Subtotal Health Sciences       |             | \$9,204,000            | \$9,204,000            | \$9,204,000            | \$9,204,000            | \$9,204,000            |

# University Mayo Partnership State Special

(e) University of Minnesota and Mayo Foundation Partnership     7,991,000  
7,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

# **Office of Academic Clinical Affairs**

# OACA: HCAF & Tobacco Tax

## Subd. 3.

Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

## Subd. 5.

Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

## State Special Allocation Breakdown

|                            |             | A                      | B                      | C                      | D                      | E                      |
|----------------------------|-------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                            | Current RRC | <u>FY21 Allocation</u> | <u>FY22 Allocation</u> | <u>FY23 Allocation</u> | <u>FY24 Allocation</u> | <u>FY25 Allocation</u> |
| Health Care Access Fund    | MED         | \$2,157,000            | \$2,157,000            | \$2,157,000            | \$2,157,000            | <b>\$2,157,000</b>     |
| Cigarette Tax              |             | \$22,250,000           | \$22,250,000           | \$22,250,000           | \$22,250,000           | <b>\$22,250,000</b>    |
| Cigarette Tax              | AHCSH       | [3,613,301]            | [3,613,301]            | [3,613,301]            | [3,613,301]            | [3,613,301]            |
| Cigarette Tax              | AHSCI       | [822,861]              | [822,861]              | [822,861]              | [822,861]              | [822,861]              |
| Cigarette Tax              | DENT        | [144,000]              | [144,000]              | [144,000]              | [144,000]              | [144,000]              |
| Cigarette Tax              | MED         | [14,897,838]           | [14,897,838]           | [14,897,838]           | [14,897,838]           | [14,897,838]           |
| Cigarette Tax              | NURS        | [518,000]              | [518,000]              | [518,000]              | [518,000]              | [518,000]              |
| Cigarette Tax              | PHARM       | [1,444,000]            | [1,444,000]            | [1,444,000]            | [1,444,000]            | [1,444,000]            |
| Cigarette Tax              | VETMD       | [360,000]              | [360,000]              | [360,000]              | [360,000]              | [360,000]              |
| Cigarette Tax              | RXXX        | [450,000]              | [450,000]              | [450,000]              | [450,000]              | [450,000]              |
| Subtotal Special + "Other" |             | \$24,407,000           | \$24,407,000           | \$24,407,000           | \$24,407,000           | \$24,407,000           |

# Health Care Access Fund

## **Health Care Access Funding \$2,157,000**

- Medical Student (~918) Primary Care Education - \$948,861
- Rural/Primary Care Resident (~318) Education - \$1,208,139

## **Primary Care Focused Departments**

- Family Medicine; Pediatrics; OB/GYN; General Internal Medicine; Duluth

## **Use of Funds**

- Primary Care Education Faculty Salary Support; Clerkships / Rotations; Training Costs; Resident Recruitment, Orientation, Education Allowance; Unfunded Resident Salary Support; Residency Program Coordinators and Staff Support



# Cigarette Tax - \$22,250,000

Office of Academic Affairs (\$3,613,000)

- o CUHCC
- o M Simulation Center
- o Masonic Cancer Center
- o Center for Bioethics
- o Rural Health Program

AHSCI - Office of the Provost (\$822,861)

- o Allied Health (Occupational Therapy and Lab Medicine Science) – now in COP
- o Pre-Health Advising Center
- o Inter-Professional Education Program

College of Dentistry (\$144,000)

- o Leadership support

# Cigarette Tax (Continued)

Medical School (\$14,897,838)

- o Medical School core funding needs at the time
- o Medical school faculty recruitments
- o Securing medical student teaching time by clinical faculty

School of Nursing (\$518,000)

- o Establish and operate Rochester campus nursing program

College of Pharmacy (\$1,444,000)

- o 90% supports Duluth program and 10% supports Postgraduate (PGY1) Pharmacy Residency Program.

College of Veterinary Medicine (\$360,000)

- o Collegiate support - 75% research / 25% instruction

UMN Rochester (\$450,000)

- o Investment in building out and operating Rochester campus

## State Special Allocation Breakdown

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| Health Sciences                | Current RRC |                        |                        |                        |                        |                        |
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| Veterinary Diagnostic Lab      | VETMD       | \$1,673,240            | \$1,673,240            | \$1,673,240            | \$1,673,240            | \$1,673,240            |
| Subtotal Health Sciences       |             | \$9,204,000            | \$9,204,000            | \$9,204,000            | \$9,204,000            | \$9,204,000            |

\*\*For rider language see slide 10

# Health Sciences State Special - \$9,204,000

Institute for Engineering and Medicine (\$77,742)

Rural Physicians Associate Program (RPAP) (\$193,064)

St. Cloud Residency Program (\$346,000)

School of Dentistry (\$100,000)

- o Hibbing community clinic collaboration

Office of Academic Clinical Affairs (\$2,124,211)

- o Cancer research at Masonic Cancer Center
- o Child and adolescent brain health research at Masonic Institute for the Developing Brain
- o Office of Discovery and Translation in the Clinical and Translational Science Institute (CTSI)
- o Health informatics research

# Health Sciences State Special (Continued)

## School of Public Health (\$340,743)

- o Used by the Division of Health Policy and Management to train health services researchers and support investments in data infrastructure and analytic capacity for collaborations with partners at the Minnesota Department of Health and Department of Human Services on issues that affect the health of Minnesotans.

## MN Regenerative Medicine Program (\$4,350,000)

- o Award program to *Advance Research for a Healthier Minnesota, Fuel Minnesota's MedTech and Biotech Innovation Ecosystem, and Strengthen Industry Collaboration and Economic Impact*

## College of Veterinary Medicine (\$1,673,240)

- o CVM Veterinary Diagnostic Laboratory operations, serving the entire state

# State Special and Cigarette Tax Funds

Pay for:

- Compensation - faculty, lab personnel, support staff ...
- Facility operations – utilities, debt service, leases...
- Equipment – microscopes, freezers, computers, printers ...
- Supplies – “paper & pencils”, cleaning materials, gases for labs, etc.
- Research awards - MN Regen Med, Mayo Partnership, ODAT, etc.

Additional funds, including O&M, ICR, affiliate hospital agreements, clinical services and philanthropy are used to supplement the State Special and Cigarette Tax Funding

# HEALTH SCIENCES



## STRATEGIC PLAN



UNIVERSITY OF MINNESOTA  
**Driven to Discover®**





## Vision

**Minnesota leads the nation as the healthiest state.**

## Mission

To foster a healthier Minnesota through education, accessible care, innovation, and partnerships.



## Our Shared Goal

Ensure that all Minnesotans  
have access to exceptional healthcare.

### How We'll Achieve This Goal

1. Expand access by reducing health workforce shortages statewide.
2. Reduce health inequities by expanding partnerships to reach rural and other underserved communities.
3. Improve healthcare quality close to home.
4. Transform health outcomes through innovation in prevention, treatment, and care models.

# Overcome A Growing Healthcare Crisis in Rural, Tribal, and Other Underserved Communities

Request: \$45 million recurring

## **1. Expand access to care and reduce staffing shortages**

*\$22 million a year to increase the state's workforce by nearly 3,000 health professionals over the next decade.*

## **2. Train more students in rural, Tribal, and other underserved communities**

*\$5 million a year for expanded interprofessional education to best serve those populations across the state.*

## **3. Triple the number of mobile health and telehealth services statewide**

*\$8 million a year to expand these programs by working with local providers, serving up to 6,000 more patients a year.*

## **4. Expand connections with local care providers and support the rapid translation of health research into patient care**

*\$10 million a year so Minnesotans can live happier and healthier lives.*