



February 21, 2023

Minnesota State College and University Budget Scenarios

House Higher Education Finance and Policy Committee

Fiscal Year 2023 Structural Gap

- Current General Fund structural gap is \$74.9 million

	FY2023
Total Revenues	1,535,983,807
Total Expenses	1,610,868,225
Operating Gap	(74,884,418)

- FY2013-2022 enrollment trends and past funding levels are primary drivers of current status



Fiscal Year 2023 Structural Gap

- Colleges and universities in process of addressing this with
 - One-time compensation savings
 - Reductions in operating expenses
 - Delayed investments
 - Utilizing reserves
- Remaining federal Higher Education Emergency Relief Fund (HEERF) funding will be a significant offset to the remaining gap for many colleges



Fiscal Years 2024 and 2025

- Colleges and universities updated their enrollment projections on February 1, 2023, and their budget projections on February 9, 2023.
- Each institution is at a different point in the process of short-term and long-term budget planning. Some institutions have already implemented multi-year budget reductions based on changes in enrollment.
- System budget request is intended to address inflationary increases in personnel and non-personnel costs.
- For this model, FY24 and FY25 employee compensation assumptions are based on the availability of new campus revenue in the system's request.



Included in Analysis: Funding To College and University Operations

Minnesota State Biennial Budget Request	FY2024	FY2025	Biennium
Student Support	\$34	\$59	\$93
Minnesota State Stabilization	\$38	\$81	\$119
Workforce & Economic Development	\$0	\$0	\$0
Total	\$72	\$140	\$212

Governor's Biennial Budget Proposal	FY2024	FY2025	Biennium
Student Support	\$0	\$0	\$0
Minnesota State Stabilization	\$62.5	\$62.5	\$125
Workforce & Economic Development	\$0	\$0	\$0
Total	\$62.5	\$62.5	\$125

(dollars in millions)

Not Included in Analysis: Funding To Students and Investments in Specific Programs

Minnesota State Biennial Budget Request	FY2024	FY2025	Biennium
Student Support	\$16	\$16	\$32
Minnesota State Stabilization	\$2	\$4	\$6
Workforce & Economic Development	\$50	\$50	\$100
Total	\$68	\$70	\$138

Governor's Biennial Budget Proposal	FY2024	FY2025	Biennium
Student Support	\$2.5	\$2.5	\$5
Minnesota State Stabilization	\$0	\$0	\$0
Workforce & Economic Development	\$0.75	\$0.75	\$1.5
Total	\$3.25	\$3.25	\$6.5

(dollars in millions)

FY2024-FY2025 College and University Budget Balances: Surpluses and Gaps

	Minnesota State Request	Governor's Recommendation
Current FY2023 Gap	\$ (74,884,418)	\$ (74,884,418)
FY2024 Surplus/Gap	\$ 8,264,184	\$ (4,607,203)
FY2025 Surplus/Gap	\$ 12,533,171	\$ (56,004,139)
Projected End of Biennium Gap	\$ (54,087,063)	\$ (135,495,759)

Individual College and University Planning Perspectives

- Minnesota State University Moorhead
Jean Hollaar, Vice President for Finance & Administration
- Anoka-Ramsey Community College
Anoka Technical College
Don Lewis, Vice President for Administration and Finance

