

# Higher Education Committee Jurisdiction

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NATHAN HOPKINS, MINNESOTA HOUSE RESEARCH DEPARTMENT

Presentation to the House Higher Education Committee

January 2023



# What does this Committee do?

What does  
the State of Minnesota  
do regarding higher education?

# State's Role in Higher Ed

## Office of Higher Education (OHE)

- Administer financial aid programs, including the SELF loan & refinancing programs
- Consumer protection: license and regulate postsecondary institutions
- Collect information/data, perform research (e.g. SLEDS data system)
- Provide consumer-facing navigational resources/services
- Administer the state's 529 college savings plan
- Negotiate interstate tuition reciprocity agreements

## University of Minnesota (U of M) System

- Educate students
- Conduct research

## Minnesota State Colleges and Universities (Minn State)

- Educate students
- Train workforce



# OHE: Structure

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- Creature of statute – § 136A.01
- Commissioner (Dennis Olson), appointed by Governor with a&c of Senate
  - 69 full-time employees
- Student Advisory Council (SAC) provides input and feedback
  - Includes student reps from various institution types
  - “Higher Education Advisory Council” existed until 2013
- Organizes itself into five main program areas:

**Student Financial Aid  
Services**

**SELF Loans and SELF  
ReFi**

**Research, Policy, and  
Analysis**

**Postsecondary Access  
and Outreach**

**Agency Administration**  
(includes auditing,  
consumer protection  
and 529 plan)

# OHE: History

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1975-1995  
Higher Education  
Coordinating Board

- Board of 11 governor-appointed citizens
- Board appoints an executive director

1995-2005  
Higher Education Services  
Office

- Council of 9 governor-appointed citizens
- Council appoints director of HESO

2005-Present  
Office of Higher Education

- Full, cabinet-level executive agency

# OHE: State Attainment Goal

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- Enacted in 2015

## **135A.012 HIGHER EDUCATION ATTAINMENT GOAL.**

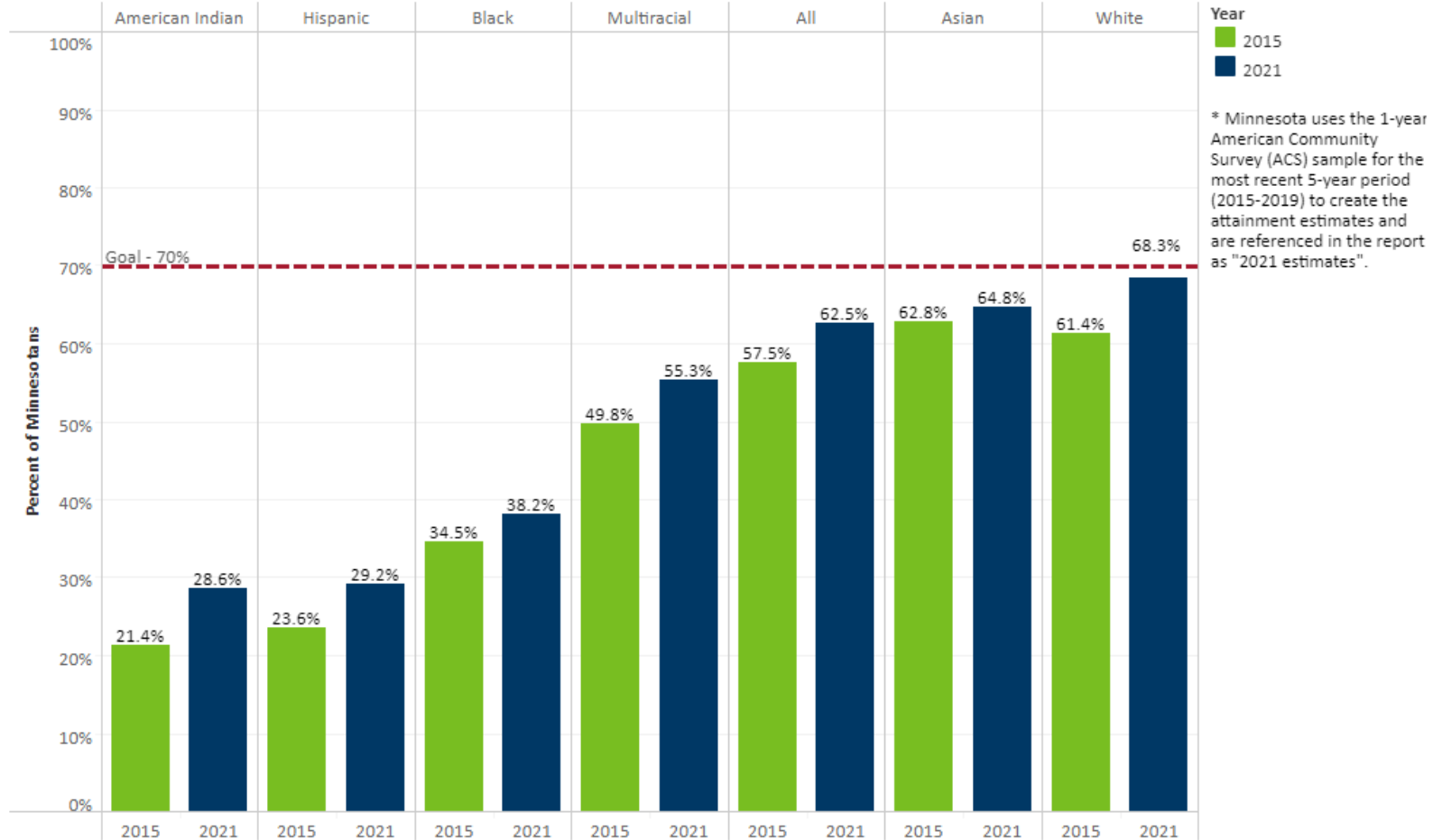
Subdivision 1. **Purpose.** This section sets a goal for postsecondary education attainment for Minnesota residents.

Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages 25 to 44 years who hold postsecondary degrees or certificates should be increased to at least 70 percent by 2025.

(b) Meeting and maintaining the goal of 70 percent of Minnesota residents ages 25 to 44 years holding a postsecondary degree or certificate will likely be difficult without achieving attainment rates that are comparable across all race and ethnicity groups. The Office of Higher Education shall utilize benchmarks of 30 percent or higher and 50 percent or higher to report progress by race and ethnicity groups toward meeting the educational attainment rate goal of 70 percent.



# OHE: State Attainment Goal



# OHE: Administer Financial Aid Programs

## State Grant Program

- Need based financial aid to resident undergraduates attending private or public institutions in Minnesota

## SELF Loans and SELF Refinancing

- Self-sustaining program offering low-interest student loans and student loan refinancing

## Work-Study Grants

- Supports wages for part time student jobs

## Other targeted grant/scholarship programs

- Current students or recent graduates (“loan forgiveness” grants)
- E.g. Child Care Grants, Indian Scholarships, Fostering Independence, Teachers,

# OHE: Administer Financial Aid Programs

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## State Grant Program: Basics

- Largest financial aid program
- Established in 1969
- Need-based – uses FAFSA
- “Design for Shared Responsibility”: student + family + taxpayer

# OHE: Administer Financial Aid Programs

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## State Grant Program: Eligibility

- MN resident
- Undergraduate
- Full-time or part-time (award will be prorated)
- Up to eight semesters of full-time enrollment (or equivalent)
- Attends an eligible institution
  - All public postsecondary institutions
  - Private institutions that:
    - Are licensed or registered with OHE;
    - Maintain academic standards; and
    - Participate in federal Pell Grant program

# OHE: Administer Financial Aid Programs

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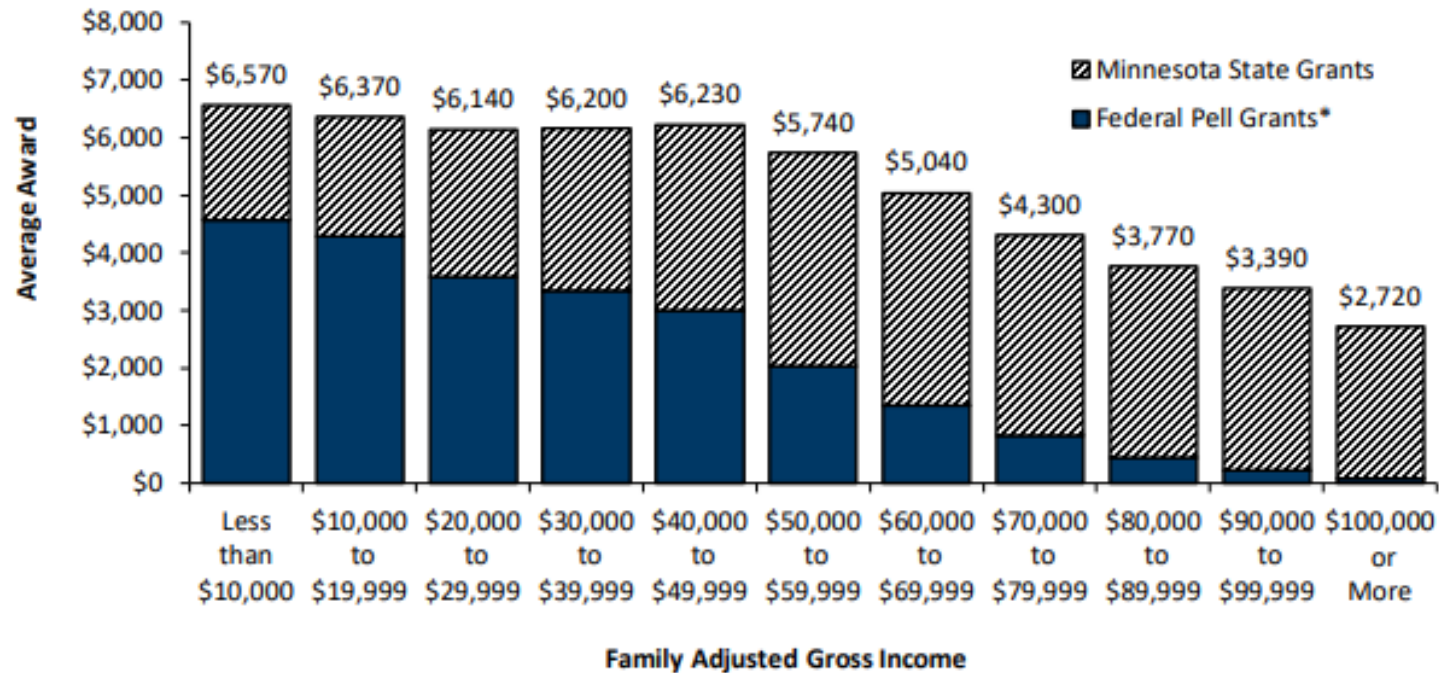
## State Grant Program: FY21 Figures

- 71,889 students
- \$201M total awards
- \$2,790 average award
  - Larger average awards for lower-income students
- 57% of recipients had family incomes <\$40K

# OHE: Administer Financial Aid Programs

## State Grant Program: FY21 Figures

Figure 6. Average Combined Federal Pell and Minnesota State Grant Award Received, by Family Adjusted Gross Income, Fiscal Year 2021



# OHE: Administer Financial Aid Programs

## State Grant Program: Award Formula

$$\textit{Grant Amount} = \textit{COA} - \textit{ASR} - \textit{AFR} - \textit{Pell}$$

- Cost of Attendance (COA)
  - Tuition + fees + “living and miscellaneous expenses” (LME)
  - Tuition and fees default capped at highest equivalent public institution (two-year/four-year)
  - LME default: 109% of fed poverty for a one-person household in Minnesota for nine months
- Assigned Student Responsibility (ASR): 50% of COA
- Assigned Family Responsibility (AFR): FAFSA-determined family contribution multiplied by:
  - 35% if the student is independent without children,
  - 71% if the student is independent with children, or
  - 79% if the student is a dependent.
- Pell Grant: amount of federal Pell Grant for which applicant is eligible
- OHE can reduce/increase awards to accommodate an insufficient/surplus appropriation

# OHE: Administer Financial Aid Programs

## Student Education Loan Fund (SELF) Loans

- Self-sustaining program (no appropriation)
- Low-interest loans for postsecondary education
- Eligibility:
  - No income limits
  - Anyone (MN resident or no) enrolled in an eligible MN school *OR* resident enrolled in an eligible out-of-state school
  - Enrolled at least half-time in a certificate, associate, bachelor's or graduate degree program
  - Making satisfactory academic progress
  - Up-to-date on student loan payments
  - Must have creditworthy cosigner



# OHE: Administer Financial Aid Programs

## SELF Loans

- Current fixed rate of 6.35%
- Variable rates available (not based on credit score or income)
- SELF loan statute (§ 136A.1701) not highly prescriptive
  - Total loans to individual student must not exceed \$140K
- Current loan limits:

Program Type	Annual Limit	Cumulative Limit
4 Year	\$20,000	\$100,000
Graduate	\$20,000	\$140,000
1-3 Year Programs *	\$10,000	\$30,000
Programs Shorter Than 1 Year **	\$3,500	\$7,500

# OHE: Administer Financial Aid Programs

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## SELF Loans

- Current total over 32,000 borrowers owe over \$419M
- FY22:
  - \$57M total disbursed loans
  - 5,946 students
  - Average loan: \$9,598

# OHE: Administer Financial Aid Programs

## SELF Refi

- Allows students to refinance existing educational loans at a lower interest rate
- Self-sustaining (no appropriation)
- Newer program:
  - Established in 2014 (§ 136A.1704)
  - First loans issued in 2016
- Legislature expanded capacity in 2021:
  - Increased total program load from \$100M to \$300M
  - Increased maximum individual loan from \$70K to \$200K

# OHE: Administer Financial Aid Programs

## SELF Refi

- Eligibility:
  - MN residents
  - Have earned a postsecondary credential
  - Are currently employed (or spouse as co-signer)
  - meet credit and debt-to-income requirements
  - option for a co-signed loan if the borrower does not qualify individually
- Current maximum individual loan is \$150K
- Program totals: over 500 borrowers owing \$10M

# OHE: Administer Financial Aid Programs

## Other Targeted Financial Aid Programs

- Postsecondary Child Care Grant
- Safety Officers Survivor's Grants
- Indian Scholarships
- Work Study Program
- Fostering Independence Higher Education Grants
- Student Teacher Grants:
  - Underrepresented racial/ethnic groups
  - Rural district or license shortage area
- Teacher Shortage Loan Repayment
- Agricultural Educator Loan Repayment
- Aviation Degree Loan Repayment
- Rural Veterinarian Loan Repayment

# OHE: Administer Financial Aid Programs

## Dual-Training Competency Grant

- Established in 2015 (§ 136A.246)
- OHE works with Department of Labor and Industry
- Grants to *employers*
- Reimburse expenses for employees to earn industry-recognized degree or credential
- Combine on-the-job employee training + formal related instruction with instruction providers (postsecondary institutions)
- Eligible fields:
  - advanced manufacturing; health care services; information technology; and agriculture

# OHE: Licensing & Regulating Institutions

## Private and Out-of-State Public Postsecondary Education Act

- Degree-granting programs, public or private, for-profit or non-profit

## Private Career School Act

- Less than associate degree level programs

## Consumer Protection

- Licensure/Registration
- Set minimum requirements (e.g. student records retention)
- Investigate student complaints
- Assess financial viability
- Help with school closures



UNIVERSITY OF MINNESOTA



# U of M: 5 campuses

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## Twin Cities

- Flagship campus
- 30,907 undergrads
- 15,000 more grad/professional
- Tuition and Fees: **\$16,108**

## Duluth

- Est. 1947
- 8,351 undergrads
- Tuition and Fees: **\$14,126**

## Morris

- Est. 1960
- Liberal arts college
- 1,243 students
- Free tuition for AI students
- Tuition and Fees: **\$14,120**

## Rochester

- Est. 2006
- Undergraduate health sciences
- 614 students
- Tuition and Fees: **\$13,464**

## Crookston

- Est. 1966
- 1,754 students (majority online)
- Focus on online learning
- Tuition and Fees: **\$13,010**

# U of M: Research

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- **MnDrive: Minnesota's Discovery, Research, and Innovation Economy**
  - Partnership between the University of Minnesota and the State
  - Aligns U research strengths with state's key and emerging industries
  - Five areas:
    - Robotics, Global Food, Environment, Brain Conditions; Cancer Clinical Trials
- **Technology Commercialization**
  - License University IP
  - Launch startups: 212 companies since 2006 (76 still active)
  - \$16.1M in licensing revenue in 2022
  - 241 new patents issued in 2022

# U of M: Extension Service

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- Work:
  - Runs 4-H programs for youth
  - Food and agriculture
  - Lawn and garden
  - Public health
  - Natural resources
  - Community Development
- In every county, with several regional offices
- 65% of staff in greater MN



# U of M: History and Autonomy

1851, Founding  
Territorial Laws, Ch. 3  
U of M Charter

1858, MN Statehood  
Constitution incorporates the  
charter

## ARTICLE XIII MISCELLANEOUS SUBJECTS

**Section 1. Uniform system of public schools.** The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.

**Sec. 2. Prohibition as to aiding sectarian school.** In no case shall any public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds or tenets of any particular Christian or other religious sect are promulgated or taught.

**Sec. 3. University of Minnesota.** All the rights, immunities, franchises and endowments heretofore granted or conferred upon the University of Minnesota are perpetuated unto the university.

# U of M: Constitutional Autonomy

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1. Internal management of the University is committed to the Regents
2. The Legislature may condition University appropriations if:
  - a. The conditions promote the general welfare; and
  - b. They make limited intrusion on Regents' powers
3. The University is a state-system and is subject to Legislature's general lawmaking power

# U of M: Board of Regents

## University Charter / Constitution

Territorial Laws 1851, c 3;  
incorporated into the  
Constitution at Article XIII, § 3

- 12 regents
- Elected by a joint convention of the Legislature (House and Senate)
- Six-year terms (no term limit)
- Staggered into three “classes,” so four regents typically up for election every biennium
- Irregular vacancies filled by the governor until next election

## Statute

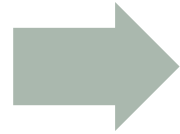
1976 Laws c 120 §§ 1–2;  
Minn. Stat. §§ 137.023–024

- One member from each congressional district
  - Eight designated seats; four at-large seats
- One at-large seat must be a current university student

# U of M: Regent Election

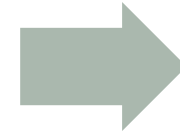
## (1) Regent Candidate Advisory Council

- Recruits and screens candidates
- Makes recommendations to joint legislative committee
- *By January 15 of odd-numbered year*



## (2) Joint Legislative Committee

- Considers RCAC recommendations
- Accepts new candidate nominations
- Makes recommendations to the joint convention
- *By February 28, but may vary*



## (3) Joint Legislative Convention

- Receives joint committee recommendations
- Accepts new candidate nominations
- Elects regents
- *Usually in early March*

# U of M: Regent Election

## JOINT LEGISLATIVE COMMITTEE

### Composed of House and Senate higher ed. committees

- Co-chaired

### Meets by February 28

- or other date set by concurrent resolution

### Interviews candidates recommended by RCAC

### May accept new candidate nominations

- Only committee members can nominate
- New nominations require three House members, two Senate members

### Recommends candidates to joint convention

- No more than one candidate for each vacancy (if possible)
- Requires majority of House members; majority of Senate members
- Must “consider” gender, racial, ethnic balance of board

Minn. Stat. § 137.0246;  
Joint Rule 4.01



# U of M: Regent Election: 2021 Results

CD1	CD4	CD6	CD7
<ul style="list-style-type: none"><li>• <u>Val Aarsvold</u></li><li>• Ruth Johnson</li><li>• Randy Simonson*</li></ul>	<ul style="list-style-type: none"><li>• <u>Daryl Alkire</u></li><li>• <u>James Farnsworth</u></li><li>• Karen Schanfield</li></ul>	<ul style="list-style-type: none"><li>• Dave Hoang</li><li>• <u>Michael Hsu*</u></li><li>• <u>Kodi Verhalen</u></li></ul>	<ul style="list-style-type: none"><li>• Doug Huebsch</li><li>• Lucas Sjostrom</li><li>• <u>Michael Yost</u></li></ul>

\*Incumbent regent

JLC recommendation

Floor nomination

# 2023 Regent Elections

*Johnson is 2022 Walz appointee after McMillan resigned to become interim chancellor at UMD*



**Darrin M. Rosha** >

**District:**

Congressional District 3

**Elected:** 1989, 2015, 2017

**Term Expires:** 2023

**Residence:** Independence



**Steven A. Sviggum** >

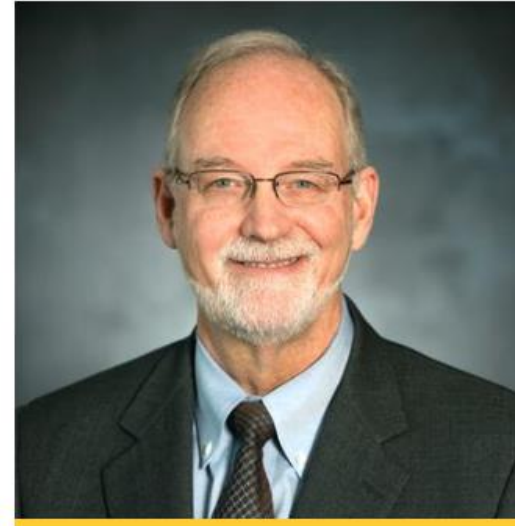
**District:**

Congressional District 2

**Elected:** 2011, 2017

**Term Expires:** 2023

**Residence:** Kenyon



**Kendall J. Powell** >

Chair of the Board

**District:** At-Large

**Elected:** 2017

**Term Expires:** 2023

**Residence:** Golden Valley



**Tadd M. Johnson** >

**District:**

Congressional District 8

**Elected:** 2022

**Term Expires:** 2023

**Residence:** Duluth



**MINNESOTA STATE**

# Minn. State: 7 State Universities

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## Bemidji State

- 5,777 students (62% FT)

## Metro State — St. Paul

- 10,095 students (41% FT)

## Moorhead

- 7,062 students (67% FT)

## Mankato

- 17,909 students (76% FT)

## Southwest — Marshall

- 8,830 students (25% FT)

## St. Cloud

- 14,132 students (55% FT)

## Winona

- 8,132 students (80% FT)



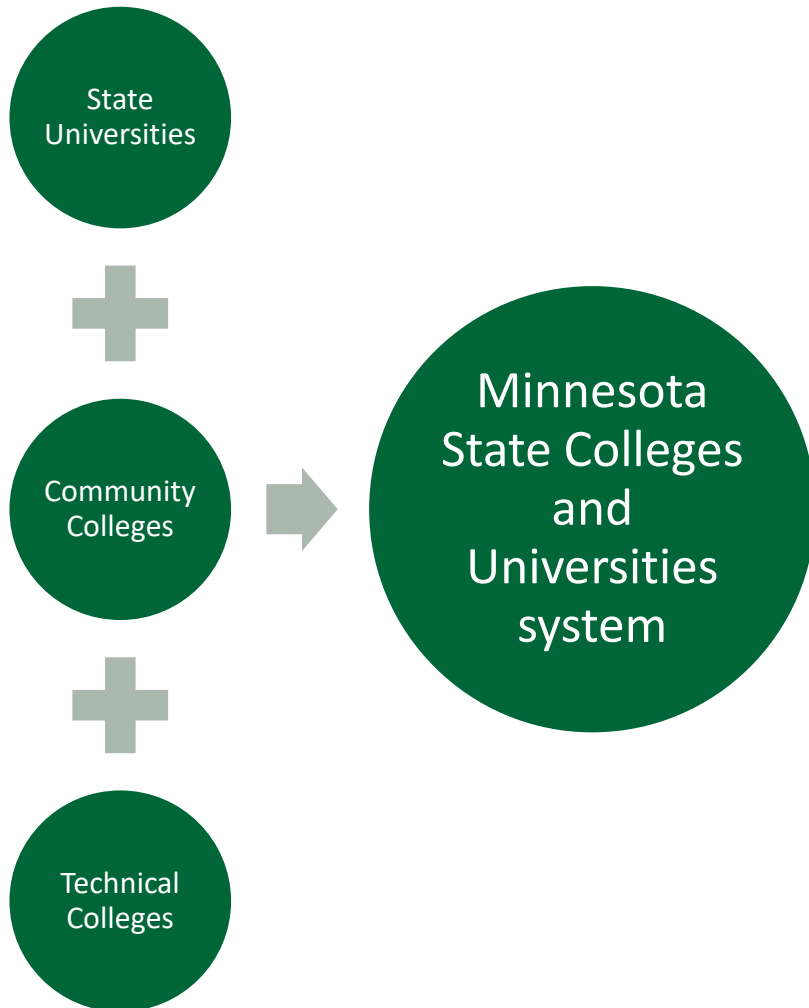
22-23 average annual  
full-time tuition & fees:  
**\$9,894**

# Minn. State: 26 State Colleges

- Alexandria T&CC
- Anoka Tech
- Anoka-Ramsey CC — Coon Rapids
- Central Lakes CC — Brainerd
- Century CC — White Bear Lake
- Dakota County Tech — Rosemount
- Fond du Lac Tribal & CC — Cloquet
- Hennepin Tech — Brooklyn Park
- Inver Hills CC — Inver Grove Heights
- Lake Superior CC — Duluth
- Minneapolis T&CC
- Minnesota North CC
  - Hibbing; Itasca; Mesabi Range; Rainy River; Vermillion
- Southeast T&CC — Winona
- Minnesota State T&CC — Fergus Falls
- Minnesota West T&CC — Worthington
- Normandale CC — Bloomington
- North Hennepin CC — Brooklyn Park
- Northland T&CC — Thief River Falls
- Northwest TC — Bemidji
- Pine T&CC — Pine City
- Ridgewater CC — Willmar
- Riverland CC — Austin
- Rochester T&CC
- Saint Paul T&CC
- South Central CC — North Mankato / Faribault
- St. Cloud T&CC

22-23 average annual  
full-time tuition & fees:  
**\$6,123**

# Minn. State: 1991 Merger



- 1991 Merger (effective 1995)
- Goals:
  - Remove duplicative academic programming
  - Eliminate duplicative administration and student services
  - Centralize governance/admin/services for more efficiency
  - Allow for easier credit transfers among institutions
  - Centralize funding to avoid favoritism serve broader state-wide interests
- Previously:
  - Technical colleges (vocational/occupational education)
    - Governance shared by state board and school districts
    - Faculty employed by school districts
  - Community colleges (two-year academic and occupational)
    - Governed by State Board for Community Colleges
  - State Universities (4-year baccalaureate and graduate programs)
    - Governed by State University Board

# Minn. State: Governance

## Board of Trustees

- 15 members
- Staggered 6-year terms
- Appointed by Governor (with Senate A&C).
- Each of the 8 congressional districts represented
- 3 student members
  - 2-year terms
  - Student associations recommend — nonbinding
- One labor member
  - AFL-CIO recruits and recommends — nonbinding
- Trustee Candidate Advisory Council
  - Nonbinding recommendations
  - Inactive since 2012



# Minn. State: Workforce Development

## Customized Training:

- Partner with employers
- Provide training and certification to employees

**Figure 9-1: Customized Training Revenues in Millions**  
*Minnesota State*  
*Fiscal Years 2017 to 2021*

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>Millions of Dollars</i>	\$36.6	\$31.3	\$33.9	\$28.0	\$32.0

## Workforce Development Scholarships

- \$2,500/year
- Applicable fields:
  - Advanced Manufacturing
  - Agriculture
  - Early Childhood Education
  - Healthcare
  - Information Technology
  - Transportation



# Questions?

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Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives.

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# Higher Education Finance Overview

Ken Savary, Fiscal Analysis Department

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# Budget Periods and Fiscal Years

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- State Fiscal Year: July 1<sup>st</sup> to June 30<sup>th</sup>
- Federal Fiscal Year: October 1<sup>st</sup> to September 30<sup>th</sup>
- Current Biennium: FY2023 ends June 30<sup>th</sup>
- Upcoming Biennium: FY2024 begins July 1<sup>st</sup>



# Budget Terms

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- **Direct Appropriation**
  - An appropriation for a specific amount of money, for use only during a specific time period, usually the biennium.
  - Most appropriations in omnibus bills are direct appropriations.
  
- **Statutory Appropriation**
  - An appropriation made in statute (instead of session law) authorizing the ongoing payment out of the treasury for a program.
  - In contrast to direct appropriations, statutory appropriations need not be renewed every biennium for funding to continue.



# Budget Terms

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- Open Appropriation
  - A form of statutory appropriation where the level of funding necessary to fulfill the obligation is made available in the fiscal year.
  - The state fund balance shows an estimate of the amount expected to be spent.
  - Most commonly funds programs funded by formula or programs funded through fees.



# Budget Terms

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- Base

- The amount appropriated for the program in the second year of the previous biennium. (For example, the base for FY 2023 is the amount appropriated for FY 2022.) A different base may be specified in law.

- Tails

- (1) The future budget effects of any appropriation or revenue provision; or (2) an appropriation, funding formula, or tax expenditure that takes effect in, or carries forward to a future biennium, a higher future costs/ revenue losses to the state treasury than in the initial biennial budget period.



# Budget Process – 2023 Session

## Budget Enactment Timeline – Odd Year Session:

- Early December (12-6-2022) – MMB releases November economic forecast.
  
- January – Legislative session convenes (1-3-2023) . Governor makes budget recommendations (fourth Tuesday in Jan. in 2023). Legislative bill deadlines established.
  
- End of February – MMB releases February economic forecast.
  
- March – House Ways and Means Committee and Senate Leadership establish committee spending targets.
  
- April – Omnibus finance bills leave the House floor. Conference committees begin meeting.
  
- May – Conference committees conclude. Conference committee reports return to the House floor for final passage. Legislature adjourns (no later than 1<sup>st</sup> Monday after 3<sup>rd</sup> Saturday in May).
  
- May – Governor signs/vetoes legislation.

# Higher Education Finance Accounts

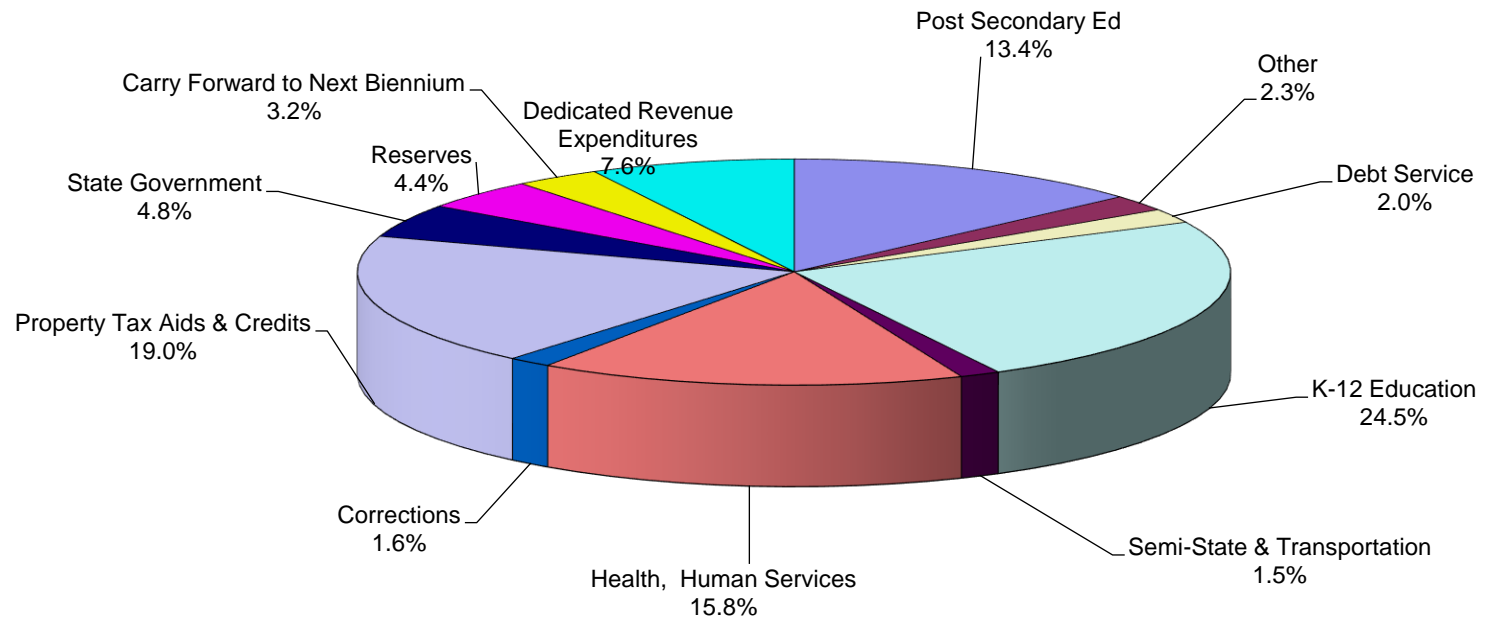
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- Minnesota Office of Higher Education
- Minnesota State Colleges and Universities
- University of Minnesota
- Mayo Foundation (Residency Programs)

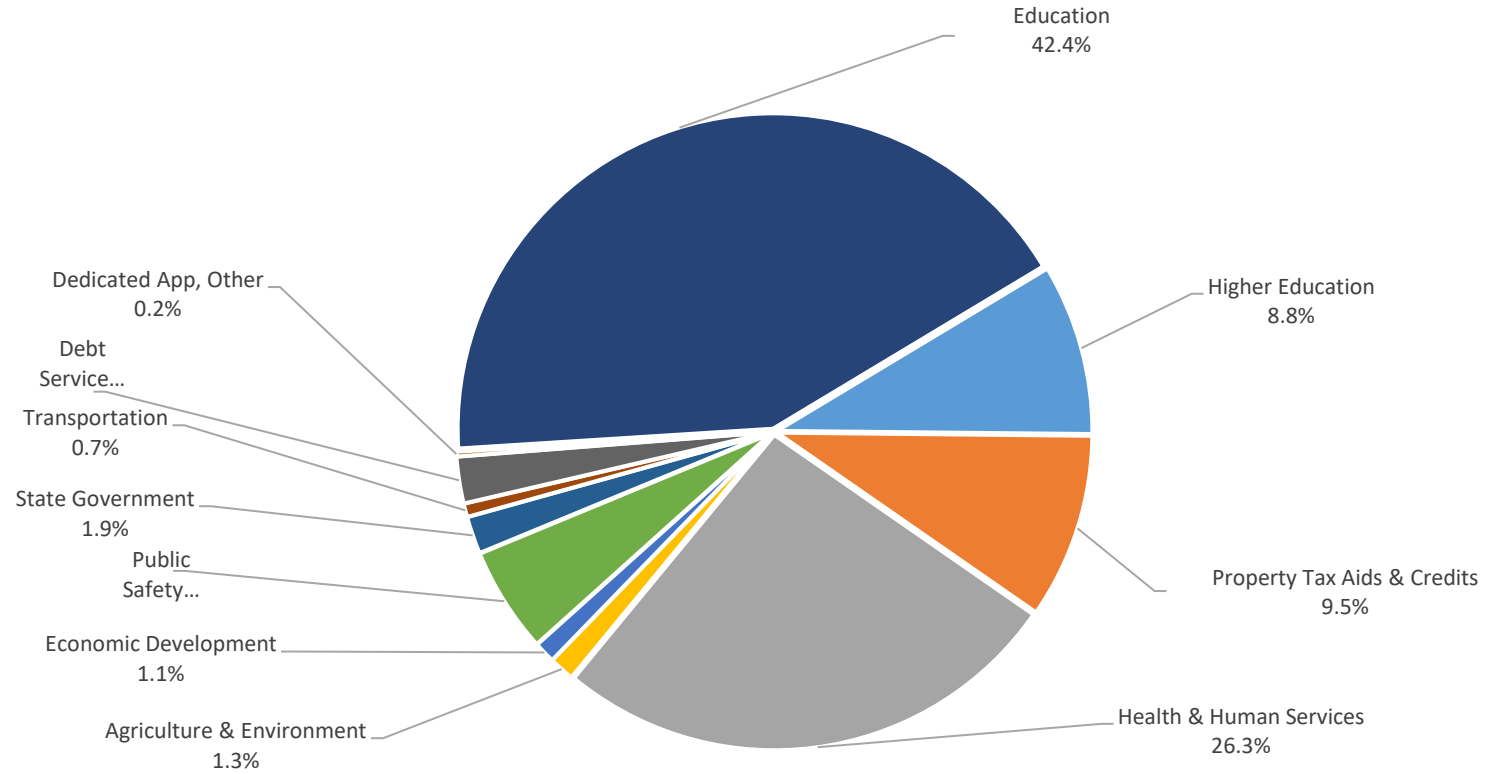




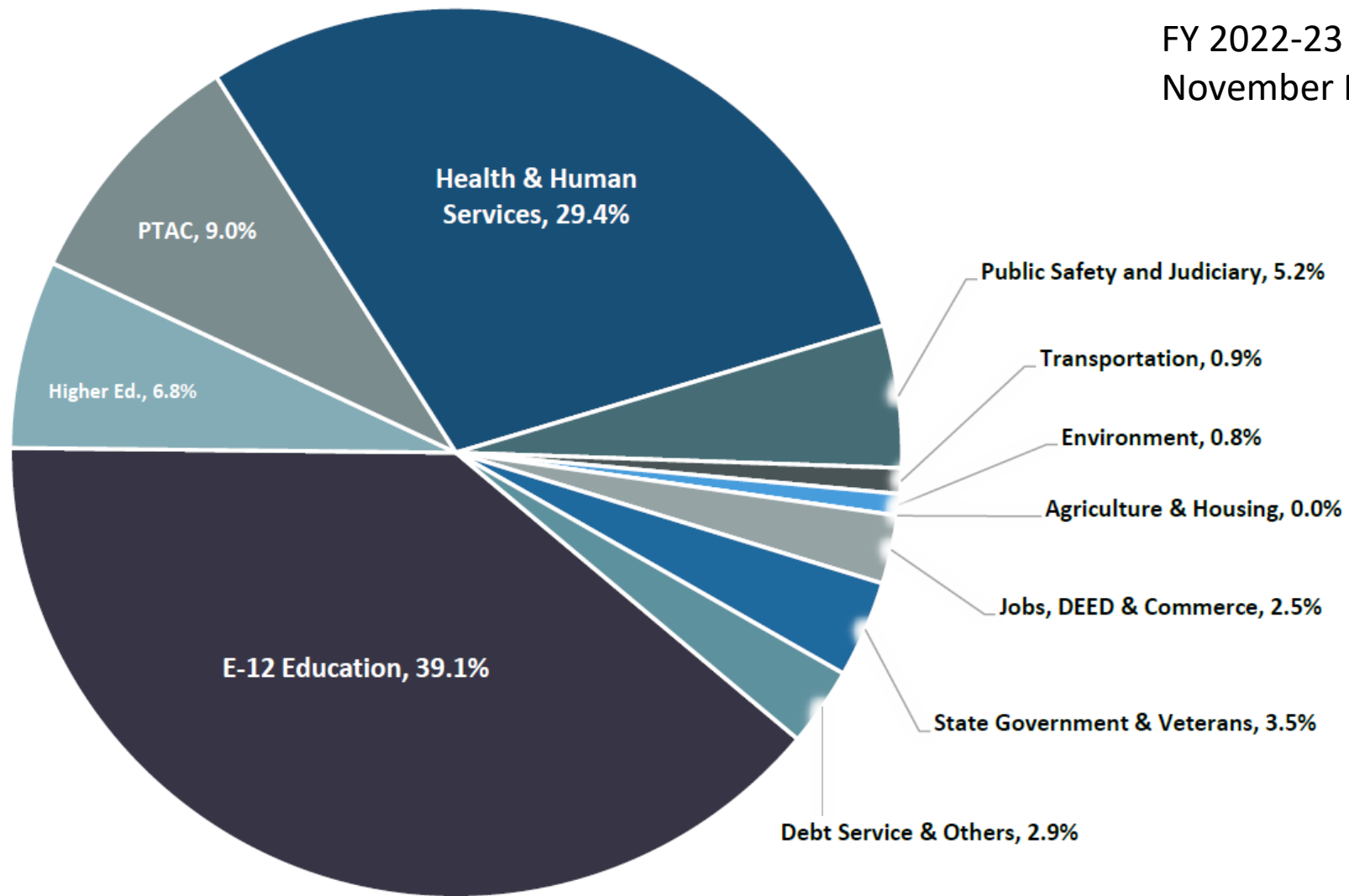
**Allocation of General Fund Resources FY 1988-89  
General Fund Spending - Total Spending \$12.5 Billion**



Allocation of General Fund Resources FY 2006-07 By Program  
FY 2006-07 General Fund = \$31.5 Billion  
Feb. 2008 Forecast



## FY 2022-23 General Fund Spending November Forecast 2022



(\$ in Millions)

# Common Fiscal Terms: Higher Education

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- General Fund.
- Operations and Maintenance Appropriation (O&M).
- State Special Appropriation.
- State share of higher education or tuition/revenue split.
- Out year biennium or tails.



# State Special Appropriations: University of Minnesota

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- Agricultural State Special
  - FY24-25 Base Appropriation: \$85.844 million
    - Alternative energy and biofuel research (biomass, crops, native plants, etc.).
    - College of Food, Agricultural and Natural Resource Sciences for work in a variety of horticultural, livestock and food systems research.
    - Additional emphasized research priorities as described by law.
- Health Sciences State Special
  - FY24-25 Base Appropriation: \$18.408 million
    - Includes \$346k a year to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program.
    - Remainder of program dollars for specified health science and veterinary initiatives as described by law.



# State Special Appropriations: University of Minnesota

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- College of Science and Engineering State Special
  - FY24-25 Base Appropriation: \$2.2 million
    - Geological survey and talented youth mathematics program.
- System Special
  - FY24-25 Base Appropriation: \$14.362 million
    - \$2 million per year for the Natural Resource Research Institute (NRRI) to invest in applied research.
    - Remainder of funding for general research at NRRI, Center for Urban and Regional Affairs, Bell Museum of Natural History and the Humphrey Exhibit.



# State Special Appropriations: University of Minnesota

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- University of Minnesota and Mayo Foundation Partnership
  - FY24-25 Base Appropriation: \$15.982 million
    - \$7.4 million per year designated for direct and indirect expenses of the research partnership between the University and the Mayo Foundation for research in biotechnology and medical genomics.
    - \$500k per year designated for conducting Alzheimer's related research.



# Minn Statute 135A.01

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## **135A.01 FUNDING POLICY.**

It is the policy of the legislature to provide stable funding for public postsecondary institutions and that the state and students share the cost of public postsecondary education. The legislature intends to provide at least 67 percent of the combined revenue from tuition, the university fee at the University of Minnesota, and state general fund appropriations to public postsecondary institutions. It is also the policy of the legislature that the budgetary process serves to support high quality public postsecondary education.

**History:** [1983 c 258 s 29](#); [1Sp1985 c 11 s 14](#); [1994 c 532 art 3 s 1](#); [2007 c 144 art 2 s 3](#)





# Minn Statute 135A.01

## University of Minnesota

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University of Minnesota			Fiscal Year	Tuition %	Appropriation %
Fiscal Year	Tuition %	Appropriation %			
2023	59	41	2012	60	40
2022	58	42	2011	56	44
2021	59	41	2010	52	48
2020	59	41	2009	48	52
2019	59	41	2008	46	54
2018	58	42	2007	47	53
2017	58	42	2006	47	53
2016	58	42	2005	47	53
2015	59	41	2004	44	56
2014	59	41	2003	36	64
2013	60	40	2002	32	68
			2001	30	70
			2000	29	71



# Minn Statute 135A.01

## Minnesota State

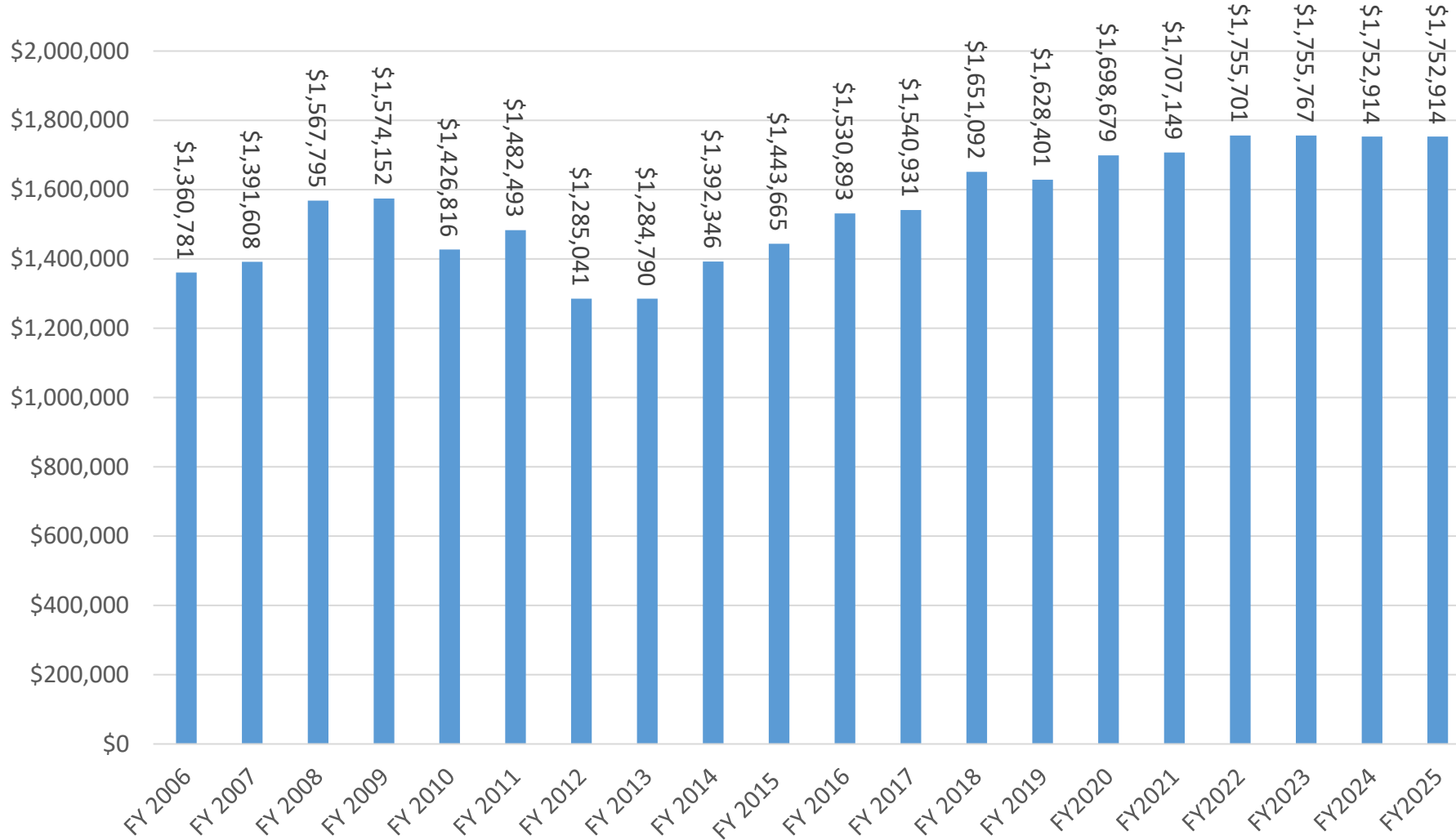
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Minnesota State			Fiscal Year	Tuition %	Appropriation %
Fiscal Year	Tuition %	Appropriation %			
2023	47.1	52.9	2012	60.1	39.9
2022	47.4	52.6	2011	57.1	42.9
2021	48.9	51.1	2010	55.2	44.8
2020	49.7	50.3	2009	50.2	49.8
2019	51	49	2008	48.6	51.4
2018	50.9	49.1	2007	49.5	50.5
2017	53.1	46.9	2006	47.4	52.6
2016	53.6	46.4	2005	48.3	51.7
2015	55.8	44.2	2004	44.7	55.3
2014	58	42	2003	39.9	60.1
2013	60.4	39.6	2002	33.7	66.3
			2001	33.3	66.7
			2000	32.6	67.4

FY2023 based on October 2022 Budget Update



## Higher Education General Fund Appropriations 06-25 (\$ in thousands)



FY24-25 from 2022 November Forecast



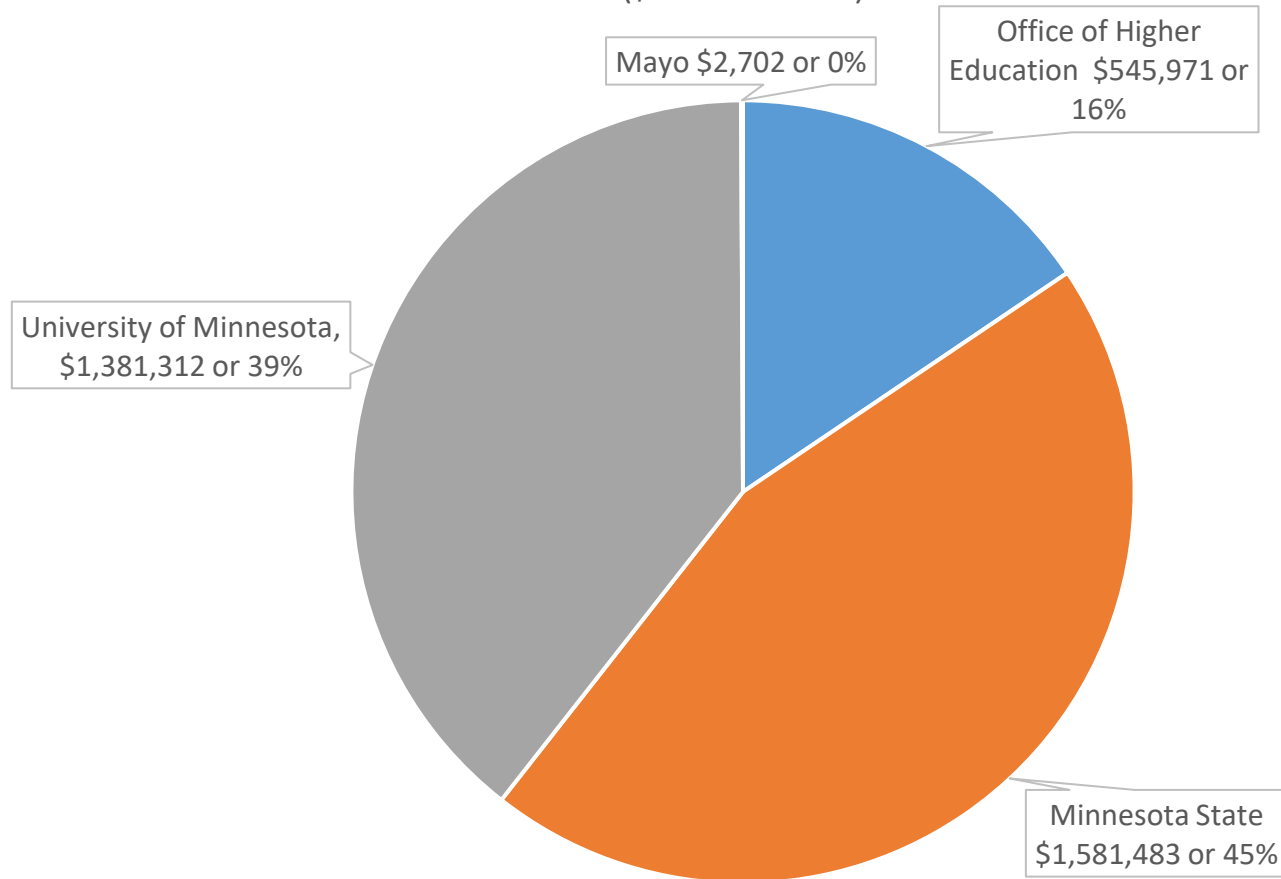
# Fiscal Overview (2021 Session)

<b>Higher Education</b>						
<b>Total General Fund Spending</b>						
(all dollars in thousands)						
				Percentage Change Enacted FY 2022-23 vs. FY 2020-21 with Changes	Percentage Change Enacted vs. Base FY 2022-23	
	FY 20-21 Forecast	Forecast Base FY 2022-23	Enacted FY 2022-23			Enacted FY 2024-25
Office of Higher Ed	539,017	535,546	545,971	1.3%	1.9%	545,392
Mayo Foundation	2,702	2,702	2,702	0.0%	0.0%	2,702
MN State Colleges and Universities	1,524,338	1,525,068	1,581,483	3.7%	3.7%	1,579,222
University of Minnesota	1,341,072	1,342,812	1,381,312	3.0%	2.9%	1,378,512
Total Expenditures	3,407,129	3,406,128	3,511,468	3.1%	3.1%	3,505,828
General Fund Revenue			5,340			
<b>Net GF Total</b>	<b>3,407,129</b>	<b>3,406,128</b>	<b>3,506,128</b>	<b>2.9%</b>	<b>2.9%</b>	<b>3,505,828</b>



## 2021 Higher Education Omnibus Finance Bill

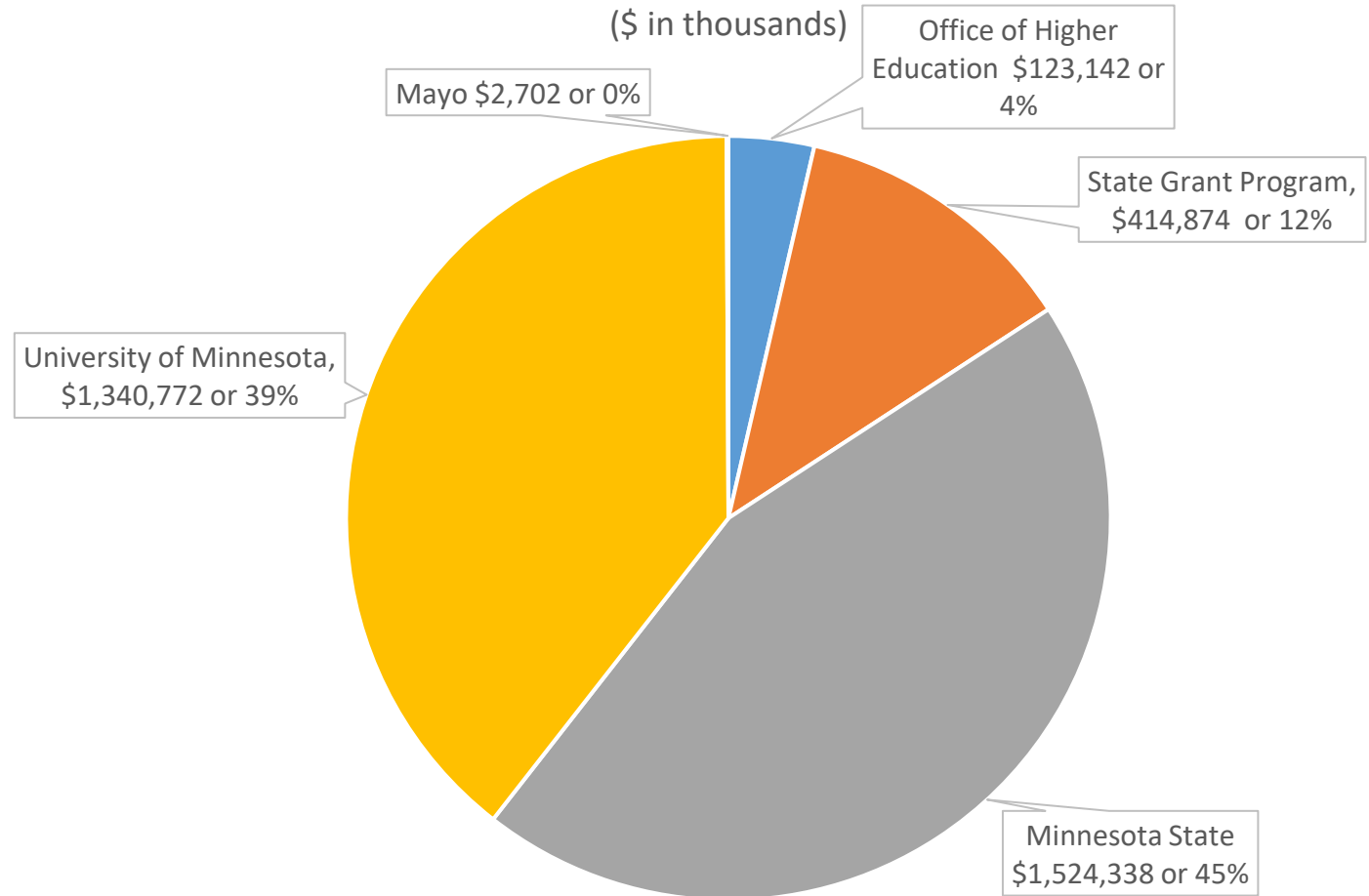
FY22-23, \$3.511 Billion General Fund. Data from Laws 2021, 1<sup>st</sup> Special Session Chapter 2  
(\$ in thousands)



## 2021 Higher Education Omnibus Finance Bill

FY22-23, \$3.511 Billion General Fund. Data from Laws 2021 1<sup>st</sup> Special Session Chapter 2

(\$ in thousands)



# 2021 Higher Education Omnibus Finance Bill Office of Higher Education (FY22-23)

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- State Grant Program: \$5.2 million base increase.
- Emergency Assistance: \$188k base increase.
- Interstate Tuition Reciprocity: \$5.03 million base reduction.
- Grants to Underrepresented Teacher Candidate: \$2 million new base appropriation.
- Hunger Free Campus Act: \$307k new base appropriation.
- Aspiring Teacher of Color Scholarships: \$3 million (one-time).
- College Possible: \$50k base increase.



# 2021 Higher Education Omnibus Finance Bill Minnesota State (FY22-23)

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- Operations and Maintenance Increase: \$45 million base increase.
- Supplemental Aid to Non-Metro Colleges: \$5.4 million base increase.
- Mental Health Awareness Program: \$1.5 million increase (one-time).
- Workforce Development Scholarships: \$1 million increase.
- Z-Degree Textbook Program: \$500k base increase.
- Supporting Students' Basic Needs: \$1 million increase (one-time).





# 2021 Higher Education Omnibus Finance Bill University of Minnesota (FY22-23)

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- Operations and Maintenance Increase: \$38 million base increase (\$36 million ongoing)
- State special appropriations:
  - Agriculture and Extension: \$85.8 million
  - Health Sciences: \$18.4 million
  - Institute of Technology: \$2.2 million
  - System Special: \$14.8 million \* (One-time \$500k increase for NRRI)
  - U of M and Mayo Foundation Partnership: \$15.9 million



# 2021 Higher Education Omnibus Finance Bill

## Health Care Access Fund

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- Biennial Appropriation to the University of Minnesota
  - \$4.3 million in FY22-23.
  - Helps to fund primary care education for physician (family medicine).
  
- Was first funded by the legislature in the early 1990s.
  - Coincided with the establishment of the healthcare provider tax.



# 2022 Omnibus Higher Education Finance Bill

1	A	B	G			H		
2	Dollars \$ in Thousands	Fund	Conference Committee			Conference Committee		
3			FY2022	FY2023	FY22-23	FY2024	FY2025	FY24-25
4								
5	GENERAL FUND SUMMARY							
6	OFFICE OF HIGHER EDUCATION	GEN	-	8,825	<b>8,825</b>	7,239	7,239	<b>14,478</b>
7	MINNESOTA STATE	GEN	-	8,175	<b>8,175</b>	4,761	4,761	<b>9,522</b>
8	UNIVERSITY OF MINNESOTA	GEN	-	3,000	<b>3,000</b>	1,000	1,000	<b>2,000</b>
9	MAYO FOUNDATION	GEN	-	-	-	-	-	-
10	DEPARTMENT OF EDUCATION		-	-	-	-	-	-
11								
12	GENERAL FUND: APPROPRIATIONS	GEN	-	20,000	<b>20,000</b>	13,000	13,000	<b>26,000</b>



# History of Spending Targets

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Legislative Year	Conference Target
2012	-
2013	248,499
2014	22,250
2015	166,000
2016	5,000
2017	190,000
2018	3,000
2019	150,000
2020	-
2021	100,000
2022	20,000
\$ in thousands	



# Omnibus Finance Bill Format: Appropriations

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- Office of Higher Education
  - State Grant
  - Financial Aid Programs
  - Other Riders
- Minnesota State
  - Central Office and Shared Services
  - Operations and Maintenance
  - Designated Spending Riders
  - Other Riders
- University of Minnesota
  - Operations and Maintenance
  - Designated Spending Riders
  - State Special Appropriations
- Mayo Foundation
  - Medical School and Residency Programs



# Base Budget: Office of Higher Education

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\$ in Thousands	FY2024-25 Base	FY2026-27 Base
Total Base Appropriation	\$545,392	\$545,392
State Grant	\$420,074	\$420,074
All Other Appropriations	\$125,318	\$125,318



# Base Budget: Minnesota State

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\$ in Thousands	FY2024-25 Base	FY2026-27 Base
Total Base Appropriation	\$1,579,222	\$1,579,222
O&M Appropriation	\$1,502,190	\$1,502,190
Central Office and Shared Services	\$68,802	\$68,802
Learning Network of Minnesota	\$8,230	\$8,230



# Base Budget: University of Minnesota

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\$ in Thousands	FY2024-25 Base	FY2026-27 Base
Total Base General Fund Appropriation	\$1,378,512	\$1,378,512
O&M Appropriation	\$1,241,636	\$1,241,636
State Special Appropriations	\$138,876	\$138,876
Health Care Access Fund (Non-GF)	\$2,702	\$2,702





# Base Budget: Mayo Clinic

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\$ in Thousands	FY2024-25 Base	FY2026-27 Base
Total Base General Fund Appropriation	\$2,702	\$2,702
Mayo Medical School	\$1,330	\$1,330
Mayo Family and Residency	\$1,372	\$1,372



# Bonding Overview

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- Higher Education Asset Preservation and Replacement (HEAPR)
- Projects must comply with statutory definition of HEAPR.
- Examples of eligible projects:
  - Health and safety code compliance
  - Americans with Disabilities Act requirements
  - Hazards material abatement
  - Air quality improvements



# Bonding Overview (cont'd)

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- General Obligation Bonds
- A security backed by the full faith and credit of the state; the state will levy a property tax, if necessary, to meet its debt service obligations.
- Each bond issue must distinctly specify the purposes and maximum amount of proceeds authorized to be expended for such purposes.
- Bond financed property must be:
  - publicly owned;
  - constitute a capital expenditure; and
  - for a public purpose.
- Requires super majority of each legislative body.



# Contact Information

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