Reducing administrative costs

Commitment: $90 million over 6 years

Ahead of schedule: $36 million in first two years
# Top Public Research University In 9 Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>U ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Research</td>
<td>8</td>
</tr>
<tr>
<td>Federal Research</td>
<td>9</td>
</tr>
<tr>
<td>Endowment Assets</td>
<td>7</td>
</tr>
<tr>
<td>Annual Giving</td>
<td>10</td>
</tr>
<tr>
<td>National Academy Members</td>
<td>12</td>
</tr>
<tr>
<td>Faculty Awards</td>
<td>5</td>
</tr>
<tr>
<td>Doctorates Granted</td>
<td>7</td>
</tr>
<tr>
<td>Postdoctoral Appointees</td>
<td>14</td>
</tr>
<tr>
<td>SAT/ACT scores</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Center for Measuring University Performance, 2015, Arizona State University
Legislative Budget Request Goals

• Affordability and Access
  – Provide qualified students access to an affordable University education

• Facility Condition Improvement Strategy
  – Modern educational and research facilities

• Healthy Minnesota
  – Improve the health of Minnesotans through research, clinical services, and innovative programs

• Vibrant Communities
  – Minnesota communities with economic development opportunities
Affordability and Access

Vision

Hold down higher education costs and promote access for qualified Minnesota students and families

- Continue partnership with the state to pause resident tuition rates for all Minnesota students for another two years

Request

Incremental over prior year | FY16 | FY17
---|---|---
Undergraduate Freeze | $13.8M | $14.2M
Grad/Professional Freeze | $7.7M | $8.0M
TOTAL | $21.5M | $22.2M
Holds down the total burden on approximately 53,000 students and families by $65 million for the biennium

- Incoming freshman savings (varies by campus):
  - $2,100 - $2,600 over four years

- Graduate and professional student savings (examples – varies by program):
  - $1,600 over two year master’s degree
  - $5,000 over four year degree program (Medicine)

Holds down debt burden for students who borrow – 10% decrease for undergraduates who would have otherwise borrowed the full increase
State investment and tuition revenue per degree seeking student constant 1997 dollars

Inflation index: Higher Education Price Index, 2% assumed inflation in 2015.
Source: Commonfund, https://www.commonfund.org/CommonfundInstitute/HEPI/
Facility Condition Improvement Strategy

Vision

• Reduce long-term maintenance costs, resulting in future budget savings for the University and the State of Minnesota
• Provide a predictable source of funding to improve multi-year planning and execution of facility repair and renewal projects on the University’s five campuses

Request

*Incremental over prior year*

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.0M</td>
<td>$5.0M</td>
<td></td>
</tr>
</tbody>
</table>
Healthy Minnesota

Vision
Ensure Minnesota remains one of the healthiest states in the nation, with top ranked health programs, by:

• Training the next generation of health care professionals to serve Minnesota’s aging and diverse population

• More effectively serving Greater Minnesota and other under-served communities

• Making life saving discoveries, promoting health and finding cures for conditions ailing Minnesotans

Request

<table>
<thead>
<tr>
<th>Incremental over prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
</tr>
<tr>
<td>$7.5M</td>
</tr>
</tbody>
</table>
Governor’s Budget Proposal

- Medical Discovery Teams
  - 50 new tenure-track faculty over 8 years to address the state’s most pressing health concerns
  - Target for top 20 ranking in NIH funding in 8 years
- Clinical Research Infrastructure Investment
- Investment in physician training programs that benefit rural, underserved communities (Rural Physician Associate Program, MetroPAP, Duluth)

Incremental over prior year

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5M</td>
<td>$20M</td>
<td></td>
</tr>
</tbody>
</table>
Healthy Minnesota – Outcomes

- Minnesota’s most acute health work force shortages will be addressed and more providers in underserved communities
- New treatments and cures
- Increased diversity of Minnesota’s health professional workforce
- Equitable access across the state to evidence-based health information
Vibrant Communities

Vision

Ensure Minnesota has strong urban and rural communities by creating economic development opportunities through research

- Address challenges associated with mineral extraction
- Reduce disparities and enhance the vitality of communities statewide

Request

<table>
<thead>
<tr>
<th>Incremental over prior year</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Solutions</td>
<td>$1.75M</td>
<td>$2.75M</td>
</tr>
<tr>
<td>Vital Communities</td>
<td>$1.75M</td>
<td>$2.75M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3.5M</td>
<td>$5.5M</td>
</tr>
</tbody>
</table>
Mining Solutions

Conduct basic and applied research that encompasses the entire mining lifecycle.

• Develop answers to environmental, health and safety questions associated with mineral extraction
• Develop a repository of specimens to increase knowledge and make information more accessible to the public and industry
• Bring together mining and remediation industries, state agencies and researchers to improve mineral extraction sustainability

Vital Communities

The University will promote economic prosperity for Minnesota’s rural and urban communities

• Identify and prioritize critical issues for individual communities and/or populations
• Develop research- and evidence-based solutions
• Spread best practices statewide through Extension, campuses and other outreach
Vibrant Communities – Outcomes

Mining Solutions

• Address negative impacts of mining on the environment
• New systems developed to derive valuable products from waste materials

Vital Communities

• Critical issues, such as reducing the achievement gap, improving nutrition, and enable immigrant communities, are addressed
• Quality of life across Minnesota is improved
• Increased external research support and funding is leveraged for Minnesota
• Quality of undergraduate education is improved through experiential learning and community immersion
## Biennial Budget Request
### FY2016 - 2017

**Incremental over prior year**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Freeze</td>
<td>$21.5M</td>
<td>$22.2M</td>
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<tr>
<td>Facility Condition Improvement Strategy</td>
<td>$5.0M</td>
<td>$5.0M</td>
</tr>
<tr>
<td>Healthy Minnesota</td>
<td>$7.5M</td>
<td>$10.5M</td>
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<tr>
<td>Governor’s Blue Ribbon Committee</td>
<td>$5.0M</td>
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<tr>
<td>Vibrant Economy</td>
<td>$3.5M</td>
<td>$5.5M</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$42.5M</strong></td>
<td><strong>$63.2M</strong></td>
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**Change to current base – biennial math**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Biennial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning base</td>
<td>$598.9</td>
<td>$598.9</td>
<td>$1,197.8</td>
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<tr>
<td>U of M total request</td>
<td>$ 42.5</td>
<td>$105.7</td>
<td>$ 148.2</td>
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<tr>
<td><strong>Total requested appropriation</strong></td>
<td><strong>$641.4</strong></td>
<td><strong>$704.6</strong></td>
<td><strong>$1,346.0</strong></td>
</tr>
</tbody>
</table>

*(dollars in millions)*
State Appropriations Trend: 2006-2017*
Operations & Maintenance/State Specials
($ in millions)

*Excludes Cigarette Tax, MnCare, and nonrecurring project appropriations
Biennial Budget Request
Benefits our state, students, faculty and staff

- 53,000 students and their families benefit annually from tuition freeze
- Minnesota’s most acute health work force shortages are addressed
- New treatments and cures for chronic conditions are discovered
- Opportunities for mining industry are advanced
- The quality of life for Minnesotans is improved (reduced achievement gap, stronger communities)
- Stable, predictable funding improves facilities, student success and provides long term cost savings
- University excellence is retained through continued partnership with the state, administrative cost reductions, and stewardship of resources