Budget Goals

• Access, Affordability and Academic Excellence
• Operational Excellence And Accountability
University of Minnesota Revenue Sources
All Funds FY17: $3.8 Billion

Fed. Appropriations ($17.7m) - 23.4%
Tuition ($879.3m) - 23.4%
State Support ($650.9m) - 17.3%
Grants, Contracts, Misc. ($349.6m) - 9.3%
ICR ($133.8m) - 3.6%
Internal Sales ($224.1m) - 6.0%
Sales, Fees, & Misc. ($336.4m) - 9.0%
Gift & Endowment ($240.2m) - 6.4%
Auxiliary Enterprises ($349.8m) - 9.3%

Growth over FY16:
1.2%-Non-sponsored
0.0%-Sponsored
University of Minnesota FY17
Available Incremental Resources $44,250,000
(excluding new dedicated appropriation of $900,000)

Tuition
$13,200,000 (FY17 growth)
$4,300,000 (FY16 over budget)
$17,500,000

Unit Resources/Reallocations
61%
39%
$26,750,000
University of Minnesota FY2017
Available Incremental Unit Resources = $26,750,000

- **Unit Level Reallocations** - $22.8 million
  - $2.5m for improvements in HRPP
  - $20.3m for system-wide cost increases/new investments
  - Reductions in positions throughout - primarily through attrition
  - Continued reduction in spending on travel, food, supplies, equipment etc.

- **Other Unit Level Resources** - $4 million
  - Other revenue increases - Indirect Cost Recovery, available gifts, etc.
  - Cancellation of prior allocations
Tuition and Fees – FY17 Highlights

1) Resident Undergraduate Rates – Approximately 20,000 students will see no increase in tuition:
   o 0% rate increase for resident undergraduates – Crookston, Duluth, Morris, Rochester campuses
   o 2.5% rate increase for resident undergraduates – Twin Cities campus (coupled with increases in Promise)

2) Differential between resident and nonresident undergraduate rates:
   - $1,550 (7.5%) increase on the Twin Cities Campus – differential becomes $9,664
   - $396 (2.5%) increase on the Duluth Campus – differential becomes $4,346
   - re-instatement of a separate NRNR rate on the Morris campus – differential becomes $2,000
   - Crookston and Rochester Campuses - nonresident = resident

3) Aligning graduate and professional tuition rates with market conditions and peer institutions
   - general resident graduate rate increase of 2.5%; some vary
   - resident rate for professional programs vary from 0% - 3.5%
   - NRNR rate increases generally 2.5%; some vary

4) Campus/Collegiate, course and miscellaneous fee increases minimized

<table>
<thead>
<tr>
<th>Resident undergraduate tuition and required fee changes:</th>
<th>Crookston</th>
<th>+.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Duluth</td>
<td>+.4%</td>
</tr>
<tr>
<td></td>
<td>Morris</td>
<td>+0.0%</td>
</tr>
<tr>
<td></td>
<td>Rochester</td>
<td>+0.0%</td>
</tr>
<tr>
<td></td>
<td>Twin Cities</td>
<td>+2.5%</td>
</tr>
</tbody>
</table>
Student Aid Changes – FY17 – Pell Grants, MN State Grant & U Promise

• **Federal Pell Grant**  - Increase award by $40 for most recipients; increase maximum to $5,815 per year

• **Minnesota State Grant Program** – Eligible full-time students will receive award increases between $260 - $420 based on financial need (approximately $246 is related to formula adjustments in the “living & miscellaneous expense” component)

• **U Promise** –
  1) Award increases of $134 for Twin Cities students that qualify for Minnesota State Grant program and $306 for those unlikely to qualify, with the intent of completely offsetting the 2.5% tuition increase for all Minnesota resident undergraduates that qualify for the U Promise program.
  2) Creation of a new middle income tier for all campuses - awards going to students from families with adjusted gross income from $100,000 to $120,000
about 20,000 resident undergraduates will see no increase in tuition as a result of the student aid changes and holding tuition flat at UMC, UMD, UMM & UMR
## Minnesota Resident Tuition Rate History

<table>
<thead>
<tr>
<th>Campus</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17 (proposed)</th>
<th>Average annual increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twin Cities</td>
<td>$12,060</td>
<td>$12,060</td>
<td>$12,060</td>
<td>$12,240</td>
<td>$12,546</td>
<td>1.0%</td>
</tr>
<tr>
<td>Duluth</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,896</td>
<td>$11,896</td>
<td>0.4%</td>
</tr>
<tr>
<td>Morris</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,896</td>
<td>$11,896</td>
<td>0.4%</td>
</tr>
<tr>
<td>Rochester</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,896</td>
<td>$11,896</td>
<td>0.4%</td>
</tr>
<tr>
<td>Crookston</td>
<td>$10,030</td>
<td>$10,030</td>
<td>$10,030</td>
<td>$10,180</td>
<td>$10,180</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gift aid increases (Pell, MSG, &amp; Promise)</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17 (proposed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in need-based gift aid for those that qualify</td>
<td>+$830</td>
<td>+$510</td>
<td>+$232</td>
<td>+$553</td>
<td></td>
</tr>
</tbody>
</table>
## Changes to the President’s Recommended FY17 Operating Budget

### Non-resident Non-reciprocity Tuition Rate Increase (TC campus) Less than at time of Budget Review
- change rate increase from 9.9% to 7.5% - differential will be $9,664 ($490 less than at Budget Review)
- estimated reduction to planned revenues of $550,000 spread across colleges

### O&M Appropriation $900,000 More than at time of Budget Review (2016 Legislative Session)

1) Health Training Restoration
   - Allocated to: Medical School $660,000
   - School of Dentistry $140,000
   - Total $800,000 recurring

2) Rochester Campus Collegiate Recovery Program
   - Total $100,000 one-time

Total $900,000

### Allocation from Central Reserves More than at time of Budget Review
- add a $478,000 allocation from Central Reserves for estimated FY17 payment to state – interest earned on balance of unspent LCCMR appropriations as of February 11, 2016

### Plus – LCCMR Projects and Six Agency Transfers:
- LCCMR multi-year project appropriations – considered “sponsored” $14,663,000 one-time
- State Agency transfers to the U (mining, Forever Green, 2-VDL, wild rice & potato breeding) $5,283,000 one-time
2017-19 Biennial Budget Development

- **MMB Budget Instructions - Develop U of M conceptual framework**
- **Initiative write ups & themes/measures for October BOR approval**
- **Present Biennial Request to Board of Regents Review**
- **Present Biennial Request to Board of Regents Approval – Submit To MMB**
- **Governor’s Higher Education funding decisions**

- **Potential Request Framework:**
  - MnDRIVE
  - Investing in Student Success
  - Core Mission Support

- **Timeline:**
  - **July:** U of M Preliminary Budget Framework
  - **August – September:** FY2018 Budget
  - **September:** FY2019 Budget
  - **October:** Present Biennial Request to Board of Regents Review
  - **November/December:** Present Biennial Request to Board of Regents Approval – Submit To MMB
REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

THE FISCAL YEAR 2016-17 ANNUAL OPERATING BUDGET

WHEREAS, the University of Minnesota as the state’s public, land grant university is charged with the responsibility to pursue knowledge and help apply that knowledge through research and discovery, teaching and learning, and outreach & public service; and

WHEREAS, the State of Minnesota, through its legislative and executive branches, has appropriated $626,449,000 in state general fund monies for fiscal year 2016-17 to the University of Minnesota, which includes an increase over fiscal year 2015-16 of $900,000, for the pursuit of its mission and in support of our goals and objectives; and

WHEREAS, the University of Minnesota is committed to achieving standards of national and international excellence; and

WHEREAS, the future of the University is premised on partnerships within the University community of faculty, staff and students, with the State of Minnesota, other educational institutions, business and industry, University alumni, local communities, and the citizens of Minnesota;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the University of Minnesota Fiscal Year 2016-17 Annual Operating Budget as follows:

The Fiscal Year 2016-17 Annual Operating Budget approved by the Board of Regents includes the following attachments from the President’s Recommended FY17 Operating Budget:

Attachment 3 Resource and Expenditure Budget Plan (University Fiscal Page) - REVISED
Attachment 6 University of Minnesota 2016-17 Tuition Plan: Tuition Rates - REVISED
Attachment 8 University of Minnesota 2016-17 Tuition Plan: Course/Class Fees
Attachment 9 University of Minnesota 2016-17 Tuition Plan: Miscellaneous Fees
Attachment 10 University of Minnesota 2016-17 Tuition Plan: Academic Fees
Attachment 11 University of Minnesota 2016-17 Student Services Fees - REVISED
Attachment 12 Fund Forecast - Centrally Distributed and Attributed Funds - REVISED