

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>Environment &amp; Natural Resource</b>					
Current Appropriation	0	0	0	0	0
<b>Recommended</b>	<b>0</b>	<b>0</b>	<b>469</b>	<b>469</b>	<b>938</b>
Change		0	469	469	938
% Biennial Change from 2004-05					n.m.
<b>Mnscu General Fund</b>					
Current Appropriation	560,881	547,694	547,694	547,694	1,095,388
<b>Recommended</b>	<b>560,881</b>	<b>547,694</b>	<b>602,994</b>	<b>599,894</b>	<b>1,202,888</b>
Change		0	55,300	52,200	107,500
% Biennial Change from 2004-05					8.5%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	0	0	469	469	938
Mnscu General Fund	559,631	546,444	602,994	599,894	1,202,888
<b>Statutory Appropriations</b>					
Mnscu General Fund	532,791	651,687	645,569	672,056	1,317,625
Mnscu Special Revenue	11,253	12,328	11,635	11,635	23,270
Mnscu Federal Fund	47,171	46,859	46,743	46,743	93,486
Mnscu Agency Fund	22,449	22,468	22,441	22,441	44,882
Mnscu Gift Fund	720	540	500	500	1,000
Sub Supplemental & Ira Retire	795	1,251	1,114	1,114	2,228
Mnscu Enterprise Activities	7,149	8,523	8,253	8,253	16,506
Mnscu Endowment Fund	6	5	5	5	10
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Program</u></b>					
Mn State Colleges & Univer	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>

STATE COLLEGES & UNIVERSITIES

Change Summary

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
<b>Fund: ENVIRONMENT &amp; NATURAL RESOURCE</b>				
FY 2005 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
<b>Change Items</b>				
LCMR Projects	0	469	469	938
<b>Total Governor's Recommendations</b>	<b>0</b>	<b>469</b>	<b>469</b>	<b>938</b>
<b>Fund: MNSCU GENERAL FUND</b>				
FY 2005 Appropriations	547,694	547,694	547,694	1,095,388
<b>Technical Adjustments</b>				
November Forecast Adjustment		94,800	36,000	130,800
Subtotal - Forecast Base	547,694	642,494	583,694	1,226,188
<b>Change Items</b>				
Enrollment Adjustment	0	(94,800)	(36,000)	(130,800)
Allocation Framework	0	25,000	25,000	50,000
Centers of Excellence	0	10,000	10,000	20,000
Competitive Salaries	0	2,500	2,500	5,000
MN Online	0	9,000	5,000	14,000
Nursing	0	4,800	5,200	10,000
Innovations Fund	0	2,500	3,000	5,500
Farm & Small Business Management	0	1,500	1,500	3,000
<b>Total Governor's Recommendations</b>	<b>547,694</b>	<b>602,994</b>	<b>599,894</b>	<b>1,202,888</b>
<b>Fund: MNSCU GENERAL FUND</b>				
Planned Statutory Spending	651,687	645,569	672,056	1,317,625
<b>Total Governor's Recommendations</b>	<b>651,687</b>	<b>645,569</b>	<b>672,056</b>	<b>1,317,625</b>
<b>Fund: MNSCU SPECIAL REVENUE</b>				
Planned Statutory Spending	12,328	11,635	11,635	23,270
<b>Total Governor's Recommendations</b>	<b>12,328</b>	<b>11,635</b>	<b>11,635</b>	<b>23,270</b>
<b>Fund: MNSCU FEDERAL FUND</b>				
Planned Statutory Spending	46,859	46,743	46,743	93,486
<b>Total Governor's Recommendations</b>	<b>46,859</b>	<b>46,743</b>	<b>46,743</b>	<b>93,486</b>
<b>Fund: MNSCU AGENCY FUND</b>				
Planned Statutory Spending	22,468	22,441	22,441	44,882
<b>Total Governor's Recommendations</b>	<b>22,468</b>	<b>22,441</b>	<b>22,441</b>	<b>44,882</b>
<b>Fund: MNSCU GIFT FUND</b>				
Planned Statutory Spending	540	500	500	1,000
<b>Total Governor's Recommendations</b>	<b>540</b>	<b>500</b>	<b>500</b>	<b>1,000</b>
<b>Fund: SUB SUPPLEMENTAL &amp; IRA RETIRE</b>				
Planned Statutory Spending	1,251	1,114	1,114	2,228
<b>Total Governor's Recommendations</b>	<b>1,251</b>	<b>1,114</b>	<b>1,114</b>	<b>2,228</b>
<b>Fund: MNSCU ENTERPRISE ACTIVITIES</b>				
Planned Statutory Spending	8,523	8,253	8,253	16,506
<b>Total Governor's Recommendations</b>	<b>8,523</b>	<b>8,253</b>	<b>8,253</b>	<b>16,506</b>
<b>Fund: MNSCU ENDOWMENT FUND</b>				
Planned Statutory Spending	5	5	5	10
<b>Total Governor's Recommendations</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>10</b>

# STATE COLLEGES & UNIVERSITIES

## Change Item: Enrollment Adjustment

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures: New Initiatives	\$55,300	\$52,200	\$52,200	\$52,200
Expenditures: Enrollment Adjust.	(94,800)	(36,000)	(36,000)	(36,000)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	(\$39,500)	\$16,200	\$16,200	\$16,200

### Recommendation

The Governor recommends that the MnSCU system's General Fund appropriation be increased by a total of \$107.5 million for the specific initiatives that are focused on the system's priorities for the future and that are detailed in the Change Item pages that follow. The Governor's recommendations are designed to give the MnSCU system the new funding it needs to provide Minnesotans with a high quality, efficient and accessible system of public postsecondary education. The Governor's recommendations support excellence, access and accountability in higher education.

The Governor concurs with many of the recommendations of the Citizens League Higher Education Study Committee that were released last fall. The Governor is particularly interested in bringing greater clarity, focus and differentiation to the individual missions of Minnesota's public colleges and universities. With these budget recommendations the Governor is focusing his support on the future priorities of the MnSCU system. The Governor supports the State Colleges and Universities' critical role in Minnesotans' postsecondary education, whether they are seeking to begin a career, to advance in their chosen career, or to retrain for a new career opportunity. The Governor's recommendations include new funding for MnSCU to accelerate the development of centers of excellence within its system. They also provide resources needed: to reinvest in its member colleges and universities; to continue to advance online learning; to meet critical state needs for postsecondary education; and to respond to changing workforce needs in innovative ways.

The Governor also recommends a reduction of \$94.8 million in FY2006 and \$36 million in FY2007 to the State Colleges and Universities (MnSCU) system's enrollment adjusted base funding.

### Background

Under Minnesota Statutes section 135A.031, the State Colleges and Universities' instructional services base (which is related to, but not equivalent to, its appropriated biennial base of \$1.1 billion) was increased in the November 2004 forecast by \$130.8 million. This increase is the result of adjusting the State Colleges and Universities' instructional services base for one-time and recurring increases in enrollment from 2003 through 2005.

The enrollment adjustment provision requires the state to pay a specified percentage of the MnSCU system's instructional costs. Because higher education enrollment numbers are only updated once (in the November forecast before setting the next biennial budget), part of the recognized enrollment adjustment is one-time funding to correct past misestimates of enrollment that have occurred since the previous biennial budget was set. The other part is ongoing base adjustments from enrollment changes that move forward into the new biennium. MnSCU's \$130.8 million total adjustment is comprised of \$58.8 million in one-time adjustments and an ongoing adjustment to the base of \$36 million per year.

The Governor is concerned that the enrollment adjustment statute, which was enacted in 1994, unnecessarily limits the state's ability to provide new funding to the MnSCU system that directly supports MnSCU's own identified priorities and statutory mission. In the ten years since the enrollment adjustment was enacted much has changed in the way the state's budget priorities are set and funded. Rather than support this input-based funding matrix, the Governor is recommending that MnSCU's adjusted base appropriation for maintenance and operations be reduced by \$130.8 million, an amount which offsets the enrollment adjustment that was recognized in the November forecast. Instead, the Governor recommends that MnSCU's General Fund appropriation be

increased by a total of \$107.5 million for the specific initiatives that are focused on the system's priorities for the future and that are detailed in the following Change Item pages.

With the goal of updating the enrollment formula to a more appropriate and relevant model, the Governor recommends that the public postsecondary education funding statutes be revised. The Governor will direct the Higher Education Services Office to convene a stakeholder group to review issues and offer a recommendation that will better meet the state's needs.

**Relationship to Base Budget**

Overall the Governor's \$107.5 million package of new initiatives at the State Colleges and Universities system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

**Statutory Change:** Minnesota Statutes, sections 135A.01 to 135A.034

# STATE COLLEGES & UNIVERSITIES

## Change Item: Allocation Framework

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$25,000	\$25,000	\$25,000	\$25,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$25,000	\$25,000	\$25,000	\$25,000

### Recommendation

The Governor recommends an appropriation of \$25 million in FY 2006 and \$25 million in FY 2007 from the General Fund to distribute to MnSCU's member institutions, in order to fully implement MnSCU's adopted allocation framework.

### Background

In 1999, the MnSCU Board of Trustees adopted a vision for its allocation framework (the method the board uses to allocate the state appropriations out to its member institutions). That vision is for *"a single model which equitably recognizes the diversity of MnSCU students' needs and adequately supports the unique educational goals of each institution."* By 2002 the board had developed and partially implemented its allocation framework. However, the board has stopped short of full implementation because of the state's recent budget challenges. These challenges did not allow for the levels of new funding that the board feels is needed to fully implement the allocation framework and still enable the board to provide transition funding to mitigate significant changes in funding levels that specific campuses would otherwise experience under full implementation.

The Governor's recommended increase of \$50 million gives the Board of Trustees the new resources it needs to fully implement its adopted allocation framework. The Governor's recommendation recognizes that in order for the MnSCU system to respond to the state's changing needs for higher education it must be able to move away from the requirements of past institutionalized financing structures, so that it can focus on priorities that reflect and support the future of the state's largest higher education system—access, collaboration and quality.

### Relationship to Base Budget

This \$50 million initiative represents 46.5% of the Governor's proposed \$107.5 million increase in state operational funding for the MnSCU system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

# STATE COLLEGES & UNIVERSITIES

## Change Item: Centers of Excellence

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$10,000	\$10,000	\$10,000	\$10,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$10,000	\$10,000	\$10,000	\$10,000

### Recommendation

The Governor recommends an increase of \$10 million in FY 2006 and \$10 million in FY 2007 from the General Fund for the MnSCU system to create and support up to eight distinct programs of excellence in these fields: manufacturing technology; science/engineering; health care; information technology; business; and teacher education.

Under this recommendation the system will establish focused post-secondary programs of excellence at selected MnSCU institutions. By establishing flagship programs in general areas of study, Minnesota will:

- ◆ provide its students with educational and economic opportunities equal to the best in the world;
- ◆ attract students, faculty, talent and jobs from outside Minnesota;
- ◆ leverage external support from employers and other organizations;
- ◆ build a more strategic educational system in Greater Minnesota, and
- ◆ help Minnesota ensure its stature as a leader and innovator in education.

The MnSCU Board of Trustees will use a competitive proposal process to select at least four and up to eight programs of excellence. Programs of excellence must include one state university and up to two two-year state college partners with a single lead campus named.

Selected programs will use the funds to pay for teaching and learning equipment, resources, planning and general capacity building for their programs. (The Governor has a related recommendation that provides funding for competitive salaries at these programs of excellence.)

### Background

For Minnesota to emerge a leader in today's highly competitive economic and educational environment, it must focus its resources more precisely in key areas. Current state and system funding models provide incentives for every state college and university to open their doors to as many students as possible. While this fosters access and brings about competition among institutions, it limits the ability of a few exceptional programs to emerge that will beckon high-achieving students, jobs and teaching talent from across the state, region and country.

### Relationship to Base Budget

This \$20 million initiative represents 18.6% of the Governor's proposed \$107.5 million increase in state operational funding for the Minnesota State Colleges and Universities system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

### Key Measures

The Minnesota State Colleges and Universities Board of Trustees will select programs based on the following measures:

- ◆ Annual data: Submit data on the program's enrollment, student demographics, external support, graduate outcomes and employer involvement to the Board of Trustees and the Legislature.
- ◆ Comprehensive academic plan: A seamless academic continuum including areas of academic emphasis plus program options for associate, baccalaureate, graduate degree programming and customized training for employers.

- ◆ Employer commitments: A demonstrated commitment equal to or greater than the state's commitment on the part of employers or other organizations external to the MnSCU system in the form of cash contributions, equipment, employee and student exchanges, scholarships or other relevant support.
- ◆ Endowment growth: Creation and growth of a program endowment at the lead campus.
- ◆ External advice: Creation of an ongoing external advisory group representing local, statewide and national leaders in the field.
- ◆ Development and proof of best-in-class program stature: A description of how the institution will explore best-in-class programs and seek out expertise to develop and sustain a world-class program. Proof of progress.
- ◆ Institutional commitment: Demonstration that the entire institution (or institutions) support the proposal, that designated funding will not "replace" existing dollars on campus, and that the institution (or institutions) are willing to contribute to the program's success.
- ◆ Budget, tuition, admissions, enrollment and staffing plan. (Note: The Board of Trustees will grant tuition and admissions criteria waivers to programs as needed.)

Selected programs will be required to submit a satisfactory five-year plan and annual progress reports to the Board of Trustees and the Legislature, beginning in 2006.

**Statutory Change:** Minnesota Statutes, section 136F.30 [Courses and Programs]

# STATE COLLEGES & UNIVERSITIES

## Change Item: Competitive Salaries

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$2,500	\$2,500	\$2,500	\$2,500
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$2,500	\$2,500	\$2,500	\$2,500

### Recommendation

The Governor recommends an increase of \$2.5 million in FY 2006 and \$2.5 million in FY 2007 from the General Fund to the MnSCU system for competitive salaries and salary supplements for faculty and staff at campuses with a program designated by the Board of Trustees as a program of excellence.

### Background

The Governor concurs with the Board of Trustees' goal of encouraging excellence from its faculty and staff. It is particularly important for the board to have the ability and resources to encourage and reward the efforts and outcomes of the faculty and staff connected to the State Colleges and Universities' designated programs of excellence. This recommendation allows the board to use selective adjustments and discretionary or incentive payments to attract and retain the high caliber faculty and staff that are an integral part of "best-in-class" programs of excellence. This initiative supports the goal of increasing faculty retention and/or hiring in areas related to the designated programs of excellence.

### Relationship to Base Budget

This \$5 million initiative represents 4.7% of the Governor's proposed \$107.5 million increase in state operational funding for the Minnesota State Colleges and Universities system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.



# STATE COLLEGES & UNIVERSITIES

Change Item: MN Online

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$9,000	\$5,000	\$5,000	\$5,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$9,000	\$5,000	\$5,000	\$5,000

## Recommendation

The Governor recommends an increase of \$9 million in FY 2006 and \$5 million in FY 2007, in a combination of both one-time and ongoing funding, from the General Fund to strengthen existing online services for students and faculty at campuses throughout the MnSCU system.

## Background

The State Colleges and Universities system has made important strides in developing its online learning capacity. Through **Minnesota Online** MnSCU institutions now offer more than 80 programs completely or predominantly online, and more than 3,500 course sections. In the past year over 25,000 students took at least one online course. The Governor's recommended funding will allow the system to continue to expand the depth and breadth of its online offerings.

This recommendation is for \$4 million of one-time funding in FY 2006 only, and \$5 million in each year of the FY 2006-07 biennium to fund ongoing investments in the Minnesota Online program. MnSCU will be able to strengthen and expand e-learning opportunities by: expanding tutoring and training services; enhancing and improving Call Center and other technical support; creating online programs in areas of strategic state needs; and promoting collaboration between institutions and among faculty.

## Relationship to Base Budget

This \$14 million initiative represents 13% of the Governor's proposed \$107.5 million increase in state operational funding for the Minnesota State Colleges and Universities system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

# STATE COLLEGES & UNIVERSITIES

Change Item: Nursing

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$4,800	\$5,200	\$5,200	\$5,200
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$4,800	\$5,200	\$5,200	\$5,200

## Recommendation

The Governor recommends an increase of \$4.8 million in FY 2006 and \$5.2 million in FY 2007 from the General Fund to provide the full requested amount of funding for MnSCU's initiative to meet critical state needs in nursing by increasing capacity for training nurses.

## Background

The state of Minnesota continues to face and respond to shortages of nurses within the next decade. The state needs more nurses at all levels of professional preparation. The Governor supports MnSCU's proposed initiative to meet critical state needs in nursing education through a variety of means:

- ◆ By increasing enrollment in registered nurse programs;
- ◆ By expanding licensed practical nurse programs where there are shortages;
- ◆ By recruiting more nursing faculty; and
- ◆ By expanding distance learning in nursing and healthcare

## Relationship to Base Budget

This \$10 million initiative represents 9.3% of the Governor's proposed \$107.5 million increase in state operational funding for the MnSCU system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

# STATE COLLEGES & UNIVERSITIES

Change Item: Innovations Fund

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$2,500	\$3,000	\$3,000	\$3,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$2,500	\$3,000	\$3,000	\$3,000

## Recommendation

The Governor recommends appropriating \$2.5 million in FY 2006 and \$3 million in FY 2007 from the General Fund to provide the full requested amount of funding to MnSCU for their Innovations Fund initiative.

## Background

The Innovations Fund will provide resources for the MnSCU system to decrease time to market delivery of new programs and curricula to meet critical business, industry and community needs. This program will provide seed funds, triggered on a matching basis by partner organizations, for the design and development of emerging programs and curricula, and for equipment acquisition and services development.

## Relationship to Base Budget

This \$5.5 million initiative represents 5.1% of the Governor's proposed \$107.5 million increase in state operational funding for the MnSCU system for the FY 2006-07 biennium. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

**STATE COLLEGES & UNIVERSITIES**

Change Item: Farm &amp; Small Business Management

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$1,500	\$1,500	\$1,500	\$1,500
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,500	\$1,500	\$1,500	\$1,500

**Recommendation**

The Governor recommends an increase of \$1.5 million in FY 2006 and \$1.5 million in FY 2007 from the General Fund to provide the full requested amount of funding for MnSCU's initiative to address needs in agriculture and small business management education.

**Background**

Management education programs provide education to a student population that is unable to participate in the traditional higher education format. Students in this program currently own or manage a farm or small business on a full-time basis. Because the farm and small business community is a critical factor in the health of Greater Minnesota, the MnSCU system has found that it is important that these entrepreneurs have access to education that is primarily provided through individualized instruction offered at varying times and locations. The individualized format enables these students to directly apply the knowledge they gain to their businesses and also allows them to continue to commit the time needed for the success of their business. The recommended new funding will enable the MnSCU institutions to provide financial support to these students and also provide additional funds for colleges to support the necessary, individualized delivery of management education at a lower student-to-faculty ratio. As a result, this initiative will improve the ability of MnSCU institutions to serve the management education needs of farm and small business owners.

**Relationship to Base Budget**

The \$3 million represents 2.8% of the Governor's proposed \$107.5 million increase in state operational funding for the MnSCU system. Overall the Governor's \$107.5 million package of new initiatives at the MnSCU system will result in an 8.5% increase over MnSCU's appropriated amounts for the FY 2004-05 biennium.

# STATE COLLEGES & UNIVERSITIES

Change Item: LCMR Projects

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$469	\$469	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$469	\$469	0	0

## Recommendation

The projects recommended by the Legislative Commission on Minnesota Resources (LCMR) are displayed as part of the State Colleges and Universities' biennial budget request. The Governor is not making specific recommendation on these projects.

## Background

1. Improving water quality on the central sands - \$587,500  
(Central Lakes College – Agricultural Center)
2. Bio-conversion of potato waste into marketable biopolymers - \$350,000  
(Bemidji State University – CEES)

## Relationship to Base Budget

Project funding is available for FY 2006-07.

## Key Measures

See individual project proposals. Also see the LCMR web site at <http://www.lcmr.leg.mn.us/lcmr.htm>

# Minnesota State Colleges and Universities 2006 – 07 Biennial Budget Request

# STATE COLLEGES & UNIVERSITIES

Agency Change Item: Nursing

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$4,800	\$5,200	\$5,200	\$5,200
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$4,800	\$5,200	\$5,200	\$5,200

## Request

Minnesota State Colleges and Universities requests \$4.8 million in FY 2006 and \$5.2 million in FY 2007 for nursing education.

## Background

Minnesota, like many states, faces a severe shortage of nurses in the next five to 10 years. Shortages of licensed practical nurses pose a significant problem for long-term care facilities. The funding would increase capacity for training nurses, add innovative ways to educate nurses in a timely manner and build strategic partnerships in the healthcare industry.

The objective is to increase the number of nursing graduates in the Minnesota State Colleges and Universities System by 40% by 2008. This will include nurses at all levels of professional preparation through the master's degree, including qualified nurse faculty in order to expand our teaching and clinical capacities.

- ◆ Increase enrollment to produce 440 more registered nurses by 2008.
- ◆ Expand practical nursing programs where shortages exist.
- ◆ Recruit 40 nursing faculty to seek advanced degrees in nursing education by offering a \$10,000 tuition forgiveness program for those willing to teach at a state college or university.
- ◆ Use new technology to expand distance learning in nursing and health care.

**Partners:** Health care employers and associations representing hospitals and long-term care and assisted living facilities, Minnesota Nurses Association, Minnesota Association of Colleges of Nursing

More nurses and health care workers will ease the pending shortages and ensure that the state remains attractive to businesses.

### Expand Nursing Enrollment and Nurse Educator Programs:

Expand the system's enrollment in registered nursing programs (\$4.4 million);  
 Support practical nursing programs in regions of high need (\$500,000);  
 Address the shortage of nursing faculty (\$500,000)

### Healthcare Education Simulation Equipment and Digital Learning Library:

Provide learning opportunities for students using simulation equipment (\$600,000) – matched 1:1 with industry contributions  
 Development of "digital library" of learning scenarios for use with simulation equipment (\$500,000)

### Nursing Online:

Phase I: Planning and design (\$55,000)  
 Phase II: Development of RN nursing pathway (MCTC model) on line (\$500,000); development of clinical education system (\$100,000); iSEEK healthcare channel (\$50,000)  
 Phase III: Scaled to serve 400 students (\$2.095 million)

### Strategic Partnerships:

Support for collaborative nursing program development (\$200,000)  
 Biomedical and allied health (laboratory/radiology) curriculum development (\$200,000)  
 Support for the Healthcare Education Industry Partnership (\$300,000)

**Relationship to Base Budget**

Minnesota State Colleges and Universities spent approximately \$50 million in nurse education in FY 2003. The request of \$4.8 million in FY 2006 represents an approximate increase of 9% over this base.

**Key Measures**

Increase the number of nursing graduates in the Minnesota State Colleges and Universities System by 40% by 2008.



# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Teacher Education

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$1,500	\$1,500	\$1,500	\$1,500
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,500	\$1,500	\$1,500	\$1,500

### Request

Minnesota State Colleges and Universities requests \$1.5 million in FY 2006 and \$1.5 million in FY 2007 for teacher education initiatives.

### Background

The Teaching Commission, in its report, *Teaching at Risk: A Call to Action*, said, "Nothing is more vital to our future than ensuring that we attract and retain the best teachers in our public schools." To that end, the Minnesota State Colleges and Universities system is establishing a Teacher Center that will advance opportunities for the professional growth and development of educators throughout the state and throughout their careers, using both face-to-face and online programs and services. Through strengthened collaboration among the seven state universities and, as appropriate, with two-year colleges, and with close ties with practitioners in the field, the center will enable the system and its institutions to maximize the efficiency and effectiveness of the programs and services it offers to the state's teachers, administrators and school districts. It will also support "quick response" program and service changes or additions based on continuous assessment of customer needs.

Specifically, the Teacher Center will work in partnership with P-12 schools to provide:

- ◆ Mentoring and induction programs designed to improve the performance and retention of new teachers;
- ◆ Research-based solutions and models to meet educator, district, and state needs in critical areas;
- ◆ Expanded alternative or accelerated pathways to certification in high need areas, particularly for adults holding baccalaureate degrees and wishing to become licensed teachers; and
- ◆ A WEB-based clearinghouse for information about teacher education programs, services and resources in the system.

The Center was established in early FY 2005 with modest initiative funding of approximately \$200,000, the reallocation of matching internal Office of the Chancellor funds, and the reallocation of staff resource by each state university to support a part-time campus teacher center coordinator. The FY 2006-07 budget request of \$1.5 million per year would enable the system to fully implement an array of programs and services designed to ensure that Minnesota has an adequate supply of highly qualified teachers and administrators. Nonstate funding sources are being sought as well.

### Relationship to Base Budget

Minnesota State Colleges and Universities spent approximately \$43 million in teacher education in FY 2003. The request of \$1.5 million in FY 2006 represents an approximate increase of 4% over this base.

### Key Measures

- ⇒ Develop, improve, and promote flexible pathways to achieve licensure in high-demand fields.
- ⇒ Increase the number of teachers receiving certification through accelerated pathways.
- ⇒ Increase the numbers of prospective and practicing teachers and administrators who obtain information about available programs and services through new WEB-based and print tools.
- ⇒ Increase the retention of teachers in schools and districts participating in system-developed induction and mentoring programs.

- ⇒ Increase the number and quality of professional development opportunities that are readily available to educators throughout the state and targeted to needs identified in collaboration with teachers and administrators.

# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Farm & Small Business Management

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$1,500	\$1,500	\$1,500	\$1,500
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,500	\$1,500	\$1,500	\$1,500

### Request

Minnesota State Colleges and Universities requests \$1.5 million in FY 2006 and \$1.5 million in FY 2007 for farm and small business management education programs.

### Background

Management education programs in Minnesota State Colleges and Universities include the following: farm business management, small business management, computerizing small business, lamb and wool management, and specialty crop management.

The specialized delivery method of the management education programs focuses on individualized instruction at varying times and locations. This enables the student to receive timely instruction related to topics that are directly influencing the success of their businesses. These students place a priority on educational experiences that are directly relevant to their business activity.

Management education programs provide education to a student population that is unable to participate in the traditional higher education format. Students in this program currently own or manage a farm or small business on a full-time basis. Because the farm and small business community is a critical factor in the health of Greater Minnesota, it is imperative that these entrepreneurs continue to have access to education in a format that enables direct application to their businesses and allows them to continue to commit the time needed for the success of their business. Even though individualized on-site instruction is the primary delivery method, it is apparent that innovative enhancements to the program are needed.

### Initiatives:

- ◆ Diverse Needs \$200,000  
Funding for new programs and instructors in the diverse needs initiative would serve diverse populations that have not previously participated in management education programs.
- ◆ Student Support \$1,500,000  
The student support initiative will increase the tuition subsidy to students to reflect tuition increases of more than 50% over the last four years.
- ◆ Revenue Coverage to Support Specialized Delivery \$900,000  
The revenue coverage initiative will provide additional funds for colleges to support the necessary, individualized delivery at a lower student-to-faculty ratio.
- ◆ Capacity Building \$100,000  
The capacity-building initiative will support enrollment growth through innovative statewide initiatives designed to improve efficiency, expand delivery and improve quality in meeting the changing needs of students
- ◆ Statewide Collaboration \$300,000  
The statewide collaboration initiative will expand existing and build new collaborative efforts to increase program efficiency, enhance faculty development efforts and secure resources to reach more students.

### Relationship to Base Budget

Half of the request (\$750,000 annually) is student support that helps to offset student tuition. The other half will become part of the institution's base for supporting the educational programs. In FY 2003, the colleges spent approximately \$10 million on the small business and farm business management programs. The \$750,000 request to represents a 7.5% increase to base.

**Key Measures**

Increase the number of farms and small businesses served by the Minnesota State Colleges and Universities.

# STATE COLLEGES & UNIVERSITIES

Agency Change Item: Minnesota Online

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$3,500	\$4,600	\$4,600	\$4,600
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$3,500	\$4,600	\$4,600	\$4,600

## Request

Minnesota State Colleges and Universities requests \$3.5 million in FY 2006 and \$4.6 million in FY 2007 for Minnesota Online.

## Background

The strategic goal of Minnesota Online is to be the trusted provider of choice for high quality e-learning opportunities by expanding access to lifelong learners within Minnesota and throughout the world. For Minnesota, Minnesota Online will be able to respond more rapidly to prepare the skilled employees necessary to accelerate the state's economic growth, offering e-learning opportunities to businesses and emerging key industry sectors like advanced manufacturing, healthcare, biosciences, and others.

**Targeted outcome:** The strategic focus of Minnesota Online is to create the nation's top public online university by 2008, utilizing the resources of the Minnesota State Colleges and Universities System, supplying seamless education and training services offered 24/7, when and where Minnesotans need them.

The state of Minnesota will benefit from increased tax revenue generated by additional economic activity and an enhanced ability to contribute toward the growth of targeted industries. Minnesota taxpayers will benefit from a significantly better return on their investment in workforce development.

Funding for Minnesota Online will:

- ◆ Create critical online programs that meet strategic state needs.
- ◆ Strengthen existing online services by expanding tutoring and training services.
- ◆ Improve the Call Center (student information) support function.
- ◆ Enhance technical support for all online faculty and students 24 hours a day, seven days a week.
- ◆ Develop increased services to corporate clients.
- ◆ Promote collaboration between institutions and between faculty as a means to reduce program duplication.

## Relationship to Base Budget

The budget for Minnesota Online in FY 2005 is approximately \$2.5 million. (This does not include the cost of the courses offered online.) This request would nearly double the base.

## Key Measures

Increase in the number of students taking online courses.  
Increase the number of courses as course sections offered.  
Increase satisfaction of corporate clients served.

# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Competitive Salaries

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$4,600	\$9,300	\$9,300	\$9,300
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$4,600	\$9,300	\$9,300	\$9,300

### Request

Minnesota State Colleges and Universities requests \$4.6 million in FY 2006 and \$9.3 million in FY 2007 for competitive salaries.

### Background

Minnesota State Colleges and Universities seeks financial resources to enhance its competitive salary position in the academic marketplace and to encourage excellence from its faculty and staff. We wish both to improve in high-demand academic disciplines and to encourage and reward particular actions and outcomes. This approach carries the potential of more differentials in faculty and staff compensation improvements than has typically been the case in previous contract settlements; however, the specifics of any such compensation arrangements would remain subject to the collective bargaining process. It is likely that resources would be needed to fund some combination of general adjustments and discretionary or incentive payments.

### Relationship to Base Budget

Minnesota State Colleges and Universities spent approximately \$650 million in salaries in FY 2003. The request of \$4.6 million in FY 2006 represents an approximate increase of 0.7% over the salary base.

### Key Measures

Increase the number of successful job searches in high demand areas.

# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Innovations Fund

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$2,500	\$3,000	\$3,000	\$3,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$2,500	\$3,000	\$3,000	\$3,000

### Request

Minnesota State Colleges and Universities requests \$2.5 million in FY 2006 and \$3.0 million in FY 2007 for an Innovations Fund.

### Background

The Innovations Fund would provide resources for curriculum design, equipment acquisition and program or service development to address significant state needs. Knowledge Age citizens are learning every day – all of the time and everywhere. Learning is interactive, collaborative, distributed and lifelong. Recognizing the changing needs of students and employers and the changing nature of work and careers, the Innovations Fund would provide resources for the development and design of emerging programs and curriculum. Developments in information technology, telecommunications, computer-assisted industrial applications, as well as continuing acceleration in technological advancements affecting virtually every aspect of human endeavor, are revolutionizing the way postsecondary education is organized and delivered in the state, nation and world. A rapidly growing student population is becoming older, increasingly diverse and faces continuing challenges to develop new skills. Employers expect higher education to provide necessary education and training in a highly flexible and responsive manner, often anticipating new needs as they emerge.

In order to remain competitive, continue to serve as Minnesota's primary source of postsecondary education and training for the system, and reduce the time to delivery, additional resources are required. The Innovations Fund would assist the system in addressing rapidly-changing needs for education and training by providing seed funds that would be triggered on a matching basis by our institution's partner organizations, businesses and industries. It would focus on the state's critical economic and workforce development needs as the basis for aligning the educational products and services with the needs of business, industry and Minnesota communities. This funding is needed because:

- ◆ Upgrading and extending the skills of the existing workforce are crucial in a competitive, global economy.
- ◆ Building a sound future skill base requires a commitment to quality learning interventions and integrated industry and community involvement.
- ◆ Enhancing education and training's quality, relevance and flexibility are fundamental to the quality of a community's economic vitality.
- ◆ Ensuring that curriculum, equipment and delivery modes are best-in-class is essential for students to be successful.

### Key Measures

- ◆ Decrease time to market of new programs and new curriculum to meet the state's critical skill needs.
- ◆ Increase the number of new programs and curriculum to meet the state's critical skill needs.
- ◆ Increase leveraged contributions from the state's business and industry sectors to support program and curriculum development.
- ◆ Increase business and industry satisfaction with results of leveraged partnerships.

# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Repair and Replacement

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$5,000	\$6,000	\$6,000	\$6,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$5,000	\$6,000	\$6,000	\$6,000

### Request

Minnesota State Colleges and Universities requests \$5 million in FY 2006 and \$6 million in FY 2007 for facilities repair and replacement.

### Background

Minnesota State Colleges and Universities facilities average 34 years of age. A review of the life expectancy of building components on average indicates there are a considerable number of major components requiring replacement during the 25- to 40-year timeframes. All heating, ventilation, air conditioning, electrical distribution, roofs, some doors and hot/cold water lines tend to need replacement in this timeframe. There is a growing need to repair and replace the major infrastructure systems which have exceeded their useful lives.

A 1999 assessment indicated backlog of nearly \$500 million. Since 1995, facilities have not been adequately funded – both in operations budgets and in capital budgeting for renovation – resulting in increasing the size of that backlog. Furthermore, when maintenance or replacement is delayed, problems can be compounded. For example, a ventilation system that only partially works can cause potential long-term air quality problems that can affect the health and welfare of the building's inhabitants.

The HEAPR funds in the capital budget request represent the “catch-up” portion of the facilities investment strategy – the funding of larger projects to reduce the current backlog. In addition to HEAPR funds, the overall capital budget is used to “catch-up” with renovation and repair. In 2004, over 75% of the square footage affected by the Capital budget request was for renovation and repair. That budget was not approved, so more than 900,000 square feet of space was not renovated.

The annual operating budget request represents the “keep up” portion of the facilities investment strategy – the annual repair and replacement work that campuses should be undertaking for ongoing projects. Investing in the “keep up” portion is a more cost-effective means of maintaining facilities than allowing conditions to deteriorate, avoiding costly problems compounded by deteriorating conditions, time and inflation.

### Relationship to Base Budget

Minnesota State Colleges and Universities spent approximately \$17.5 million on repair and replacement in FY 2004. The request of \$6 million in FY 2007 represents an approximate increase of 34% over this base.

### Key Measures

- ◆ Maintain the stewardship of the existing campus facilities resource as a warm, dry, environmentally safe structure for students, staff and public.
- ◆ Increase energy efficiency with roof replacements, major mechanical and ventilation improvements. Funds saved through increased energy efficiency would be placed back into on-going repair and replacement efforts.
- ◆ Reduce the projected increase in deferred maintenance backlog.
- ◆ Improve the Facilities Condition Index (FCI is the measure of the deferred maintenance divided by the current replacement cost).



# STATE COLLEGES & UNIVERSITIES

## Agency Change Item: Serving Underserved Populations

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$6,000	\$6,000	\$6,000	\$6,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$6,000	\$6,000	\$6,000	\$6,000

### Request

Minnesota State Colleges and Universities requests \$6 million in FY 2006 and \$6 million in FY 2007 for initiatives to serve underserved populations.

### Background

Demographic changes are significantly changing the face of this state. Increasingly, Minnesota is becoming a state where racial and ethnic diversity is a fact, rather than a future demographic projection. Diversity is apparent across whole neighborhoods throughout the Twin Cities. Even in Greater Minnesota, migration across state lines and immigration across borders are contributing to changes in the populations of neighborhoods and schools.

This increasing diversity is most readily noticeable in the schools. School districts that 10 or 12 years ago had very few students of color are now seeing explosive increases in these students. For example, between 1999 and 2003, the number of students of color enrolled in Anoka-Hennepin schools increased by 219%, in Eden Prairie schools by 329%, in Owatonna schools by 441%, and in Worthington schools by a staggering 541%, from 138 students in 1990 to 884 students in 2003.

Unfortunately, the academic achievement of these new students is not in keeping with their increasing numbers. By almost every criterion used, the academic achievement of students of color in Minnesota is below that of their white classmates. Students of color also have lower high school graduation rates and lower college participation rates than their White peers. Especially troublesome, because we know that Minnesota's quality of life has been made possible, and will be sustained, by a highly educated workforce. Quite simply, we cannot afford to allow an increasingly important segment of the population slip through the cracks and fail to obtain the opportunities of higher education. Efforts must be undertaken now to ensure that all Minnesotans in the K-12 system are aware of the higher education opportunities available to them, and that they take and succeed in appropriate coursework during their junior high and high school years so that they will be prepared to undertake college-level work upon graduation from high school.

This initiative is designed to address the problems of students who have traditionally been under-served in higher education, including low-income, first-generation, immigrants and students of color, by taking a multi-level, multifaceted approach to improving the academic achievement and college motivation of these students. We envision the initiative to be similar in part to the successful TRIO programs, the federal educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds. However, the initiative also relies heavily on the establishment of partnerships between colleges and universities to improve performance of students in lower grades by providing consultation, curriculum development and professional development for teachers. Federal funds for additional TRIO programs are extremely difficult to obtain, so state funds are being sought to advance this critical initiative. Working in partnership with the K-12 system, the colleges and universities will undertake projects that will work with students at all levels of the K-12 educational pipeline.

### Educational Partnerships

Select 20 K-8 schools with high percentage of students eligible for free or reduced-price lunches.

Provide professional development for teachers

Engage parents

Provide enrichment activities for students

Award competitive grants, 20 projects across the state, \$50,000 per project per year.

## STATE COLLEGES & UNIVERSITIES

Agency Change Item: Serving Underserved Populations

**Total: \$1,000,000**

### **Academic Development**

Select 30 junior and high schools

Provide academic enrichment, tutoring, mentoring

Work with parents

Provide summer academies

Fund 30 projects, \$100,000 each for two years

**Total: \$3,000,000**

### **Bridges to Success**

Ensure that high school to college transition is successful

Provide summer bridge programs

Programs to include learning communities, intrusive advising, supplemental instruction

Fund 20 projects, \$100,000 each for two years

**Total: \$2,000,000**

**STATE COLLEGES & UNIVERSITIES**

Agency Change Item: LCMR Recommendation

<b>Fiscal Impact (\$000s)</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	\$469	\$469	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$469	\$469	0	0

**Background**

1. Improving water quality on the central sands - \$587,500  
(Central Lakes College – Agricultural Center)
2. Bio-conversion of potato waste into marketable biopolymers - \$350,000  
(Bemidji State University – CEES)

### Agency Purpose

The mission of the Minnesota State Colleges and Universities (MnSCU) system is to provide the diverse citizens of Minnesota with the benefits of high-quality, accessible, future-oriented higher education; relevant research; and community service.

The diverse institutions within the MnSCU system offer an unequalled breadth, variety and quality of educational opportunities across the state. Collectively and in partnership the colleges and universities offer learning opportunities for a technologically sophisticated world that result in:

- ◆ contributing and empowered citizens;
- ◆ active participants in a democratic society;
- ◆ educated, skilled, and adaptable workers;
- ◆ innovative lifelong learners;
- ◆ practical research and development; and
- ◆ successful communities.

**Vision** – Minnesota State Colleges and Universities will be the preferred pathway to higher educational opportunities and a valued partner in statewide economic development and community building.

The uniqueness and diversity of the Minnesota State Colleges and Universities and the power of a unified system will enable the Minnesota State Colleges and Universities to excel as the most accessible, highest quality, and innovative education provider in the region.

### Core Functions

Teaching and learning are the core functions of the Minnesota State Colleges and Universities.

### Operations

The colleges and universities serve students in credit-based courses, non-credit courses and customized training. The colleges and universities offer an extremely wide array of credit-based courses leading to master's, bachelor's and associate degrees, as well as occupational certificates and diplomas. They also offer non-credit continuing education courses and direct training services to businesses, non-profit organizations and government agencies seeking to improve their employees' skills.

MnSCU's programs are delivered at 53 campus locations statewide, comprising 20 million square feet of space, or approximately one-third of the state's building inventory. Each one of the 34 Minnesota state colleges and universities contribute to the civic, economic, and cultural life in the 46 communities in which they are located.

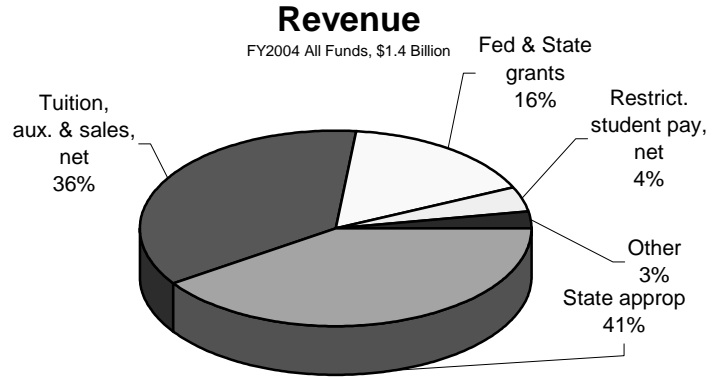
### At A Glance

- ◆ Largest provider of higher education in Minnesota, educating about 240,000 students in credit courses annually – over 50% of all Minnesota postsecondary enrollments.
- ◆ Serves another 130,000 students in non-credit courses.
- ◆ Graduates 32,000 students each year
- ◆ Produces the largest share of the state's new teachers, accountants, police officers, nurses, computer professionals, firefighters, technicians, tradespeople and others from a broad range of disciplines.

**Budget**

**Revenue**

State appropriations comprise 41% and tuition and fees revenue comprises 36% of the MnSCU system's revenue. Other major sources include federal and state grants. Ninety percent of the state appropriation is allocated to the colleges and universities. All tuition and fee revenues generated by the colleges and universities remains with the institution that generated them.



**Expenditures**

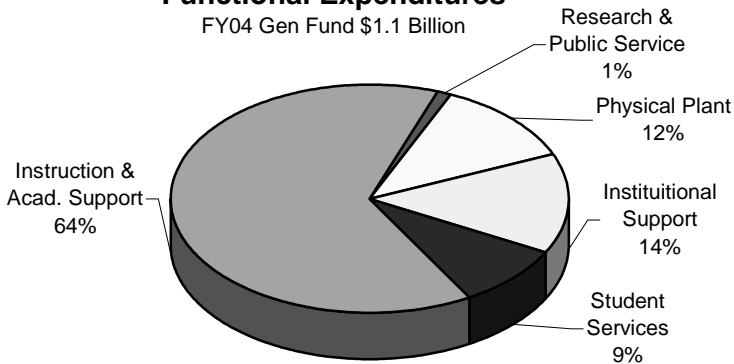
Compensation accounts for 67% of the Minnesota State Colleges and Universities total expenses.

Instruction and academic support comprise approximately 64% of Minnesota State Colleges and Universities functional activities.

The Office of the Chancellor expenditures comprise 1.18% of the Minnesota State Colleges and Universities total expenses.

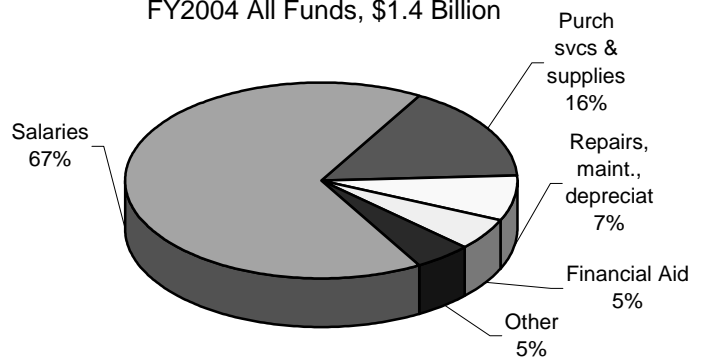
**Functional Expenditures**

FY04 Gen Fund \$1.1 Billion



**Expenses**

FY2004 All Funds, \$1.4 Billion

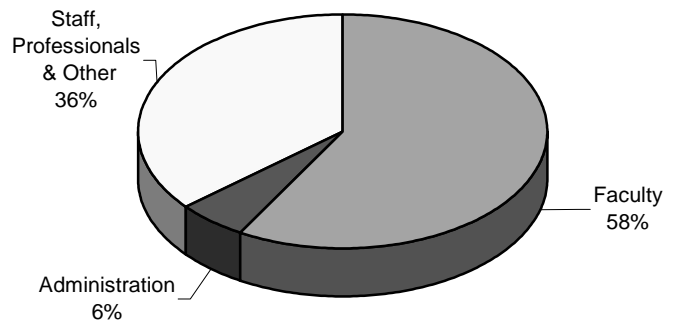


**Employees**

Faculty comprise 58% of the 16,479 headcount employees. Minnesota State Colleges and Universities employs 11,351 full-time equivalent (FTE) employees.

**Employees**

Headcount FY2004



**Contact**

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MnSCU home:  
[www.mnscu.edu](http://www.mnscu.edu)

Minnesota State Colleges and Universities Budget Unit web site:  
[www.Budget.mnscu.edu/](http://www.Budget.mnscu.edu/)

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>Environment &amp; Natural Resource</b>					
Current Appropriation	0	0	0	0	0
<b>Recommended</b>	<b>0</b>	<b>0</b>	<b>469</b>	<b>469</b>	<b>938</b>
Change		0	469	469	938
% Biennial Change from 2004-05					n.m.
<b>Mnscu General Fund</b>					
Current Appropriation	560,881	547,694	547,694	547,694	1,095,388
<b>Recommended</b>	<b>560,881</b>	<b>547,694</b>	<b>602,994</b>	<b>599,894</b>	<b>1,202,888</b>
Change		0	55,300	52,200	107,500
% Biennial Change from 2004-05					8.5%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	0	0	469	469	938
Mnscu General Fund	559,631	546,444	602,994	599,894	1,202,888
<b>Statutory Appropriations</b>					
Mnscu General Fund	532,791	651,687	645,569	672,056	1,317,625
Mnscu Special Revenue	11,253	12,328	11,635	11,635	23,270
Mnscu Federal Fund	47,171	46,859	46,743	46,743	93,486
Mnscu Agency Fund	22,449	22,468	22,441	22,441	44,882
Mnscu Gift Fund	720	540	500	500	1,000
Sub Supplemental & Ira Retire	795	1,251	1,114	1,114	2,228
Mnscu Enterprise Activities	7,149	8,523	8,253	8,253	16,506
Mnscu Endowment Fund	6	5	5	5	10
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Program</u></b>					
Mn State Colleges & Univer	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>

### Program Description

Minnesota's 25 state colleges and seven universities provide an array of high quality and low cost educational programs to residents in all parts of the state.

**Technical colleges** offer education for employment - courses and programs that teach specific knowledge and skills leading to particular jobs. The programs range in length from three months to two years.

**Community colleges** provide the first two years of a four-year college education. Graduates of community colleges can transfer to Minnesota state universities and other colleges to complete four-year degrees. Community colleges also offer general education courses and occupational career programs that directly prepare students for jobs.

**Combined technical and community colleges** are two-year colleges that offer a mix of technical college and community college courses and programs. These colleges offer the opportunity to start a bachelor's degree or pursue a two-year career program leading immediately to employment.

**Minnesota's four-year state universities** offer courses and programs leading to bachelor's, master's and advanced degrees. Programs are offered in liberal arts and sciences and in professional fields.

### Population Served

Minnesota State Colleges and Universities is the largest provider of higher education in the state of Minnesota with 32 institutions serving more than 240,000 (unduplicated headcount) students annually in for-credit programs or 136,000 full-year equivalents (FYE). The state colleges and universities also serve 141,000 students and 6,000 businesses through customized training. The institutions provide applied research and public service to Minnesota communities in all regions of the state. Enrollment is 96 percent undergraduate. In FY2003, the system served more than 21,600 students of color, more than all other Minnesota higher education providers combined. In 2004, the number of students of color rose to 25,000. Students of color comprise 12.1 percent of MnSCU students. Thirty-eight percent are 25 or older. The average age of our students is 26.3. About 43 percent attend part-time.

### Services Provided

The state colleges and universities offer more than 3,600 degree programs. In the past year more than 25,000 students took online courses, a 13-fold increase since 2000. Through Minnesota Online, the state colleges and universities offer more than 80 programs completely or predominantly online and more than 3,500 course sections.

### Historical Perspective

In July 1995, the former community college, technical college and state university systems merged to become the Minnesota State Colleges and Universities system.

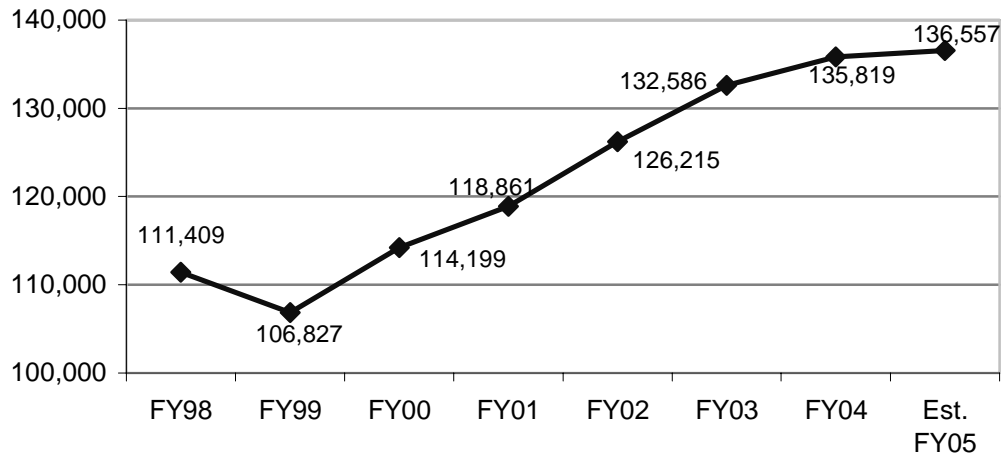
### Program at a Glance

- ◆ Largest provider of higher education in Minnesota, educating about 240,000 students each year – over 50% of all Minnesota postsecondary enrollments.
- ◆ Eighty-eight percent of students are Minnesota residents.
- ◆ Eighty-six percent of graduates get jobs related to their major or program within one year after graduation.
- ◆ Eighty-one percent of graduates stay in Minnesota to work or to continue their education.
- ◆ The system has seven universities and 25 colleges on 53 campuses in 46 Minnesota communities.



## Key Measures

## MnSCU Full-Year Equivalent Enrollment



MnSCU full year equivalent enrollment (FYE) is calculated by dividing the total number of undergraduate credits in a given year by 30 (considered to be a full academic load for an undergraduate student). For graduate FYE, the total number of graduate credits is divided by 20 (considered to be a full academic load for a graduate student).

**Contact**

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MnSCU web site:  
<http://www.mnscu.edu>

MnSCU Budget Unit web site:  
<http://www.budget.mnscu.edu>

# STATE COLLEGES & UNIVERSITIES

## Program: MN STATE COLLEGES & UNIVER

### ENROLLMENT ADJUSTMENT

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$94,800	\$36,000	\$36,000	\$36,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$94,800	\$36,000	\$36,000	\$36,000

### Agency Request

Per Minnesota Statutes section 135A.031, the Minnesota State Colleges and Universities (MnSCU) system is requesting an appropriation increase of \$58,800,000 nonrecurring and \$36,000,000 recurring beginning in FY 2006 to fund state obligations for the current funding formula enrollment adjustment.

### Background

The current funding formula for higher education has been in place since the 1996-1997 biennium. It was designed to recognize that certain costs at higher education institutions are variable and change with enrollment. Essentially, the formula recognizes that 65% of the fully allocated instructional base will fluctuate with each 2% change in enrollment.

The MnSCU system is in the process of moving from basing its request less on estimated enrollments to requesting based more on actual student enrollment. During the 2001 and 2003 sessions the system projected enrollment growth of 8% for FY 2003 over the FY 2001 enrollment base and the state funding formula adjusted the fiscal year 2003 base by \$26,375,000. Although the system's total appropriation was decreased for FY 2003, the overall calculations did recognize the amounts just stated in arriving at the final reduced appropriation. No funding adjustment was made for estimated enrollments related to FY 2004 or 2005 during the 2003 session.

Once finalized, the system's actual fiscal year 2003 enrollment exceeded the fiscal year 2001 enrollment base by 12%, an additional 4 percent over prior projections. This generates a FY 2003 base funding adjustment of \$13,187,000 per year (based on 65% of the FY 2001 instructional base). In addition because the system's fiscal year 2003 enrollment was understated, \$13,187,000 of nonrecurring appropriation is requested in FY 2006.

The system's actual FY 2004 and estimated 2005 enrollment exceed the enrollment base each year by 6%. This generates a one-time funding adjustment of \$22,757,000 based on 65% of the instructional base for each year. The request for FY 2006 also includes these two years of nonrecurring funding for FY 2004 -05. In addition the request brings the \$22,757,000 base funding adjustment forward into both years of the 2006-07 biennium as well.

This request does not include any adjustments related to estimated enrollments for FY 2006 or FY 2007. As allowed by the formula, the system will calculate its enrollment adjustments for those years as part of the 2008-2009 biennial request. At that time also any necessary adjustment will be included to reconcile actual enrollment for FY 2005 if projected enrollments vary by 2% from the current estimated change of 6%.

The recurring funds will be used to support the growing enrollments at all institutions. Funds from this adjustment will go directly to the colleges and universities.

The non-recurring funds will support Minnesota Online and core investments in the system. The core investments include leveraged equipment, technology and repair and replacement of facilities.

⇒ Minnesota Online increases access by providing high quality e-learning opportunities to learners of all ages and types. These one-time funds will support existing online programs, encourage growth of online courses, and provide incentives for collaboration between institutions.

## STATE COLLEGES & UNIVERSITIES

### Program: MN STATE COLLEGES & UNIVER

#### ENROLLMENT ADJUSTMENT

- ⇒ Leveraged equipment - Upgrading instructional equipment continues to be a priority for the Minnesota State Colleges and Universities. Colleges and universities must continually upgrade equipment to stay current with industry needs and to make students marketable in many careers including science, health care, and technical fields.
- ⇒ Technology - The demand for providing instructional materials and services electronically continues to grow. The additional funds will continue to support technologies that will increase access, efficiency, and student satisfaction.
- ⇒ Repair and replacement of facilities - Well-maintained facilities are a fundamental element in providing quality education. The deteriorating condition of state-owned and operated buildings is a growing concern. Facilities maintenance and repair has been under funded, creating a backlog of needed repairs of over \$500 million. These one-time dollars will be used to fund critical repairs, which is more cost-effective than allowing conditions to deteriorate and having to correct costly problems compounded by time and inflation.

# Minnesota State Colleges and Universities

FY2003-2007 FYE by Residency

	FY2003 Actual	FY2004 Actual	FY2005 Estimated FYE	FY2006 Estimated FYE	FY2007 Estimated FYE
<b>UNDERGRADUATE</b>					
Residents	105,143	107,609	108,820	110,168	111,322
Reciprocity	11,288	11,515	11,550	11,664	11,714
MSEP	162	176	176	173	177
Non Residents/Non Reciprocity	5,760	5,737	5,323	5,369	5,421
Senior Citizen	118	107	108	114	116
Post Secondary Enrollment	5,961	6,278	6,052	6,102	6,120
<b>TOTAL UNDERGRADUATE</b>	<b>128,432</b>	<b>131,422</b>	<b>132,029</b>	<b>133,590</b>	<b>134,870</b>
<b>GRADUATE</b>					
Residents	2,940	3,002	3,716	3,702	3,732
Reciprocity	339	380	399	395	398
MSEP	2	1	7	7	7
Non Residents/Non Reciprocity	870	1,010	404	394	399
Senior Citizen	3	4	2	2	2
<b>TOTAL GRADUATE</b>	<b>4,154</b>	<b>4,397</b>	<b>4,528</b>	<b>4,500</b>	<b>4,538</b>
<b>GRAND TOTAL</b>	<b>132,586</b>	<b>135,819</b>	<b>136,557</b>	<b>138,090</b>	<b>139,408</b>

Minnesota State Colleges and Universities

FY 2001 Reconciliation to FY 2002 and FY 2003: FY2003 calculations

\$'s in 000's

**REVISED - FY2003 actual FYE for correction factor for FY 2006/2007 Budget**

**FY 2003**

**M.S. 135A FORMULA ADJUSTMENTS**

FULL YEAR EQUIVALENT ENROLLMENT	FYE FY 2001	FYE FY 2003
Regular		
Undergraduate	104,284	116,433
<u>Graduate</u>	<u>4,024</u>	<u>4,148</u>
Sub-Total Regular	108,308	120,581
Marginal/Weighted		
Post-Secondary Enrollment Options	4,735	5,961
<u>Midwest Compact</u>	<u>154</u>	<u>164</u>
Sub-Total Marginal	4,889	6,125
Weighted @ 50%	2,445	3,063
Total Formula Enrollment	110,753	123,644
Enrollment Base	110,216	110,216
FYE Change from Base		13,428
Per Cent Change from Base		12.18%
Formula Adjustment Factor		12.00%

**NOTE:** Estimated FY 2003 Band 2003 Session +\$26,375  
 Actual FY 2003 Band Cost +\$39,562  
 Difference + \$13,187  
 Balance Due 2005 Session = \$13,187

	Total	Instruction		Total	Noninstruction		Instruction + Noninstruction		
		Appropriation	Tuition		Appropriation	Est. Revenue	Total	Appropriation	Tuition, Rev.
<b>ADJUST SPENDING FOR INFLATION, FIXED &amp; VARIABLE</b>									
FY 2001 Adjusted Base Spending	718,639	507,205	211,434	168,062	67,053	101,009	886,701	574,258	312,443
<u>Debt Service - Local TC Bonds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-59</u>	<u>-59</u>	<u>0</u>	<u>-59</u>	<u>-59</u>	<u>0</u>
Subtotal, Base Spending	718,639	507,205	211,434	168,003	66,994	101,009	886,642	574,199	312,443
Fixed Base Spending, 35%	251,524	177,522	74,002	0	0	0	251,524	177,522	74,002
Variable Base Spending, 65%	467,116	329,683	137,432	0	0	0	467,116	329,683	137,432
<b>ADJUST VARIABLE SPENDING FOR ENROLLMENT</b>									
<u>Base Adjust Enrollment - FY 01 Actual to F</u>	<u>56,054</u>	<u>39,562</u>	<u>16,492</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,054</u>	<u>39,562</u>	<u>16,492</u>
Total Spending Base	774,693	546,767	227,926	168,003	66,994	101,009	942,696	613,761	328,935
<b>PERFORMANCE ADJUSTMENT</b>									
1% Performance	0	0	0	0	0	0	0	0	0
1/2 of One-time Est. Correct FY 95 Actual	-13,499	-13,499	0	0	0	0	-13,499	-13,499	0
<b>SUB TOTAL ADJUSTED FY 01 BASE SPENDING</b>	761,194	533,268	227,926	168,003	66,994	101,009	929,197	600,262	328,935
<u>Excess Tuition</u>	<u>61,290</u>	<u>0</u>	<u>61,290</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,290</u>	<u>0</u>	<u>61,290</u>
<b>TOTAL ADJUSTED FY 01 BASE SPENDING</b>	822,484	533,268	289,216	168,003	66,994	101,009	990,487	600,262	390,225

FY 2003 Reconciliation to FY 2002 and FY 2003: FY2003 calculations

\$'s in 000's - Based on Actual FY 2003 and FY 2004 FYE and 10/04 Projected FY 2005

**FY 2003**

	Instruction			Noninstruction			Instruction + Noninstruction		
	Total	Appropriation	Tuition	Total	Appropriation	Est. Revenue	Total	Appropriation	Tuition, Rev.
<b>2001Session FY 2003 SPENDING AUTHORITY Adjusted</b>									
Base 2001 Session	847,873	565,248	282,625	175,745	74,736	101,009	1,023,618	639,984	383,634
2002 Session Special Appropriations	-32,268	-21,620	-10,648	-2,858	-2,858	0	-35,126	-24,478	-10,648
<u>2003 Session Governor's Unallotment</u>	<u>-32,957</u>	<u>-22,081</u>	<u>-10,876</u>	<u>-2,919</u>	<u>-2,919</u>	<u>0</u>	<u>-35,876</u>	<u>-25,000</u>	<u>-10,876</u>
Sub-Total Laws of 2001 & 2002 & Gov 03 Unallot.	782,648	521,547	261,101	169,968	68,959	101,009	952,616	590,506	362,110
Adjust Intent Tuition to Actual	130,899	0	130,899	0	0	0	130,899	0	130,899
Adjusted Other Revenue	0	0	0	19,991	0	19,991	19,991	0	19,991
<u>FY 2002 Carryforward</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>172,866</u>	<u>0</u>	<u>172,866</u>	<u>172,866</u>	<u>0</u>	<u>172,866</u>
<b>RECONCILIATION &amp; Base Adjustments</b>	913,547	521,547	392,000	362,825	68,959	293,866	1,276,372	590,506	685,866
Adjust out Carryforward	0	0	0	-172,866	0	-172,866	-172,866	0	-172,866
One-Time Funding	13,500	13,500	0	0	0	0	13,500	13,500	0
2003 Session 01/03 Base Est. FYE Correction	13,188	13,188	0	0	0	0	13,188	13,188	0
Reverse Gov's One-Time 2003 Session Unallotment	32,957	22,081	10,876	2,919	2,919	0	35,876	25,000	10,876
2005 Session 01/03 Base Actual FYE Correction	13,187	13,187	0	0	0	0	13,187	13,187	0
<u>Adjust out Excess Tuition</u>	<u>-130,899</u>	<u>0</u>	<u>-130,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-130,899</u>	<u>0</u>	<u>-130,899</u>
<b>TOTAL ADJUSTED BASE SPENDING</b>	855,480	583,503	271,977	192,878	71,878	121,000	1,048,358	655,381	392,977

\$'s in 000's - Based on Actual FY 2003 and FY 2004 FYE and 10/04 Projected FY 2005

**FY 2004**

M.S. 135A FORMULA ADJUSTMENTS

FULL YEAR EQUIVALENT ENROLLMENT	FYE FY 2003	FYE FY 2004	
Regular			
Undergraduate	116,433	119,124	
<u>Graduate</u>	<u>4,148</u>	<u>4,392</u>	
Sub-Total Regular	120,581	123,516	
Marginal/Weighted			
Post-Secondary Enrollment Options	5,961	6,278	
<u>Midwest Compact</u>	<u>164</u>	<u>177</u>	
Sub-Total Marginal	6,125	6,455	
Weighted @ 50%	3,063	3,228	
Total Formula Enrollment	123,644	126,744	
Enrollment Base	119,033	119,033	
FYE Change from Base		7,710	
Per Cent Change from Base		6.48%	
Formula Adjustment Factor		6.00%	

NOTE: 2005 Session Est. FYE Adj. + \$22,757  
  
 Difference +\$22,757  
  
 Balance Due 2005 Session + \$22,757 One-Time

	Total	Instruction Appropriation	Tuition	Total	Noninstruction Appropriation	Est. Revenue	Total	Instruction + Noninstruction Appropriation	Tuition, Rev.
<b>ADJUST SPENDING FOR INFLATION, FIXED &amp; VARIABLE</b>									
FY 2003 Adjusted Base Spending	855,480	583,503	271,977	192,878	71,878	121,000	1,048,358	655,381	392,977
Debt Service - Local TC Bonds	0	0	0	0	0	0	0	0	0
Subtotal, Base Spending	855,480	583,503	271,977	192,878	71,878	121,000	1,048,358	655,381	392,977
Fixed Base Spending, 35%	299,418	204,226	95,192	0	0	0	299,418	204,226	95,192
Variable Base Spending, 65%	556,062	379,277	176,785	0	0	0	556,062	379,277	176,785
<b>ADJUST VARIABLE SPENDING FOR ENROLLMENT</b>									
<u>Base Adjust Enrollment - FY 03 Actual to FY 04 Actual</u>	<u>33,364</u>	<u>22,757</u>	<u>10,607</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,363</u>	<u>22,756</u>	<u>10,607</u>
Total Spending Base	888,844	606,260	282,584	192,878	71,878	121,000			
<b>PERFORMANCE &amp; FYE ADJUSTMENT</b>									
1% Adjustment	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL ADJUSTED FY 04 BASE SPENDING</b>	888,844	606,260	282,584	192,878	71,878	121,000	1,081,721	678,138	403,584
<u>Excess Tuition</u>	<u>112,053</u>	<u>0</u>	<u>112,053</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>112,053</u>	<u>0</u>	<u>112,053</u>
<b>TOTAL ADJUSTED FY 04 BASE SPENDING</b>	1,000,896	606,260	394,636				1,193,774	678,138	515,636

Minnesota State Colleges and Universities

FY 2003 Reconciliation to FY 2004 and FY 2005

\$'s in 000's - Based on Actual FY 2003 and FY 2004 FYE and 10/04 Projected FY 2005

2005 Session Initial Request for FY2004 and FY 2005 FYE Formula Adjustments

FY 2005

M.S. 135A FORMULA ADJUSTMENTS

FULL YEAR EQUIVALENT ENROLLMENT	FYE	FYE	NOTE:						
	FY 2003	FY 2005	2005 Session Est. FYE Adj. + \$22,757						
Regular			Difference +\$22,757						
Undergraduate	116,433	120,370	Balance Due 2005 Session +22,757 Base plus one-time						
<u>Graduate</u>	<u>4,148</u>	<u>4,519</u>							
Sub-Total Regular	120,581	124,889							
Marginal/Weighted									
Post-Secondary Enrollment Options	5,961	6,052							
<u>Midwest Compact</u>	<u>164</u>	<u>183</u>							
Sub-Total Marginal	6,125	6,235							
Weighted @ 50%	3,063	3,118							
Total Formula Enrollment	123,644	128,007							
Enrollment Base	119,033	119,033							
FYE Change from Base		8,973							
Per Cent Change from Base		7.54%							
Formula Adjustment Factor		6.00%							
	Total	Instruction Appropriation	Tuition	Total	Noninstruction Appropriation	Est. Revenue	Total	Instruction + Noninstruction Appropriation	Tuition, Rev.
ADJUST SPENDING FOR INFLATION, FIXED & VARIABLE									
FY 2003 Adjusted Base Spending Less Debt Service	855,480	583,503	271,977	192,878	71,878	121,000	1,048,358	655,381	392,977
<u>Debt Service - Local TC Bonds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-59</u>	<u>-59</u>	<u>0</u>	<u>-59</u>	<u>-59</u>	<u>0</u>
Subtotal, Base Spending	855,480	583,503	271,977	192,819	71,819	121,000	1,048,299	655,322	392,977
Fixed Base Spending, 35%	299,418	204,226	95,192	0	0	0	299,418	204,226	95,192
Variable Base Spending, 65%	556,062	379,277	176,785	0	0	0	556,062	379,277	176,785
ADJUST VARIABLE SPENDING FOR ENROLLMENT									
<u>Base Adjust Enrollment - FY 03 Actual to FY 05 Est. - 10/04</u>	<u>33,364</u>	<u>22,757</u>	<u>10,607</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,364</u>	<u>22,757</u>	<u>10,607</u>
Total Spending Base	888,844	606,260	282,584	192,819	71,819	121,000	1,081,663	678,079	403,584
PERFORMANCE ADJUSTMENT									
1% Performance	0	0	0	0	0	0	0	0	0
SUB TOTAL ADJUSTED FY 05 BASE SPENDING	888,844	606,260	282,584	192,819	71,819	121,000	1,081,663	678,079	403,584
<u>Excess Tuition</u>	<u>118,928</u>	<u>0</u>	<u>118,928</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>118,928</u>	<u>0</u>	<u>118,928</u>
TOTAL ADJUSTED FY 05 BASE SPENDING	1,007,771	606,260	401,511	192,819	71,819	121,000	1,200,590	678,079	522,511

D FY05 Revised FY04-05 Reconciliation as of Oct.xls



STATE COLLEGES & UNIVERSITIES

Program: MN STATE COLLEGES & UNIVER

Program Summary

<i>Dollars in Thousands</i>					
	<b>Current</b>		<b>Governor Recomm.</b>		<b>Biennium</b>
	<b>FY2004</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>2006-07</b>
<b><u>Direct Appropriations by Fund</u></b>					
<b>Mnscu General Fund</b>					
Current Appropriation	560,881	547,694	547,694	547,694	1,095,388
<b>Technical Adjustments</b>					
November Forecast Adjustment			94,800	36,000	130,800
Subtotal - Forecast Base	560,881	547,694	642,494	583,694	1,226,188
<b>Governor's Recommendations</b>					
Enrollment Adjustment		0	(94,800)	(36,000)	(130,800)
Allocation Framework		0	25,000	25,000	50,000
Centers of Excellence		0	10,000	10,000	20,000
Competitive Salaries		0	2,500	2,500	5,000
MN Online		0	9,000	5,000	14,000
Nursing		0	4,800	5,200	10,000
Innovations Fund		0	2,500	3,000	5,500
Farm & Small Business Management		0	1,500	1,500	3,000
<b>Total</b>	<b>560,881</b>	<b>547,694</b>	<b>602,994</b>	<b>599,894</b>	<b>1,202,888</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
Environment & Natural Resource	0	0	469	469	938
Mnscu General Fund	559,631	546,444	602,994	599,894	1,202,888
<b>Statutory Appropriations</b>					
Mnscu General Fund	532,791	651,687	645,569	672,056	1,317,625
Mnscu Special Revenue	11,253	12,328	11,635	11,635	23,270
Mnscu Federal Fund	47,171	46,859	46,743	46,743	93,486
Mnscu Agency Fund	22,449	22,468	22,441	22,441	44,882
Mnscu Gift Fund	720	540	500	500	1,000
Sub Supplemental & Ira Retire	795	1,251	1,114	1,114	2,228
Mnscu Enterprise Activities	7,149	8,523	8,253	8,253	16,506
Mnscu Endowment Fund	6	5	5	5	10
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>
<b><u>Expenditures by Activity</u></b>					
Mn State Colleges And Univ	1,181,965	1,290,105	1,339,723	1,363,110	2,702,833
<b>Total</b>	<b>1,181,965</b>	<b>1,290,105</b>	<b>1,339,723</b>	<b>1,363,110</b>	<b>2,702,833</b>

STATE COLLEGES & UNIVERSITIES

Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2004	Budgeted FY2005	Governor's Recomm. FY2006   FY2007		Biennium 2006-07
<b><u>Non Dedicated Revenue:</u></b>					
<b>Total Non-Dedicated Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Grants:</b>					
Mnscu General Fund	12,332	12,333	12,333	12,333	24,666
Mnscu Special Revenue	7,495	7,476	7,476	7,476	14,952
Mnscu Federal Fund	45,900	45,900	45,900	45,900	91,800
Mnscu Gift Fund	9	9	9	9	18
<b>Other Revenues:</b>					
Mnscu General Fund	533,504	598,119	624,587	651,074	1,275,661
Mnscu Special Revenue	509	497	497	497	994
Mnscu Federal Fund	700	698	698	698	1,396
Mnscu Agency Fund	53	53	53	53	106
Mnscu Gift Fund	492	491	491	491	982
Sub Supplemental & Ira Retire	1,050	1,050	1,050	1,050	2,100
Mnscu Enterprise Activities	8,249	8,250	8,250	8,250	16,500
Mnscu Endowment Fund	2	1	1	1	2
<b>Other Sources:</b>					
Mnscu General Fund	8,733	8,649	8,649	8,649	17,298
Mnscu Special Revenue	3,646	3,662	3,662	3,662	7,324
Mnscu Federal Fund	145	145	145	145	290
Mnscu Agency Fund	22,388	22,388	22,388	22,388	44,776
Sub Supplemental & Ira Retire	64	64	64	64	128
Mnscu Enterprise Activities	2	3	3	3	6
<b>Taxes:</b>					
Mnscu General Fund	1	0	0	0	0
<b>Total Dedicated Receipts</b>	<b>645,274</b>	<b>709,788</b>	<b>736,256</b>	<b>762,743</b>	<b>1,498,999</b>
<b>Agency Total Revenue</b>	<b>645,274</b>	<b>709,788</b>	<b>736,256</b>	<b>762,743</b>	<b>1,498,999</b>