Legislative Report

Summary of 2012-2013 budget planning

March 15, 2010

Minnesota
STATE COLLEGES
& UNIVERSITIES

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& UNIVERSITIES

FY2012-2013 Outlook

This report is the response of the Minnesota State Colleges and Universities to the committees of the legislature with responsibility for higher education finance. Specifically, in Laws of Minnesota 2009, Chapter 95, Article 1, Section 4, Subdivision 4(b):

> *(b) The Board of Trustees shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section at the central office and at each institution. The plan submitted by the board must be based on plans developed at each institution detailing reductions to achieve lower base allocations at that institution. Each plan must focus on protecting direct instruction.*

Clarification was sought from the chairs of both committees of the legislature with responsibility for higher education finance as to the focus of the budget plan and the specific base appropriation level the detailed budget plan should address. The FY2012-2013 base appropriation level specified in the final higher education bill was $1,309.77 million, $79.64 million higher than the current FY2010-2011 biennium (after unallotment). The result was a rider which called for a reduction plan when the appropriation in law was increasing, not decreasing.

It was agreed that the budget plan for each college and university as well as the Office of the Chancellor would focus on the following three questions:

1. What has been your budget strategy during the past several years?
2. What is your budget strategy for the fiscal year 2012-2013 biennium?
3. What is your future vision assuming less state support?

In addition, information on enrollment, tuition and fee rates, staffing levels by bargaining unit, revenue, reallocations, and student enrollment by classification of instructional program for each college and university would be included in the legislative report.

Overview of the Minnesota State Colleges and Universities system

The Minnesota State Colleges and Universities is comprised of 25 two-year colleges and seven state universities and is the largest single provider of higher education in the state of Minnesota. The colleges and universities operate 54 campuses in 47 Minnesota communities and serve about 260,000 students in credit-based courses and an additional 164,000 students in non-credit courses.

Overall, the system produces about 33,500 graduates each year who join the state's workforce and keep our businesses, industries and services running. More than 80 percent of them stay in Minnesota to work or continue their education, and more than 88 percent get jobs related to their field of study.

The following mission statement of the system provides a strong statement of service to the state of Minnesota:

> *The Minnesota State Colleges and Universities system of distinct and collaborative institutions offers higher education that meets the personal and career goals of a wide range of individual learners, enhances the quality of life for all Minnesotans and sustains vibrant economies through the state.*

The diverse institutions within the system offer an unequaled 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.

The system's strategic plan for 2008-2012, *Designing the Future*, contains four strategic directions, which are the system's priorities. Those directions include:

1. Increase access and opportunity.
   Access and opportunity are fundamental to Minnesota State Colleges and Universities. That commitment continues as new generations of Minnesotans look to higher education to advance their careers and contribute to their communities.

2. Promote and measure high-quality learning programs and services.
   Minnesota students have many choices in higher education. We must be able to prove to potential students, to employers and to the taxpayers that our academic programs and student services meet objective standards for quality.

3. Provide programs and services that enhance the economic competitiveness of the state and its regions.

   As public higher education institutions, our colleges and universities have special relationships with their communities and regions. Our graduates are the backbone of the workforce in many industries, and our institutions contribute to the economic development and social vitality of their regions through service and access to leisure-time and cultural activities.

4. Innovate to meet current and future educational needs

   A culture of innovation will strengthen the ability of our colleges and universities to work together to meet the expectations of students. Innovation will be critical to reaching our system's potential for solving the state's need for efficient ways to enable all Minnesotans to complete some form of higher education.

The strategic plan guides the efforts of 32 colleges and universities and the Office of the Chancellor. An annual action plan is adopted by the Board of Trustees which includes measurable goals with targets for each specific strategy. The goals are translated to the work plan for the system leadership and measured as part of the annual performance evaluation process.

The system has seen the relationship between state appropriation and tuition change from 67 percent state appropriation and 33 percent tuition to 46 percent state appropriation and 54 percent tuition. The reduction in state support comes at a time when our services are in demand more than ever. The system is projecting student full-year equivalent (FYE) enrollment to increase overall 35 percent (39,900) over the past decade. Total enrollment will have grown from 114,199 FYE in fiscal year 2000 to approximately 154,105 in fiscal year 2010.

Although the system saw double-digit tuition increases during fiscal years 2002 through 2005 when state appropriation was declining, the Board of Trustees has been and continues to be committed to limiting the burden that would fall on students. During the 2008-2009 biennium, average tuition rate increases were 3.6 percent and 2.2 percent respectively. During the current 2010-2011 biennium, tuition rate increases are limited to five percent each year while state appropriation is decreasing.

Dollars (adjusted for inflation) available to the system through state appropriation and tuition, on a per student basis, are projected to decrease overall 8 percent from $7,133 in fiscal year 2000 to $6,572 in fiscal year 2010. The system's colleges and universities are operating with less funding today than it had a decade ago – overall purchasing power is declining.

Colleges and universities are faced with competing priorities. The large enrollment increases being experienced by many of the system's institutions not only put demands on direct instruction but also on other areas of the institution. An increase in headcount adds to the demand for registration, advising, counseling, financial aid processing, tuition/fee billing and collections, and physical plant support. Colleges and universities, despite the ongoing challenges of balancing budgets and competing priorities, have continued to invest in core academic functions. The portion of the general operating budget directed to instruction and academic support has remained between 62 and 64 percent over the past several years.

Budget planning process

The system's strategic plan, *Designing the Future*, lays out the strategic directions that are the priorities of the system and guides budget planning for the colleges and universities as well as the Office of the Chancellor. The system has engaged in multi-year budget planning and has been guided by three principles:

- The Chancellor and system leadership will seek to make decisions in a way that best serves students;
- Decisions will strive to take into account the system's mission to serve the economic development needs of the state and its communities; and
- Planning will take a multi-year approach, positioning the system for long-term financial viability.

Preliminary budget planning for fiscal year 2011 and the 2012-2013 biennium began late last spring at the close of the 2009 legislative session. The 2009 omnibus higher education bill established a base funding level of $614.2 million for fiscal year 2010 and $666 million in fiscal year 2011 along with $79.2 million from the American Recovery and Reinvestment Act of 2009. The omnibus higher education bill also provided a base planning amount of $655 million each year of the 2012-2013 biennium. By mid-June 2009, the system was aware of the governor's intent to unallot $50 million from the system's fiscal year 2011 funding level. The proposed funding level after unallotment was $616 million.

In mid-February 2010 the governor released his supplemental budget and proposed an additional $10.5 million reduction to fiscal year 2011 and further reduced the 2012-2013 biennium funding to $594.4 million each year. The $10.5 million reduction returns the system to its fiscal year 2006 funding level of $605 million.

With notice of the $50 million unallotment occurring a year in advance coupled with the state's economic outlook, the system adjusted its budget planning framework very early in the process. The budget planning framework provided to colleges and universities in the fall of 2009 included the following assumptions:

Fiscal year 2011

- Assume $605 million of appropriation funding;
- Assume tuition rate increases not to exceed five percent in fiscal year 2011;
- Recognize modest compensation inflationary cost increases (insurance increases and steps for classified employees);
- Expect the continuation of the already approved federal stimulus funds for one-time expenses;
- Maintain/increase fund balances and reserve levels when appropriate; and

- Reach structural balance by the end of fiscal year 2011 targeting the governor's FY2012 planning assumption of $594.4 million.

Fiscal years 2012-2013

- Assume governor's supplemental budget recommendation of $594.4 million (as compared to the approved level of $654.9 million);
- Model further reductions in state appropriation assuming the state's budget deficit is solved with a combination of increased revenues and spending reductions;
- Recognize inflationary cost increases at the CPI referenced in the state's economic outlook (2.1 percent for fiscal year 2012 and 1.9 percent for fiscal year 2013) – modified for local assumptions;
- Incorporate the impact of employee health insurance premium increases that occurred in the FY2010-2011 biennium but were paid for from insurance premium savings – estimated at 16.5 percent in January 2012 and another 8 percent in January 2013;
- No cap on tuition rate increases but an expectation of reasonableness;
- Maintain/increase fund balances and reserve levels when appropriate; and
- Assume there are no new federal stimulus funds.

The assumptions noted above provided the colleges and universities and the Office of the Chancellor with pertinent information to plan for budget reductions. Colleges and universities have been consulting with bargaining units, student senates, and other stakeholder groups during the past academic year regarding the budget outlook for fiscal year 2011 and beyond. The ARRA funds have provided the colleges and universities with one-time resources to help transition to a much lower base funding level in fiscal year 2012.

The $594.4 million planning estimate in the governor's supplemental budget for the 2012-2013 biennium would return the system to its fiscal year 2003 funding level. In 2003 with that level of funding, state support was $4,467 per FYE student while the same state support in 2012 would only provide $3,768 per FYE student, a decrease of $699 per FYE student (16 percent). The college and university budgets are stressed from revenue limits, expense pressures, and enrollment growth. Further reductions in state support will only exacerbate the budget pressures.

With the state projecting a $5.8 billion deficit in the 2012-2013 biennium, the system has been modeling the impact of further reductions in state support. Assuming the budget deficit is solved with a combination of increased revenues and spending reductions, the budget planning model has included additional state appropriation reductions of $50 million to $100 million over the next biennium, which would be a 4 to 8 percent biennium reduction.

The state's economic outlook poses great concern for the system. Maintaining the financial health and stability of the system's colleges and universities is critical. The Higher Learning Commission monitors the financial health of colleges and universities to ensure that an institution has the ability to carry out its educational mission. If an institution's financial health is at risk, it could lead to a review of accreditation status. The system will continue with multi-year budget planning to assist colleges and universities in maintaining strong financial health at a time when state support is declining.

Budget reduction strategies

The summary below captures some of the contents of the budget plans for the colleges and universities and Office of the Chancellor in response to the three questions noted above. Generally, many of the budget strategies utilized during the past several years are the same strategies that will be used in the 2012-2013 biennium.

Question 1: What has been your budget strategy during the past several years?

- Annual review of academic programs to identify programs to be closed or redesigned.
- Elimination of positions through attrition and layoffs.
- Sought external resource development (i.e., federal/private grants, business/industry donations.
- Increased partnerships with industry, community agencies, community groups, and other educational institutions.
- Reduced faculty release time.
- Held constant or reduced spending on other operating costs (i.e., supplies, equipment, travel, etc.) without regard to inflationary pressures.
- Modified course scheduling to maximize faculty loads, increase course capacity, and minimize need for adjunct faculty.
- Implemented curriculum/teaching strategies to improve student retention.
- Increased emphasis on investments that result in long-term energy reduction and savings.
- Reduced public hours of operation.
- Balanced expenses with operating revenues – kept tuition affordable.
- Increased marketing and focus to enhance enrollment in the areas of online, evening and weekend programming.
- Managed increased enrollments with existing or minimal staff increases.
- Invested in new academic programs.
- Implemented administrative reorganizations/consolidations.

Question 2: What is your budget strategy for the fiscal year 2012-2013 biennium?

- Use technology to increase productivity of employees.
- Decrease staff levels through attrition, early retirement incentives and/or layoffs.
- Restructure and/or eliminate underperforming academic programs, course offerings, and services. Reductions could impact healthy programs because colleges or universities simply cannot afford to support them.

- Implement LEAN strategies/principles to streamline operations and control costs.
- Expand partnerships for the delivery of academic programs and/or services.
- Determine the "right size" of an institution for the available resources.
- Increase external financial resources.
- Delay technology and facility improvements.
- Utilize technology to provide self-service options for students and employees.
- Make facility investments that will reduce long-term energy consumption.
- Increase course maximize size.
- Combine services within the institution (restructure and reengineer) or share services with partner institutions.
- Reallocate resources to highest priority activities, preserving core mission essentials and maximizing return on investment.
- Strategically manage enrollments across programs to attain maximum academic and fiscal advantage.
- Limit faculty release time for administrative projects.

Question 3: What is your future vision assuming less state support?

- Further reductions in spending (i.e., reduced course offerings and academic programs, reduced student services, etc.) will have a negative impact on the generation of tuition revenue.
- Additional pressure on employees to increase work load and productivity – doing more with less.
- Determine the "right size" of the institution and potentially adjust programs and services downward.
- Review the "open access" mission.
- Strengthen partnerships with industry for assistance through equipment donations and curriculum development.
- Focus on advancing technologies to increase productivity and offer appropriate level of services.
- Look to reorganization/restructuring to gain further efficiency.
- Manage level of enrollment growth to lessen the incremental cost impact on the institution.
- Continue with collaborative strategies.

At the time this report is submitted, the system faces a proposed $10.5 million cut for 2011 on top of a $50 million unallotment from the system's appropriation for the current biennium. Together, these cuts would reduce the budget for the system to the fiscal year 2006 funding level. In 2006, the system had 20,650 fewer students in headcount enrollment than it has today. If all these students were in one institution, it would be larger than St. Cloud State University; larger than Minnesota State University, Mankato; more than twice as large as Minnesota State University Moorhead or four times as large as Riverland Community College.

Higher education is the key to Minnesota's economic recovery. Every study that has been done credits higher education for Minnesota's high levels of productivity and high quality of life. If this state is to thrive, we need to not only maintain but increase the number of people with at least some college. The state demographer and state economist are very clear on this point – a high school degree is no longer enough to guarantee a job that will adequately support a family.

President Obama has set a goal for America to have the highest proportion of students graduating from college in the world by 2020. Continued cuts to public higher education will make it difficult, if not impossible, to achieve this goal.

The Minnesota State Colleges and Universities are eager to do their part to make Minnesota's educational attainment rate the highest in the world. We look forward to working with state leaders to find ways to maintain our investment in Minnesota's future.

Data Elements Used in Profiles

Enrollment - FY2002 - FY2013

Enrollment is based on full year equivalent (30 credits - undergraduate; 20 credits - graduate). FY2002-FY2009 represents actual enrollment. FY2010 - FY2013 are projections that were compiled in February 2010.

Tuition and Fees

These rates are undergraduate only on a per credit basis. The % change is the change of tuition and fees compared to the previous year's tuition and fee rates. Fees represent the most common fees charged to all students. Fee rates reported annually include technology, athletics, health services, student activity/ife, parking, and the statewide student association fees.

FY2003 and FY2009 Employees by Bargaining Unit (based on FTE)

Employees by bargaining unit data was compiled by the Office of the Chancellor's Human Resources division. The data represents on a percentage basis the amount of employees by bargaining unit. Total FTE is also listed.

FY2003 and FY2009 Employees Fulltime vs. Parttime (based on headcount including CE/CT)

Employees by bargaining unit data was compiled by the Office of the Chancellor's Human Resources division. The data represents on a percentage basis the % of employees working fulltime vs. parttime. The data represents a snapshot of employees on March 1 of the years reported.

State Appropriation, Tuition, and Fee Revenue including Total per FYE (FY2002-FY2009)

Table displays general fund state appropriation, tuition, and fee revenue. State appropriation and tuition revenue is displayed on a per FYE basis. Data is actual dollars and NOT adjusted for inflation.

Annual Reallocations

Reallocation of resources is a permanent, on-going strategy used by the system to advance the system's and the state's priorities and to respond to changes in the instructional programs and services called for by industries and communities across the system. Data was collected by surverying each college and university and the Office of the Chancellor and the data were reported every other year to the state legislature in the Minnesota State Colleges and Universities Accountability report.

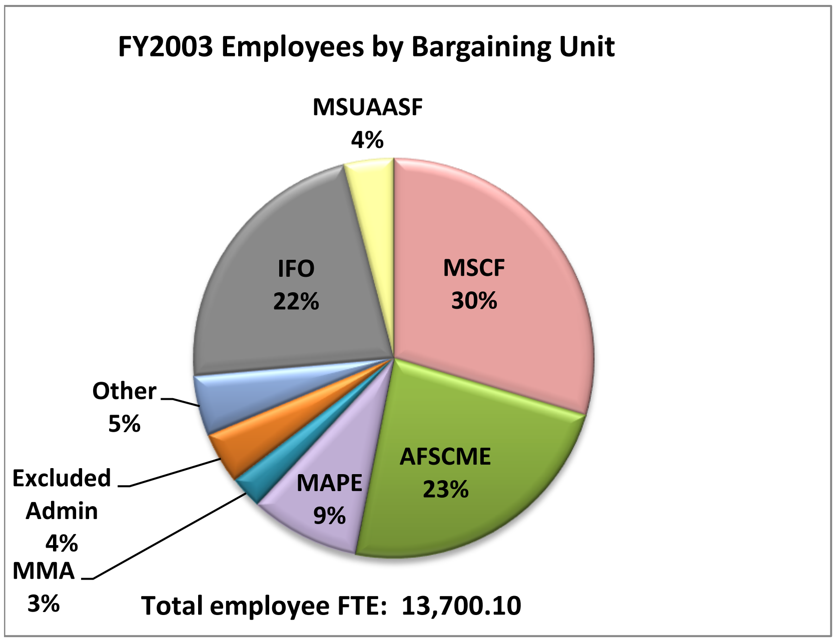
FY2009 Enrollment by Classification of Instructional Programs

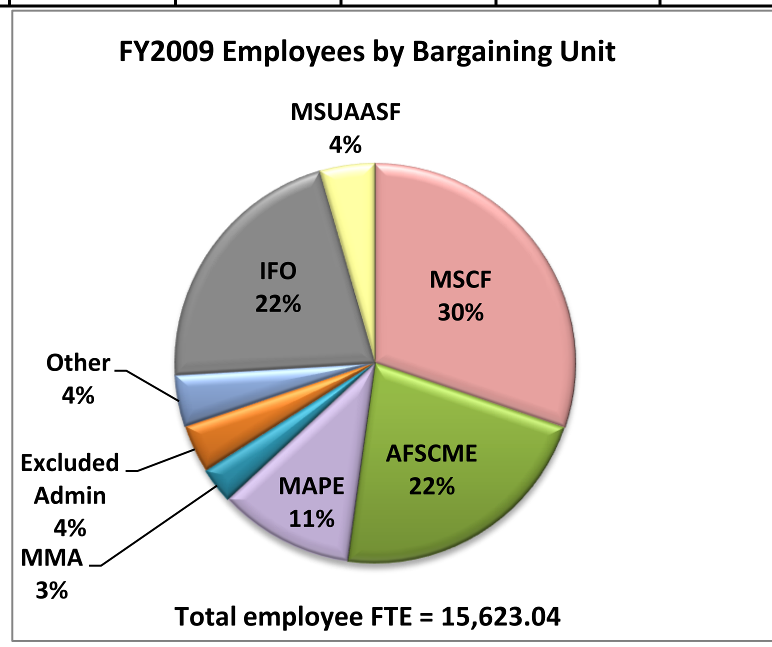
Enrollment by classification of instructional programs were compiled by the Office of the Chancellor Institutional Research Unit. These data represents the credits completed in the major categories displayed. Classification of instructional programs (CIP) codes is a national set of codes used to code instructional data.

Minnesota State Colleges and Universities

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	135,494	134,220	135,839	139,885	143,924	154,106	155,366	157,687	159,644
% change	-0.2%	-0.9%	1.2%	3.0%	2.9%	7.1%	0.8%	1.5%	1.2%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$84.27	$93.33	$105.97	$120.73	$128.03	$137.30	$142.20	$145.73	$149.87
Fee Rate	$12.66	$12.99	$13.65	$13.65	$13.83	$14.35	$15.32	$16.51	$16.83
% change	11.8%	9.7%	12.5%	12.3%	5.8%	6.8%	3.7%	2.8%	2.9%





FY2003	System	Colleges	Universities	FY2009	System	Colleges	Universities
Student FYE to Faculty	19	19	18	Student FYE to Faculty	18	19	17
Student FYE to Staff/Admin	20	22	20	Student FYE to Staff/Admin	19	21	19

FY2003	Full-time	Part-time
Faculty	50%	50%
Staff/ Admin	76%	24%

FY2009	Full-time	Part-time
Faculty	49%	51%
Staff/ Admin	82%	18%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	607,583,000	592,292,000	559,631,000	546,444,000	600,694,000	602,194,000	665,883,000	662,417,000
Tuition revenue	305,518,000	393,481,000	451,580,000	509,499,030	540,326,743	591,021,957	630,509,182	667,413,108
Fee revenue	30,752,269	35,439,189	38,491,489	37,917,171	37,618,800	40,313,964	43,021,877	47,320,658
Total	943,853,269	1,021,212,189	1,049,702,489	1,093,860,201	1,178,639,543	1,233,529,921	1,339,414,059	1,377,150,766
SA & Tuition Total per FYE	7,234	7,435	7,445	7,793	8,501	8,784	9,268	9,240

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	22,940,738	26,147,446	32,323,664	24,358,618	21,032,309	22,656,622	22,923,725	27,098,525

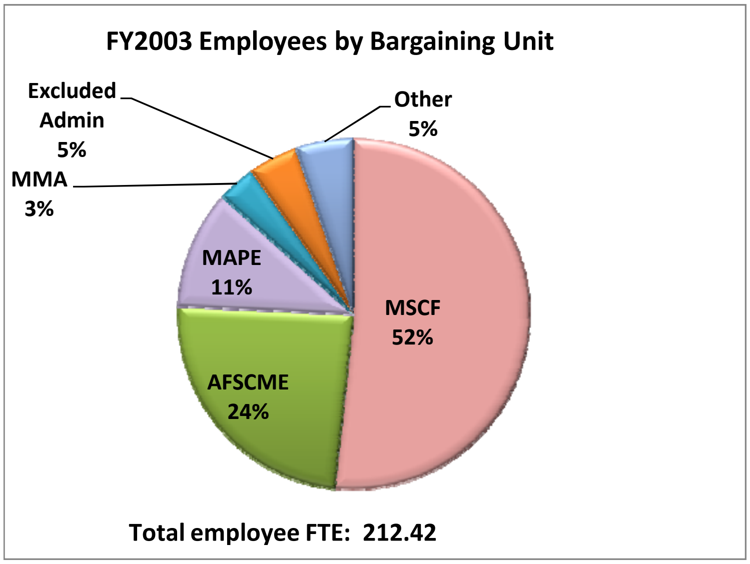
FY2009 Enrollment by Classification of Instructional Programs

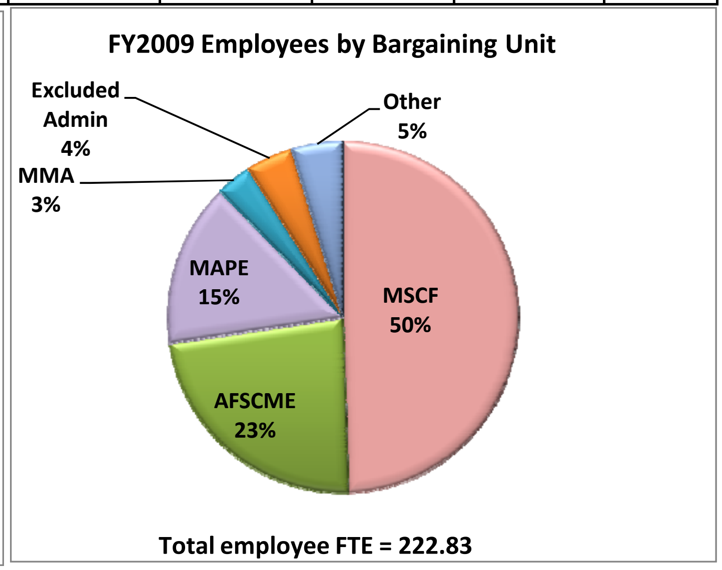
Business	10%	Education	4%
Health	9%	Occupational & Technical	14%
Liberal Arts & Social Sciences	40%	STEM	24%

Alexandria Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,145	2,071	2,114	2,110	2,063	2,150	2,125	2,125	2,125
% change	-0.4%	-3.4%	2.1%	-0.2%	-2.2%	4.2%	-1.2%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$79.00	$88.50	$99.15	$111.00	$118.75	$127.00	$132.00	$134.64	$138.68
Fee Rate	$7.25	$7.30	$8.28	$9.28	$9.80	$11.81	$12.31	$15.56	$16.56
% change	8.8%	11.1%	12.1%	12.0%	6.9%	8.0%	4.0%	4.1%	3.4%





FY2003	Full-time	Part-time
Faculty	52%	48%
Staff/ Admin	66%	34%

FY2009	Full-time	Part-time
Faculty	40%	60%
Staff/ Admin	67%	33%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	11,784,438	11,788,273	11,001,889	10,745,586	11,124,627	11,571,005	12,101,404	12,169,994
Tuition revenue	5,599,829	6,352,077	6,866,488	7,585,759	7,891,208	8,559,367	8,848,312	9,027,761
Fee revenue	559,524	653,223	693,415	802,113	870,352	1,014,248	1,071,154	1,117,330
Total	17,943,791	18,793,573	18,561,792	19,133,458	19,886,187	21,144,620	22,020,870	22,315,085
SA & Tuition Total per FYE	8,158	8,406	8,299	8,546	9,182	9,522	9,929	10,275

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	408,150	720,770	873,200	486,000	278,000	479,000	435,000	209,000

FY2009 Enrollment by Classification of Instructional Programs

Business	15%	Occupational & Technical	40%
Health	8%	STEM	14%
Liberal Arts & Social Sciences	23%		

Alexandria Technical College – Narrative

Past Budget Strategies

Alexandria Technical College's budget strategy over the past several years has been to balance the budget. One way we have done this is by reallocation of retiring employees. Each vacancy is evaluated for possible realignment of duties, permanent reduction, or replacement with a less than fulltime position. One other noteworthy action taken was to increase the efficiencies of class offerings. Also, supply budgets have had no inflationary increases over the past several years. Equipment and maintenance budgets have been reduced. Other actions taken have been:

- Annual review of the instructional cost study.
- Annual review of low enrollment programs.
- Delayed hiring and/or replacement of vacant positions.
- Industry relations and donated equipment to technical programs.
- Bi-weekly open budget forums to enhance budget communication and to explore new ideas from employees.
- Perform several revenue projections and then budget spending accordingly.
- Explore additional revenue generation.

Budget Strategy for FY2012-2013

There is an elevated concern, especially in light of a significant cut in base appropriation coupled with loss of ARRA funding, that revenues will not be sufficient to cover projected spending. We have made significant budget cuts in FY09, FY10, and FY11 in preparation of the budget challenges we face in the FY12-13 biennium. Other strategic actions:

- Become a comprehensive college to meet the regional demand of lower cost undergraduate courses. Will allow undecided students to access financial aid and may expose them to technical education for a new choice of career.
- Invest ARRA dollars in academic technical equipment with the expectation that no or very limited equipment dollars will be available in FY12 and FY13.
- Use technology to increase productivity of employees.
- Investigate and implement best practices college wide.
- Continue open budget forums.

Cost pressures may leave us unable to fund current programs and/or fund programs at their current enrollment level. We are completing the steps to contract the food service operation with an outside vendor.

Future Vision Assuming Less State Support

There will be a need to determine a maximum enrollment for programs and maybe a total systemic structural design.

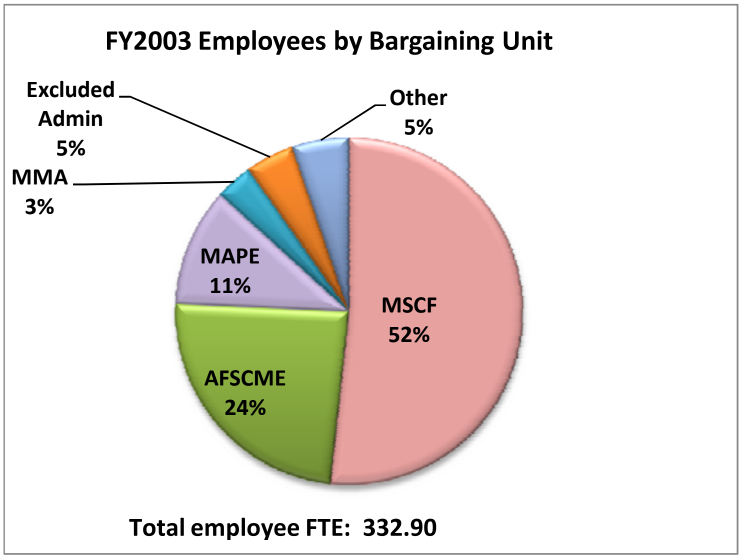
Contract negotiations will be difficult and could have a devastating impact on the operating budgets of not only Alexandria Technical College, but the system as a whole.

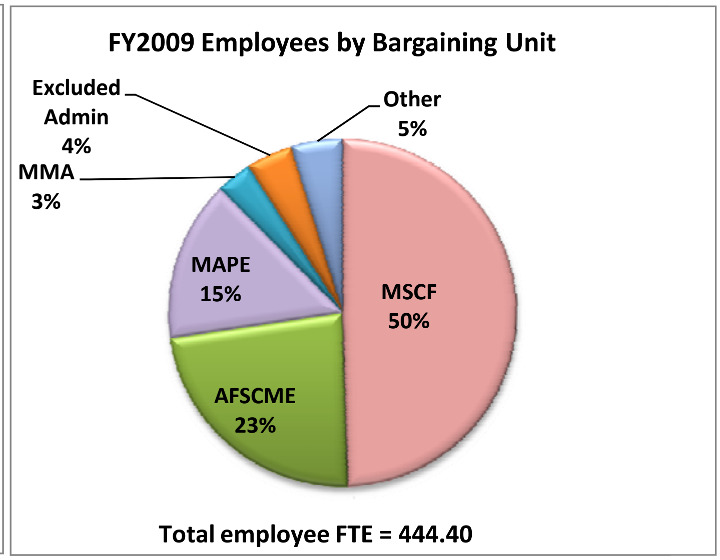
It is difficult to manage budgets with the lack of control over appropriations, tuition, and employee contract negotiations. This puts us in a very reactive state and sometimes leaves very little room for pro-active actions. One of our biggest challenges is that our past decrease in budget spending has not affected our revenues. We are at the crossroads where further reduction in spending will began to have a negative impact on the generation of tuition revenue.   The college has never experienced being in such a position.

Anoka Ramsey Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	4,550	4,540	4,876	5,113	5,339	6,200	5,850	5,768	5,653
% change	1.2%	-0.2%	7.4%	4.9%	4.4%	16.1%	-5.6%	-1.4%	-2.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$78.75	$84.65	$93.12	$102.42	$106.60	$113.00	$117.52	$119.87	$123.47
Fee Rate	$12.50	$12.55	$12.53	$12.78	$12.80	$12.81	$16.31	$16.81	$16.81
% change	9.8%	6.5%	8.7%	9.0%	3.6%	5.4%	6.4%	2.1%	2.6%





FY2003	Full-time	Part-time
Faculty	38%	62%
Staff/ Admin	80%	20%

FY2009	Full-time	Part-time
Faculty	40%	60%
Staff/ Admin	83%	17%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	13,731,012	13,703,151	13,120,853	12,959,587	14,051,184	14,877,823	17,262,213	18,005,020
Tuition revenue	10,138,510	11,994,698	13,281,081	14,456,244	14,983,369	16,538,182	18,027,161	18,980,555
Fee revenue	1,021,601	1,105,779	1,122,225	1,127,173	1,167,184	1,212,621	1,528,812	1,683,998
Total	24,891,123	26,803,628	27,524,159	28,543,004	30,201,737	32,628,626	36,818,186	38,669,573
SA & Tuition Total per FYE	6,263	6,104	5,874	6,025	6,395	6,443	6,902	6,927

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	540,000	421,619	1,592,100	250,000	0	670,000	151,200	1,500,000

FY2009 Enrollment by Classification of Instructional Programs

Business	7%	Occupational & Technical	6%
Health	5%	STEM	31%
Liberal Arts & Social Sciences	53%		

Anoka Ramsey Community College – Narrative

Budget strategies in the past several years

Anoka-Ramsey Community College is fortunate to have campuses located in two population growth corridors in Cambridge and Coon Rapids, Minn. The related enrollment has allowed Anoka-Ramsey to maintain an extremely efficient workforce. Anoka-Ramsey maintains the highest average class size of all MnSCU two-year colleges. In addition, Anoka-Ramsey's student to staff ratio is amongst the highest in the system further signaling the college's dedication to efficiency. The college has maintained the lowest tuition and fee rates since 2002. At the same time, the college realized healthy fund balances throughout the decade. Much of these surpluses have been invested in infrastructure enhancements and upgrades that will serve the college for years to come. Examples of infrastructure enhancements include IP based technology solutions that allow for leveraging staff between campuses, energy management, irrigation, door access, document imaging and video surveillance systems. The college did begin to reduce its annual operating expenses in fiscal year 2010 by reducing non-personnel expenditures by over $1 million. Executive and administrative services reduced budgets 10% and instruction budgets were reduced 5%.

Budget strategy for the FY 2012-2013 biennium

In order to achieve structural balance in the 2012-2013 biennium, Anoka-Ramsey has identified $1.5 million of potential non-personnel and salary reductions. The proposed salary reductions are proportionately spread across classified and non-classified positions. It is anticipated that much of the salary reductions will be realized through early retirement and attrition. In addition, the college will work with faculty to identify greater efficiency and cost reductions in the instructional unit. Anoka-Ramsey's cost-cutting decisions are guided by a focus on students as well as incrementally achieving a balance between workforce needs and enrollment levels. All strategies will be implemented to the degree that enrollment is not able to close the gap between expenses and further reductions in state appropriation.

Future vision assuming less state support

Anoka-Ramsey Community College has been operating under an efficient model for several years. Less state support will challenge the institution to further place pressure on employees to increase their work load and productivity. Increased pressure will also be placed upon students through stretching financial resources with regard to program options and services. .

Retention of students will be more critical while the college will become increasingly reliant on tuition revenue. The college must consider higher tuition increases than past averages to keep pace with other institutions in generating revenue. Fees continue to be relatively low, therefore choices in services related to technology may become more difficult. Seeking alternative sources of funding through local, state and federal grant opportunities will become necessary and more likely, resulting in reliance on one-time funding sources, which may assist short-term initiatives only. The college structure will be balanced financially and will be down-sized to an annual affordable level.

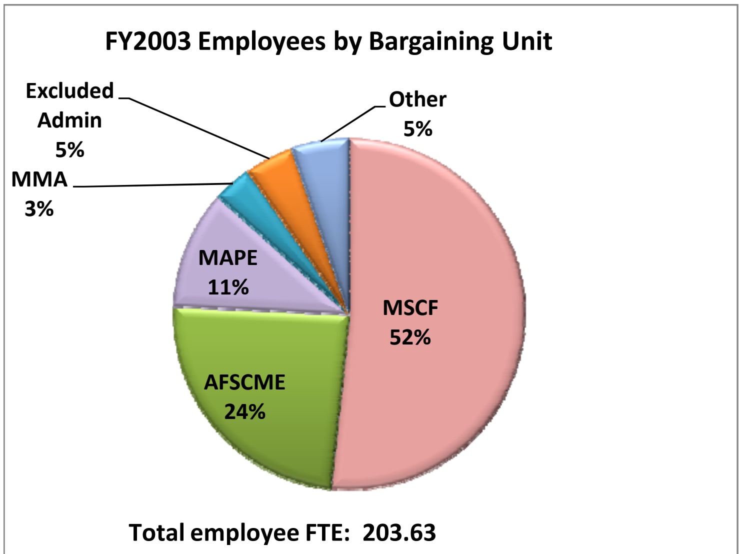
Some services to students will become automated or eliminated. The core mission and core services will be solvent.

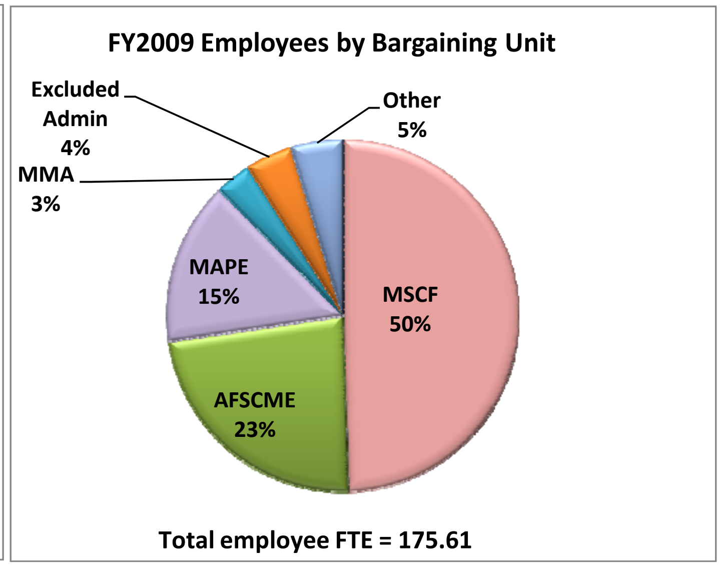
Finally, in reviewing and discussing the college's financial challenges and the challenges facing our P-12 partners, the college will collaborate with our partners in developing opportunities for students by integrating programs and services where feasible. While enrollment demand may exceed our funding capacity, consideration must be given to limiting the number of incoming students. Attempts must be made to reduce the number of underprepared students coming from area high schools. This may be done through collaboration or by deliberately limiting the availability of courses and services. Capacity for collaboration with our area sister institutions will be examined. Resources will be pursued for further efficiency and maintenance and existence of programs will be considered.

Anoka Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,559	1,601	1,576	1,527	1,643	1,902	1,920	1,950	2,005
% change	-7.1%	2.7%	-1.6%	-3.1%	7.6%	15.8%	0.9%	1.6%	2.8%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$81.75	$91.56	$105.29	$121.08	$129.55	$134.75	$138.80	$141.58	$144.41
Fee Rate	$11.75	$12.80	$13.53	$14.03	$14.05	$14.06	$14.06	$14.06	$13.31
% change	15.3%	11.6%	13.9%	13.7%	6.3%	3.6%	2.7%	1.8%	1.3%





FY2003	Full-time	Part-time
Faculty	28%	72%
Staff/ Admin	82%	18%

FY2009	Full-time	Part-time
Faculty	44%	56%
Staff/ Admin	84%	16%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	8,832,729	8,951,507	8,334,737	8,169,779	8,924,722	8,723,527	9,470,759	9,245,705
Tuition revenue	5,244,920	5,865,837	6,067,684	6,805,479	6,982,223	7,054,935	6,946,925	7,553,840
Fee revenue	465,165	579,558	555,709	685,698	645,289	622,044	604,815	647,946
Total	14,542,814	15,396,902	14,958,130	15,660,956	16,552,234	16,400,506	17,022,499	17,447,491
SA & Tuition Total per FYE	8,815	9,296	8,578	9,606	9,936	10,012	10,752	10,225

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	637,666	1,145,708	954,346	559,750	279,310	164,436	107,896	373,721

FY2009 Enrollment by Classification of Instructional Programs

Business	10%	Occupational & Technical	23%
Health	32%	STEM	19%
Liberal Arts & Social Sciences	16%		

Anoka Technical College — Narrative

Budget strategies in the past several years

Anoka Technical College has implemented five key budget strategies with the overall goal of building capacity to weather current and future budget and economic challenges. The first strategy was to increase the reserve from 2% to 8%. Next, the college has improved oversight on all of its spending by requiring the CFO and/or the president or designated vice president to review all spending requests and purchase orders. The third strategy was to make a concerted effort to examine alternate arrangements for current staff and faculty prior to initiating new hiring. The final two strategies are redeploying financial and physical resources into targeted areas of critical need and expanding our student FYE enrollment with a 25% increase between FY06 and FY10.

Budget strategy for the FY 2012-2013 biennium

During the FY2012-2013 biennium, Anoka Technical College intends to work within our current budget framework without reducing reserves. In addition, we will emphasis voluntary separation opportunities (Board Early Separation Initiative) and expanded use of flexible hiring options. We also expect to use judicious investment of one-time funds to build capacity in core college functions that align with the College's strategic plan. Finally, we intend to strengthen core college functions while restructuring and/or eliminating under-performing or duplicative programs and services.

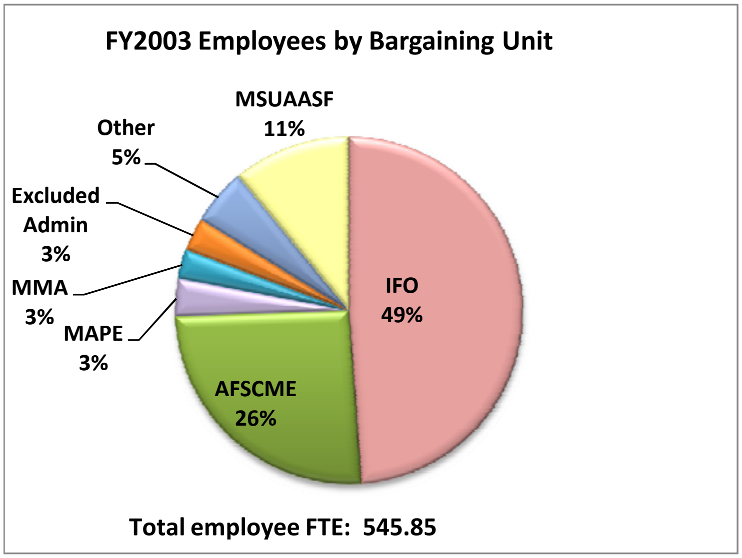
Future vision assuming less state support

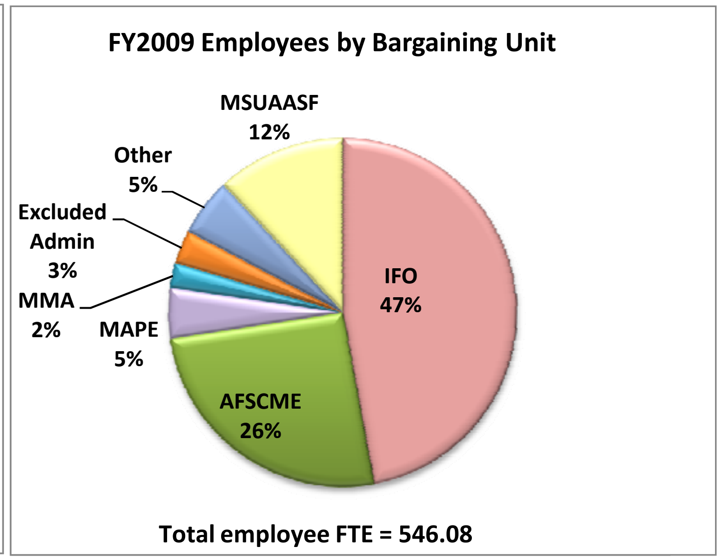
Anoka Technical College's future vision assumes we will continue to reinvent of all operational and service areas of the college; focus on a demand-driven model as the determinant of academic program scope; and continue to work with our staff and our faculty to maximize human resources and programmatic flexibility.

Bemidji State University

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**
FYE	4,260	4,229	4,220	4,272	4,276	4,430	4,470	4,500	4,500
% change	-2.9%	-0.7%	-0.2%	1.2%	0.1%	3.6%	0.9%	0.7%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**
Tuition Rate	$115.67	$126.07	$144.60	$163.40	$174.87	$190.00	$197.67	$203.60	$209.71
Fee Rate	$16.55	$16.55	$17.14	$18.14	$18.49	$18.82	$19.22	$21.59	$22.05
% change	5.3%	7.9%	13.4%	12.2%	6.5%	8.0%	3.9%	3.8%	2.9%





FY2003	**Full-time**	**Part-time**
Faculty	67%	33%
Staff/ Admin	92%	8%

FY2009	**Full-time**	**Part-time**
Faculty	63%	37%
Staff/ Admin	92%	8%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**
State appropriation	22,378,143	21,813,762	20,365,467	20,134,341	22,664,120	21,645,561	23,572,036	23,460,510
Tuition revenue	14,774,736	16,402,388	18,442,973	20,226,853	21,762,786	23,380,252	24,944,270	26,106,728
Fee revenue	1,268,511	1,346,819	1,424,505	1,471,717	1,617,999	1,623,790	1,666,947	1,793,052
Total	38,421,390	39,562,969	40,232,945	41,832,911	46,044,905	46,649,603	50,183,253	51,360,290
SA & Tuition Total per FYE	8,730	8,761	8,848	9,474	10,505	10,670	11,357	11,592

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**
Reallocated Amount	798,200	629,000	1,646,200	901,783	1,051,000	2,084,000	2,235,000	855,000

FY2009 Enrollment by Classification of Instructional Programs

Business	12%	Education	11%
Health	3%	Occupational & Technical	13%
Liberal Arts & Social Sciences	36%	STEM	25%

Bemidji State University – Narrative

Budget strategies in the past several years

In 2007, the university undertook a process to significantly realign its budget. A national study was commissioned in 2002 and 2006 to compare our expenditures and offerings to those of approximately 35 other peer institutions in the United States. Both reports revealed strongly that, given our enrollment size, we have more academic programs than nearly all our peer institutions. This report along with progressively worsening financial circumstances at the university required that a significant change needed to occur to keep the university financially viable. The three fiscal year 2008-2010 budgets were developed primarily in response to internal changes and needs and increased the percent of dollars dedicated to direct instructional cost (based on IPEDS data).

After months of deliberation, the university began implementation of the three-year (FY2008-2010) budget readjustment plan in April 2007. We used three approaches to meeting this goal of long-term viability: budget reductions; restructuring of offerings; and new investments. The adjustments by area within the university were to increase discretionary revenue by $1 million; decrease expenditures by $1 million each in direct instruction and institutional support; decrease expenditures in intercollegiate athletics by $750,000; decrease expenditures in physical plant by $550,000; decrease expenditures in academic support by $450,000; and decrease expenditures in student services by $250,000. New investments included increasing investments in repair and betterment, equipment, and the addition of academic programs and student services that provides an opportunity for enrollment growth and enhanced retention efforts. Through attrition and retirements, there was an overall reduction of approximately 25 positions by 2010.

The national economic crisis in 2008 had a significant impact on the State of Minnesota's finances. The unallotment impact to the university in December 2008 was nearly $600,000. That was just the beginning as the state is faced with a five billion dollar deficit each of the next two biennia through 2013. The nearly two million dollars in federal stimulus funds that the university received for FY2010 and FY2011 helped buffer the nearly three million dollar loss in state appropriation that will occur before the start of FY2012.

During spring semester 2009, the university developed a budget reduction plan to balance its FY2010 budget and permanently reduce its budget by an additional two million dollars by the end of FY2011. The plan concentrated on preserving the university's core, on positioning for continued success, and ensuring the budget is in balance. A plan was implemented to identify $1.25 million in permanent budget reductions for fiscal year 2010 and an additional $750,000 in fiscal year 2011, for a total of $2 million. The reductions came from the following:

- $1 million from academic affairs
- $400,000 from finance and administration
- $400,000 from University-wide and/or fixed costs
- $150,000 from student development and enrollment
- $50,000 from the Office of the President

Budget strategy for the FY2012-2013 biennium

As the University enters another phase of significant budgetary planning and deliberations for FY2012-2013, the Board Early Separation Incentive (BESI) is being utilized as a tool to reduce long-term expenditures as one of the options to balance our budget. By using BESI, the University will work to meet the goals of the incentive program: reducing salary and benefit obligations in anticipation of reduced state funding; reallocating resources to departments and programs in response to changing needs or strategic objectives; or achieve other cost savings or efficiencies.

After the outcome of the implementation of BESI is known at the end of March 2010, the university will then move into its next phase of long-term planning. The hope is that BESI would provide some opportunities to look at reallocating resources to departments, programs, or services that are growth areas or are in need of additional staff while simultaneously achieving long-term cost savings.

The University will then complete an updated transparent review of all programs and services. This review will built off the work of previous integrated planning. The main topics that are driving our planning are enrollment, demographics, generational shifts, economic and social valuation of higher education, regional and global workforce challenges. The strategies of the 2008-2013 strategic plan indicate a refinement of focus toward student success, engagement, innovation and mission and were built upon these changing external factors.

Future vision assuming less state support

Moving into the future, decisions at the university will need to place a disproportionate emphasis on financial aspects to determine the viability of many traditional programs and services. Without as much state support, the university will need to ensure there is direct revenue available to support mission-critical programs and services and that there is a large enough margin to cover indirect costs that in the past were covered by our state appropriation. There are mission-critical services that the university is obligated to provide that simply do not generate sufficient self-sustaining revenue.

The basis for deteriming specific actions within this future vision will be guided by one of the four strategies of our 2008-2013 strategic plan. Strategy D is for the university to Optimize Resources to Achieve the University's Vision and Mission with the Strategic Imperative of effectively manage and increase enrollment and resources in support of the university's vision and mission. The six initiatives that will be used to guide this vision are:

D.1 Promote clear pathways for student access and success.
Promote student access, retention and success through excellence in recruitment, programming and services.

D.2 Manage revenues in support of educational programs and services.
Support student success through stewardship of revenue streams including tuition and fees, scholarships, state allocation, and external fundraising.

D.3 Create institutional capacity through improvement in efficiencies.
Support student success through efficiencies and improved utilization of internal financial resources.

D.4 Through intentional analysis, utilize data to inform decision-making in support of the University's vision and mission.

Improve generation and allocation of resources through a process of discovery, identification, collection and interpretation of data.

D.5 Maintain financial strength through priority program growth and development.
Expand capacity for existing programs with high regional or national demand while identifying new programs and markets that have the potential to strengthen enrollment.

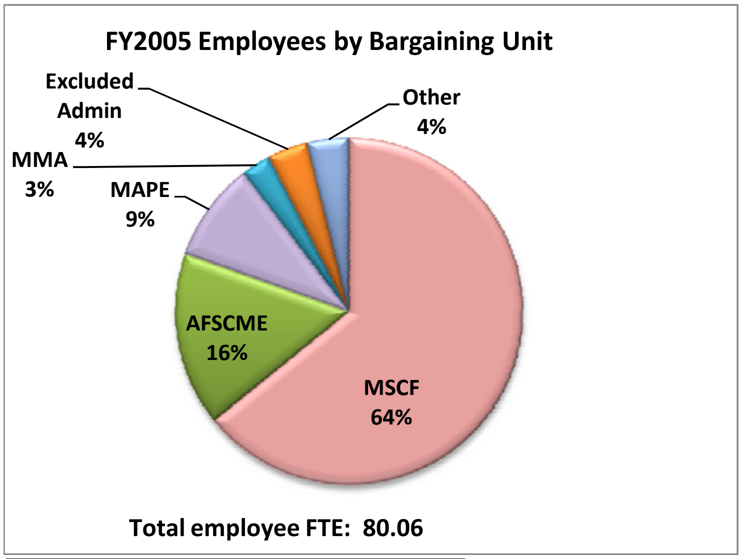
D.6 Provide stewardship of the campus physical environment.
Explore means and methods to model responsibility toward the land and other natural resources.

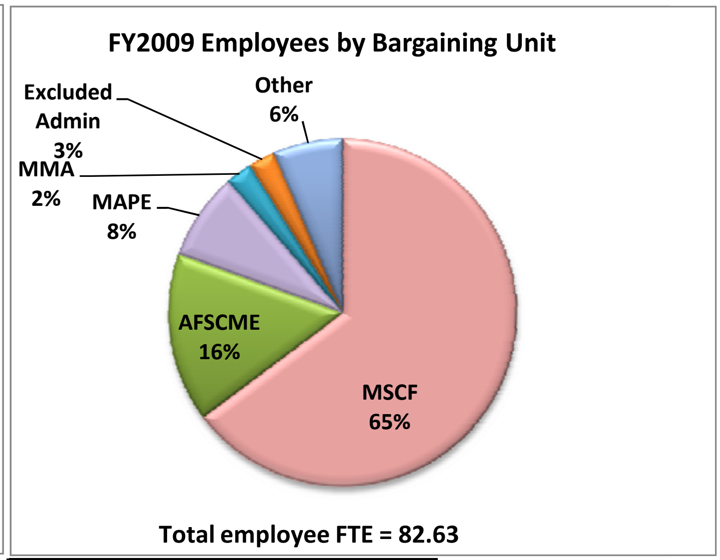
Northwest Technical College - Bemidji

Realigned in FY2005 - Specific data elements contain no information for eariler years

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	730	730	755	870	831	950	950	950	950
% change	-1.2%	0.0%	3.4%	15.2%	-4.5%	14.3%	0.0%	0.0%	0.0%

Tuition & Fee Rates - FY02-10 (realigned in FY2005 no previous data available)									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate				$120.75	$129.20	$140.85	$146.50	$149.45	$153.85
Fee Rate				$9.28	$9.80	$10.31	$10.31	$10.81	$11.31
% change				0.0%	6.9%	8.7%	3.7%	2.2%	3.1%





FY2005	Full-time	Part-time
Faculty	60%	40%
Staff/ Admin	77%	23%

FY2009	Full-time	Part-time
Faculty	54%	46%
Staff/ Admin	83%	17%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation				3,040,174	3,392,610	3,644,221	3,981,867	4,011,843
Tuition revenue				3,120,931	2,673,202	3,403,575	4,291,974	4,568,795
Fee revenue				155,174	156,600	189,099	212,344	223,596
Total				6,316,279	6,222,412	7,236,895	8,486,185	8,804,234
SA & Tuition Total per FYE				8,440	8,309	9,335	9,510	10,326

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount				195,900	713,000	465,000	130,000	210,000

FY2009 Enrollment by Classification of Instructional Programs

Business	13%	Occupational & Technical	24%
Health	33%	STEM	13%
Liberal Arts & Social Sciences	18%		

Northwest Technical College – Narrative

Budget strategies in the past several years

Northwest Technical College has experienced significant enrollment growth in the past several years (30% increase in FYE since 2005). The amount of new revenue available to cover this growth has not kept pace. Fiscal year 2005 was the first full year that the college's state funding became intertwined with Bemidji State University's. The President challenged the campus to focus on three areas as the new College was emerging under a new governance structure. The three challenges centered on: (1) increasing enrollment by providing more avenues of access and opportunity; (2) creating greater awareness of the College's excellent programs and history of well prepared graduates in the communities served by the College; and (3) stabilizing the College's financial situation and identifying new opportunities to generate additional resources.

The first two fiscal years (2005 and 2006) of this transition resulted in a series of personnel reductions. Nine positions alone were eliminated during 2005 – 2 MnSCU Administrators, 1 – Middle Management, 5- MAPE, and 1- AFSCME. Budgetary strategies for two biennia were made to ensure that continued progress was made in implementing the college's strategic plan and meeting its action plan targets. Two particular areas were emphasized – 1.) Support rapid growth in on-line learning to ensure that instructional technologies were still updated to keep faculty as current as possible; and 2.) More investments in the health sciences programs to support our goal of providing more access and opportunity.

Alignment of services between the college and the university also matured during this period with the goal being that as much college resources as possible could be dedicated to academic programs and support. Services being shared intially included accounting, financial aid, and human resources. A second significant phase of aligning additional services and programs with Bemidji State University occurred in 2008 as three shared technology positions and one finance position were hired to improved services at NTC and improve efficiencies for both the college and the university.

Northwest Technical College was able to balance its budget for FY2010 & FY2011 by working towards further instructional efficiencies and by making some temporary budget adjustments. Faculty overloads have been reduced the past two years as well as reducing reassigned time outside the classroom. These changes have saved the equivalent of 2.5 FTE in part-time faculty positions. Other actions taken include changing the funding on portions of two positions from the general fund to other revenue sources (auxiliary revenue and fees), reducing the academic supplies budget, and other operating non-instructional budgets.

The federal stimulus funds are being be used to make investments in instructional equipment that will give the college the ability to grow enrollments to meet regional demand in the health sciences area. Other uses are to purchase new technologies to improve efficiencies and reduce permanent base operating costs.

Budget strategy for the FY2012-2013 biennium

The budget strategy for the FY2012-FY2013 biennium will need to place a high emphasis on keeping priorities funded adequately and to continue to look at innovative ways to provide required services. This may be result in reducing some access to services and/or facitlies that have been traditionally provided in the past. The three challenges identified in 2005 will be the same ones that will need to be out in the forefront of budget deliberations: (1) increasing enrollment by providing more avenues of access and opportunity; (2) creating greater awareness of the College's excellent programs and history of well prepared graduates in the communities served by the College; and (3) stabilizing the College's financial situation and identifying new opportunities to generate additional resources.

Recent investments made in recruitment and retention strategies will be expected to help produce results that maximize revenue, contain costs, and appropriately meet students' expectations. Academic priorities have remained unchanged, but the time horizon of accomplishing some goals may be delayed.

Future vision assuming less state support

The following statement that is the working definition that Northwest Technical College and Bemidji State University use to define alignment: ***Alignment is a strategic partnership to create new opportunities for learners and employers while preserving the unique character of each institution.*** This statement will become even more important in the future as the balancing act between having distinct missions and needing operational efficiencies will be more challenging than ever.

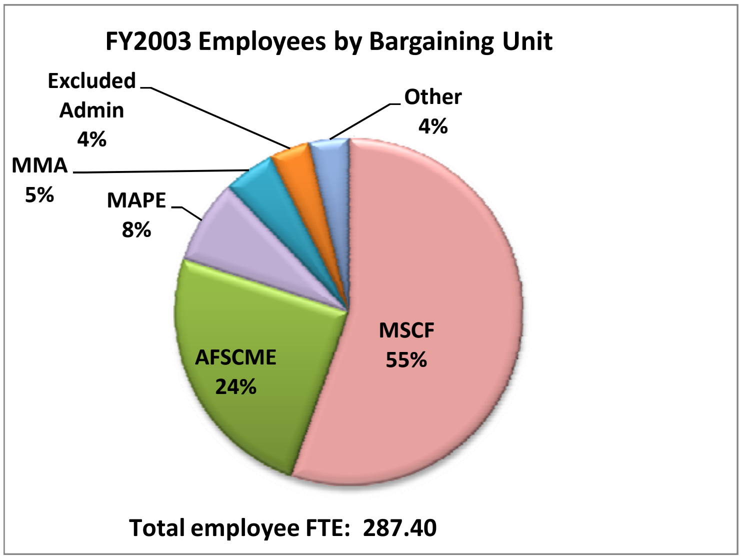
Moving into the future, decisions at the college will also continue to move in a stronger direction where financial impact will play a large role in determining the viability of programs and services. Without as much state support, the college will need to ensure there is direct revenue available to support mission-critical programs and services and that there is a large enough margin to cover indirect costs that in the past were covered by our state appropriation. There are mission-critical services that the college is obligated to provide that simply do not generate sufficient revenue.

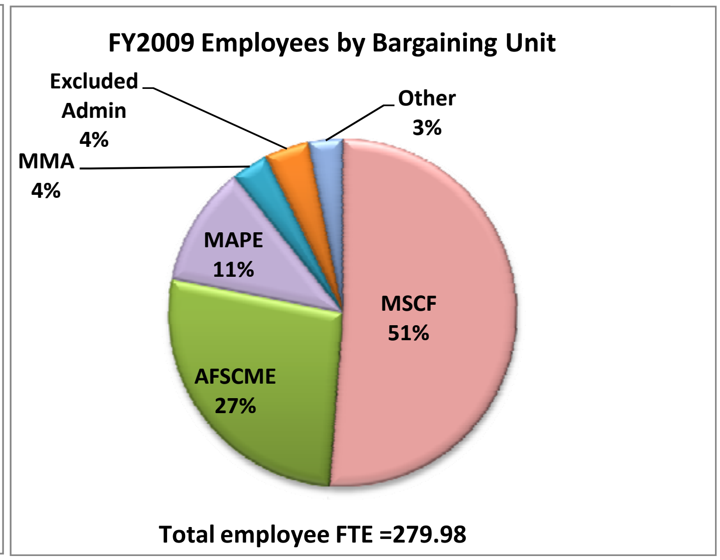
This new paradigm will have to be balanced with meeting the mission of integrating the value of work with the educational experience to develop resourceful lifelong learners with knowledge, skills, and attitudes to secure rewarding careers and satisfying lives in an increasingly technologically focused, globally interdependent, multicultural society.

Central Lakes College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,362	2,347	2,340	2,645	3,020	3,350	3,350	3,350	3,350
% change	-4.7%	-0.6%	-0.3%	13.0%	14.2%	10.9%	0.0%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$78.15	$85.80	$94.30	$108.45	$116.04	$125.32	$130.33	$132.94	$136.93
Fee Rate	$10.75	$12.80	$13.78	$15.28	$15.30	$15.96	$16.96	$18.41	$19.91
% change	9.5%	10.9%	9.6%	14.5%	6.2%	7.6%	4.3%	2.8%	3.6%





FY2003	Full-time	Part-time
Faculty	53%	47%
Staff/ Admin	81%	19%

FY2009	Full-time	Part-time
Faculty	53%	47%
Staff/ Admin	86%	14%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	14,340,597	14,198,518	13,163,751	12,908,240	13,576,176	13,730,762	14,262,075	14,435,657
Tuition revenue	6,616,854	7,312,114	7,578,520	7,968,157	8,586,442	9,251,722	10,226,142	11,446,565
Fee revenue	714,329	758,775	828,290	839,106	877,024	872,165	913,342	1,051,452
Total	21,671,780	22,269,407	21,570,561	21,715,503	23,039,642	23,854,649	25,401,559	26,933,674
SA & Tuition Total per FYE	8,366	8,367	8,371	8,838	9,443	9,822	9,258	8,570

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	700,000	1,030,664	1,014,110	293,891	634,760	565,600	764,761	715,019

FY2009 Enrollment by Classification of Instructional Programs

Business	6%	Occupational & Technical	20%
Health	11%	STEM	27%
Liberal Arts & Social Sciences	37%		

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Central Lakes College – Narrative

Budget strategies in the past several years

Central Lakes College's FY2010 and FY2011 budgets have been balanced with a focus on structural improvements and a strategic approach to managed enrollment growth. This has been accomplished through increased revenue, improved efficiencies throughout our organization, and expenditure reductions with the goal of least impact on students. We have experienced double-digit enrollment increases for the past few years, generating additional tuition income; however, we have not hired permanent faculty to match these enrollment increases. We continue to reduce our base operational, equipment and facility spending, even with increased student numbers. We continue to evaluate all personnel vacancies, not filling when possible, and have permanently reduced both staff and administrative positions through attrition and layoffs to better position ourselves for the future economic outlook. We have structurally balanced our budget for FY2010-2011, in preparation for the FY2012-2013 biennium through continued base expenditure reductions, and new revenue streams accomplished through increased enrollment and other revenue sources.

Budget strategy for the FY2012-2013 biennium

Central Lakes College's budget strategy for FY2012-2013 will be a stronger emphasis on efficiencies college-wide, partnering for programs/services (MnSCU institutions, K-12 partners, local business community, foundations, etc.) and a focus/reliance on revenue other than state appropriation (i.e. grants). We have trained key personnel on Educational Lean and will focus on high-impact college-wide projects to improve effectiveness and efficiency in processes, but also to improve student satisfaction. We will rely on systems such as Educational Lean to evaluate our services and make necessary changes to streamline our operations. We will continue to evaluate academic programs through program review, but may be in a position where we must eliminate healthy programs because we simply cannot afford to support them. We will have focused conversations around core mission and values, and evaluate programs and services around those priorities. We cannot continue to offer all of our current programs and services, considering the current economic climate. We will be forced to make base reductions in academic programs and services that we offer, resulting in fewer faculty, staff and administration. We also need to evaluate the sustainability of current enrollment patterns in light of the increasing financial burden that is being shifted to students.

Future vision assuming less state support

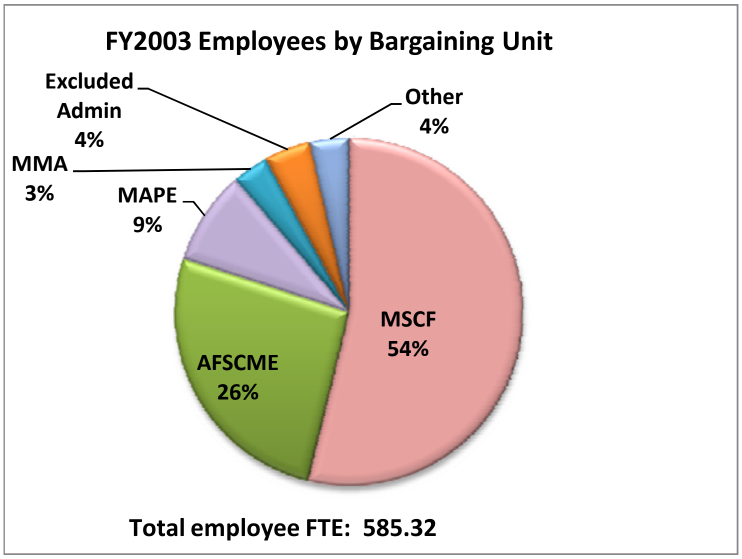
Central Lakes College's vision, assuming less state support, continues to be a strong community and technical college, meeting our mission of Building Futures for the communities that we serve. We will continue our intentional focus on strategic priorities of consistent enrollment growth and improved retention rates; flexible, accessible programs/services responsive to the changing employment and educational needs of the region; serving as a recognized leader in the region for innovation in community and economic vitality, and achieving institutional effectiveness through improved linkages in planning and resource allocation, assessment and continuous improvement, and enhanced communication. We need to stay true to our vision and mission as a comprehensive community and technical college; however our methods to achieve these goals must change.

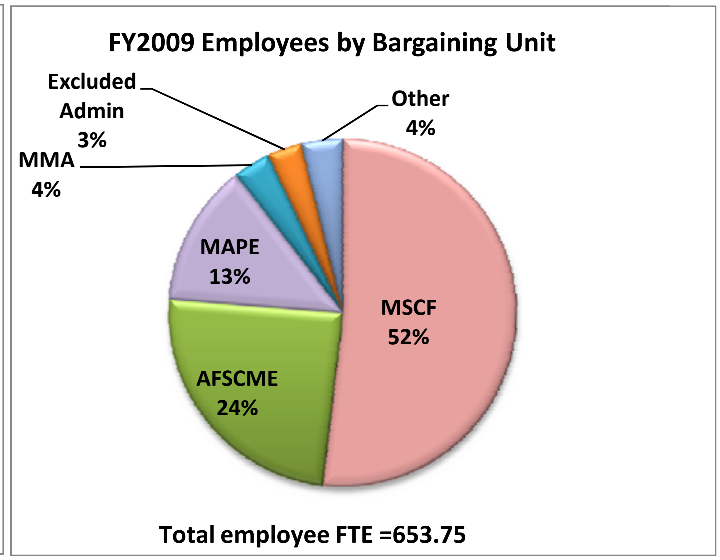
We need to actively pursue and retain partners with other MnSCU institutions regarding joint academic programs, shared student and administrative services, and regionalization of non-mission critical functions. We also need to continue to partner with our area K-12 districts and business community to meet the needs of our local communities. Central Lakes College has a model Bridges Workplace Connection program that has been successful in linking K-12 students (numerous area school districts), Higher Education (Central Lakes College), local Chambers of Commerce, and community business partners to focus on the regional economic needs and matching those business needs with our educational partners. This type of model must be expanded to other areas of our operations, so that we maximize our focus on mission-critical programs and services. We need to evaluate how we can more actively partner to draw on a broader pool of human and financial resources for our long-term sustainability.

Century College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	6,133	5,980	5,957	6,287	6,714	7,631	8,089	8,332	8,582
% change	0.0%	-2.5%	-0.4%	5.5%	6.8%	13.7%	6.0%	3.0%	3.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$76.45	$85.65	$95.95	$108.40	$116.00	$127.00	$132.08	$134.75	$138.75
Fee Rate	$10.06	$10.11	$12.19	$12.19	$14.11	$14.12	$14.91	$17.41	$17.56
% change	6.7%	10.7%	12.9%	11.5%	7.9%	8.5%	4.2%	3.5%	2.7%





FY2003	Full-time	Part-time
Faculty	43%	57%
Staff/ Admin	53%	47%

FY2009	Full-time	Part-time
Faculty	47%	53%
Staff/ Admin	70%	30%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	19,175,595	19,189,296	18,272,305	18,278,444	19,941,838	21,197,183	24,208,175	25,172,621
Tuition revenue	13,903,446	16,856,862	20,147,148	22,089,249	23,391,927	26,387,161	28,475,668	30,123,702
Fee revenue	1,367,969	1,434,039	1,889,273	2,007,231	1,947,618	1,979,626	2,013,068	2,507,598
Total	34,447,010	37,480,197	40,308,726	42,374,924	45,281,383	49,563,970	54,696,911	57,803,921
SA & Tuition Total per FYE	6,345	6,189	6,263	6,582	7,246	7,988	8,380	8,236

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	428,319	709,167	905,300	459,178	1,190,000	853,473	192,460	348,000

FY2009 Enrollment by Classification of Instructional Programs

Business	5%	Occupational & Technical	9%
Health	9%	STEM	28%
Liberal Arts & Social Sciences	49%		

Century College – Narrative

Budget strategies in the past several years? (FY 08-09 and FY 10-11 biennia)

- We have conservatively forecasted revenues
- We have increased our emphasis on external resource development
- We have increased instructional efficiencies (significant increase in percent of seats filled per section)
- We have explored new and expanded existing partnerships with industry, community agencies, community groups, and other educational institutions
- We have delayed filling vacancies
- We froze UFT faculty hiring in FY 09
- We have absorbed administrative work for administrators on leave
- We have reduced faculty release time for special initiatives
- We have scrutinized new hires
- We have strategically added new staff positions in FY 10 to support increased demand on resources (funded through enrollment growth)
- We kept non-personnel flat or cut in some areas
- We have reduced travel expenditures
- We have used stimulus funds for one-time expenditures aimed at work force development
- We have invested in facilities and technology infrastructure improvements
- We have expanded, and will continue to expand, off-site facilities to accommodate enrollment growth
- We have moved ongoing expenditures from one-time money to the base budget
- We have strategically grown our reserve fund

Budget strategy for the FY 2012-2013 biennium

- Determine reachable, yet aggressive, enrollment growth goals
- Explore the implications of limiting enrollment growth, i.e., determining “right size”
- Strategically develop new revenue sources, e.g., grants, Transportation Training Center
- Explore new and expand existing partnerships with industry, community agencies, community groups, and other educational institutions
- Continue to increase our emphasis on external resource development
- Continue to focus on improved operational efficiencies (we are near capacity in the classroom)
- Continue to maximize usage of on-campus classrooms and facilities
- Explore cost-effective alternatives for off-site class offerings necessary to reach enrollment goals
- Take a long-term, multi-year approach to the budget process and planning
- Continue to maintain healthy fund balance
- Build a budget that ensures the long-term financial viability of the college
- Identify the strategic use of one-time funds, while not shifting base expenses to one-time funds
- Create structurally balanced annual base budgets

Future vision assuming less state support

We're past "doing more with less" and therefore need to look at significant changes in our structure and operations. Depending on the severity of the reduction in state support, we envision the need to restructure the college.

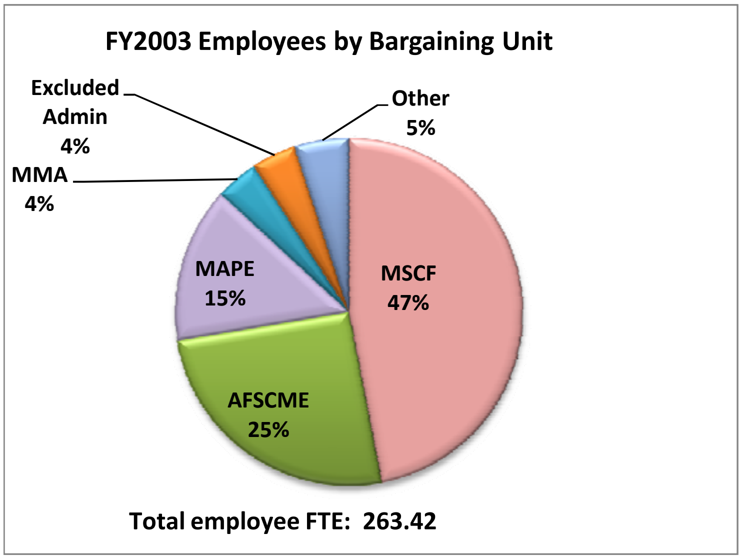
We will need to continue to discuss the "right size" of the college and potentially adjust that downward. Our mission as an open access institution will have to be reviewed and reinterpreted. When we add in the increased tension between growing demand and decreasing resources, we will also have to seriously engage in a discussion about the level of tuition.

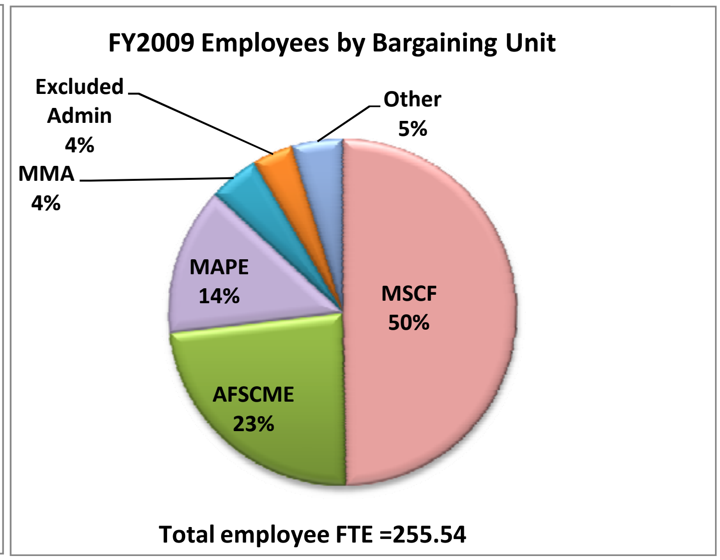
With the high demand on our own limited resources, we will need to reexamine our relationships with other institutions within the system and look at ways to share resources and functions to gain efficiencies. There will be a need for greater efforts in joint planning. Perhaps the entire system needs to be restructured and operate in new ways.

Dakota County Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,245	2,255	2,203	2,104	2,206	2,375	2,250	2,250	2,250
% change	-0.2%	0.4%	-2.3%	-4.5%	4.8%	7.7%	-5.3%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$81.80	$91.60	$100.60	$115.70	$123.80	$136.06	$141.50	$144.33	$148.66
Fee Rate	$15.25	$16.80	$16.78	$16.78	$16.80	$16.81	$16.81	$19.31	$20.81
% change	17.2%	11.7%	8.3%	12.9%	6.1%	8.7%	3.6%	3.4%	3.6%





FY2003	Full-time	Part-time
Faculty	39%	61%
Staff/ Admin	70%	30%

FY2009	Full-time	Part-time
Faculty	41%	59%
Staff/ Admin	62%	38%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	12,277,611	12,043,435	11,225,293	10,989,986	11,518,236	11,700,689	12,278,260	12,267,143
Tuition revenue	7,074,949	7,622,176	8,471,760	9,444,507	9,774,460	10,979,943	11,491,355	11,921,623
Fee revenue	656,631	799,331	880,262	937,902	1,067,798	883,931	889,458	1,076,031
Total	20,009,191	20,464,942	20,577,315	21,372,395	22,360,494	23,564,563	24,659,073	25,264,797
SA & Tuition Total per FYE	9,519	9,220	8,754	9,102	9,442	10,295	11,297	10,965

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	714,666	777,309	390,978	0	275,329	321,980	709,668	607,873

FY2009 Enrollment by Classification of Instructional Programs

Business	17%	Occupational & Technical	29%
Health	10%	STEM	16%
Liberal Arts & Social Sciences	29%		

Dakota County Technical College – Narrative

Budget strategies in the past several years

In response to a $1.6 million (14.9%) state appropriation reduction for Fiscal Year (FY) 2010, Dakota County Technical College implemented four budget strategies to maintain its academic mission, strategic goals and long-term financial health.

- With student senate endorsement, the College increased tuition $7.00 per credit in FY2010. The College used $165,965 of American Recovery and Reinvestment (ARRA) funds to mitigate the tuition increase by 2%. As a result, students only saw a 3% tuition increase of $4.33 per credit in FY2010.
- To increase academic efficiencies and reduce costs, College faculty and administration maximized enrollment in each academic course and program whenever possible. Enrollment rose 4.8% in FY2009 and 7.9% in FY2010, generating an additional $0.4 million in FY2009 and an additional $0.8 million in FY2010.
- The College reduced personnel costs at the end of FY2009 by almost 4.0%, or $755,000, through staff layoffs and the elimination of vacant positions.
- The College reduced non-personnel costs more than 6.0%, or almost $600,000, by expanding lean education practices in academic and student support services and by delaying several repair and replacement projects.

Budget strategy for the FY2012-2013 biennium

The College's budget outlook in FY2012 and FY2013 will compound the budget challenges already faced in the current FY2010-FY2011 biennium. The College projects a $0.5 million (6.1%) state appropriation reduction in FY2012 and a $0.5 million (6.5%) reduction in FY2013. Further, personnel benefit costs are projected to increase by 6.6% in FY11 and 15.8% in FY12, increasing expenses by $0.4 million and $0.8 million per year respectively.

To bridge this financial gap, the College plans to secure additional revenue by increasing enrollment through new academic programs related to emerging technologies in energy, transportation, health care and information technology. Concurrently, the College will review the academic effectiveness and financial viability of each program before committing additional financial resources. The College will generate additional revenue by expanding customized training programs in key industry growth sectors, including green manufacturing. The College will also reduce expenses through lean education practices, staff layoffs, unfilled position eliminations, departmental restructuring, energy and operational efficiencies, technology replacement delays, and facility repair and replacement delays.

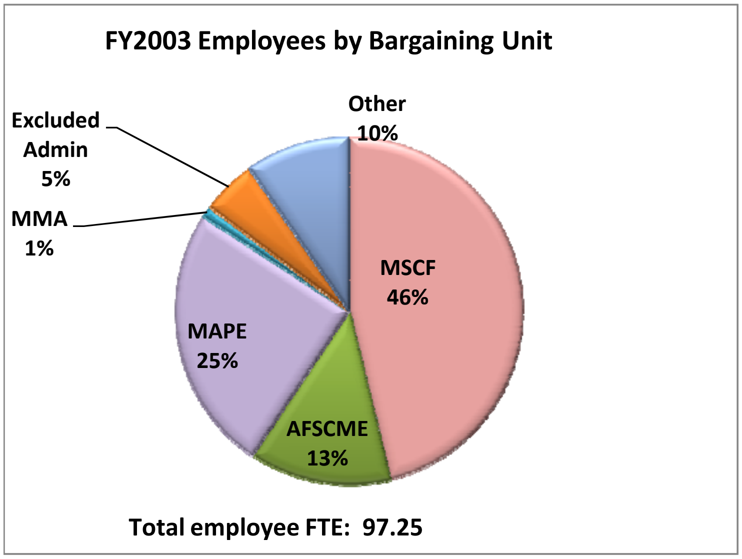
Future vision assuming less state support

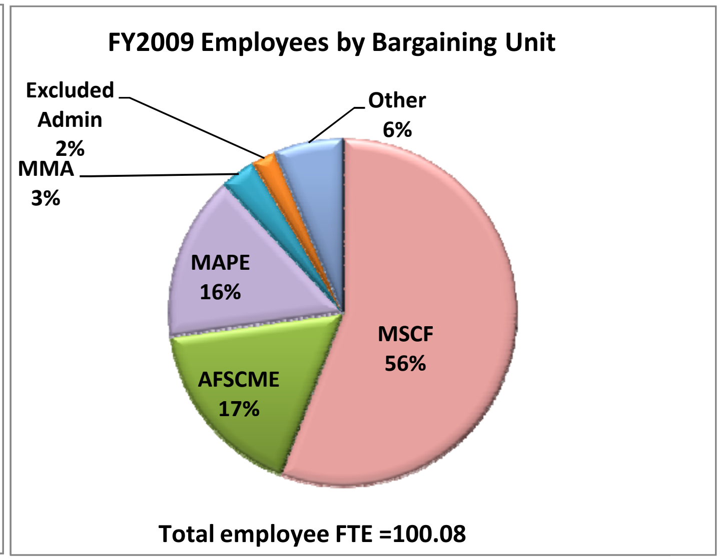
Despite the deteriorating economic climate and ensuing reductions in state appropriations, the College's vision is unchanged: to be recognized as a leader in providing quality technical and general education needed for employment in an ever-changing work environment. With less state support, the delivery of high-quality innovative and traditional technical programs designed to increase student demand will be the key to survival. The College will continue investing in technical programs that meet student needs, serving Dakota County's economic development needs, and ensuring the institution's long-term financial viability.

Fond du Lac Tribal and Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,121	1,190	1,179	1,268	1,242	1,267	1,280	1,292	1,305
% change	6.8%	6.2%	-0.9%	7.5%	-2.1%	2.0%	1.0%	0.9%	1.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$77.75	$85.50	$98.22	$109.97	$117.45	$125.45	$130.44	$132.94	$136.93
Fee Rate	$13.75	$14.05	$14.03	$15.03	$15.05	$15.06	$15.06	$15.06	$15.06
% change	11.2%	8.8%	12.8%	11.4%	6.0%	6.0%	3.6%	1.7%	2.7%





FY2003	Full-time	Part-time
Faculty	34%	66%
Staff/ Admin	84%	16%

FY2009	Full-time	Part-time
Faculty	35%	65%
Staff/ Admin	77%	23%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	2,753,383	2,793,102	2,542,717	2,697,255	3,387,319	3,051,692	4,188,670	4,724,172
Tuition revenue	1,395,296	1,922,519	2,328,848	2,678,527	3,067,076	3,359,388	3,824,435	3,893,398
Fee revenue	185,106	230,741	249,410	270,268	302,095	362,439	306,008	247,804
Total	4,333,785	4,946,362	5,120,975	5,646,050	6,756,490	6,773,519	8,319,113	8,865,374
SA & Tuition Total per FYE	5,987	5,471	4,640	4,796	5,424	5,438	6,319	6,938

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	267,000	145,890	57,000	85,000	316,067	137,487	175,758	288,349

FY2009 Enrollment by Classification of Instructional Programs

Business	3%	Occupational & Technical	13%
Health	6%	STEM	31%
Liberal Arts & Social Sciences	47%		

Fond du Lac Tribal and Community College – Narrative

Fond du Lac Tribal and Community College has gone through many changes in the past two years: a new President, VP of Academic Affairs, and CFO. Along with these changes, we have also been put on notice by the Higher Learning Commission. During the course of these important transitions a common theme of planning, performing, and evaluating has become apparent.

In terms of budgeting strategies that have been implemented, the main goal has been to provide an open discussion of the financial issues that face the college and a desire to be transparent to all constituencies of the institution. A Budget Committee was formed in the fall of 2008; composed of staff representation from all units within the college as well as administration and faculty. The committee developed a 'budget wheel' that helps define the budget process and sets timeframes for reporting, requesting departmental budget requests, and development of the budget. While this is specific to Fond du Lac Tribal and Community College, the benchmarks and timeframes established also take into consideration the requirements and needs of MNSCU. We have been following this process since fall 2008, and thus far, it has been highly effective for us.

The college administration has been discussing over the last year implementing a 5-year budget plan in an attempt to ascertain the needs of all departments and prioritize spending. This planning process has now extended to the rest of the campus, and faculty and staff has been asked to submit budget plans for a five year period. Since over 75% of our budget is committed to personnel expenses, we have been monitoring our instructional budget on a much more frequent basis. Class enrollments are reviewed regularly and decisions on class cancellations are done much earlier than in the past. While we know we need to remain vigilant in our budget process and limit spending, we also recognize the need to have the tools available for instruction in order to produce successful learners. Fond du Lac Tribal and Community College has also begun work on the educational LEAN process. We are evaluating where redundancies may be occurring, particularly within the student services area, and attempting to streamline our processes in order to serve the students more efficiently.

All of the areas mentioned above fit within our strategic planning goals and objectives. It is important that we all recognize the importance of aligning our planning processes with our fiscal responsibilities and limitations. This realization will need to continue during the next stage of our strategic planning process as we begin work in March 2010 toward building the strategic plan out over the next three to five years.

The five-year budget planning process will help Fond du Lac Tribal and Community College during the next biennium and beyond, but assuming there will be less state resources, we also know we need to maintain focus on what we feel we do best and that is serving our students. Strategies that we have discussed include the following: we need to make thoughtful, smart hires especially when meeting the hiring practice guidelines of three additional faculty for the next fiscal year. This is particularly important for us as a smaller institution as we need our staff/faculty to be able to perform in a variety of areas. We will be working with our Academic Affairs and Standards Council to begin discussion of increasing control numbers for certain classes. Programs, academic as well as athletic, offered at Fond du Lac Tribal and Community College will be reviewed to see where efficiencies can be created and money can be saved while at the same time not limiting the overall success of those programs. We will also be looking at our Weekend College programming and possibly revamping it to allow larger cohorts and/or be more directed to program specific offerings. Administration has also begun discussions of limiting course offerings on Fridays and possibly mandating furloughs for staff during December or over the summer months.

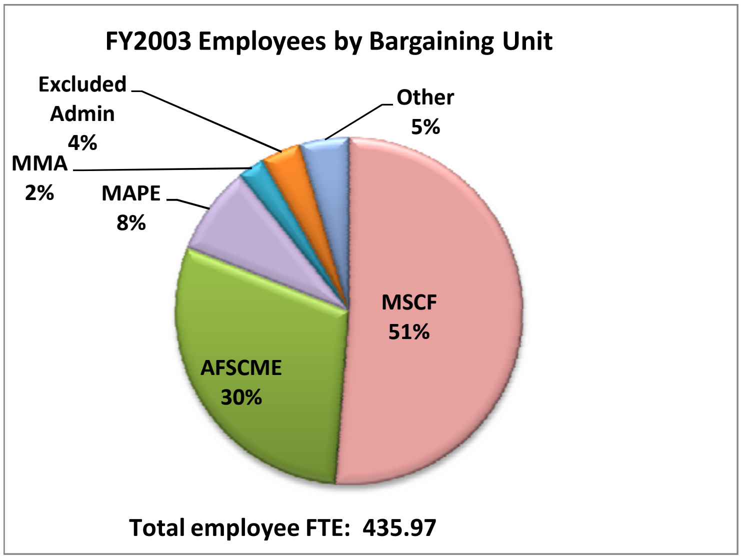
While we recognize the need to increase revenue, we also know tuition increases need to be held to a minimum. Increased enrollment, while benefiting the bottom line, also can put extra pressure on an already taxed staff. Besides further investigating the items mentioned above, we need to become innovative from within. We need to investigate team teaching, stacked courses, combining courses, building partnerships with Adult Basic Education to develop a bridge program to prepare students for entry into college, look at alternative delivery methods for our Developmental offerings and look at developing different avenues to work with our learning communities and cohorts.

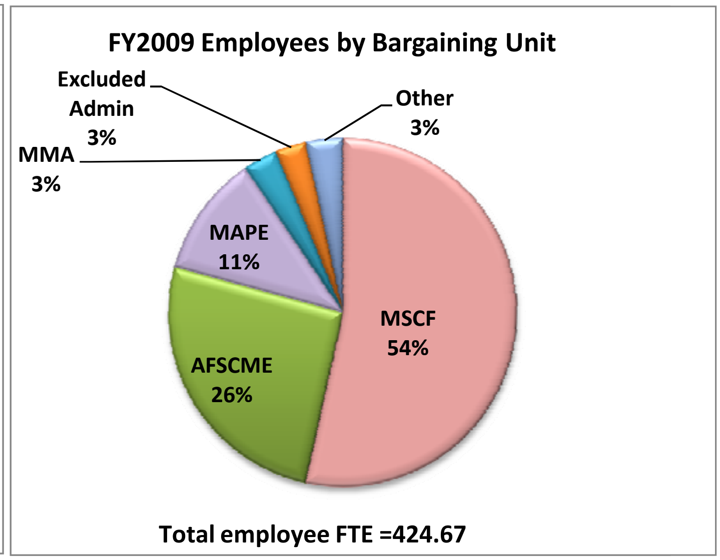
The yearly budget issues at Fond du Lac Tribal and Community College have certainly been difficult. No one likes to see staff or program cuts; however, with the limited resources and future economic outlook, this will become a reality rather than merely a thought. With the real possibility of personnel cuts in FY12, we will certainly be limiting our ability and effectiveness in dealing with the students. There are many challenges facing FDLTCC, but we believe one of our strengths is creativity, and now is the time to utilize this strength.

Hennepin Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,642	3,649	3,616	3,781	3,889	4,557	4,557	4,643	4,736
% change	0.3%	0.2%	-0.9%	4.6%	2.9%	17.2%	0.0%	1.9%	2.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$78.00	$83.85	$96.40	$110.85	$117.50	$125.50	$130.50	$133.10	$137.10
Fee Rate	$5.70	$6.25	$6.23	$6.23	$6.25	$6.26	$9.26	$9.26	$10.26
% change	10.0%	7.6%	13.9%	14.1%	5.7%	6.5%	6.1%	1.9%	3.5%





FY2003	Full-time	Part-time
Faculty	44%	56%
Staff/ Admin	72%	28%

FY2009	Full-time	Part-time
Faculty	52%	48%
Staff/ Admin	76%	24%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	21,667,738	21,351,382	19,965,498	19,607,991	20,703,886	21,067,568	22,266,460	22,470,619
Tuition revenue	10,279,714	11,312,319	12,016,152	13,462,058	14,715,480	15,561,803	17,183,406	18,067,245
Fee revenue	632,126	618,156	639,051	615,195	651,360	641,818	942,983	1,015,056
Total	32,579,578	33,281,857	32,620,701	33,685,244	36,070,726	37,271,189	40,392,849	41,552,920
SA & Tuition Total per FYE	8,595	8,632	8,808	9,080	9,707	10,130	10,434	10,424

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	813,239	935,657	593,700	655,933	491,575	375,556	690,992	329,044

FY2009 Enrollment by Classification of Instructional Programs

Business	9%	Occupational & Technical	37%
Health	15%	STEM	21%
Liberal Arts & Social Sciences	18%		

Hennepin Technical College – Narrative

Budget strategies in the past several years

Hennepin Technical College has a strong history of academic program evaluation and adjustments aligned with the current economies and business needs. We have looked for ways to provide workers with skills that business needs and to maximize the quality of education and work force training. Some specific strategies are: a)consolidation of several programs from offering at both campuses to offering at one, b) analysis and modification of course scheduling to maximize faculty loads and increase course capacity, c) update and improve curriculum/teaching strategies to improve student retention d) new award options that build on existing programs, facility and personnel capacities, e) closure or reduction of programs with low enrollment, f) creation of short-term training, g)investment in simulation training to reduce supply costs and improve classroom efficiencies, h) review and analysis of vacant positions throughout the organization to identify possible consolidation of duties , i) elimination of cost for leased space by moving activities to campus, j) renewed focus on energy reduction, and k) establishment of an initiative budget to fund one-time investments to improve efficiencies in programs and operational departments.

Budget strategy for the FY2012-13 biennium

Hennepin Technical College is experiencing an unprecedented enrollment growth in FY2010. While this has provided additional tuition revenue, it also has provided stress on existing service and staffing levels. We anticipate that this enrollment will be sustained and increased slightly during the next biennium. Students are coming to us with a myriad of needs; including inadequate academic preparation, financial, and personal/family issues that affect a student's ability to succeed. Tuition alone cannot support the resources needed to address these needs. In planning for 2012-2013 and a potential reduction of state support, the avenues available to us include planned use of carryover reserves, increased tuition and fees, reduction in offerings, limiting enrollment in certain programs, reduction in services, and increased use of technology to provide students and employees with self-service options. We continue to explore new programming opportunities, potential partnerships with business and industry, partnerships with area school districts to improve student readiness for college, increased focus on program viability, and targeting investments, including equipment and expansion of simulation training. We are increasing our efforts to reach out and recruit new student audiences that are underrepresented in higher education at Hennepin Technical College, in the region, and in the state. With instruction as our core business, we also are increasing scrutiny of operational areas to identify potential savings. Some examples include facility investments to reduce energy, technology enhancements to increase efficiencies, collaboration with sister institutions for specific services, reorganization of departments both physically and organizationally to maximize service without additional cost, reduction of non-personnel budgets, targeted investments to increase student retention. The college has also increased its attention to outside funding opportunities including federal, state, and private grants. The focus is on grants that can support one-time investments to increase student retention, improve or enhance instruction, service, or operations. Throughout the system, there are more compliance and reporting demands at a time when state resources are diminishing.

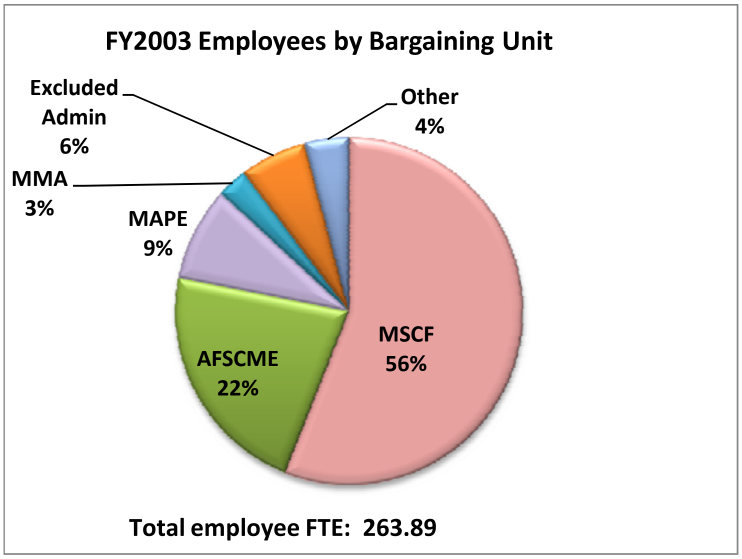
Future vision assuming less support

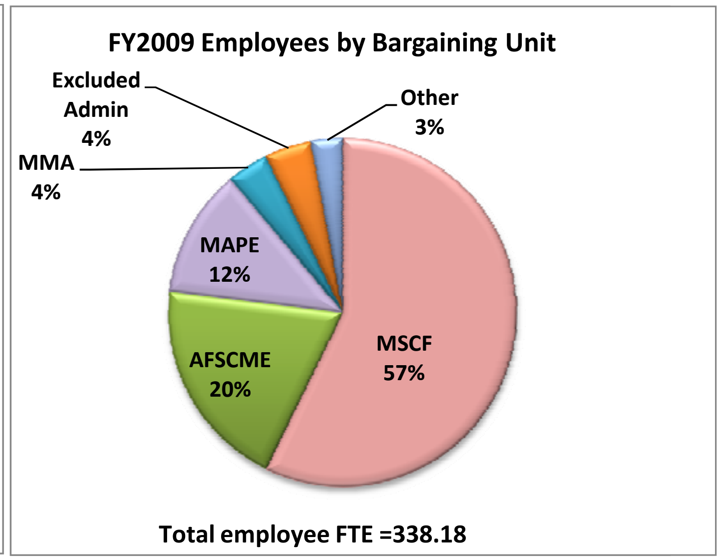
Hennepin Technical College remains committed to its technical education mission and has support of that at the center of budget discussions. It will be increasingly difficult to offer a quality technical experience. We may need to curtail equipment expenditures and student time for the hands-on training we've been able to offer in the past. We will be compelled to increase class sizes while still maintaining safety standards. We will need to assess feasibility of providing students with work-place internships. Hennepin Technical College has valued a personalized approach to serving our students; we will not be able to maintain that level of service. Personnel accounts for approximately 73% of total general fund expenditures. With reduced support, we will have no choice but to reduce our workforce. If we need to use the planned portion of our reserves for the 2012-13 biennium, that option will then be exhausted. Hennepin Technical College has strived to keep tuition and fees low for our students. Currently, we have one of the lower tuition and fee rates in the system. With less state support, tuition and fee increases will be implemented. Differential tuition for certain programs is one option that we have only minimally exercised. This will most likely result in even greater student debt.

Inver Hills Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,380	3,300	3,488	3,656	3,784	4,215	4,320	4,385	4,451
% change	3.2%	-2.4%	5.7%	4.8%	3.5%	11.4%	2.5%	1.5%	1.5%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$82.43	$90.47	$102.25	$117.55	$125.78	$132.07	$137.17	$139.92	$144.12
Fee Rate	$13.72	$15.27	$15.25	$13.25	$13.52	$13.53	$13.98	$15.23	$16.23
% change	14.5%	10.0%	11.1%	11.3%	6.5%	4.5%	3.8%	2.6%	3.4%





FY2003	Full-time	Part-time
Faculty	39%	61%
Staff/ Admin	70%	30%

FY2009	Full-time	Part-time
Faculty	43%	57%
Staff/ Admin	80%	20%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	9,836,473	10,081,937	9,655,503	9,426,598	10,250,667	10,999,541	12,783,495	13,234,748
Tuition revenue	7,702,246	9,315,290	10,643,996	12,092,481	12,718,118	14,150,818	15,597,456	16,728,218
Fee revenue	777,542	1,003,302	1,111,965	983,150	966,133	1,061,925	1,065,594	1,203,380
Total	18,316,261	20,400,529	21,411,464	22,502,229	23,934,918	26,212,284	29,446,545	31,166,346
SA & Tuition Total per FYE	6,345	6,253	6,200	6,367	6,960	7,211	7,763	7,918

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	367,797	515,125	434,661	330,370	588,765	503,195	603,577	462,680

FY2009 Enrollment by Classification of Instructional Programs

Business	5%	Education	1%
Health	7%	Occupational & Technical	11%
Liberal Arts & Social Sciences	52%	STEM	24%

Inver Hills Community College – Narrative

Budget strategies in the past several years

- Reallocation of current resources from lower to higher strategic priorities.
- Preservation of operating reserve.
- Review of all vacant positions to either delay replacements, seek to combine position duties, or place on hold.
- Reduction of student services public hours.
- Use of carryover funds to fund one time needs.
- Development of a finance master plan.
- Updating of our 5-year repair and replacement plan to insure we identify and address on-going facility needs.
- Updating of our campus technology plan.
- Continue a strong effort to seek funding externally.
- Strategic use of our federal stimulus funds.
- Academic program review process to maintain academic quality.
- Increase emphasis on energy conservation measures through the campus Higher Learning Commission accreditation campus action project titled "Green Awareness Project."

Budget strategy for the FY2012-2013 biennium

- Reallocation of current resources to support our strategic priorities.
- Fundraise externally to support new initiatives and address special campus needs.
- Use of FY10 and FY11 federal stimulus funds to upfront one-time college needs, such as, equipment, technology, and retirement costs.
- Careful review of class scheduling to increase space utilization and reduce class cancellations.
- Reduction of student services public hours.
- Continued emphasis on energy conservation.
- Use repair and replacement funds to address issues related to the college's facility backlog so that we can avoid or reduce future repair expenditures which will impact future budgets negatively.
- Careful review of all vacant positions for opportunities to either eliminate or restructure the delivery of service to our students and the public.
- Through a thoughtful Academic Program Review process maintain our strong programs and re-evaluate low enrollment programs.
- Review support services to improve efficiency and effectiveness.
- Use of carryover funds to address one-time expenditures.
- Review collection procedures.

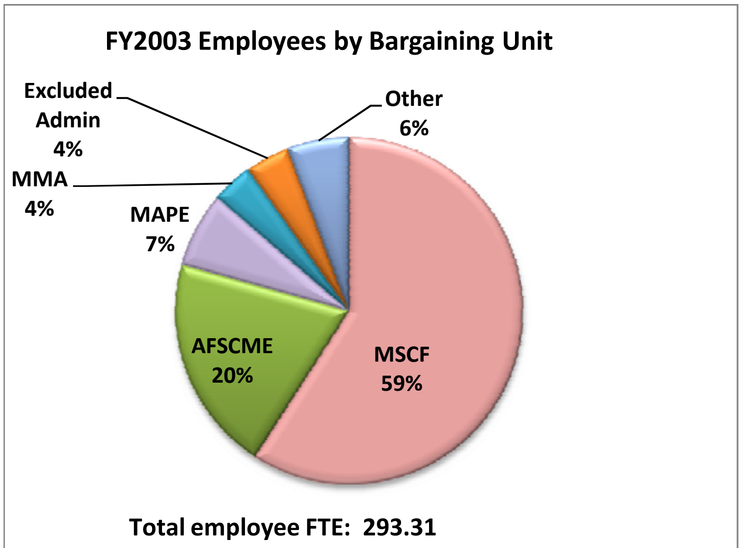
Future vision assuming less state support

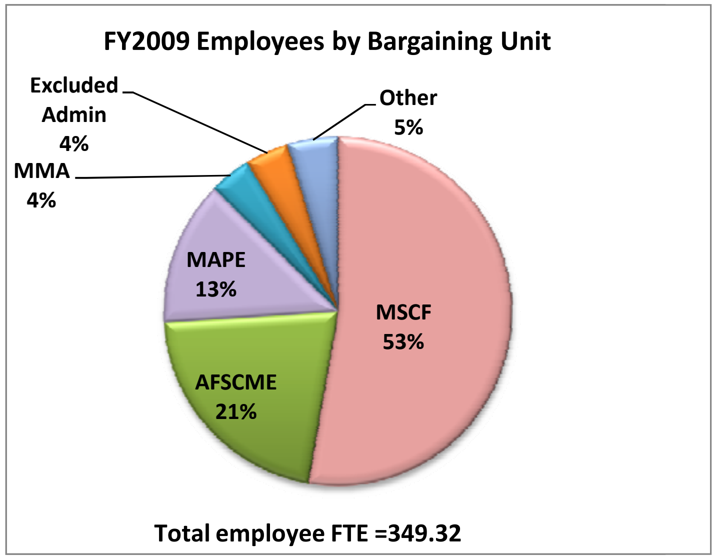
- Greater need for external funding (federal, state, and private) to support initiatives and, in some cases, on-going services.
- Less debt service capacity to support facility expansion.
- Possible use of revenue bonds as a source for facility projects.
- Through our Enrollment Management Plan develop enrollment targets that take into account both external and internal factors possibly leading to limits on enrollment growth.
- More challenging labor negotiations.
- If compensation levels do not keep up with inflation and the general job market, we could begin to lose staff, particularly in disciplines or service areas with a high demand in the marketplace.
- Possible discontinuance or elimination of some services.

Lake Superior College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,505	3,396	3,279	3,415	3,549	3,621	3,684	3,749	3,815
% change	4.3%	-3.1%	-3.4%	4.1%	3.9%	2.0%	1.7%	1.8%	1.8%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$77.00	$83.75	$91.25	$100.50	$107.50	$115.00	$119.60	$122.00	$125.66
Fee Rate	$15.25	$15.30	$15.28	$15.28	$15.75	$15.76	$18.76	$19.81	$20.81
% change	13.2%	7.4%	7.6%	8.7%	6.5%	6.1%	5.8%	2.5%	3.3%





FY2003	Full-time	Part-time
Faculty	35%	65%
Staff/ Admin	69%	31%

FY2009	Full-time	Part-time
Faculty	38%	62%
Staff/ Admin	82%	18%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	12,695,277	12,855,098	12,065,809	11,770,900	12,816,874	13,244,537	14,994,783	15,197,216
Tuition revenue	7,071,506	8,036,211	9,553,985	10,990,217	11,354,748	12,503,718	13,316,106	14,561,123
Fee revenue	1,029,622	1,110,130	1,283,423	1,423,429	1,342,855	1,292,582	1,418,356	1,874,240
Total	20,796,405	22,001,439	22,903,217	24,184,546	25,514,477	27,040,837	29,729,245	31,632,579
SA & Tuition Total per FYE	6,762	6,783	6,431	6,494	7,118	7,852	8,290	8,385

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	549,000	782,000	1,225,000	1,525,000	300,500	264,000	262,750	1,388,000

FY2009 Enrollment by Classification of Instructional Programs

Business	5%	Occupational & Technical	16%
Health	16%	STEM	31%
Liberal Arts & Social Sciences	32%		

<u>**Lake Superior College – Narrative**</u>

Over the last several years, Lake Superior College's budget strategies have been based on supporting the its key priorities: Impact Student Success, Increase Access to Learning, Promote Financial Stewardship, Meet Regional Business Needs, and Live and Lead Sustainability. Current and future strategies will continue to support these same priorities.

Prior to FY2010, the college was able to keep tuition and fees in the lowest quartile of similar institutions in the State to remain affordable and competitive within the region. The college utilized carryover funds to keep tuition and fees low, while investing in new programming and renovation of space to accommodate more specialized services to meet its key priorities.

The FY2010 budget was based on the need to restore fund balance at a time when state support for higher education has diminished as the result of economic downturn and in anticipation of further erosion of this revenue source over the next two to four years. To meet the goals of rebuilding fund balance without sacrificing academic quality or significantly impacting services to students, the college reviewed its processes for providing critical services and the level of service being provided in non-critical areas. The FY2010 budget reflects a right sizing of personnel levels that preserves academic quality and maintains appropriate levels of service to students.

The work that was done to develop the FY2010 budget, has prepared the college for the challenges of future reduction in state support in FY2011, 2012 and 2013. Overall, the college has reduced ongoing personnel costs by approximately $1.6 million annually. The college will continue to restore fund balance to an appropriate level in increments over the next three years, while continuing to address maintaining academic quality. In addition, the college will set aside, over the next two years, funds specifically for furnishing the Health and Allied Science Addition, slated for groundbreaking in 2010.

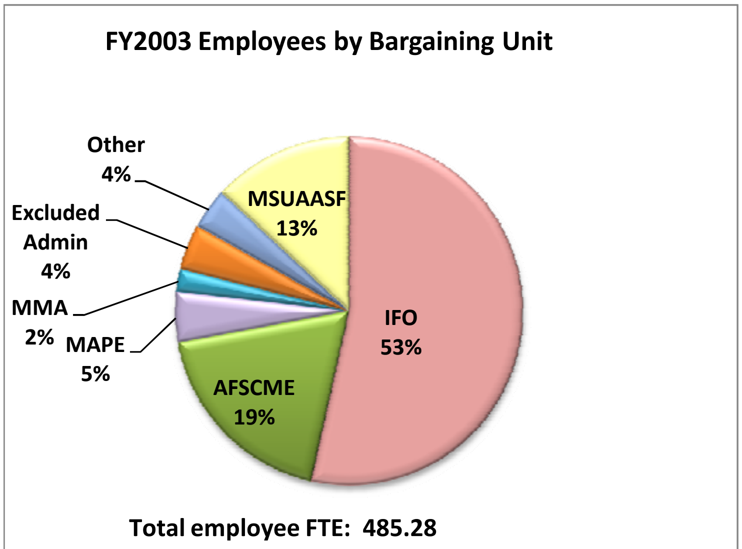
As FY2012 and FY2013 will most likely see further decreases in the percentage of revenue derived from state support, Lake Superior College will, like most colleges in the System, need to look to increased tuition rates. Lake Superior College will continue to respect the need to remain affordable, but will need to raise tuition and fees in a responsible manner in order to continue maintain its status as a provider of academic excellence. Outside of academic quality, and after the completion of the Health and Allied Science Addition, the college focus for investment will turn to repair, preservation and renovation of existing facilities to forestall future expense. Additionally, the college leadership will continue to addresses changes in funding and community needs through reallocation of resources during the fiscal year.

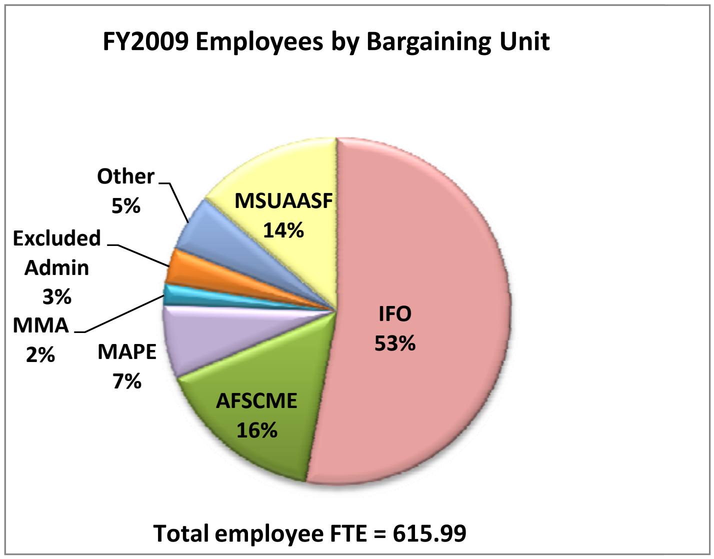
The college continues to explore external revenue sources by pursuing grants and partnerships in order to provide educational services that meet our region's needs.

Metropolitan State University

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	4,598	4,571	4,600	4,745	5,069	5,366	5,634	5,915	6,211
% change	-1.4%	-0.6%	0.6%	3.2%	6.8%	5.9%	5.0%	5.0%	5.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$97.25	$104.55	$120.00	$138.00	$147.65	$161.00	$167.00	$172.00	$177.15
Fee Rate	$6.39	$7.39	$8.39	$8.39	$8.39	$8.43	$9.43	$10.43	$10.43
% change	6.0%	8.0%	14.7%	14.0%	6.6%	8.6%	4.1%	3.4%	2.8%





FY2003	Full-time	Part-time
Faculty	20%	80%
Staff/ Admin	91%	9%

FY2009	Full-time	Part-time
Faculty	25%	75%
Staff/ Admin	86%	14%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	21,475,041	20,622,081	19,040,157	19,197,820	21,372,041	21,960,853	23,409,188	24,202,642
Tuition revenue	12,255,415	15,069,946	17,322,884	19,935,360	21,317,716	23,392,780	25,898,165	28,719,442
Fee revenue	499,438	653,154	840,618	871,990	847,998	871,917	960,105	1,118,007
Total	34,229,894	36,345,181	37,203,659	40,005,170	43,537,755	46,225,550	50,267,458	54,040,091
SA & Tuition Total per FYE	8,177	7,903	7,800	8,511	9,339	9,859	10,391	10,440

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	293,500	438,000	2,303,087	268,579	1,200,000	30,000	142,000	192,500

FY2009 Enrollment by Classification of Instructional Programs

Business	27%	Education	2%
Health	6%	Occupational & Technical	10%
Liberal Arts & Social Sciences	42%	STEM	13%

Metropolitan State University – Narrative

Budget strategy in the past several years

1. Budgeted very conservatively, with a goal of adding resources;
2. Highest level of personalized service to students, including advising and small classes;
3. The institution has protected its assets and capacity; as a result of state cuts in the past, there has not been any staff lay off or closed sites;

Budget strategy for the FY 2012-13 bi-ennium

1. To develop entrepreneurial models that assumes less than adequate state appropriation;
2. To continue process improvement so that the university maintains it core services;
3. To prioritize all university programs and services with an eye towards re-allocating resources and investing in our strengths;
4. To strategically manage enrollments across programs to attain maximum academic and fiscal advantage;
5. Budget very conservatively, with a goal of adding resources;
6. Reduce existing lease space and seek alternative sites to maximize space utilization and improve the return on investment;
7. Reduced programs and services, that reduces retention and increase time to degree completion;
8. Continue to grow and increase capacity and add revenue;

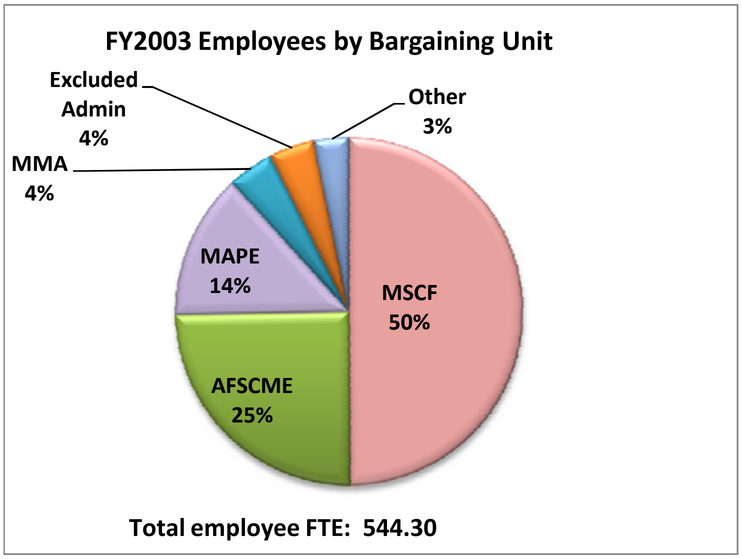
Future vision assuming less state support

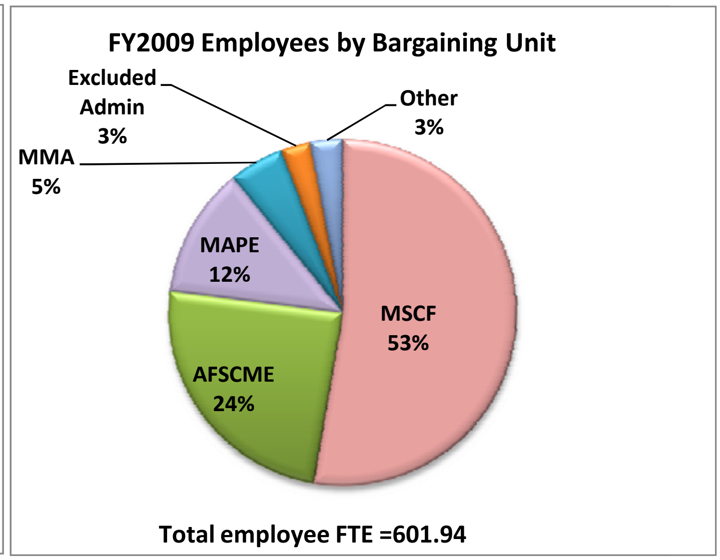
1. To develop entrepreneurial models that assumes less than adequate and declining state appropriation;
2. To continue process improvement so that the university maintains it core services;
3. To prioritize all university programs and services with an eye towards re-allocating resources, investing in our strengths, and maximizing return on investment;
4. To strategically manage enrollments across programs to attain maximum academic and fiscal advantage;
5. The 2020 vision - we are on track to grow, but with reduced state support. This could however necessitate discussion of deceleration of growth efforts;
6. Metropolitan State University is currently the most affordable university in Twin Cities and Minnesota. With reduced state support and in order to support our existing services, with continuation of growth, we will have to rely on increased tuition; as a result:
   A. Some students may not be able to afford the increased cost of attendance;
   B. Students will have to rely more on loans;
7. Would have to significantly increase the tuition to protect capacity;
8. The university will not be able to expand STEM and Health Sciences programming;
9. Reduced funding will impact the services provided to our students:
   A. May lose market share to private/proprietary institutions;
   B. Will increase student debt load;
10. Disproportionate impacts on underrepresented students at our institution - greater than any other institution;

Minneapolis Community & Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	5,013	5,329	5,706	6,252	6,538	7,410	7,550	7,710	7,860
% change	-4.0%	6.3%	7.1%	9.6%	4.6%	13.3%	1.9%	2.1%	1.9%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$82.75	$91.25	$103.50	$117.50	$122.20	$130.75	$136.00	$138.00	$140.75
Fee Rate	$9.25	$12.03	$12.03	$12.03	$12.05	$12.06	$12.06	$13.06	$15.06
% change	11.5%	12.3%	11.9%	12.1%	3.6%	6.4%	3.7%	2.0%	3.1%





FY2003	Full-time	Part-time
Faculty	40%	60%
Staff/ Admin	87%	13%

FY2009	Full-time	Part-time
Faculty	26%	74%
Staff/ Admin	91%	9%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	19,909,945	20,348,335	19,341,991	19,010,863	21,443,063	22,371,051	27,582,920	26,482,644
Tuition revenue	13,714,510	16,456,458	17,723,786	19,139,738	21,043,569	24,843,034	26,917,720	29,208,156
Fee revenue	1,193,074	1,783,171	1,643,814	1,560,407	1,761,868	1,742,087	2,087,960	2,120,363
Total	34,817,529	38,587,964	38,709,591	39,711,008	44,248,500	48,956,172	56,588,600	57,811,163
SA & Tuition Total per FYE	6,689	6,869	7,101	7,610	7,973	8,274	8,717	8,518

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	250,000	225,000	1,045,000	230,000	430,000	625,000	580,000	325,000

FY2009 Enrollment by Classification of Instructional Programs

Business	5%	Education	1%
Health	7%	Occupational & Technical	14%
Liberal Arts & Social Sciences	50%	STEM	23%

Minneapolis Community & Technical College – Narrative

Budget strategies in the past several years

Minneapolis Community and Technical College budget strategy for the past several years has been to balance the operating expenses with the operating revenues. Our commitment and focus to our students has been to keep tuition affordable. We've anticipated the decline in state support and made appropriate cuts to expenditures, with the largest percentage of cuts to personnel for FY 2010 taken by our administrative group. We've also made instructional program cuts evenly between the faculty teaching liberal arts/transfer course and those teaching in the technical programs. Finally, we established new controls on expenditure categories for travel, supplies, equipment advertising and staff development.

Budget strategy for the FY 2012-2013 biennium

For the FY 2012 & FY 2013 biennium, Minneapolis Community and Technical College is anticipating state support to significantly decline. Compounding our budget concerns will be the anticipated inflationary cost to the state employee and faculty contracts. We will continue to maintain affordable tuition to our students. We may need to look to our reserve funds to help balance our budget for the biennium.

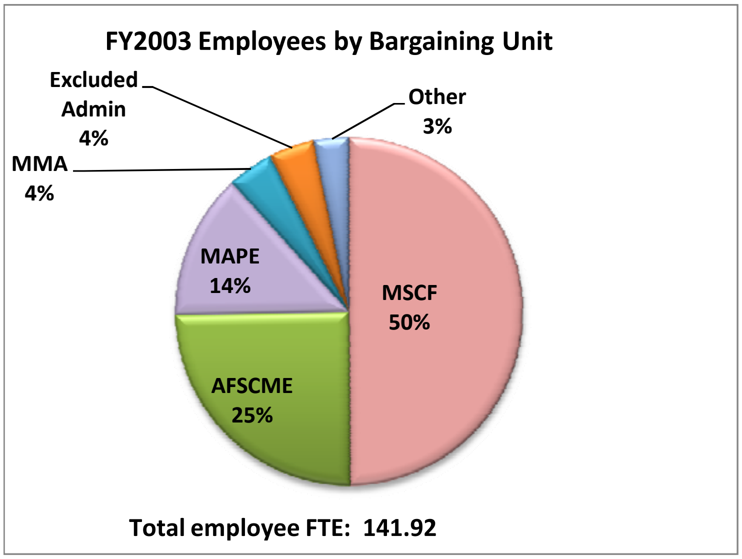
Future vision assuming less state support

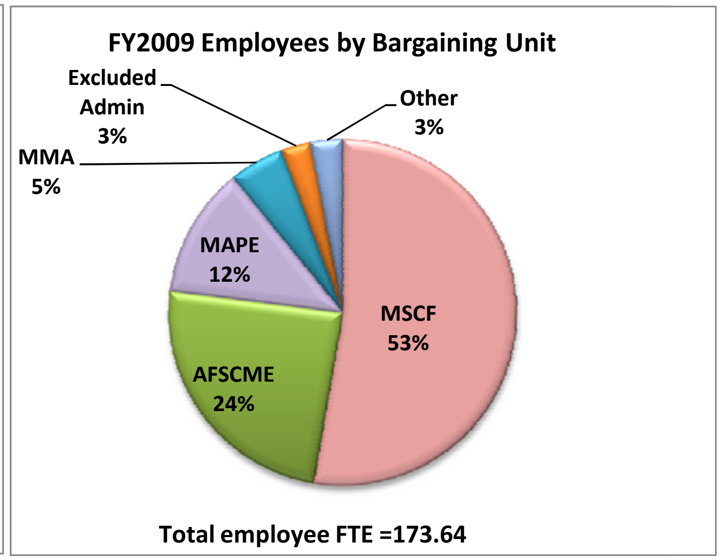
The future vision for Minneapolis Community and Technical College assuming less state support will challenge us to fundamentally shift the range and number of programs and services we can provide or offer to our students. We believe we can offer only those programs and services that produce the greatest benefits for our students and taxpayers. We will need to alter or eliminate some programs and services with a long and valued tradition.

Minnesota State College - SE Technical

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,558	1,578	1,514	1,552	1,660	1,975	1,975	1,950	1,950
% change	2.5%	1.3%	-4.1%	2.5%	7.0%	19.0%	0.0%	-1.3%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$79.86	$89.44	$102.86	$115.21	$123.28	$133.14	$138.14	$140.91	$145.14
Fee Rate	$11.35	$11.88	$11.88	$11.88	$11.90	$11.91	$11.91	$11.91	$11.91
% change	13.9%	11.1%	13.2%	10.8%	6.4%	7.3%	3.4%	1.8%	2.8%





FY2003	Full-time	Part-time
Faculty	62%	38%
Staff/ Admin	84%	16%

FY2009	Full-time	Part-time
Faculty	59%	41%
Staff/ Admin	73%	27%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	6,924,216	7,065,012	6,587,695	6,573,087	7,267,763	7,529,036	8,355,488	8,657,843
Tuition revenue	3,772,529	4,399,031	5,177,591	5,998,210	6,422,651	7,243,286	7,870,406	8,270,361
Fee revenue	307,705	364,293	611,920	465,173	526,221	499,989	520,689	570,502
Total	11,004,450	11,828,336	12,377,206	13,036,470	14,216,635	15,272,311	16,746,583	17,498,706
SA & Tuition Total per FYE	7,814	8,177	7,740	8,069	8,676	9,757	10,455	10,198

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	997,500	410,500	128,000	248,000	117,000	165,000	157,500	171,666

FY2009 Enrollment by Classification of Instructional Programs

Business	11%	Occupational & Technical	21%
Health	24%	STEM	22%
Liberal Arts & Social Sciences	22%		

Minnesota State College – Southeast Technical Narrative

Past Budget Strategies

Southeast Technical College has taken a proactive approach in past, current, and future budget strategies. Staffing reductions were made early to maximize cost savings. Academic programs are continually monitored for efficient delivery. We have accomplished cost savings by increasing class size, lowering overload, improved scheduling, and program mix. Inefficient programs have been closed and new programs have been added as a result of changing market demand. Supply budgets have been reduced and alternative revenue sources continue to be sought. We have put together a Continuous Quality Improvement team made up of staff and faculty from across the college that evaluates all areas of operations looking for ways to improve efficiencies. We are not using federal stimulus dollars to balance our budget, but rather for one time equipment purchases for our academic programs. These purchases are evaluated and made to last beyond the next biennium in order to compensate for no or very limited equipment dollars during FY2012 and FY2013.

Budget Strategies for FY2012-FY2013

We will continue to follow past budget strategies in dealing with the projected appropriation reductions. In addition we will maintain our partnership with the state workforce center located on our campus. We will adapt our program mix to meet the changing demands of the workforce while delivering our programs in the most efficient manner. We will use additional revenue from current enrollment growth along with modest tuition increases to meet some of the challenges created by reduced state support. We will continue to seek alternative revenue sources along with additional partnerships with local industries. Our Continuous Quality Improvement team will continue to reduce costs through efficiencies while maintaining the integrity of our academic programs and college.

Future Vision Assuming Less State Support

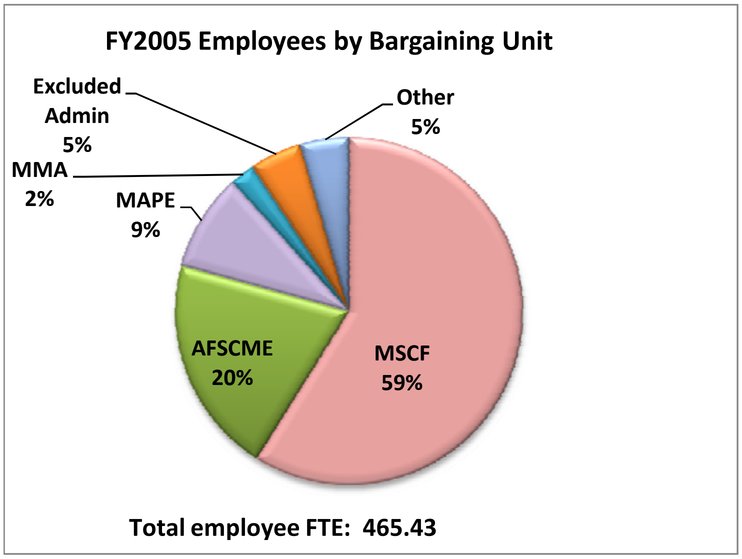
Cost reductions and improved efficiencies eventually will not be adequate to offset continued reduction in state support.

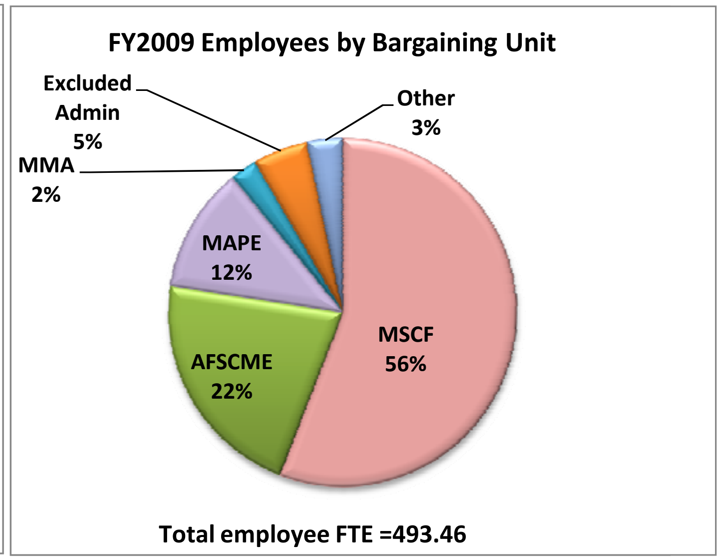
Minnesota State Community and Technical College

Realigned in FY2005 - Specific data elements contain no information for eariler years

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**	**FY2013**
FYE	4,414	4,619	4,601	4,595	4,584	4,850	4,932	4,950	4,950
% change	2.9%	4.6%	-0.4%	-0.1%	-0.2%	5.8%	1.7%	0.4%	0.0%

Tuition & Fee Rates - FY02-10 (fee rates are the average of all campuses)									
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**	**FY2010**
Tuition Rate				$120.75	$127.90	$133.00	$138.10	$140.85	$143.65
Fee Rate				$12.86	$12.86	$13.75	$16.66	$17.28	$17.28
% change				13.4%	5.4%	4.3%	5.5%	2.2%	1.8%





FY2005	**Full-time**	**Part-time**
Faculty	42%	58%
Staff/ Admin	70%	30%

FY2009	**Full-time**	**Part-time**
Faculty	54%	46%
Staff/ Admin	71%	29%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**
State appropriation				16,354,411	17,672,713	18,807,682	21,367,103	22,137,106
Tuition revenue				16,237,242	17,888,175	18,933,346	19,957,412	20,318,115
Fee revenue				1,140,824	1,226,327	1,460,137	1,600,471	1,847,349
Total				33,732,477	36,787,215	39,201,165	42,924,986	44,302,570
SA & Tuition Total per FYE				7,384	7,699	8,203	8,993	9,262

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	**FY2003**	**FY2004**	**FY2005**	**FY2006**	**FY2007**	**FY2008**	**FY2009**
Reallocated Amount				455,361	466,890	790,245	356,437	1,015,279

FY2009 Enrollment by Classification of Instructional Programs

Business	9%	Education	1%
Health	15%	Occupational & Technical	17%
Liberal Arts & Social Sciences	31%	STEM	28%

Minnesota State Community and Technical College – Narrative

Budget strategies in the past several years

Minnesota State Community and Technical College has used a combination of investment in growth to enhance enrollments along with expenditure reduction by looking for efficiencies in the non-academic and academic areas as our strategic approach to budget development. Although we understand the need to control costs, the college has also taken the approach that we must continue to invest in growth opportunities. Our strategy has been to balance the budget, but also look to position the college to grow on all four campuses and online. We have strategically kept tuition increases to low levels over the past several years to avoid enrollment loss. Investment strategies also included increased marketing and focus to enhance enrollment in the areas of online, evening and weekend FlexEd programming, programming opportunities for international students, systematically introducing new programs to our academic mix, and working with our industry partners and state agencies in response to the economic downturn by revising curriculum delivery and creating short term certificate programs. Other investment strategies include hiring a grant writer and challenging all college employees to seek out more granting opportunities. We also continue to invest in our technology which will assist us in our marketing efforts as well as assist us to drive efficiencies into our services by allowing students to do more self service. Expenditure reduction strategies include moving to one call center for the college; enhanced emphasis on shared employees between campuses; reduction in non-personnel costs such as equipment, supplies, and travel; reduction in academic programs that had low faculty to student ratios; reduction in faculty release credits; and reduction in force in all employee groups.

Budget strategy for the FY2012-2013 biennium

Our strategy for the FY2012-2013 biennium is to focus on enrollment opportunities to grow the college and look for ways to more efficiently deliver programs and services. Working with our communities and industries in the communities we will continue to alter delivery methods and modalities in order to make them more closely align with what our students and customers are looking for. We will continue to annually review our academic programs to ensure that we are delivering them efficiently and producing the graduates that our industries and communities are looking for. We will continue to look for opportunities to combine services within the college or share services with partner MnSCU institutions where appropriate. In addition, we will continue our focus on grant opportunities as well as work with industry to secure donations of equipment. More specifically we will need to produce both revenue increases and expenditure decreases to balance the budget. On the revenue side we will be asking our students for a tuition increase that will likely be higher than in recent years and we will be aggressively marketing our programs to drive in higher enrollments. On the expense side we will look at reductions through holding open vacancies, reviewing job functions and looking for opportunities to combine positions by leveraging technology, reduction in academic programs, and reduction in force.

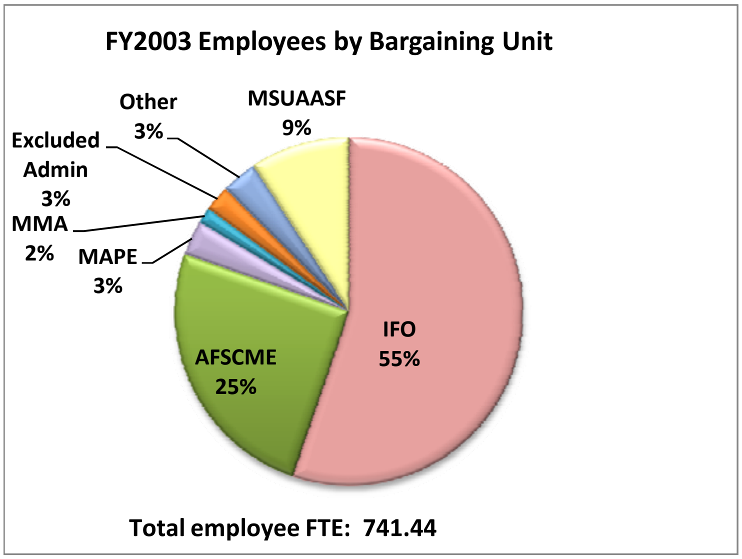
Future vision assuming less state support

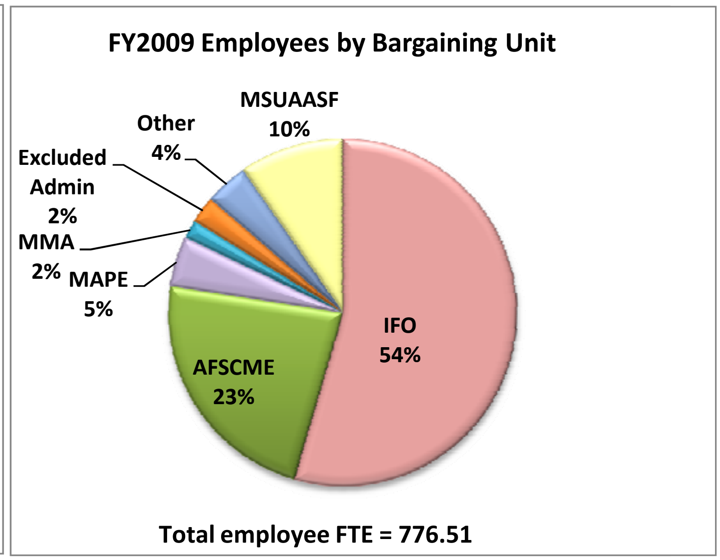
The college will continue to look for innovative strategies moving forward as we have in the past. We will look for areas of growth that we can invest in while also finding ways to deliver programs and services in a more efficient way. It will be our goal to continue to hold down tuition costs as much as possible while still delivering a quality education. We project that there will be a continue need to work with our partner colleges within MnSCU to share costs of delivering services and continue to assist in developing systems that will allow the colleges and universities to share programs and services where appropriate. We will also continue to look to our partners in industry for assistance through equipment donations and assistance with curriculum development. Fiscal health will require the continual enhancement of technologies in both the academic delivery as well as service areas of the college to enable us to build in efficiencies into our processes. Without advancing technologies it will be very difficult for the College to continue to offer the level of service we currently do without significant tuition increases.

Minnesota State University Moorhead

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	7,009	6,818	6,661	6,578	6,558	6,720	6,787	6,978	7,048
% change	0.0%	-2.7%	-2.3%	-1.2%	-0.3%	2.5%	1.0%	2.8%	1.0%

Tuition & Fee Rates - FY02-10 (FY09 rate adjusted for banded rate change)									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009*	FY2010
Tuition Rate	$95.81	$105.15	$120.92	$139.06	$148.80	$162.94	$169.46	$188.80	$194.47
Fee Rate	$13.62	$15.48	$17.99	$17.40	$17.93	$19.40	$20.90	$21.99	$14.67
% change	6.5%	10.2%	15.2%	12.6%	6.6%	9.4%	4.4%	10.7%	-0.8%





FY2003	Full-time	Part-time
Faculty	69%	31%
Staff/ Admin	91%	9%

FY2009	Full-time	Part-time
Faculty	62%	38%
Staff/ Admin	90%	10%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	31,290,672	31,355,264	29,508,401	29,137,919	31,003,023	32,044,875	34,112,197	34,182,092
Tuition revenue	18,945,644	21,589,316	24,646,816	28,557,207	30,061,970	32,057,256	33,292,173	34,087,149
Fee revenue	1,694,416	1,681,667	1,899,739	1,639,922	1,579,350	1,501,674	1,678,611	1,709,930
Total	51,930,732	54,626,247	56,054,956	59,335,048	62,644,343	65,603,805	69,082,981	69,979,171
SA & Tuition Total per FYE	7,523	7,571	7,728	8,232	8,956	9,623	10,247	10,410

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	2,000,000	900,109	1,859,448	2,631,942	528,639	449,483	345,428	2,791,839

FY2009 Enrollment by Classification of Instructional Programs

Business	7%	Education	10%
Health	4%	Occupational & Technical	11%
Liberal Arts & Social Sciences	48%	STEM	20%

Minnesota State University Moorhead – Narrative

Budget strategy - *The Perfect Storm*

Minnesota State University Moorhead's current budget situation is the result of a "perfect storm." The two fronts that united were our campus structural deficit and the recession-caused state revenue shortfall. Minnesota State University Moorhead has faced budget reductions for many years as base expenditure increases (75% labor-driven) have out-paced revenue increases effectively eliminating the operating margin and ultimately resulting in a structural deficit in FY 2009. While on the revenue side state appropriations to the MnSCU system have declined, Minnesota State University Moorhead's percentage share has dropped even further due to our falling student credit hour generation each year for the past five years. At the same time, our tuition revenue was further limited by earlier decisions to hold tuition low and disincentives in our tuition and fee structure.

The entire campus community (i.e., administration, bargaining unit leadership, faculty, staff, and students) worked together to address the "perfect storm." Budget strategies implemented in FY 2009 included implementing a hiring freeze, offering contractual early separation incentives, undergoing a comprehensive programs and services review, making operating budget reductions, restructuring our summer school schedule, and revising our tuition and fee structure. These strategies allowed us to balance our FY 2010-2011 budgets without layoffs.

Budget strategy - *FY 2012-2013 biennium*

Other than tuition mitigation which was part of the Board of Trustee's commitment to students, Minnesota State University Moorhead restricted its use of one-time federal stimulus funds to expenses that decreased our future base budget costs, specifically Board Early Separation Incentives (BESI) and energy refits, rather than bridging the declining state appropriation in the current biennium. Current efforts such as Educational Lean and review of organizational structures, which build on last year's programs and services review process, will achieve further savings and efficiencies. In order to move toward fiscal sustainability, we will continue to provide quality education while focusing on academic program cost recovery ratios and employee empowerment and accountability. In addition, hiring limitations and spending controls will be kept in place with the expectation that layoffs will not be needed to balance the FY 2012-2013 budgets.

Although the picture of the 2012 biennium suggests that we must remain extremely conservative in our spending, we will hire a few additional employees to plug severe gaps in our infrastructure that could compromise safety, efficiency, or long-term viability (e.g., physical plant, information technology). Also, as tuition revenue has become an ever increasing portion of our general fund budget, we have strategically invested in marketing and admissions in order to increase enrollment.

Future vision

Minnesota State University Moorhead is a truly excellent university and we are working together to preserve it for future generations because what we do matters a great deal to our students and to our community.

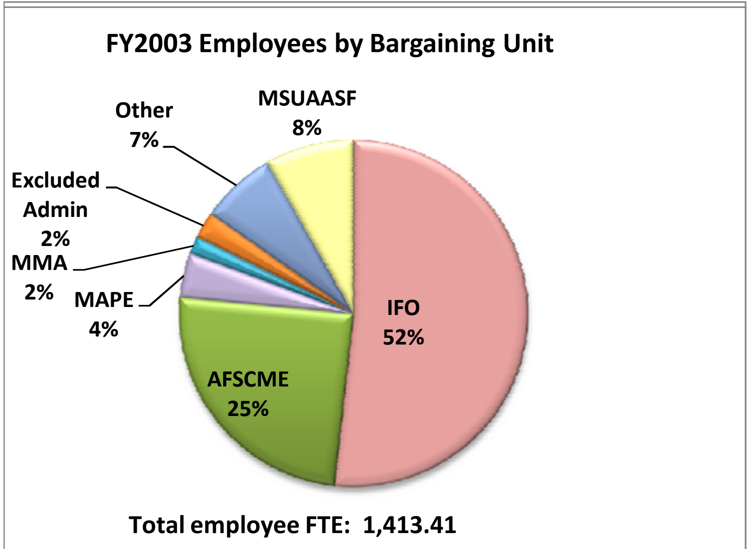
Our vision in the face of seriously declining state support is threefold. First, we will continue to control expenditures and increase the relationship between resource allocation and revenue generation. Second, we will work to increase tuition revenue through increased credit generation. Third, we will work towards a campus wide focus on transparent, fiscal sustainability. This focus on fiscal sustainability means that programs that cannot be brought up to efficient cost recovery ratios will be considered for termination. At the same time, we will work to increase accountability and efficiency throughout the university.

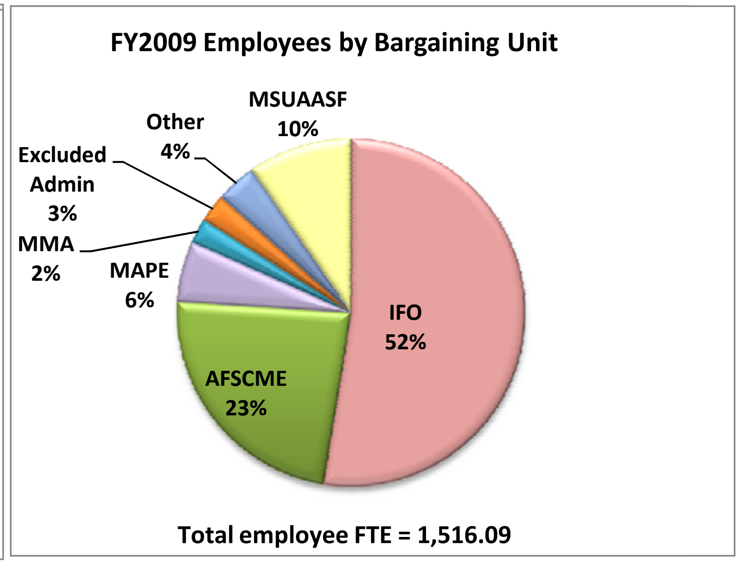
At present, we are planning for additional cuts coming into the 2012 biennium. Whether or not we will need further program and personnel reductions will depend on the size of the cuts and the success of our efforts to increase tuition revenue through increased enrollment.

Minnesota State University - Mankato

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	13,373	13,343	13,222	13,624	13,773	13,900	14,000	14,150	14,250
% change	-0.2%	-0.2%	-0.9%	3.0%	1.1%	0.9%	0.7%	1.1%	0.7%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$101.67	$110.33	$126.87	$145.87	$156.07	$170.13	$176.93	$182.20	$187.67
Fee Rate	$17.04	$18.87	$18.84	$19.39	$19.80	$20.53	$20.31	$20.16	$20.26
% change	14.1%	8.8%	12.8%	13.4%	6.4%	8.4%	3.5%	2.6%	2.8%





FY2003	Full-time	Part-time
Faculty	68%	32%
Staff/ Admin	83%	17%

FY2009	Full-time	Part-time
Faculty	66%	34%
Staff/ Admin	89%	11%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	54,027,716	54,530,275	50,387,472	49,565,748	54,251,074	55,009,098	59,758,537	60,279,173
Tuition revenue	39,788,109	45,603,752	52,750,153	60,320,810	64,706,571	69,950,424	74,448,177	77,680,287
Fee revenue	2,491,287	3,295,996	3,491,355	3,610,017	3,602,705	3,625,055	3,673,994	3,606,041
Total	96,307,112	103,430,023	106,628,980	113,496,575	122,560,350	128,584,577	137,880,708	141,565,501
SA & Tuition Total per FYE	7,452	7,611	7,693	8,217	8,915	9,451	9,851	10,017

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	1,491,000	709,025	1,716,748	2,424,380	2,242,294	2,867,803	1,000,421	1,527,725

FY2009 Enrollment by Classification of Instructional Programs

Business	9%	Education	8%
Health	8%	Occupational & Technical	11%
Liberal Arts & Social Sciences	41%	STEM	24%

Minnesota State University, Mankato – Narrative

For the fiscal years preceding FY10, Minnesota State University, Mankato implemented slight budget growth beyond inflation. Reallocation and slight growth in the budget beyond inflation created a pool of resources used to implement investments in support of the MnSCU and Minnesota State Strategic Plans. Minnesota State also planned for and was able to increase reserve levels for compensated absences and general reserve levels in order to attain healthier Composite Financial Index (FCI) levels.

For Fiscal Year 2010, reduction in state appropriation, coupled with inflationary increases, resulted in the need to implement $8 million of spending reductions in the General Fund. Each VP Division created reductions scenarios of 4%, 6% and 10%. As the extent of the economic meltdown became clear with the November 2008 and February 2009 State Revenue Forecasts, each Division submitted their 10% reduction plans. Minnesota State decided to use Federal Stimulus (ARRA) funds to transition FY10 Academic reductions as it became clear that the State Budget outlook for FY12-13 was for further significant deficits. Divisional 10% plans created a possible pool of reduction totaling $10.5 million. When the required level of reductions was determined to be $8 million, the President's Cabinet placed the highest priority on enrollment management and added back the vast majority of the $2.5 million to support direct classroom instruction.

Minnesota State looked at major administrative reorganizations which resulted in the merger of Academic and Student Affairs and the elimination of a Vice President of Student Affairs and support staff. Staff reductions were seen throughout the University in areas deemed to be of lowest priority to the institution.

Minnesota State began planning in earnest for the FY12-13 budget crises at the beginning of the 2009-2010 academic year. Planning assumptions include 5% tuition increases for both FY12 and FY13. Those tuition increases are expected to be approximately equal to anticipated modest inflation for FY12-13. Therefore, any change in state appropriation levels is assumed to have a direct impact of FY12-13 expenditure budgets. Minnesota State has assumed a proportional share of the anticipated $5.4B - $8.1B State Budget shortfall forecast for FY12-13. This represents an approximate 15% - 25% impact if there are not significant Revenue solutions.

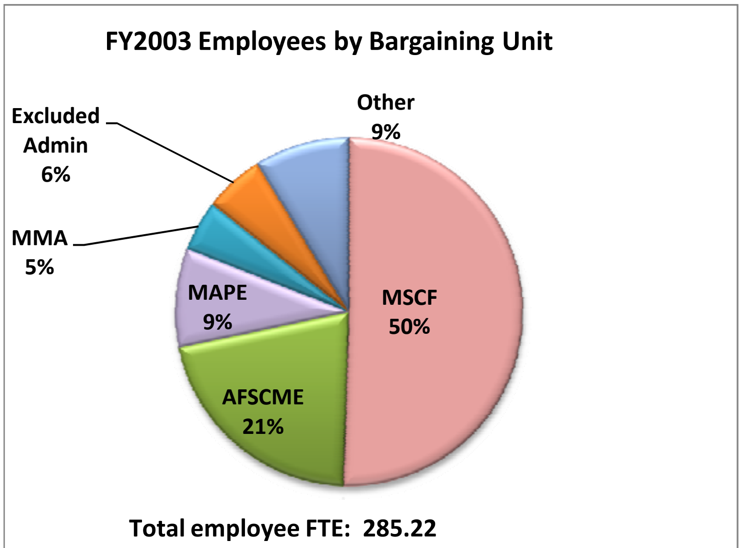
Minnesota State has predicted a $6M - $10M impact on the FY12 budget. Minnesota State announced consideration of retrenchment with our IFO at the October and November Meet and Confers. An open and inclusive process led to creation of metrics to prioritize academic programs and to identify programs for possible closure or reduction. That process led to the February announcement of declaration of intent to retrench faculty in 19 of 82 academic programs at the February 25, 2010 IFO Meet and Confer. A similar planning process for non-academic programs is now beginning. A BESI program was announced and instituted in the Fall of 2009 resulting in approximately $2.5M in base budget savings beginning in FY12. A second BESI is expected to be announced targeted at the 19 programs with declared retrenchment. Minnesota State believes the strategic reductions will cause the least possible harm to students and enrollments. ARRA funds along with targeted use of Reserves for compensated absences will fund the cost of BESI incentives allowing the FY12 budget to fully realize the savings of positions eliminated through use of the BESI program.

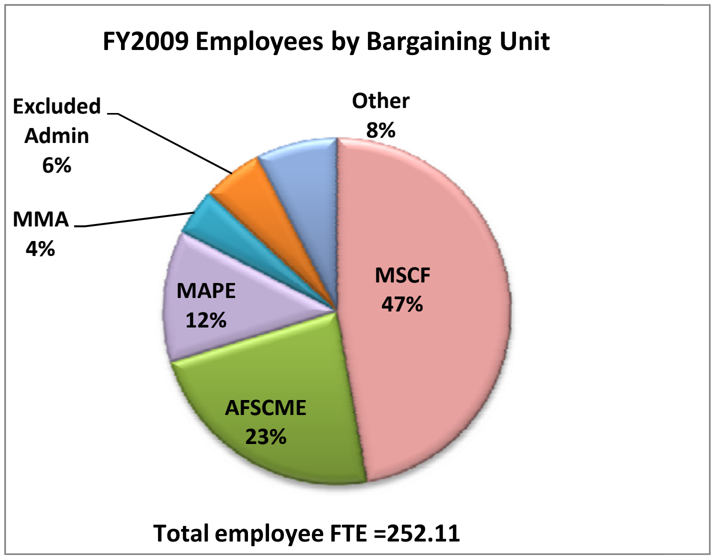
Future demographics and economic projections show that future State Budgets do not show the expectation of significant growth of State support for Higher Ed. Minnesota State has planned to structurally change its future budgets with the actions noted above. Minnesota State will continue to search for efficiencies and elimination of redundancies in order to continue high quality, affordable higher education for Minnesota.

Minnesota West College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,154	2,067	2,048	2,062	2,088	2,300	2,150	2,150	2,150
% change	-0.9%	-4.0%	-0.9%	0.7%	1.3%	10.2%	-6.5%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$82.75	$91.00	$103.65	$119.20	$127.57	$136.18	$141.63	$144.46	$148.79
Fee Rate	$10.00	$10.55	$11.03	$10.73	$11.50	$12.51	$14.76	$15.76	$15.76
% change	18.5%	9.5%	12.9%	13.3%	7.0%	6.9%	5.2%	2.4%	2.7%





FY2003	Full-time	Part-time
Faculty	28%	72%
Staff/ Admin	23%	78%

FY2009	Full-time	Part-time
Faculty	29%	71%
Staff/ Admin	39%	61%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	14,053,707	13,824,510	12,789,701	12,644,843	13,012,597	12,950,164	13,864,922	13,828,987
Tuition revenue	5,589,070	6,203,354	7,019,791	8,264,742	8,613,185	9,000,847	9,582,444	10,073,816
Fee revenue	378,948	427,962	454,365	503,997	542,256	591,645	660,746	712,580
Total	20,021,725	20,455,826	20,263,857	21,413,582	22,168,038	22,542,656	24,108,112	24,615,383
SA & Tuition Total per FYE	9,444	9,341	9,112	9,707	10,462	10,718	11,371	11,448

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	160,000	395,800	523,500	234,000	295,000	285,000	168,875	80,000

FY2009 Enrollment by Classification of Instructional Programs

Business	8%	Occupational & Technical	23%
Health	19%	STEM	23%
Liberal Arts & Social Sciences	27%		

Minnesota West Community & Technical College – Narrative

Budget strategies in the past several years

For many years, Minnesota West has strived to be as frugal as possible in budgeting. The need became more prominent when Governor Pawlenty announced an unallotment of state appropriation in FY09. The College's immediate response to the unallotment was to realize efficiencies in administration and support staff at the campus, site and college levels by reorganization and re-assignment. The result was a $1.2 million reduction in salary/benefits, which increased workload of employees retained. The reorganization effort was followed by a period of building reserves to weather the storm. However, in some cases it is necessary to incur expenses in the short-run to gain efficiency and effectiveness in the long- run. To that end, Minnesota West contracted for a review of IT services early in FY10 and has begun implementing department wide changes that will contribute to reduced costs or improvements in services offered by the entire IT department.

Even during a period of retrenchment, The College deemed it necessary to continue to invest in programs and program areas that were at the top of their game and new or up and coming. Therefore, Minnesota West invested in programs in allied health and alternative energy. Relying heavily on grants, the College invested in equipment and curriculum building in both renewable energy and wind technology. Enrollment has followed. Minnesota West made changes in personnel assignments to align existing employees with standards set forth by the National League of Nursing in preparation for an accreditation visit.

In the current year, the College has chosen to use ARRA stimulus funds on expenditures that provide budget relief for the FY11, FY12 and FY13 years through the pay-off of debt associated with energy retrofit projects.

Budget strategy for the FY2012-2013 biennium

Minnesota West is approaching the FY2012-2013 biennium budget cautiously. The College will draw on reserves and request a moderate tuition increase to balance their annual budget. An annual review of academic programs will continue to provide information regarding the health of all programs and be used to make programmatic changes as deemed necessary. The College will continue to review other service areas of the college for efficiency and effectiveness in a manner similar to that described above for IT services. Most importantly, Minnesota West will strive to retain the enrollment increases realized in FY10.

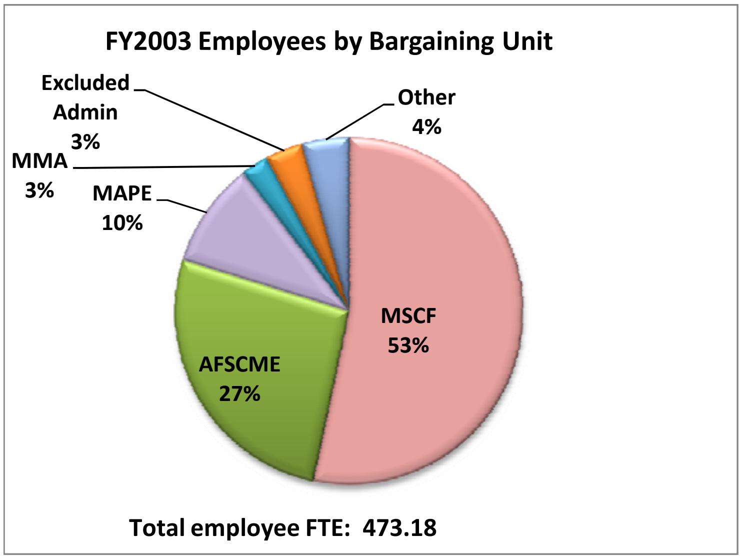
Future vision assuming less state support

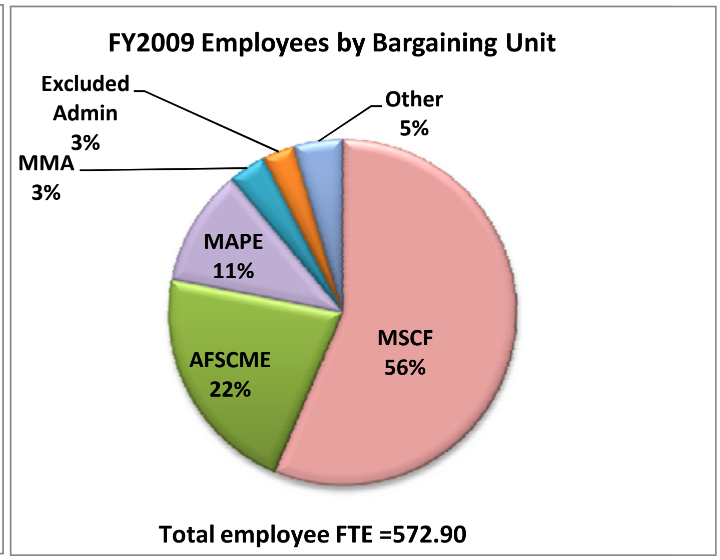
Minnesota West will approach long-range budgeting planning through a number of efforts. The College has and continues to combine services with Southwest Minnesota State University and the MnSCU System Office wherever appropriate. Minnesota West will also continue to build strong relationships with grantors/agencies to ensure new or continued funding in specific academic areas. The College will review its tuition strategy including its impact on the budget, interaction with financial aid and comparison to peers. Attention will continue to be dedicated to retaining the enrollment increases realized in FY10 partially by offering additional technical programs in heavily diverse population areas. Additionally, individual student retention will be enhanced through a reorganization of student support systems that provide more services in an electronic format, leading to financial efficiency without reduction in services. To address dislocated workers, the College will pursue the offering of more short- term training programs. The Colleges intends to abide by its mission to offer access, by reviewing the sustainability of five campuses and three leaning centers.

Normandale Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	6,108	6,008	6,348	6,648	6,869	7,365	7,400	7,500	7,600
% change	4.3%	-1.6%	5.7%	4.7%	3.3%	7.2%	0.5%	1.4%	1.3%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$83.75	$93.75	$103.12	$113.47	$120.45	$128.88	$134.09	$136.77	$140.87
Fee Rate	$14.00	$14.05	$15.03	$9.03	$12.05	$15.06	$16.31	$16.81	$17.06
% change	14.3%	10.3%	9.6%	3.7%	8.2%	8.6%	4.5%	2.1%	2.8%





FY2003	Full-time	Part-time
Faculty	66%	34%
Staff/ Admin	82%	18%

FY2009	Full-time	Part-time
Faculty	60%	40%
Staff/ Admin	86%	14%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	15,998,349	16,452,993	15,786,954	15,629,968	16,792,843	17,927,978	21,056,092	21,881,102
Tuition revenue	15,079,652	16,791,203	18,550,130	21,245,067	22,311,916	25,493,769	27,436,249	29,050,851
Fee revenue	1,510,622	1,623,747	1,811,018	1,007,457	1,362,950	2,093,415	2,362,295	2,343,516
Total	32,588,623	34,867,943	36,148,102	37,882,492	40,467,709	45,515,162	50,854,636	53,275,469
SA & Tuition Total per FYE	5,980	6,015	5,863	6,037	6,509	6,840	7,294	7,415

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	903,333	911,641	898,000	697,800	853,953	1,599,323	836,388	1,822,027

FY2009 Enrollment by Classification of Instructional Programs

Business	7%	Education	1%
Health	4%	Occupational & Technical	4%
Liberal Arts & Social Sciences	56%	STEM	28%

Normandale Community College – Narrative

Budget planning process

The Board of Trustees' strategic plan *Designing the Future* lays out the strategic directions that are the priorities of the system and guides budget planning. The system has engaged in multi-year budget planning and has been guided by three principles:

- The Chancellor and system leadership will seek to make decisions in a way that best serves students;
- Decisions will strive to take into account the system's mission to serve the economic development needs of the state and its communities; and
- Planning will take a multi-year approach, positioning the system for long-term financial viability.

Fiscal year 2011 budget planning

- Initial outlook assumed $666 million of appropriation – level provided in higher education bill. Revised outlook $616 million (less $50 million Governor's unallotment). Following the state's updated economic outlook, model further reductions in (of at least another $10.5 million).
- Assume tuition rate increases not to exceed 5 percent as stated in higher education bill.
- Recognize modest compensation inflationary cost increases (insurance increase and steps for classified employees); other operating expenses using local assumptions.
- Expect the continuation of the already approved federal stimulus funds for one-time expenses.
- Reach structural balance at the beginning of fiscal year 2012 targeting the fiscal year 2011 after unallotment and further reductions.
- Expectation that fund balance and reserve levels will be maintained and/or increased when appropriate. A measure of financial health. Financial health is extremely important to the Higher Learning Commission (HLC). Poor financial health can impact an institution's capacity to continue its mission and an institution's accreditation.

2012 and 2013 biennium budget planning

- Assume FY2011 base allocation less unallotment and further reductions.
- Model further reductions in state appropriation.
- Recognize inflationary cost increases at CPI referenced in the state's economic outlook: 2.1 percent for fiscal year 2012 and 1.9 percent for fiscal year 2013; modify for local assumptions.
- No cap on tuition rate increase – expect reasonableness.
- No federal stimulus funds.

Based on these principles and assumptions, please draft a one page response to the following questions. Please note that the Budget Unit plans to use the narrative response for both the system's legislative report due in mid-March and for the FY11 Operating Budget presented to the Board of Trustees later this spring.

Budget strategies in the past several years

In the past few years, Normandale has adopted the following strategies to meet the strategic plan of MnSCU and Normandale Community College as the institution has responded to meet an every larger student enrollment from our primary service area –

- Continue to communicate with the faculty and the entire campus community about the reductions that the State of Minnesota is experiencing in revenues and the consequent reductions that implies for the campus
- Increased minimum class sizes, thereby reducing the number of part time and adjunct faculty
- Investing in campus HVAC & electrical infrastructure that will reduce the overall consumption of energy
- Reduced library expenditures
- Provided additional resources to support a significant growth in on-line enrollment
- Utilized ARRA funding to purchase equipment that positions the college to respond to contractions in State support

Budget strategy for the FY2012-2013 biennium

In planning for the next biennium, Normandale is adopting an overall strategy that will continue to meet the mission and respond to the continuing enrollment growth for college students, and at the same time provide additional opportunities for students seeking baccalaureate/selected graduate degrees to pursue their educational goals on the Normandale campus –

- Tightening/reducing the staff complement where workloads permit and other efficiencies can be made
- Considering larger class sizes
- Continuing implementation of a multi-year facility energy reduction initiative
- Only increase tuition to the extent required to meet student enrollment demands and operate with a balanced budget

Future vision assuming less state support

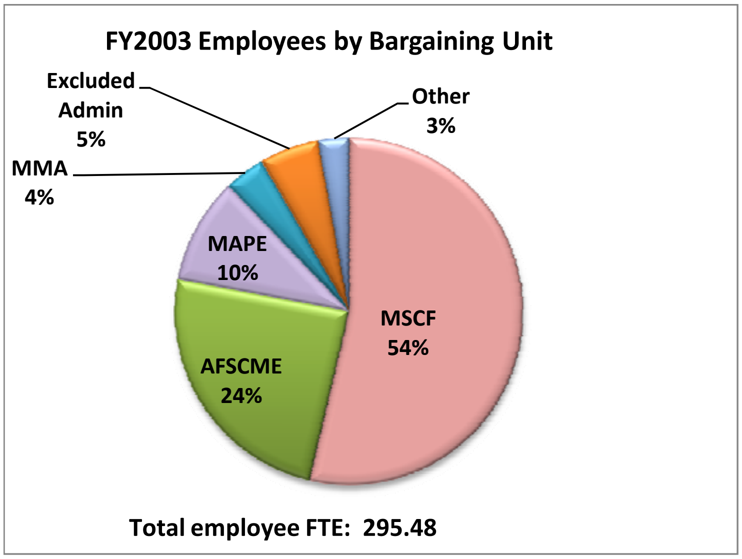
Normandale's vision for the future is a work in process but the broad outlines include –

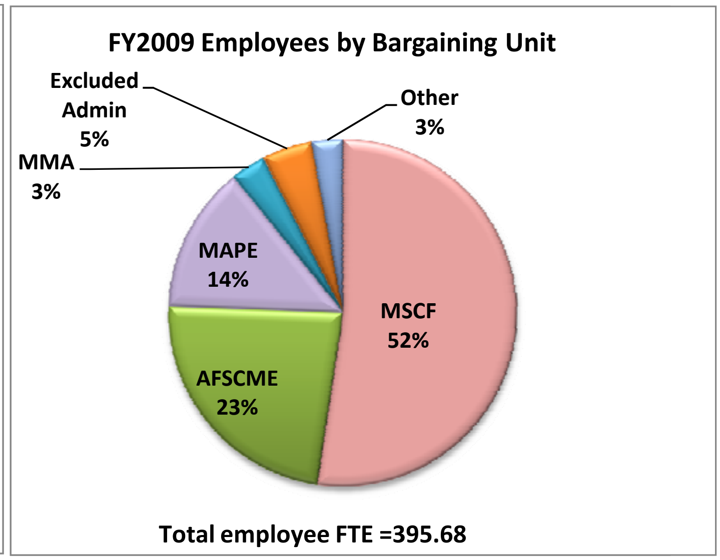
- Ensuring sufficient space is available to meet enrollment demands
- Better meeting the workforce demands through a variety of approaches
- Continuing to build voluntary support for the college through the Foundation
- Relentlessly monitoring and finding new ways to use the college personnel resources more efficiently
- Recommending modest tuition and fee increases when all other options have been exhausted

North Hennepin Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	4,283	4,165	4,191	4,314	4,625	5,030	5,030	5,030	5,030
% change	1.7%	-2.8%	0.6%	2.9%	7.2%	8.8%	0.0%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$83.60	$91.15	$104.82	$120.52	$125.35	$131.60	$136.84	$139.59	$143.79
Fee Rate	$12.25	$14.30	$14.28	$10.28	$10.30	$10.31	$10.51	$14.51	$14.51
% change	14.6%	10.0%	12.9%	9.8%	3.7%	4.6%	3.8%	4.6%	2.7%





FY2003	Full-time	Part-time
Faculty	48%	52%
Staff/ Admin	78%	22%

FY2009	Full-time	Part-time
Faculty	44%	56%
Staff/ Admin	87%	13%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	11,823,818	11,405,787	11,455,656	11,389,007	12,529,044	13,236,143	14,705,422	15,890,777
Tuition revenue	10,403,562	12,508,469	14,237,583	15,987,804	16,454,547	17,495,778	18,379,831	20,181,176
Fee revenue	607,321	882,976	1,017,749	748,326	640,442	706,454	659,803	1,164,307
Total	22,834,701	24,797,232	26,710,988	28,125,137	29,624,033	31,438,375	33,745,056	37,236,260
SA & Tuition Total per FYE	6,167	6,051	6,101	6,392	6,959	7,333	7,669	7,799

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	301,757	1,264,400	344,400	510,000	388,120	390,070	1,185,000	1,440,100

FY2009 Enrollment by Classification of Instructional Programs

Business	9%	Occupational & Technical	7%
Health	4%	STEM	28%
Liberal Arts & Social Sciences	53%		

North Hennepin Community College – Narrative

Budget strategies in the past several years

North Hennepin Community College's budget strategies over the past several years have been fairly straight-forward:

- maintain a structurally-balanced budget,
- hold tuition rates at metro system average percent increases,
- designate a seven percent reserve-to-operating revenue ratio,
- support system strategies and college action plans,
- invest in fewer new ongoing obligations,
- provide high quality academic programming,
- invest various funding sources in student success initiatives,
- provide students the newest technology, with older equipment being cycled through the departments,
- invest in continuous improvement, utilizing the AQIP model,
- manage increasing enrollment with minimal staff increases, and
- utilize available resources to continue supporting capital projects, facilities upgrades, building and grounds maintenance.

Budget strategy for the FY2012-2013 biennium

North Hennepin Community College's budget strategy for the FY2012-2013 biennium is as follows:

- preserve operating revenues,
- reallocate resources to highest priority activities and preserving core mission essentials,
- continue academic program reviews to maintain academic quality and strategic offerings,
- strategic use of federal stimulus funds during FY2010 – 2011,
- propose tuition increases that balance the students ability to pay and the cost of operating the college,
- anticipate some level of salary adjustments,
- review vacant positions for opportunities to eliminate, delay, share, reallocate or reconfigure,
- cut back on the current high level of Repair and Replacement spending,
- make data-driven decisions,
- prepare cost analyses of class scheduling, faculty/student classroom ratios, services, early retirement packages, hours of operations, and
- discontinue or reduce some programs and services, as necessary.

Future vision assuming less state support

North Hennepin Community College's vision for a future with less state support looks like:

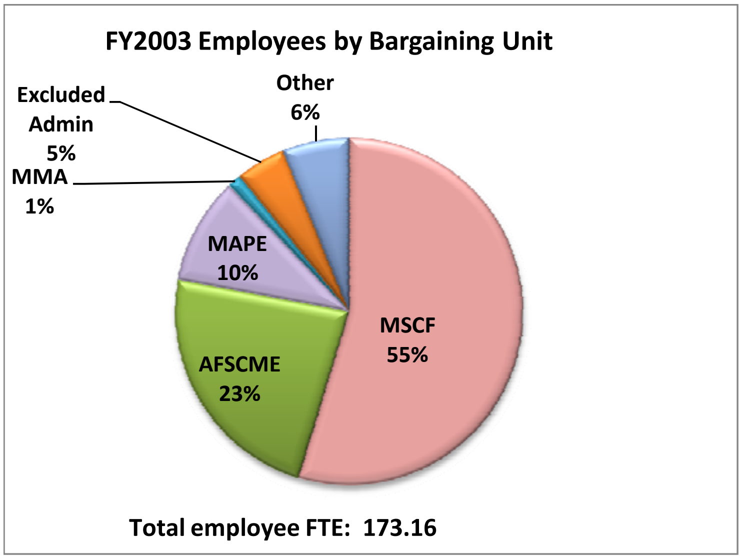
- creative college pricing,
- creative, flexible programming and services for the changing needs of our students,
- manage enrollment growth to lessen the incremental cost impact on the college,

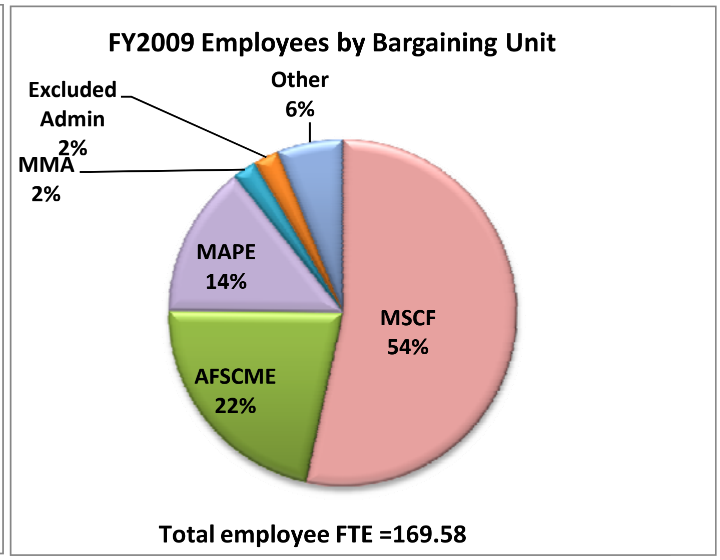
- fewer capital projects,
- continued effort to seek external funding and partnerships,
- combined / shared business operations,
- more efficient, cost-effective employment strategies, and
- revised academic calendar and scheduling.

Northeast Higher Education District - Hibbing College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,381	1,176	1,145	1,207	1,315	1,373	1,360	1,345	1,345
% change	-5.7%	-14.8%	-2.6%	5.4%	8.9%	4.4%	-0.9%	-1.1%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$76.60	$85.50	$95.75	$110.00	$116.60	$125.93	$129.00	$131.58	$135.53
Fee Rate	$13.25	$14.30	$14.28	$15.28	$15.30	$15.81	$15.81	$17.81	$18.81
% change	11.5%	11.1%	10.3%	13.9%	5.3%	7.5%	2.2%	3.2%	3.3%





FY2003	Full-time	Part-time
Faculty	46%	54%
Staff/ Admin	23%	77%

FY2009	Full-time	Part-time
Faculty	52%	48%
Staff/ Admin	56%	44%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	9,110,798	8,876,929	8,220,608	7,998,546	8,019,200	7,925,062	8,254,000	8,023,869
Tuition revenue	3,760,631	4,109,922	4,662,117	4,962,058	4,953,674	5,438,785	6,017,576	6,330,682
Fee revenue	719,425	636,229	716,532	769,068	532,920	397,806	419,221	780,731
Total	13,590,854	13,623,080	13,599,257	13,729,672	13,505,794	13,761,653	14,690,797	15,135,282
SA & Tuition Total per FYE	9,142	9,184	8,794	9,385	11,031	11,671	11,824	10,916

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	303,000	630,767	176,566	363,295	383,355	138,620	199,959	169,441

FY2009 Enrollment by Classification of Instructional Programs

Business	3%	Occupational & Technical	36%
Health	15%	STEM	16%
Liberal Arts & Social Sciences	30%		

Northeast Higher Education District - Hibbing Community College – Narrative

Budget strategies in the past several years

It has been Hibbing Community College's practice to carry a 7% operating reserve, plus additional dedicated reserves for debt redemption, anticipated retirements, etc. To the extent possible within our operating budget, we have planned for facility repair and betterment, academic program development and operational costs of instruction and support services. Use of operating reserve funds were minimal and used mainly for unexpected costs or an unanticipated drop in enrollment.

In the past fiscal year, reserves have been spent and paired along with personnel and non-personnel reductions in order to meet operation expenses.

Budget strategy for the FY2012-2013 biennium

Hibbing Community College's budget strategy for FY12 and FY13 is to maintain a 7% operating reserve and balance the budget based on tuition and fees, Office of the Chancellor allocation and grant funds. Limitations on spending and travel will remain in effect. Position vacancies will be filled at a reduced assignment, or not replace at all. Plans and efforts at efficiencies will be in effect across the campus.

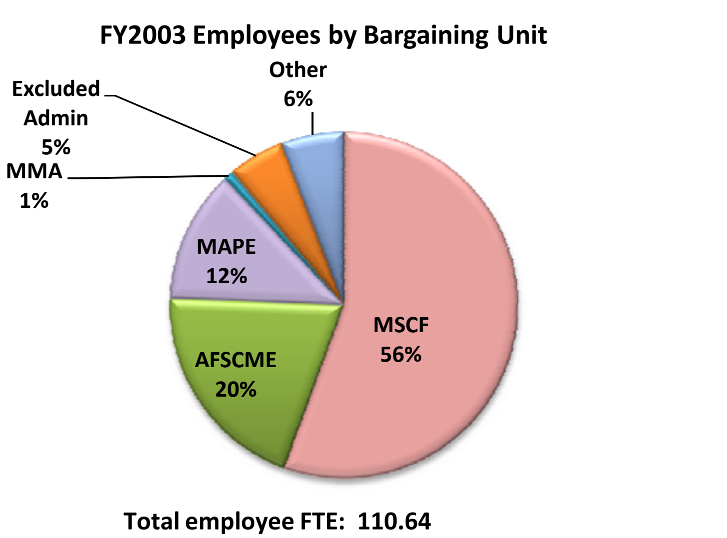
Future vision assuming less state support

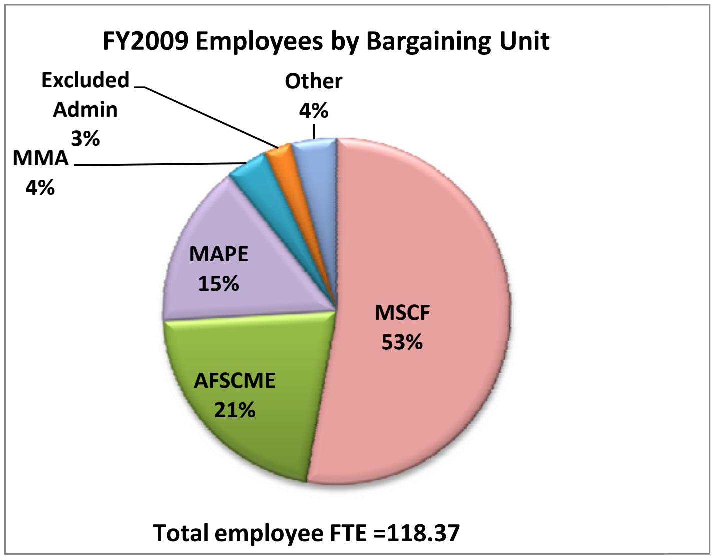
Less state support for the future will create considerable challenges and pressure to balance the college's budget. Budget reductions will continue and target costs and services that have the least impact on teaching and learning. However, there is no doubt that services to students and academic offerings will be reduced.

Northeast Higher Education District - Itasca Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,001	998	1,045	999	969	1,050	990	990	1,000
% change	2.5%	-0.3%	4.7%	-4.4%	-3.0%	8.4%	-5.7%	0.0%	1.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$79.95	$89.55	$103.00	$118.45	$123.19	$128.12	$129.00	$131.58	$135.53
Fee Rate	$14.75	$15.05	$15.03	$15.03	$15.05	$15.31	$15.56	$18.06	$19.06
% change	11.6%	10.5%	12.8%	13.1%	3.6%	3.8%	0.8%	3.5%	3.3%





FY2003	Full-time	Part-time
Faculty	46%	54%
Staff/ Admin	44%	56%

FY2009	Full-time	Part-time
Faculty	49%	51%
Staff/ Admin	48%	52%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	4,730,502	4,879,025	4,536,937	4,426,084	4,312,539	4,330,309	4,663,765	4,686,240
Tuition revenue	2,563,532	2,874,074	3,183,781	3,707,680	3,879,266	4,295,322	4,149,217	4,118,342
Fee revenue	282,992	313,415	317,326	340,676	351,115	350,195	345,370	391,375
Total	7,577,026	8,066,514	8,038,044	8,474,440	8,542,920	8,975,826	9,158,352	9,195,957
SA & Tuition Total per FYE	7,590	7,976	7,902	8,126	8,208	8,254	8,822	9,086

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	386,263	90,000	358,800	120,000	109,000	58,600	485,904	126,921

FY2009 Enrollment by Classification of Instructional Programs

Business	3%	Occupational & Technical	13%
Health	8%	STEM	32%
Liberal Arts & Social Sciences	45%		

Northeast Higher Education District - Itasca Community College – Narrative

Budget strategies in the past several years

Itasca spent more than operating revenue during 2006-2008, the reserve was much higher than the required % of revenue. Investment in capital assets, one-time costs to develop programs to increase enrollment, investment in energy and consumable savings (one-time costs), and additional personnel costs (sustaining)

In 2009, Itasca found itself with a drop in enrollment, cut in appropriation, and out of reserve. As a result there had to be a long term budget plan. We took a thorough look at all personnel, release credits, and consumable supply budgets. We cut annual costs of $500,000 dollars. The General Fund reserve did improve in 2009. Budget planning for FY 2010 and FY 2011 is based on a balance budget with an enrollment of 1000 FYE. Federal stimulus dollars help cover operating costs such as sabbaticals, retirements, and tuition mitigation. Enrollment over the budget estimate, will add to the unrestricted reserve to prepare for the future. Itasca is now looking into the future five years or more.

Budget strategy for the FY2012-2013 biennium

Can we sustain the cuts in personnel that we made? Personnel base needs will be analyzed every year to enrollment. Student services, maintenance, and business office took the hits in the cutting process. Those are the costs that do not change with the changes in enrollment unless the increase is steady. We have to work smarter, deal with the day to day detail work that must be done, and set priorities. We need to hire qualified people and train our own to be efficient and confident in what they do. Onsite facility management is an important component to financial health
We need to increase our unrestricted net assets to prepare for investment in capital assets. Itasca needs a new classroom building and other renovations; to do this we must be able to pay debt costs from operating revenues.

Budget strategy out to 2013: We are planning a modest tuition increase each year to the students, inflation increases to personnel and nonpersonnel, and the loss of federal stimulus dollars; as a result we are starting the process to reduce operating costs by 3-4% - $400,000.00 to prepare for the new educational space needed to serve our 2012-2013 students and to maintain the excellence level of education we currently have. The reduction of operating costs will be mostly personnel which is 75-80% of expenses. This means that Itasca will be looking to become more efficient in instructional costs, student services, and energy consumption.

Future vision assuming less state support

Continued focus on retention and active engagement of students.

Itasca has a strong recent history of active engagement and retention of students. In 2007, Itasca was ranked by Washington Monthly 13th in the nation in CCSSE scores. The 2009 CCSSE results indicate that Itasca Community College has improved from those levels, having an exceptional record of engaging students – this speaks to the college's strategic initiatives to retain students it recruits. These efforts, based on CCSSE data, will continue with a focus on the following:

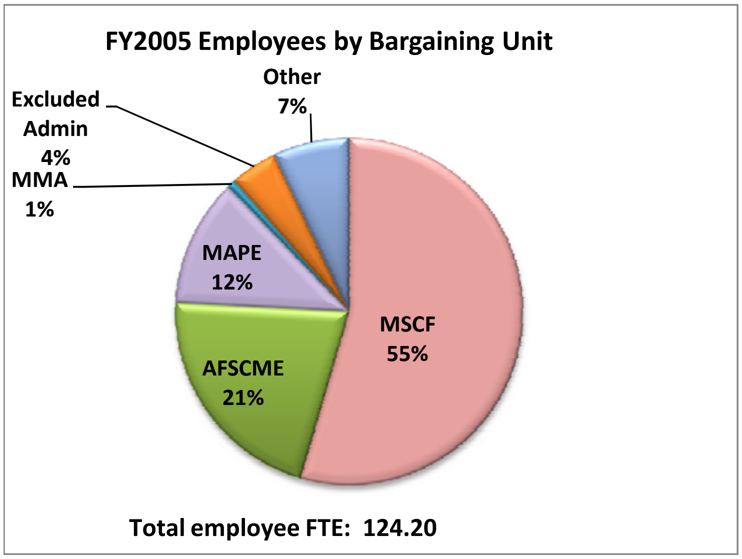
- Strengthen and support current and future learning communities
- Expand efforts in intrusive advising and student support
- Conduct Lean Education initiative in student services to improve student experience
- Establish admissions office (now enrollment only)
- Plan for master facilities upgrades
- Itasca Community College is a resilient college; however, cut backs in staff hours has impacted the availability of students' services and challenged staff in accomplishing their jobs. Impact can be realized in lower moral, overextended and frustrated staff; this has had some negative impact on students receiving services.
- As programs are scrutinized, and potentially closed, students will have fewer options to choose from.
- Part time faculty in coming years will be cut back significantly; this will result in fewer options for students as well.
- Itasca Community College administration is stretched. This has impacted faculty and staff – not as much time to devote to program improvements/enhancements, professional development, etc.
- Reduction in academic support areas will impact services to faculty and ultimately students.
- Itasca Community College's current mission includes the "learning community college" philosophy. With less funding, there may be significant cuts in support of our learning community model. Under this model, we release faculty to coordinate programs. We believe there is a correlation between Itasca Community College's positive retention rates, the strong CCSSEE results and the learning community model. However, without revenue to support these efforts, we may need to strip down program coordination (about $115,000 cost).
- Itasca Community College relies on external funding to support program innovation and expansion. Funding will continue to be challenging in a competitive market.
- Fed Stimulus money will impact student tuition in 2012 and this may have a big impact on enrollment

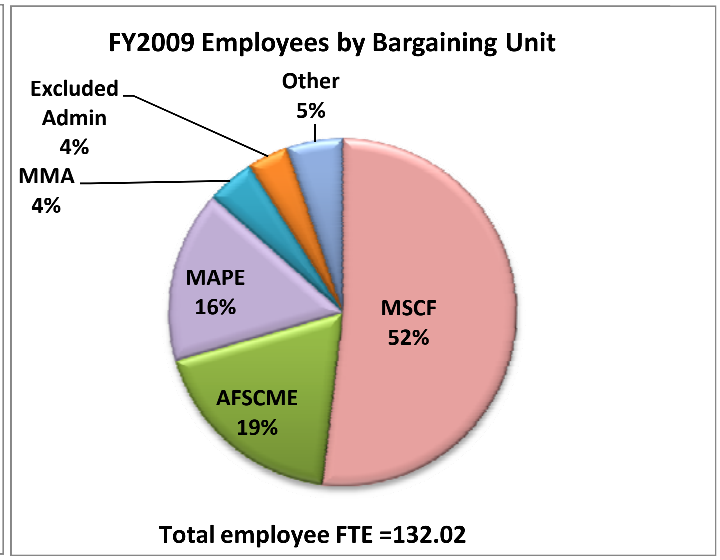
Northeast Higher Education District - Mesabi Range Community & Technical College

Realigned in FY2005 - Specific data elements contain no information for eariler years

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	1,151	1,069	1,105	1,148	1,194	1,194	1,205	1,218	1,230
% change	-7.5%	-7.1%	3.4%	3.9%	4.0%	0.0%	0.9%	1.1%	1.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$79.95	$89.55	$100.30	$115.35	$119.96	$125.96	$129.00	$131.58	$135.53
Fee Rate	$14.25	$14.30	$14.28	$14.28	$14.30	$15.81	$15.81	$17.81	$18.81
% change	13.0%	10.2%	10.3%	13.1%	3.6%	5.6%	2.1%	3.2%	3.3%





FY2005	Full-time	Part-time
Faculty	43%	57%
Staff/ Admin	64%	36%

FY2009	Full-time	Part-time
Faculty	43%	57%
Staff/ Admin	67%	33%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation				5,713,033	5,728,640	6,008,205	6,443,337	6,281,999
Tuition revenue				3,716,223	3,655,234	4,094,337	4,679,253	5,249,437
Fee revenue				349,558	298,869	315,516	337,498	412,918
Total				9,778,814	9,682,743	10,418,058	11,460,088	11,944,354
SA & Tuition Total per FYE				8,192	8,778	9,143	9,689	9,658

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	498,575	837,840	309,052	195,750	0	236,000	138,400	404,000

FY2009 Enrollment by Classification of Instructional Programs

Business	3%	Education	2%
Health	11%	Occupational & Technical	33%
Liberal Arts & Social Sciences	35%	STEM	16%

Northeast Higher Education District - Mesabi Range Community & Technical College – Narrative

Budget Strategies in the past several years

Mesabi Range Community &Technical College has followed a tight budgeting strategy since Fiscal year 2009 that allows revenues to exceed expenditures. Key to this strategy has been the evaluation of the need to replace employees that have retired or have resigned their positions at the college. The college issued layoffs to two employees in the administrative support area, reduced customized training assignments, and incorporated the early retirement incentive program using stimulus dollars to make a reduction in the physical plant department. Summer school classes are run only if enrollment generated tuition covers all costs of the class. Classes during the regular school year are managed so that minimal low enrollment classes are offered, reducing the number of adjunct faculty needed to be hired. All non-personnel expenditures are evaluated according to need and outstate travel has been allowed as necessity dictates. Equipment purchases are evaluated and approved according to justified need.

Mesabi Range College continually evaluates programs and classes to strengthen current offerings and appropriately invest in new offerings. The college actively pursues business and industry partnerships and donations, as well as grants and alternative revenue streams.

The actions taken over the past several years have enabled the college to run a budget that supports increasing reserves while still providing the best education and services to the students and community.

Budget strategy for FY2012-2013 Biennium

Mesabi Range College will continue to evaluate all services, programs and classes at the college to increase efficiencies and reduce costs. An effort has been initiated by the Northeast Higher Education District President to examine district shared services, which include the areas of technology, business services, and student housing. By sharing services costs are reduced without affecting the quality of services to students. Other areas are under consideration. In addition, retirements and resignations will be evaluated to determine the need for replacement of employees, and all non-personnel expenditures will be approved on a case-by-case, as needed basis. Although there might not be a cap on tuition, an effort will be made by the college to try to keep tuition increases as low as possible to avoid undue burden on the students.

The college will continue to pursue grants, partnerships and donations. The Iron Range Engineering Program and other 4-year degree programs to be offered on the Virginia Campus will increase enrollment and generate additional revenue for the college. Also, new technical programs and redesigned programs – developed with the help of IRRR funding – will also better ensure enrollment growth. These factors, coupled with the efforts made in previous years to reduce costs and build enrollment (and tuition collection), will better ensure balanced budgets during the 2012-2013 biennium, even with reduced state appropriations.

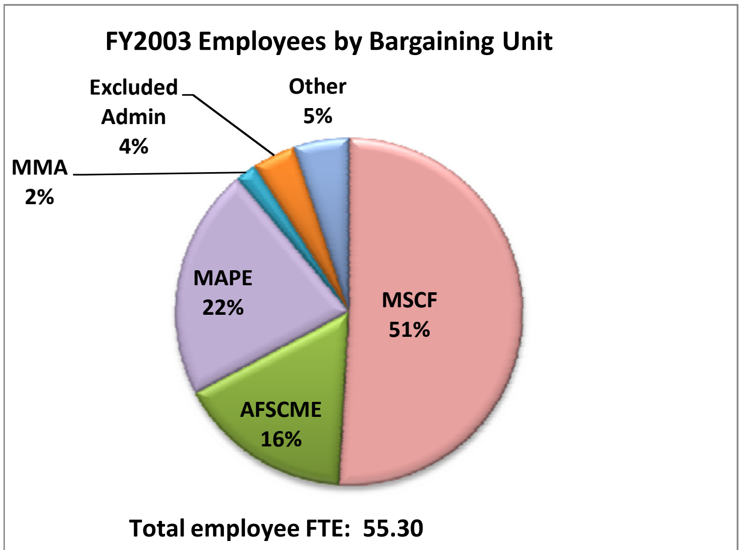
Future vision assuming less state support

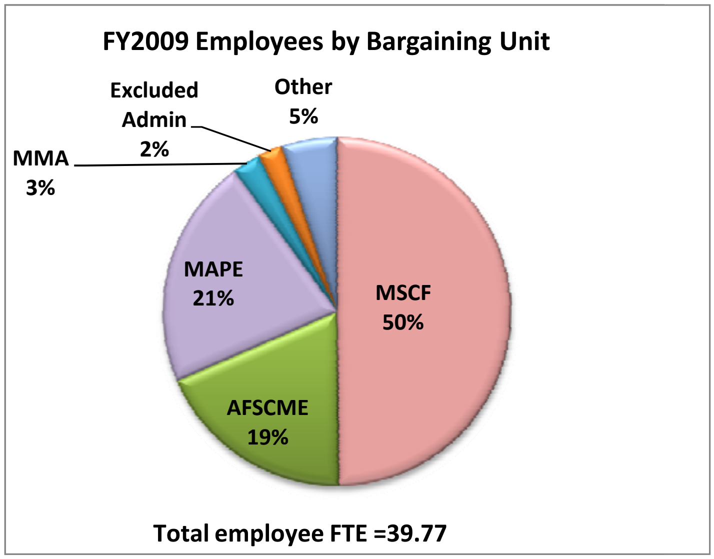
It will be difficult to continue to provide the best education for students with less state support. Options are to increase tuition substantially or to look to continued cost cutting. There comes a point where the college cannot cut without affecting the quality of education and services provided. Northeast Higher Education District can continue to look at shared services and classes, but at some point there is no more that can be done, which makes the college increasingly vulnerable to external forces. Nonetheless, Mesabi Range College will remain focused on fulfilling its mission and working as a dynamic partner in workforce, community, and economic development.

Northeast Higher Education District - Rainy River Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	323	320	303	304	261	280	300	310	325
% change	7.0%	-0.9%	-5.3%	0.3%	-14.1%	7.3%	7.1%	3.3%	4.8%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$77.95	$88.05	$101.27	$116.46	$122.28	$127.17	$129.00	$131.58	$135.53
Fee Rate	$16.80	$16.85	$16.93	$16.98	$17.00	$17.01	$17.01	$19.01	$19.81
% change	12.7%	10.7%	12.7%	12.9%	4.4%	3.5%	1.3%	3.1%	3.2%





FY2003	Full-time	Part-time
Faculty	57%	43%
Staff/ Admin	58%	42%

FY2009	Full-time	Part-time
Faculty	38%	62%
Staff/ Admin	68%	32%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	2,698,971	2,632,027	2,394,887	2,370,187	2,380,562	2,373,031	2,391,995	2,365,741
Tuition revenue	859,224	821,787	901,288	1,108,956	1,217,826	1,211,730	1,313,859	1,118,484
Fee revenue	107,760	87,445	117,634	119,701	102,220	95,522	111,641	128,490
Total	3,665,955	3,541,259	3,413,809	3,598,844	3,700,608	3,680,283	3,817,495	3,612,715
SA & Tuition Total per FYE	9,829	11,287	10,914	10,771	11,245	11,831	12,190	13,350

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	206,846	276,123	324,000	273,581	83,000	125,500	183,931	144,259

FY2009 Enrollment by Classification of Instructional Programs

Business	3%	Education	1%
Health	19%	Occupational & Technical	23%
Liberal Arts & Social Sciences	42%	STEM	13%

Northeast Higher Education District - Rainy River Community College – Narrative

Budget strategies in the past several years

Rainy's budget strategy is to have a balanced budget and to maintain the required reserve. Rainy struggled to maintain the required reserve in the past few years with a drop in enrollment. What seems to be small decrease in enrollment and % increases in wages and benefits in personnel that can be absorbed by other larger institutions, is a major set back to Rainy. In 2009, Rainy set a goal to bring stability back to the college, the introduction of new programs and concentration on increasing enrollment. 2009 brought layoffs of six positions; big hits in maintenance and business office, and also the Provost. MNSCU required reserve has not been met in the past 2 years; but with the cuts, Rainy did have and increase. With the help of HEAPR money, there will be an investment in capital assets in 2010. There is an enrollment increased in 2010

Budget strategy for the FY2012-2013 biennium

Can we sustain the cuts that we took in 2009 and still meet the mission of the college and maintain financial records and facilities? This is a challenge. Personnel base needs will be analyzed every year to enrollment. Maintenance and business office took the hits in the cutting process. Those are the costs that do not change with the changes in enrollment unless the increase is steady. We have to work smarter, deal with the day to day detail work that must be done, and set priorities. We need to hire qualified people and train our own to be efficient and confident in what they do. Onsite facility management is an important component to financial health.
Budget strategy out to 2013: We are planning a modest tuition increase each year to the students, inflation increases to personnel and nonpersonnel, and the loss of federal stimulus dollars; as a result we are starting the process to reduce operating costs by 3-4% - $100,000 to maintain a balanced budget for 300 FYE. The reduction of operating costs will be mostly personnel which is 75-80% of expenses. This means that Rainy will be looking to become more efficient in instructional costs, student services, and energy consumption.

Future vision assuming less state support

New and Expanding programming:
In FY09-10, Rainy added two new programs which are well enrolled: Industrial Technology – emphasis maintenance, in partnership with Boise Paper Company, and the Green and Sustainable Construction Technology program, in collaboration with ISD 361. Moving forward, Rainy River Community College will:

- Coordinated program development among NHED colleges in Industrial Technology, with shared core of classes;
- Expand the GSCT program to include Industrial construction programming;
- Coordinated/expand program offerings in Allied Health in partnership with NHED colleges;
- Coordinated efforts in course sharing within the district to increase student choice and reduce instructional cost for low enrollment course offerings;
- Develop and implement Math and Science pre-education program.

Continued focus on recruitment:
Rainy River Community College recognizes the importance of strategic recruiting, beyond the 100 mile traditional recruiting radius. In FY10 Rainy River Community College saw a 13% increase in FYE from FY 2009 with a projected enrollment of 295. Building on FY10 success, future recruiting efforts will include:

- Continued efforts to recruit broadly for Nursing, Rainy River Community College's flagship program.
- Build and expand current efforts to increase recruits from Canada.
- Expanded recruiting efforts for Industrial Technology, GSCT, and Math/Science education.
- Continued developing strong partnerships and articulations with area ALI schools in GSCT and Welding programs.
- Continue to advertise newly remodeled Rainy Residence Hall to draw the out of area students to the campus
- Concurrent enrollment agreements with area High Schools

Continued focus on retention and active engagement of students:
Building off the CCSSE survey results, Rainy will put together a strategic plan to improve the retention of its students. Efforts will include:

- Improving facilities and access
- Improving active engagement/collaborative efforts between faculty and students
- Expanding efforts in intrusive advising and student support
- Student Life Director coupled with advising

Instructional Cost Management
Rainy River Community College continues to carefully monitor instructional costs. It has taken the following steps in FY10 (to continue in FY11) to improve performance:

- Reduction of lower enrolled courses
- Increase in shared courses/programs within the district in low enrollment area
- Elimination of under enrolled programs
- Hiring highly trained and experienced faculty in IT and GSCT
- Monitoring PSEO enrollment/exploring P-14 with ISD 361

External Funding
Rainy River Community College has increased efforts in seeking external funding. Rainy River Community College Foundation has supported IT and Math/Science in 2009 and 2010. Bremer Foundation is supporting the new baseball program as well as GSCT. In addition, ALI funding has been secured to support the GSCT program and welding (FY11).

Impact of Budget Reductions on Current Health of the Organization

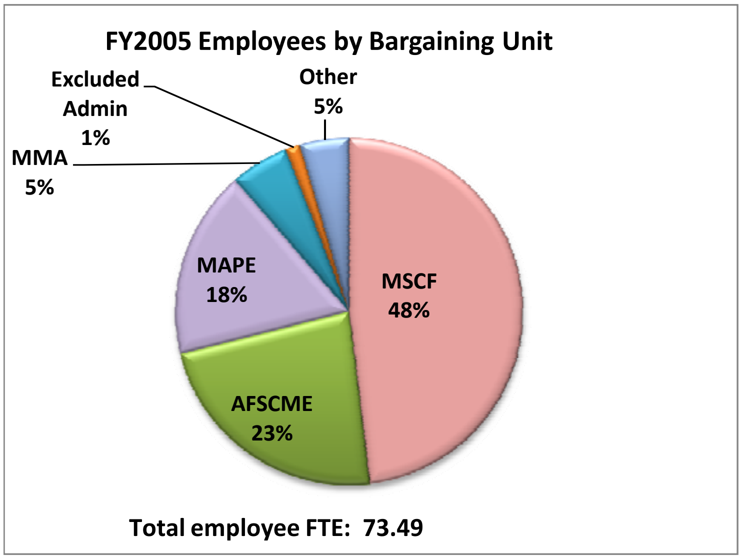
- As programs are scrutinized, and potentially closed, students will have fewer options to choose from.
- In attempting to minimize cost through sharing, part time faculty have been cut back; courses offered through distance education are the 'first choice' delivery method for Rainy River Community College.
- Currently the faculty roster is quite lean. This requires faculty to wear multiple hats and are therefore stretched thin.
- The shared administration model has impacted faculty and staff – not as much time to devote to program improvements/enhancements, professional development, etc.
- Fed Stimulus money will impact student tuition in 2012 and this may have a big impact on enrollment.

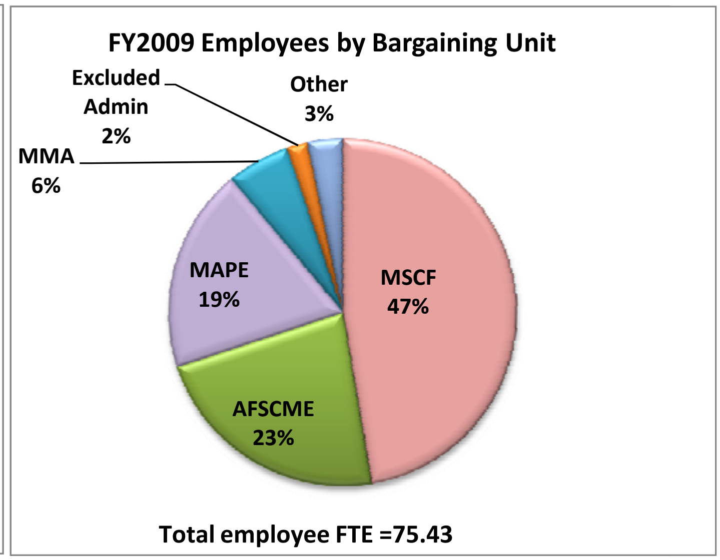
Northeast Higher Education District - Vermilion Community College

Realigned in FY2005 - Specific data elements contain no information for eariler years

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	618	625	646	615	575	605	618	625	630
% change	-6.8%	1.1%	3.4%	-4.8%	-6.5%	5.2%	2.1%	1.1%	0.8%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$81.35	$90.01	$103.51	$119.04	$123.81	$128.76	$129.00	$131.58	$135.53
Fee Rate	$15.65	$15.70	$15.78	$15.78	$15.80	$16.81	$16.81	$18.81	$19.81
% change	14.8%	9.0%	12.8%	13.0%	3.6%	4.3%	0.2%	3.1%	3.3%





FY2005	Full-time	Part-time
Faculty	49%	51%
Staff/ Admin	52%	48%

FY2009	Full-time	Part-time
Faculty	51%	49%
Staff/ Admin	55%	45%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation				2,959,003	2,993,503	3,024,546	3,249,043	3,102,820
Tuition revenue				2,117,814	2,122,408	2,329,178	2,388,700	2,200,090
Fee revenue				199,836	192,659	183,410	192,315	192,285
Total				5,276,653	5,308,570	5,537,134	5,830,058	5,495,195
SA & Tuition Total per FYE				8,215	8,185	8,287	9,167	9,222

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	258,231	307,676	166,082	30,000	106,000	73,000	132,500	283,533

FY2009 Enrollment by Classification of Instructional Programs

Business	2%	Education	1%
Health	1%	Occupational & Technical	25%
Liberal Arts & Social Sciences	43%	STEM	29%

Northeast Higher Education District - Vermilion Community College – Narrative

Budget strategies in the past several years

Vermilion Community College's past budget strategies have been focused on making decisions based on our mission: *Vermilion Community College educates people from all walks of life to become well-rounded, ethical citizens prepared to work, live, and learn in a changing world, especially the natural world that surrounds us.* We have made several personnel cuts which include faculty and staff. These cuts were in the area of Custom Training, the support of our business community through no longer supporting our downtown Technology Center, our Foundation, and the business office. Cuts were also made in library hours of operation and in IT services. FY 2010 brought two faculty retirements – one in Parks and Recreation, and one in Wilderness Management. The Wilderness Management hire will be at a substantially lower salary cost, and the Parks and Recreation Program position will not be replaced. The Parks and Recreation Program was suspended for lack of enrollment. Assessment credits will also be reduced from 6 credits to 2.

Budget strategy for the FY 2012-2013 biennium

In order to prepare for the realities of FY 2012 – 2013, Vermilion Community College has followed a work-out plan that spans over the next few years. We began by holding expenditures in FY 2010 to around $1,300,000 and cutting personnel to $4,400,000 to balance the budget for FY 2010. Then, we further reduced personnel expenditures for FY 2010 with three recent layoffs and position reductions equaling 1.45 positions. These changes will reduce our personnel costs in the FY2012 – 2013 biennium. These strategies will enhance our reserves in preparation for the future.

Vermilion Community College will continue to focus on strategies to increase enrollment. Our enrollment for FY 2010 increased, and even 10th day spring retention numbers are up 10%. Our fall applications for next year are up 20% from last year – a year in which enrollment had already risen! Our conversion rate has increased each year, with FY 2010 rate holding at 62%. Vermilion Community College's long-standing mission of serving as MnSCU's environmental college serves the state and the nation at a time when environmental and green programs are seen as new and popular. This trend is nothing new for Vermilion Community College, and our application growth is confirming that we are perfectly positioned for this change.

Vermilion Community College continues to expand online offerings in the summer session, and work with the NHED CAO's in sharing courses, such as a Nursing partnership with HCC, Accounting and business courses, expansion of ALI offerings in Natural Resources to an increased number of local high schools, entrepreneurship courses, and Sabbatical replacements, such as was done with Mathematics in FY 10.

We also continue to expand our programs even in the environment of scarce resources, with new programs and courses such as that highlight the connection with our natural world, including Wildlife Handling Certificate, Wilderness and Civilization, Outdoor Recreation Therapy, Canoe Building classes, Geothermal energy, and alternative energy building maintenance.

All new classes are either incorporated into present UFT loads – increasing their efficiencies – or adjuncts are hired based on feasibility of increased enrollment from the class, which then becomes a break even proposition for the college.

Future vision assuming less state support

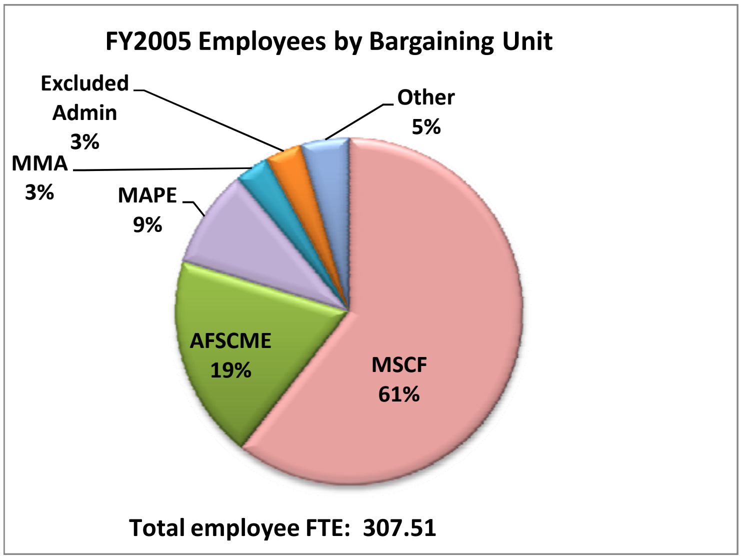
We feel that all of our actions will improve the unrestricted asset position and insure the viability of the college. The focus will be toward cost reductions and increasing technology for efficiencies. The emphasis on our geothermal project continues, with the hopes of saving operational dollars and expanding our academic programming into that area. Vermilion Community College is focused on making important changes now to carry us into the future.

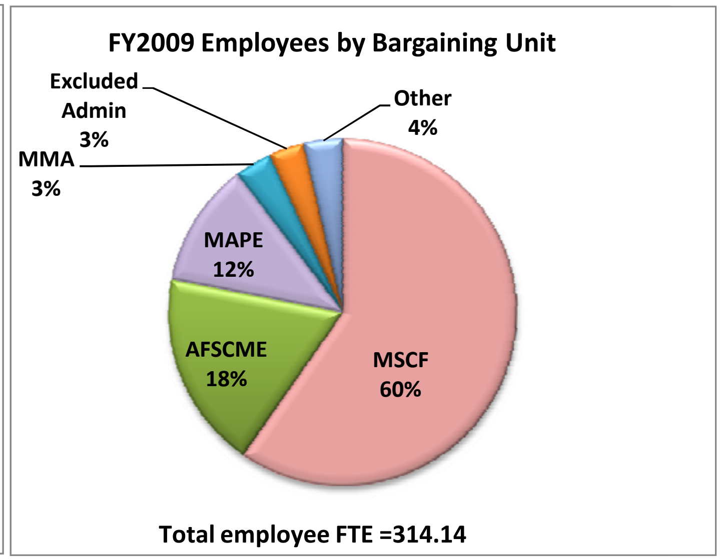
Northland College

Realigned in FY2005 - Specific data elements contain no information for eariler years

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,785	2,744	2,850	2,814	2,788	2,800	2,830	2,860	2,890
% change	1.7%	-1.5%	3.9%	-1.3%	-0.9%	0.4%	1.1%	1.1%	1.0%

Tuition & Fee Rates - FY02-10 (fee rates are the average of all campuses)									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate				$120.75	$128.00	$139.00	$144.50	$147.40	$147.40
Fee Rate				$13.13	$14.15	$14.46	$15.46	$15.71	$16.11
% change				13.3%	6.2%	8.0%	4.2%	2.0%	0.2%





FY2005	Full-time	Part-time
Faculty	45%	55%
Staff/ Admin	72%	28%

FY2009	Full-time	Part-time
Faculty	54%	46%
Staff/ Admin	75%	25%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation				13,265,852	13,998,019	14,145,577	15,128,883	15,355,881
Tuition revenue				10,357,939	11,090,956	12,395,974	13,069,696	13,327,853
Fee revenue				880,199	821,379	865,054	853,988	851,283
Total				24,503,990	25,910,354	27,406,605	29,052,567	29,535,017
SA & Tuition Total per FYE				8,483	9,143	9,313	10,021	10,288

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount				303,000	539,977	253,000	490,917	559,694

FY2009 Enrollment by Classification of Instructional Programs

Business	6%	Education	1%
Health	21%	Occupational & Technical	16%
Liberal Arts & Social Sciences	26%	STEM	30%

Northland Community and Technical College – Narrative

Budget strategies in the past several years

During the past several years, it has been a challenge for Northland Community and Technical College to maintain a balanced budget. Northland's student enrollment has remained stable during the past several years and in an effort to best serve the economic needs of students, the rate of tuition was not increased in the current fiscal year. Initially, this created an even greater challenge for a balanced budget; however, Northland recognized a five percent increase in enrollment in FY2010. As a result of the increased revenue generated, improved efficiencies within the College, and a reduction of expenditures, a balanced budget which least impacts students has been accomplished. Over the course of the past few several years, difficult decisions regarding reduction in personnel have been made. Reductions will continue to be made to base operational costs in the areas of personnel, equipment, and facility enhancements. Personnel vacancies, as they occur, continue to be evaluated to determine if the position can remain unfilled and reductions in both faculty and staff positions have occurred through attrition and layoff to ensure the college is positioned for the future economic outlook. While the past two years have been a challenge to maintain a structurally balanced budget, preparations for the FY2012-2013 biennium will result in additional base expenditure reductions and a need to explore new revenue opportunities through both increased enrollment and external sources.

Budget strategy for the FY2012-2013 biennium

The budget strategy for Northland for FY2012-2013 will require a stronger emphasis on improved efficiencies throughout the college, the need to partner with other internal and external entities, and a need to concentrate on revenue sources other than state appropriation. A Continuous Improvement Committee has been established and personnel were identified to participate in lean training and on a Lean Team. The purpose of this effort is to improve efficiencies and processes throughout the College as we streamline services with priority given to those areas that impact student satisfaction.

Academic programs will continue to be evaluated through an established program review process and, as a result of financial necessity, will not be able to continue to offer all of our current programs and services. The student enrollment patterns of programs needs to be evaluated to ensure the financial burden that is being placed on students is not shifted to a point of negatively impacting enrollment. Conversations will occur throughout the college and the communities we serve that will be focused on our mission, vision, and strategic initiatives as we make academic program and services elimination decisions as we simply will not be able to financially support all programs and services currently offered, considering the economic climate of the next biennium.

Future vision assuming less state support

Northland's vision, assuming less state support, continues to be a progressive leader in community and technical college education throughout the communities we serve. Members of the college community are committed to the strategic initiatives developed as part of a comprehensive strategic planning process: Inspire Student Success, Cultivate High Quality Programs, Services & Employees, and Revolutionize Growth Strategies to Sustain Vibrant Learning Communities. It is important to stay focused on our vision, mission, and strategic direction as a comprehensive community and technical college; however, achieving these goals may require change.

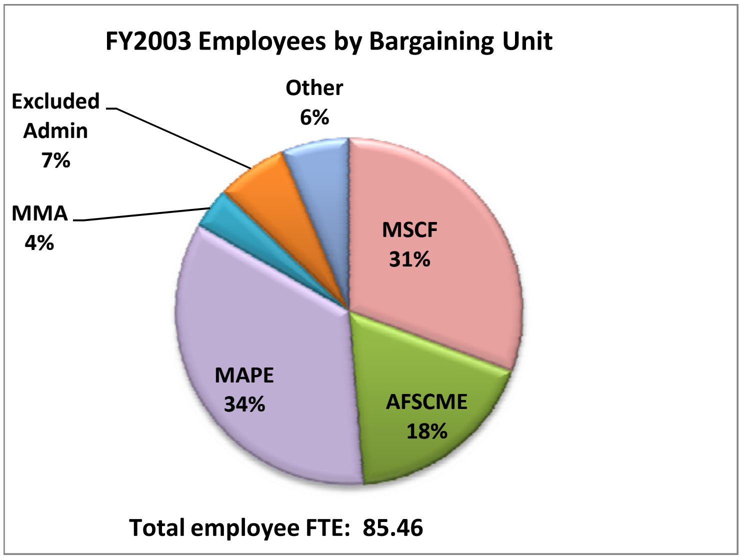
During this time of declining state resources, partnerships with other MnSCU institutions in the areas of student and administrative services may become necessary to maximize our ability to be an educational leader in the geographic area.

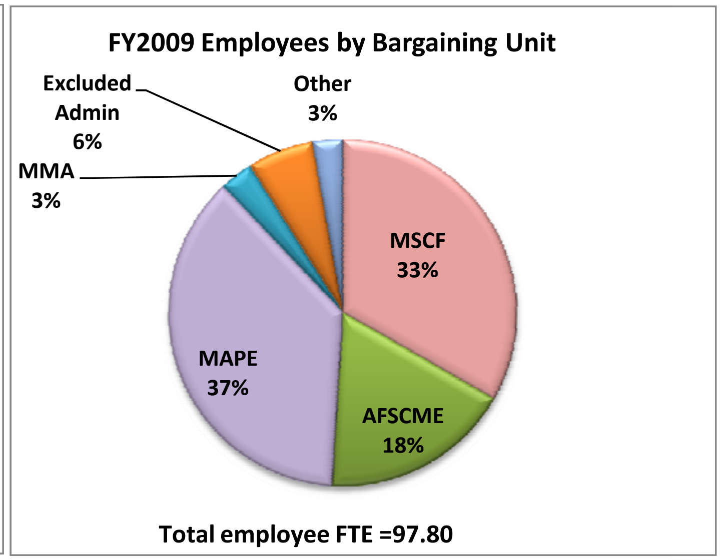
The collaborative effort of the distance education consortium, which includes Northland, Minnesota State Community & Technical College, Northwest Technical College-Bemidji, and Alexandria, is an example of the type of partnerships that need to be further explored. The partnerships with area K-12 districts and businesses need to be continued in order to meet the needs of our local communities. In the area of program development, it will be necessary that resources from external entities be secured to offset the cost of curriculum development and equipment for new program start up.

Pine Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	422	410	437	479	516	630	600	624	649
% change	0.0%	-2.8%	6.6%	9.6%	7.7%	22.1%	-4.8%	4.0%	4.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$80.00	$90.00	$100.00	$105.00	$110.00	$121.50	$126.00	$128.50	$132.35
Fee Rate	$14.00	$14.05	$14.03	$14.03	$14.20	$14.21	$14.21	$16.21	$16.21
% change	19.4%	10.7%	9.6%	4.4%	4.3%	9.3%	3.3%	3.2%	2.7%





FY2003	Full-time	Part-time
Faculty	39%	61%
Staff/ Admin	70%	30%

FY2009	Full-time	Part-time
Faculty	43%	58%
Staff/ Admin	66%	34%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	2,999,860	2,972,770	2,767,904	2,662,108	2,822,034	2,968,692	3,165,501	3,364,068
Tuition revenue	1,118,949	1,172,828	1,494,954	1,483,661	1,603,077	1,779,498	1,944,851	2,269,050
Fee revenue	144,714	285,025	270,399	140,603	129,779	138,419	150,438	197,316
Total	4,263,523	4,430,623	4,533,257	4,286,372	4,554,890	4,886,609	5,260,790	5,830,434
SA & Tuition Total per FYE	9,214	10,312	10,102	9,824	10,793	10,865	10,669	10,917

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	103,500	262,000	240,000	227,000	26,100	100,811	126,093	86,464

FY2009 Enrollment by Classification of Instructional Programs

Business	7%	Occupational & Technical	20%
Health	34%	STEM	11%
Liberal Arts & Social Sciences	28%		

Pine Technical College – Narrative

Budget strategies in the past several years

With enrollment increases in excess of 50% since 2006, we have experienced growth in our state appropriation and substantial growth in our tuition revenue that has cushioned us against some of the negative impacts imposed by legislation. Budget strategies we have implemented in the past include:

- Moderate per credit tuition rate increases. The average tuition rate increase over the past five years is 4.8%
- Accommodating increases in enrollment without parallel increases in direct instructional costs or support service expenditures
- Increased academic efficiencies through increased class sizes without additional personnel
- Increased efficiencies in student support services
- Aggressive pursuit of external funding sources (approximately $6,000,000.00 in grant funds were acquired over the past twelve months)
- Implementation of several collaborative agreements involving shared staffing functions (Human Resources and Veterans' Services)

Budget strategy for the FY2012-2013 biennium

We have learned to exercise considerable fiscal discipline over the years as a result of our size, and that opportunity has given us the skill set needed to adjust to the current financial downturns. We will continue to budget and operate conservatively, maximizing the resources available to us.

We will also adopt the following additional strategies to help us cope with the anticipated 2012-2013 funding shortfalls.

- Downsizing or rightsizing appropriate programs and services
- Implementing lean in education strategies to control support costs
- Control hiring and staff levels to accommodate any reduction in the state appropriation

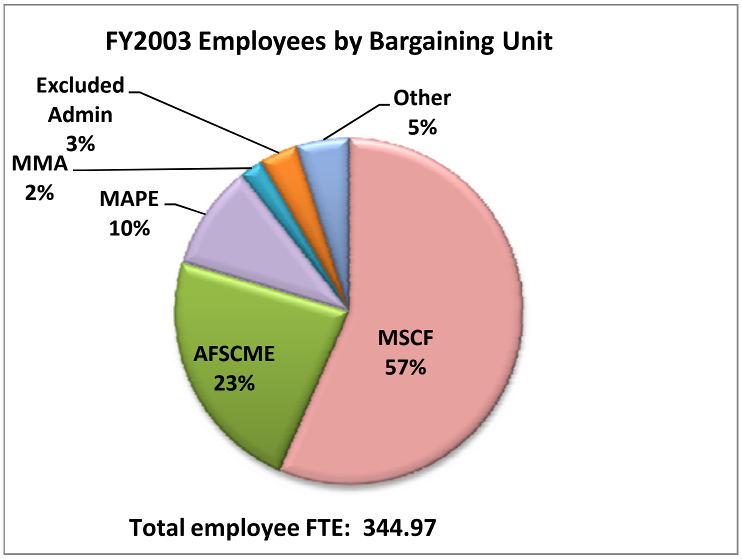
Future vision assuming less state support

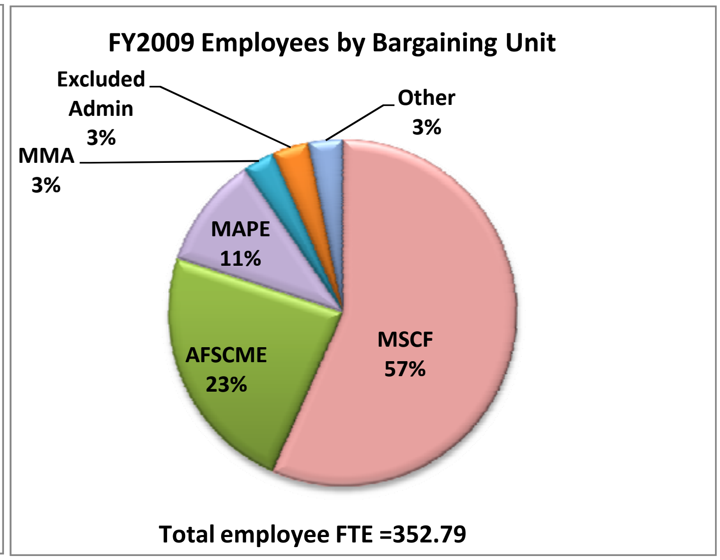
- In order for us to thrive or survive, we need to be opportunistic about our funding sources, and we will continue to be aggressive
- We will continually look at the market for high enrollment programs
- We will continue with our history of collaboration – sharing staff and offering new and existing programs through a variety of consortium agreements

Ridgewater College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,292	3,145	3,196	3,304	3,306	3,530	3,541	3,612	3,615
% change	-2.7%	-4.5%	1.6%	3.4%	0.1%	6.8%	0.3%	2.0%	0.1%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$81.10	$91.25	$103.75	$117.75	$122.50	$129.85	$133.75	$136.43	$140.52
Fee Rate	$15.00	$15.20	$15.28	$15.28	$15.30	$15.31	$16.81	$17.11	$17.11
% change	17.1%	10.8%	11.8%	11.8%	3.6%	5.3%	3.7%	2.0%	2.7%





FY2003	Full-time	Part-time
Faculty	45%	55%
Staff/ Admin	58%	42%

FY2009	Full-time	Part-time
Faculty	43%	57%
Staff/ Admin	69%	31%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	16,724,796	16,645,682	15,560,596	15,207,738	16,402,361	16,239,522	17,532,733	17,456,131
Tuition revenue	7,882,125	9,414,832	11,077,438	12,293,211	12,347,727	13,385,233	14,027,688	14,686,120
Fee revenue	991,218	986,753	1,147,256	1,088,972	1,026,964	1,118,686	1,154,772	1,243,708
Total	25,598,139	27,047,267	27,785,290	28,589,921	29,777,052	30,743,441	32,715,193	33,385,959
SA & Tuition Total per FYE	8,137	8,091	7,872	8,354	9,142	9,269	9,552	9,722

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	640,000	1,004,537	615,861	453,250	278,101	279,109	670,857	498,482

FY2009 Enrollment by Classification of Instructional Programs

Business	10%	Education	2%
Health	15%	Occupational & Technical	16%
Liberal Arts & Social Sciences	27%	STEM	31%

Ridgewater College – Narrative

Budget strategies in the past several years

FY2009: The College responded to our $443,000 share of the 2009 appropriation unallotment with budget reductions totaling $498,000, including $443,000 of non-personnel budget reductions.

FY 2010: The College reduced the FY 2010 expenditure budget by $715,000 through reductions of $348,000 to non-personnel expenses and $367,000 to personnel expenses. The personnel reductions included not replacing six staff positions, one non-renewal and two faculty layoffs in the Small Business Management Program which was closed effective the end of FY 2010. Tuition was increased 5%, with a federal stimulus buy down to 3%. At the same time, enrollment is projected to increase 6.8% this year.

We are committing additional resources towards enrollment management in a number of ways, including developing initiatives for the recruitment of international students in conjunction with St. Cloud State University, completing the redesign of our website, and continued extensive efforts to recruit and retain more students from groups traditionally underrepresented in higher education.

The college initiated a project in FY 2008 to better align our organizational planning, budgeting and assessment in order to effectively allocate limited resources. This has resulted in a number of improvements to our budgeting process, long-term financial planning and communications with our employees.

We are spending our $731,000 of ARRA stimulus dollars on two initiatives. First, the college is making available a Board Early Separation Incentive to ten eligible full-time employees. Our plan is to reduce the number of future budgetary layoffs and to also reduce personnel costs. The other half of our stimulus dollars will be used to provide scholarships to 80 of our neediest students.

Budget strategy for the FY 2012-2013 biennium

We are proactively planning for this biennium. Part of our strategy is to maintain the already mentioned budget reductions for both FY 2009 and FY 2010, and to go forward with the FY 2011 budget reduction process this winter/spring.

Our strategy for the upcoming biennium involves extensive analysis of all programs and services in light of our mission and strategy. This will include focused efforts to improve quality, grow enrollment, and improve operating efficiencies. In addition, we will continue implementing an integrated college wide planning process linking strategy with financial health.

Enrollment is projected to increase only modestly at about 2% annually in this biennium and that leads us to assume annual tuition increases of at least 5% or more.

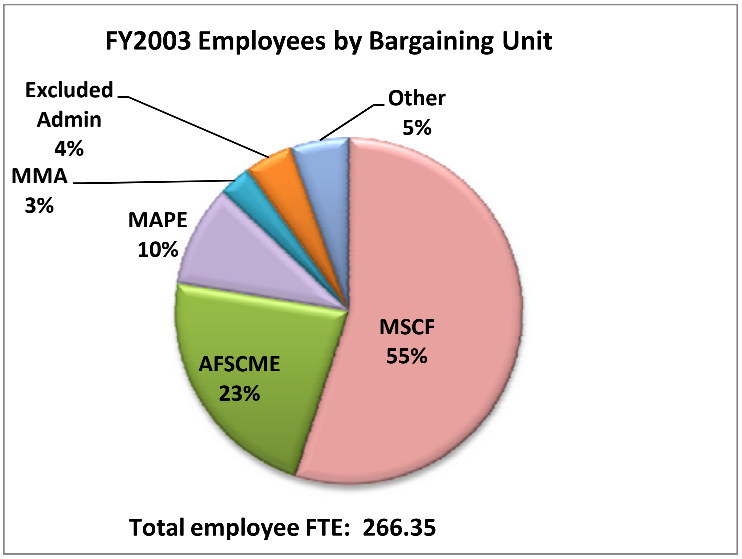
Future vision assuming less state support

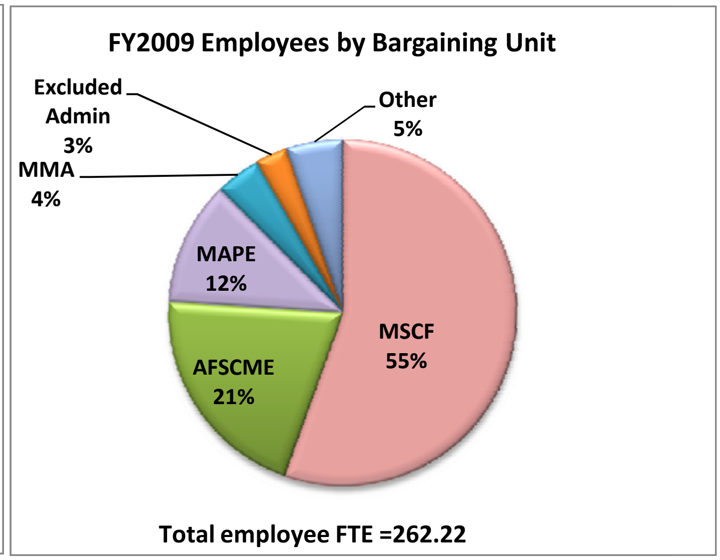
Our vision remains the same—to provide the highest quality education possible to the learners we serve. What changes with less state support is our ability to offer the breadth of offerings we currently do and to offer the level of support our learners need to enable them to succeed. Thus it's crucial to analyze all programs and services to align resources with our mission and strategy.

Riverland College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,421	2,311	2,273	2,329	2,274	2,561	2,494	2,485	2,435
% change	-11.8%	-4.5%	-1.6%	2.5%	-2.4%	12.6%	-2.6%	-0.4%	-2.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$79.30	$88.50	$100.00	$113.00	$120.90	$130.50	$135.70	$138.40	$142.55
Fee Rate	$13.00	$14.30	$15.78	$16.03	$16.05	$17.06	$17.31	$18.31	$18.81
% change	16.4%	11.4%	12.6%	11.4%	6.1%	7.7%	3.7%	2.4%	3.0%





FY2003	Full-time	Part-time
Faculty	48%	52%
Staff/ Admin	72%	28%

FY2009	Full-time	Part-time
Faculty	42%	58%
Staff/ Admin	77%	23%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	12,799,864	12,522,049	11,888,508	11,715,834	12,371,940	12,548,327	13,626,617	13,685,694
Tuition revenue	5,931,639	7,022,725	8,125,375	8,406,018	8,550,171	9,239,103	9,575,142	9,623,979
Fee revenue	899,070	928,014	983,780	985,461	1,010,729	951,707	1,001,312	922,584
Total	19,630,573	20,472,788	20,997,663	21,107,313	21,932,840	22,739,137	24,203,071	24,232,257
SA & Tuition Total per FYE	8,219	7,777	7,288	8,311	9,053	9,585	9,962	10,251

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	340,000	290,997	0	70,000	171,331	439,715	343,321	650,146

FY2009 Enrollment by Classification of Instructional Programs

Business	10%	Occupational & Technical	18%
Health	9%	STEM	26%
Liberal Arts & Social Sciences	37%		

Riverland Community College – Narrative

Budget strategies in the past several years

Riverland's historical approach to budgeting has been to preserve quality instructional services for our students. Only academic programs with decreasing enrollment and in need of significant equipment and/or facility upgrades have been suspended. Budget reduction efforts have not been implemented across the board; the college planning and budgeting process involves cost reductions as well as reallocation and investment in the healthy areas.

Riverland has focused on facility projects involving energy-reduction upgrades to provide long-term cost savings.

The FY09 unallotment and current biennium appropriation reduction resulted in eight position reductions including the Dean of Student Affairs as well as non-personnel salary reductions.

Effective July 1, 2010, an academic dean will transition into the Dean of Institutional Advancement position. Currently the college president is serving a one-year interim term as foundation direction as a cost saving measure. Eliminated low enrollment course section offerings.

Budget strategy for the FY2012-2013 biennium

Budget strategy partially depends on the final level of state appropriation funding but it is likely that the college will need to utilize reserve dollars during the next biennium. Preservation of direct instructional services to the greatest extent possible will continue to be a priority. Riverland will not be able to maintain the level of personalized service that students have grown to appreciate and expect. Tuition increases will help to fill the funding gap, but affordability will be in jeopardy with large tuition rates that are already higher than the national average. The college will need to rely more on the third leg of the "funding stool" – alternate funding through grants, contracts and gifts.

The college will utilize Board Early Separation Incentive (BESI) and normal retirements to reorganize around the work. We will scrutinize the ability to eliminate positions vacated by retirements or other terminations, keeping our mission, vision and values in mind.

Future vision assuming less state support

Even through the toughest times, Riverland will remain true to our institutional mission, vision, and values, and balance as best we can those values that appear at odds, e.g., valuing people versus fiscal responsibility. We will continue to apply the principles of AQIP and continuous quality improvement to guide our decision making and explore opportunities to increase efficiencies in processes and services.

We need assistance from our foundation to build a large scholarship endowment that will provide funding for students because scholarship awards come to our college as tuition revenues and help mitigate the effects of reductions to our state allocation. We should build capital reserves with which to leverage state and other support for enhancements to our campus infrastructures. In short, we need an ambitious plan to raise millions of dollars for our foundation and college.

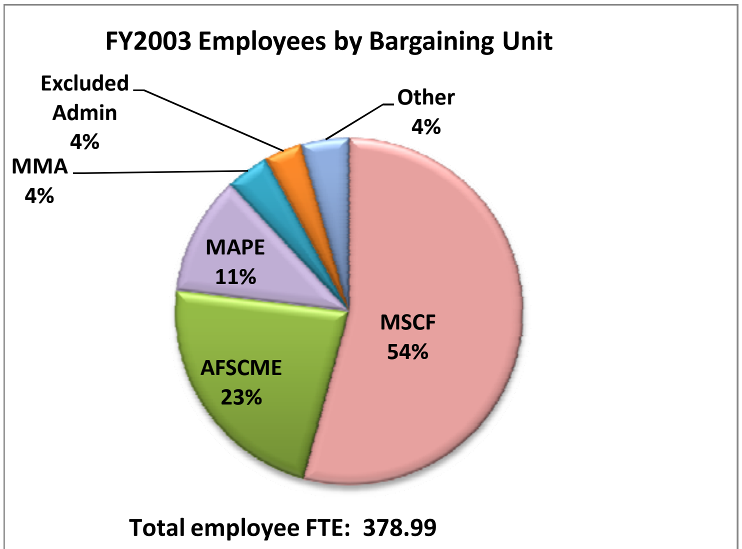
Student services will need to change as we serve more students with fewer employees. Riverland will continue to look for long-term cost savings opportunities, possibly through partnerships with regional MnSCU institutions for student and administrative students.

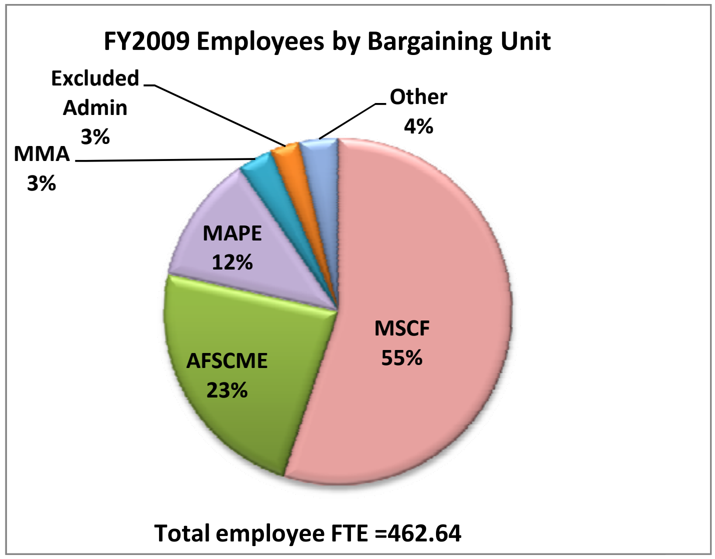
As online enrollment grows (Riverland is currently at 20% and is expected to grow to 40% by 2020), we must be strategic about our buildings and how we use them. Leasing, mothballing and demolition of excess space will be important to create revenue streams and minimize utility and maintenance costs.

Rochester Community and Technical College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	4,383	4,388	4,273	4,270	4,410	4,710	4,898	5,094	5,298
% change	3.6%	0.1%	-2.6%	-0.1%	3.3%	6.8%	4.0%	4.0%	4.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$78.65	$88.15	$101.40	$116.60	$124.76	$131.00	$135.60	$138.35	$142.50
Fee Rate	$14.30	$15.70	$16.23	$17.18	$17.50	$18.91	$19.61	$22.31	$22.31
% change	14.8%	11.7%	13.3%	13.7%	6.3%	5.4%	3.5%	3.5%	2.6%





FY2003	Full-time	Part-time
Faculty	36%	64%
Staff/ Admin	81%	19%

FY2009	Full-time	Part-time
Faculty	48%	52%
Staff/ Admin	80%	20%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	13,859,817	13,919,686	13,367,997	13,302,517	14,775,446	15,131,935	17,264,441	17,839,228
Tuition revenue	9,492,728	11,891,562	13,787,904	15,917,025	17,211,800	18,011,403	18,336,574	19,380,458
Fee revenue	1,179,729	1,279,375	1,441,548	1,560,712	1,502,960	1,553,938	1,554,521	1,733,830
Total	24,532,274	27,090,623	28,597,449	30,780,254	33,490,206	34,697,276	37,155,536	38,953,516
SA & Tuition Total per FYE	6,237	6,435	6,420	6,667	7,290	7,756	8,337	8,440

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	243,000	465,270	902,848	0	175,000	135,934	135,934	429,700

FY2009 Enrollment by Classification of Instructional Programs

Business	9%	Occupational & Technical	14%
Health	12%	STEM	25%
Liberal Arts & Social Sciences	40%		

Rochester Community and Technical College – Narrative

Budget strategies in the past several years

Rochester Community and Technical College uses an Integrated Planning Process (the IPP) to align Minnesota State Colleges and Universities' strategic plan with the Rochester Community and Technical College strategic goals**.** The IPP begins each year with the Rochester Community and Technical College leadership team reaffirming the strategic goals that constitute its strategy map. At present, the strategy map identifies 13 goals with 41 related core measures that appear on the college dashboard. Once the college strategy map is reaffirmed, the Teaching and Learning Division establishes strategies to support Rochester Community and Technical College's overall goals. Each of the college's service divisions then sets strategies, giving consideration to and supporting Teaching and Learning strategies as well as College goals. This ensures the strategic integration with College's vision, mission, and values. Only after the strategic plans are in place and aligned to overall institution goals does Rochester Community and Technical College align available resources to the various requests. This may mean that Rochester Community and Technical College stops doing something that does not support the strategic plan of the institution, divisions, or departments. If resources (people, facilities, and/or money) are scarce, then the institution can easily identify the activities on which to concentrate - only those activities that support the strategic goals.

Budget strategy for the FY2012-2013 biennium

The College will continue to use the refined IPP which includes strategic planning, yearly academic program and service department reviews and budget development. Strategy for the FY12-13 biennium includes:

- Annual 4% enrollment increases will result in no or limited staffing reductions
- Every vacated staff position will be reviewed on a case-by-case basis by the leadership team
- A minimum of $300,000 per year will be appropriated to rebuild Rochester Community and Technical College's fund balance
- Anticipate reductions in R&R, capital equipment and non-personnel budgets
- Utilization of auxiliary enterprise fund balance to supplement the general operating budget
- Request Board consider a two-year tuition increase aligned with University of Minnesota (7.5 – 10% annually)
- Increase market-driven tuition for online credit-based courses
- Expiration of current debt service will off-set new capital bonding debt service

The College will continue to leverage its core competencies of partnerships, innovation and continuous improvement to find new approaches that improve and sustain performance though a focus on efficiency, effectiveness and the satisfaction and engagement of our key stakeholders.

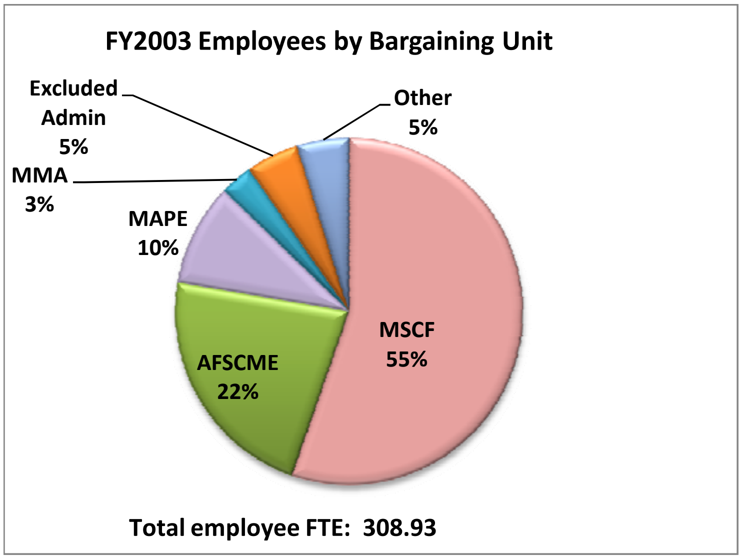
Future vision assuming less state support

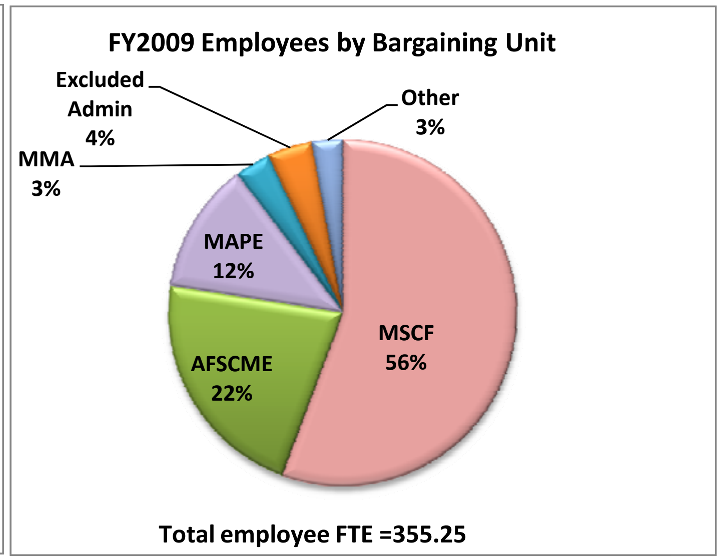
Rochester Community and Technical College assumes that tuition increases will be greater than the 5% annual increases of recent years. Alternative funding sources will have to be found (will two-year colleges benefit from the proposed Obama federal legislation?). In addition, the college will likely be forced to reduce programs and services to students, staffing reductions are a distinct possibility, class sizes will increase, course fees might increase, fund balances will be reduced, and R&R/capital equipment budgets will be reduced.

Saint Paul College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,012	3,090	3,276	3,499	3,785	4,350	4,655	4,980	5,329
% change	0.4%	2.6%	6.0%	6.8%	8.2%	14.9%	7.0%	7.0%	7.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$77.50	$86.00	$98.90	$108.79	$116.40	$127.85	$133.00	$135.65	$139.72
Fee Rate	$7.80	$7.85	$7.83	$7.83	$9.95	$9.96	$10.96	$10.96	$12.06
% change	12.5%	10.0%	13.7%	9.3%	8.3%	9.1%	4.5%	1.8%	3.5%





FY2003	Full-time	Part-time
Faculty	37%	63%
Staff/ Admin	76%	24%

FY2009	Full-time	Part-time
Faculty	47%	53%
Staff/ Admin	84%	16%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	14,190,692	14,395,358	13,599,842	13,164,546	14,152,375	14,896,223	16,773,100	16,753,775
Tuition revenue	7,544,571	8,446,608	9,724,317	10,461,705	11,790,332	13,450,922	14,961,365	16,407,476
Fee revenue	666,216	774,434	626,824	626,916	587,832	607,595	780,233	956,067
Total	22,401,479	23,616,400	23,950,983	24,253,167	26,530,539	28,954,740	32,514,698	34,117,318
SA & Tuition Total per FYE	7,284	7,609	7,775	7,844	8,396	8,653	9,070	8,761

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	450,000	371,014	1,686,800	836,000	1,558,135	938,326	429,000	441,507

FY2009 Enrollment by Classification of Instructional Programs

Business	8%	Occupational & Technical	25%
Health	11%	STEM	20%
Liberal Arts & Social Sciences	36%		

Saint Paul College – Narrative

Budget strategies over the past several years

- Annual zero-based budgeting.
- Every budget cycle begins with annual program and operations review. The review includes measures that focus on increasing efficiency and effectiveness while maintaining or improving quality instruction. Some of the measures include:
    - Cost comparison to similar programs using the MnSCU cost study information
    - FYE/FTE ratio trends
    - Maximum capacities of classes
    - Program placement data
- High investment in direct instruction as measured by "direct instruction as a percent of total expenditures".
- Investment in growing enrollment and serving underrepresented students in the Saint Paul community.
- Budget allocations given to programs by semester, based on enrollment targets.
- Investment in innovation and financial stability.

Budget strategy for the FY2012-2013 biennium

- Use reserves for "one-time" expenses and only as a last resort to balancing the budget.
- Maintain financial health and stability.
- In-depth review of organizational structure with restructuring and reengineering of services and staffing levels.
- Project realistic enrollment growth with minimal tuition increases.
- Begin implementation of "lean" principles.

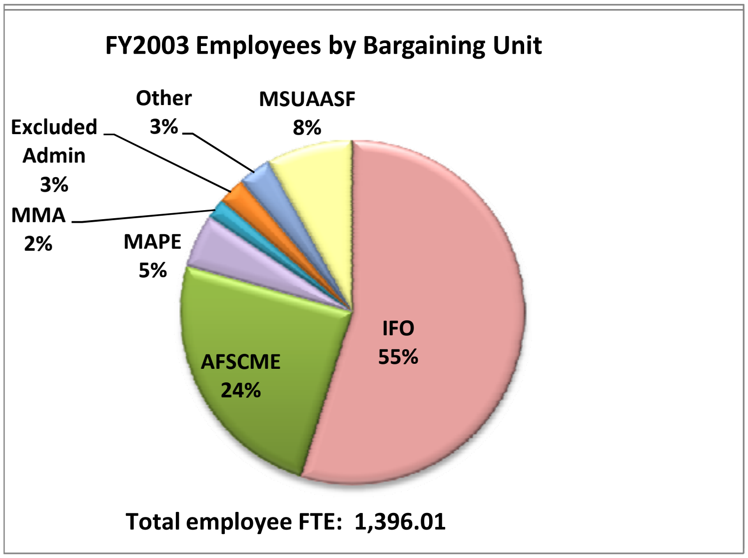
F vision assuming less state support

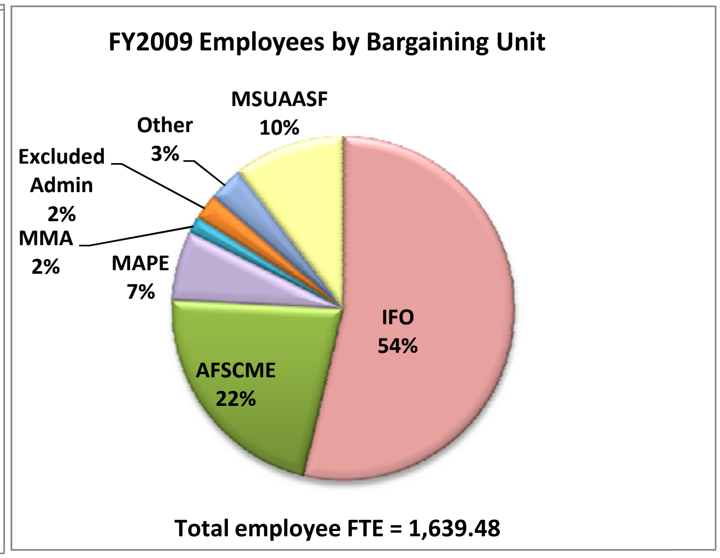
- Enrollment will continue to grow.
- Additional sources of revenue must be secured.
- Tuition and fees revenues will support approximately 2/3 of our general fund expenditures while the state supports 1/3 of those expenditures.
- Continued quality instruction delivered more efficiently.
- Commitment to our mission and values – Education for Employment…Education for Life.

St. Cloud State University

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	13,934	13,825	14,070	14,382	14,563	14,974	14,850	14,880	14,910
% change	-0.7%	-0.8%	1.8%	2.2%	1.3%	2.8%	-0.8%	0.2%	0.2%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$102.10	$115.35	$132.65	$152.55	$158.65	$168.17	$174.90	$180.15	$185.55
Fee Rate	$14.19	$13.61	$15.17	$15.72	$16.76	$17.18	$18.47	$19.61	$20.17
% change	11.5%	10.9%	14.6%	13.8%	4.2%	5.7%	4.3%	3.3%	3.0%





FY2003	Full-time	Part-time
Faculty	77%	23%
Staff/ Admin	92%	8%

FY2009	Full-time	Part-time
Faculty	70%	30%
Staff/ Admin	93%	7%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	57,479,427	56,660,840	54,149,730	53,305,163	56,595,329	56,561,135	62,767,829	64,620,735
Tuition revenue	41,728,240	48,534,080	55,218,047	63,332,784	66,398,087	72,780,863	77,256,930	81,705,768
Fee revenue	2,927,785	2,943,268	3,200,721	3,265,715	2,614,915	3,877,919	3,903,977	4,225,018
Total	102,135,452	108,138,188	112,568,498	119,903,662	125,608,331	133,219,917	143,928,736	150,551,521
SA & Tuition Total per FYE	7,158	7,405	7,791	8,371	8,896	9,193	9,736	10,048

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	1,525,000	1,520,000	3,574,608	1,256,785	265,000	451,000	1,369,084	913,557

FY2009 Enrollment by Classification of Instructional Programs

Business	13%	Education	10%
Health	2%	Occupational & Technical	7%
Liberal Arts & Social Sciences	47%	STEM	21%

St. Cloud State University – Narrative

Budget strategies in the past several years

Over the last 5 years, St. Cloud State University has reduced re-assign and release time for faculty, eliminated a number of positions through attrition, increased energy efficiency, increased targeted class sizes, eliminated under-enrolled classes, and managed vacancies and reassignments in order to increase efficiency and reduces expenses.

The University has also taken affirmative steps to engage students and the community in order to build enrollments. These steps have included opening a Twin Cities Graduate Center, continued expansion of on line offerings, strengthened academic programs and added new offerings to address market opportunities, growing the Senior to Sophomore program in high schools, implementation of the Science Express truck to enhance STEM interest in elementary and secondary schools, implemented research based strategies to increase student retention, and the utilization of Access and Opportunity funds to engage first generation and students from economically disadvantaged households.

Budget strategy for the FY2012-2013 biennium

As the university continues to plan for incremental reductions in state support it is clear this is a transition in the overall character of the financial support from the state of Minnesota. Increased enrollment in undergraduate and graduate programs, collaborations with other MnSCU colleges and universities, with an emphasis on serving underserved and underrepresented populations will be continue to be part of our strategic initiatives. The university will strive to be a more student learning oriented, outcomes based entity as the state allocated financial resources diminish.

St. Cloud State is undergoing a comprehensive academic program analysis and reviewing options for reorganization to provide for a leaner structure that better relates to our strategic initiatives. The university is reviewing its processes by using LEAN techniques to best manage and streamline a number of critical support activities. The university will pursue aligning costs with activities throughout all enterprises related to the university. We will attempt to reduce the number of university employees through careful planning and timing but may not be able to avoid involuntary reductions in staffing.

Future vision assuming less state support

St. Cloud State views the FY 2012 and FY 2013 biennium as a sea change in the way we manage the University as we see direct state appropriation fall to 30% or less of our revenues. Also, as state resources decline as a share of our overall budget, we expect to see the demand for direct financial assistance to students (grants and work study) to remain stable or increase. The confluence of these two changes will increase the challenges in managing to the bottom line. Should the University not be able raise tuition as well, SCSU will need to make dramatic changes sacrificing student services that are essential to student success.

To mitigate the loss of allocation the university will continuously pursue academic program change with costly or undersubscribed programs closed more quickly and new programs introduced that will enhance the vitality of the university. To facilitate this more easily some changes in bargaining agreements may be needed such as easier reassignment or release of faculty and staff or a track for master's trained teaching faculty without a fixed maximum period of employment. Procedural flexibility at the system level may also be important to enhance flexibility on the campus.

Should we have the authorization to raise tuition; tuition will rise over time while remaining materially less than the University of Minnesota or private institutions. These tuition increases will in part be mitigated by grants and loans to students and more tuition "discounting" by the university but a likely impact will be less accessibility for middle income students. There will also be greater emphasis and reliance on fund raising as a source of financial assistance for students and to support some university operations.

Allocation of resources within the University will move increasingly toward a model that emphasizes performance and responsibility. In this context, the university may seek to limit some student support services or consider them in an expanded fee for service model. Consideration will also be given to outsourcing various university services to allow focus on core mission of education and application of knowledge. The result may be reduction of the availability of some services to students, especially those that may be most at risk of not being successful.

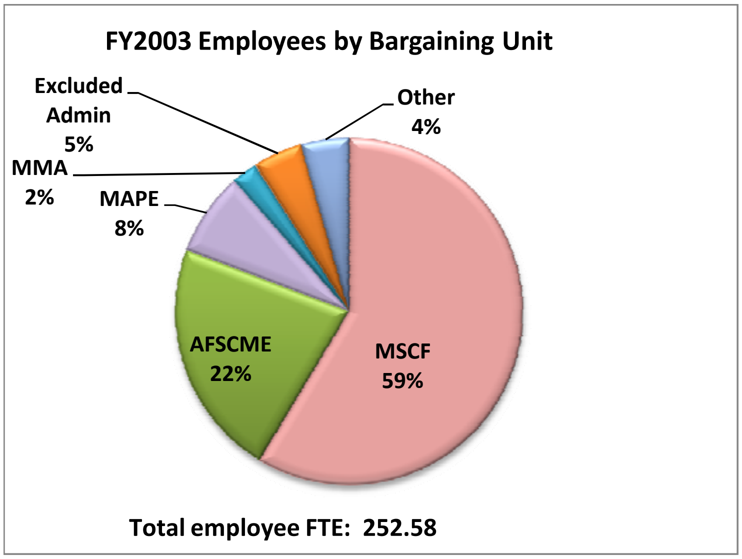
Academics will be organized around clusters of disciplines, within colleges or units where work across traditional disciplinary boundaries will be encouraged. This is expected to enhance flexibility and may also require some changed bargaining agreement provisions. Partnerships with other institutions, inside and outside of MnSCU, will continue to be important mechanisms to enhance or offer some programs. Enrollment will be more closely managed to match students to programs and with some limits on access and necessarily greater competition among students for more limited resources. Within this enrollment plan, attention will be paid to offer parallel academic programs directed at different markets, with different costs and different types of students. For example, traditional on campus students, off campus, site or schedule based cohorts, hybrid offerings and asynchronous or synchronous on line programs. The university's strong technological infrastructure and expertise will be increasingly leveraged to provide services to students that are convenient and effective. There will be increasing pressure from the University to revise the Post Secondary Enrollment Option structure to fully cover costs or see limits on its application. Currently the program is not fully funded by the Department of Education.

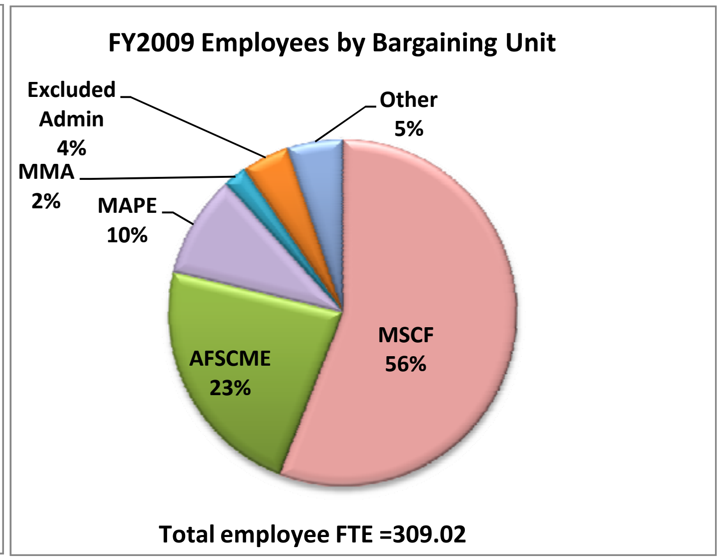
The university will continue to seek sponsored research and partnerships to enhance and compliment academic programs and increase revenue.

St. Cloud Technical & Community College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,738	2,666	2,782	2,983	3,046	3,475	3,579	3,687	3,797
% change	0.2%	-2.6%	4.4%	7.2%	2.1%	14.1%	3.0%	3.0%	3.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$78.00	$88.75	$102.02	$117.32	$122.60	$129.96	$133.86	$136.54	$140.64
Fee Rate	$6.90	$7.85	$9.18	$9.66	$10.06	$13.45	$13.59	$17.26	$17.26
% change	9.9%	13.8%	15.1%	14.2%	4.5%	8.1%	2.8%	4.3%	2.7%





FY2003	Full-time	Part-time
Faculty	52%	48%
Staff/ Admin	81%	19%

FY2009	Full-time	Part-time
Faculty	39%	61%
Staff/ Admin	82%	18%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	11,153,547	10,931,430	10,527,358	10,321,227	11,325,277	12,034,492	13,073,628	13,534,443
Tuition revenue	5,980,811	7,835,209	9,302,754	10,626,247	11,088,985	12,283,865	13,618,058	14,744,829
Fee revenue	514,328	832,919	1,060,565	927,059	687,703	572,876	647,350	866,015
Total	17,648,686	19,599,558	20,890,677	21,874,533	23,101,965	24,891,233	27,339,036	29,145,287
SA & Tuition Total per FYE	7,151	7,133	7,256	7,651	8,407	8,741	8,948	9,284

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	380,000	1,038,087	153,396	960,786	546,000	897,403	495,170	305,084

FY2009 Enrollment by Classification of Instructional Programs

Business	11%	Occupational & Technical	24%
Health	14%	STEM	23%
Liberal Arts & Social Sciences	28%		

St. Cloud Technical and Community College – Narrative

St. Cloud Technical and Community College's budget strategy has been to develop efficient and cost effective budgets that align with and support strategic goals as established by the Board of Trustees, Office of the Chancellor, and the college. The initial development of the budget has included reallocations from prior years to ensure that resources are aligned with strategic goals and outcomes. The budget has been monitored throughout the fiscal year and adjusted for actual enrollment to projections, actual revenues and expenditures as compared to budget, instructional costs as compared to peer institutions, trends in the Composite Financial Index, spending on instructional versus operational costs, variations in receivables and other accruals, and other factors that having a budgetary impact. All budget decisions and adjustments have been examined for efficiency and included ongoing discussions throughout the college assessing overall success in meeting strategic goals. The overall budget strategy for the past several years has included setting aside resources to address expansion needs due to continuous enrollment growth and student and community demand for increased program and course offerings.

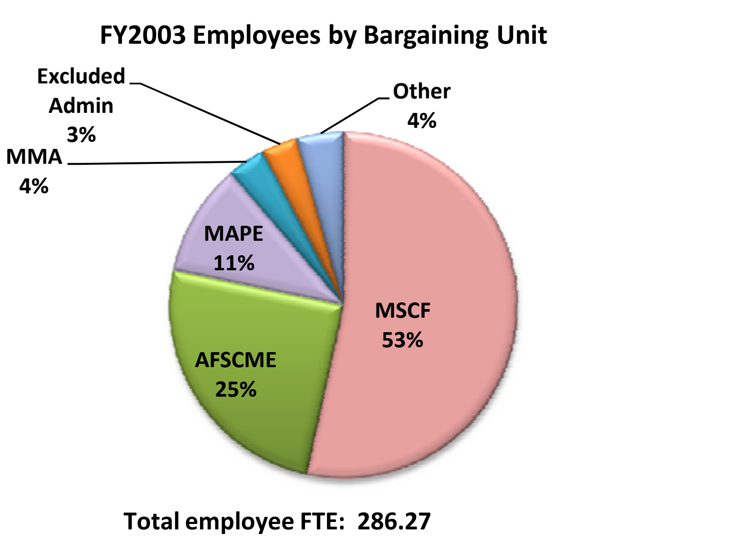
St. Cloud Technical and Community College's budget strategy will continue to include the development of efficient budgets that align with strategic goals. While budget strategies discussed above will continue to be in effect, additional steps are being taken to reduce the overall budget for reductions in state support. These steps include regular comprehensive meetings between each division Dean, the Vice President of Academic Affairs, the Vice President of Administration, and the Director of Human Resources. Every program is reviewed and overload, release time, instructional costs, and program sustainability are analyzed. The college community is also involved in discussions regarding the need for a reduction in overload and increasing class sizes to ensure program and institutional sustainability. Program and course offerings that are not central to the strategic goals of the college are being evaluated to determine if they can be sustained. Reductions in program and course offerings are anticipated. The overall budget strategy no longer includes setting aside resources for future needs, but rather evaluating how the college can reallocate existing resources to leverage state funding reductions. The college's intent is to implement these strategies in a manner that best serves students and the community workforce development needs.

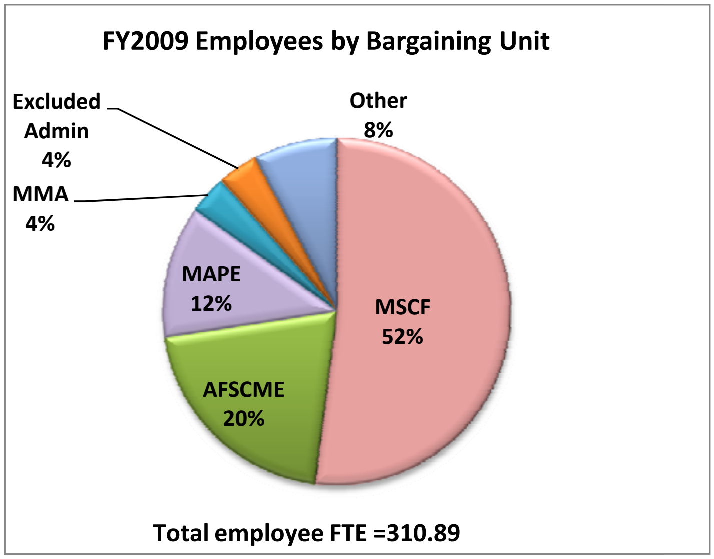
St. Cloud Technical and Community College's future vision assuming less state support includes increased tuition costs, larger class sizes, less direct one-on-one student support, reductions in program and course offerings, and reductions in equipment and technology investments. Balancing significant declining resources at a time when operational costs are increasing and experiencing continued enrollment increases including a record 14% increase this current year presents a difficult budget challenge. However, with St. Cloud Technical and Community College's previous infrastructure investments, planning for the future, and on-going work and discussions taking place to address budget challenges, we believe the college is positioned to be a viable, sustainable campus offering quality educational programs that meet the needs of students and the community.

South Central College

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	2,514	2,238	2,344	2,504	2,714	2,900	3,000	3,100	3,100
% change	-4.1%	-11.0%	4.7%	6.8%	8.4%	6.9%	3.4%	3.3%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$75.00	$83.25	$94.22	$106.47	$113.95	$127.45	$132.55	$135.20	$139.25
Fee Rate	$10.25	$11.30	$11.28	$11.28	$13.30	$13.31	$15.31	$16.51	$17.31
% change	6.6%	10.9%	11.6%	11.6%	8.1%	10.6%	5.0%	2.6%	3.2%





FY2003	Full-time	Part-time
Faculty	36%	64%
Staff/ Admin	78%	22%

FY2009	Full-time	Part-time
Faculty	39%	61%
Staff/ Admin	82%	18%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	13,992,036	14,119,390	13,080,043	12,862,511	14,016,935	14,522,616	15,163,658	14,921,382
Tuition revenue	5,980,811	7,835,209	9,302,754	10,626,247	11,088,985	12,283,865	13,618,058	14,744,829
Fee revenue	605,854	760,727	732,709	942,775	897,211	950,654	1,093,230	1,205,148
Total	20,578,701	22,715,326	23,115,506	24,431,533	26,003,131	27,757,135	29,874,946	30,871,359
SA & Tuition Total per FYE	7,891	8,086	8,537	9,343	11,218	11,436	11,494	10,931

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	300,000	304,600	185,000	221,000	715,994	416,612	420,000	551,492

FY2009 Enrollment by Classification of Instructional Programs

Business	14%	Occupational & Technical	14%
Health	12%	STEM	29%
Liberal Arts & Social Sciences	31%		

South Central College – Narrative

Budget strategies in the past several years

South Central College has used the college's three year strategic plan each year to create a work plan. During the annual budget process South Central College would set aside investment funds to complete the goals in the work plan.

South Central College always strived on beginning forward a positive balance. The budget would be put together using a conservative enrollment projection for revenue. Dollars would be set aside for investments throughout the year that would not necessarily be available during the budget planning process.

South Central College has used external funding sources to start new programs and to fill a partial need for equipment. An example of this has been the community businesses that have stepped up to start the Mechatronic program by funding an instructor for two years or the local businesses that have assisted in the Auto Body shop in purchasing a new paint booth.

Budget strategy for the FY2012-2013 biennium

South Central College has begun work on a comprehensive Academic Prioritization procedure and the Academic Affairs Department will come forward by October 2010 with proposals regarding certain programs in the college.

South Central College has partnered with other MnSCU institutions by polling current resources together to apply for grants. An example of this is the recent DOL-Health grant - South Central College has partnered with Riverland on many of the health programs.

South Central College is very dedicated to the instructional cost study. The past three years South Central College has made progress in this area however class maximums are still discussed for many of the programs in order to become more efficient and to be within the band on the instructional cost study.

South Central College has started using more technology for college-wide meetings. Instead of meeting with Farm Business Management Instructors, Faculty Shared Governance, Meet & Confer and Faculty/Staff meetings on a monthly basis on each campus individually, these meetings are now combined and done through Inter-active technology to avoid additional expense in duplication.

South Central College faculty/staff are encouraged to attend professional development "in-state" versus "out of state" travel.

Future vision assuming less state support

South Central College realizes that we still need to be innovative while attending to our student needs in these difficult economic times.

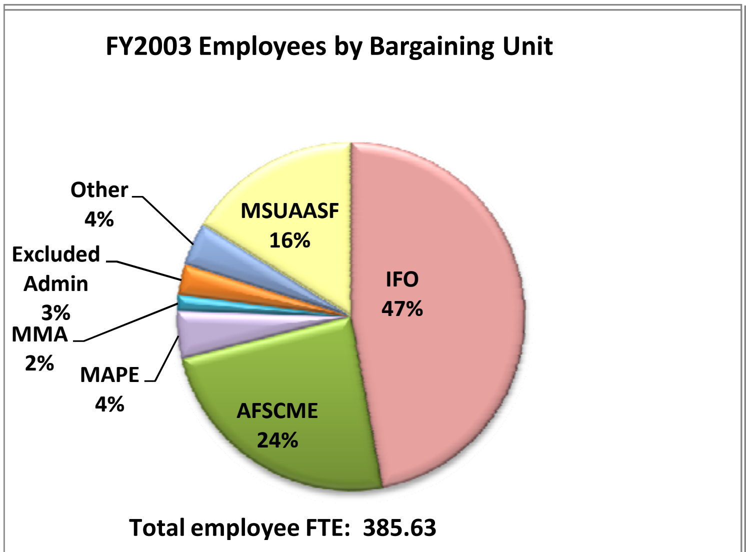
South Central College realizes that there will be a need to limit services offered to students - ie: tutoring, etc.

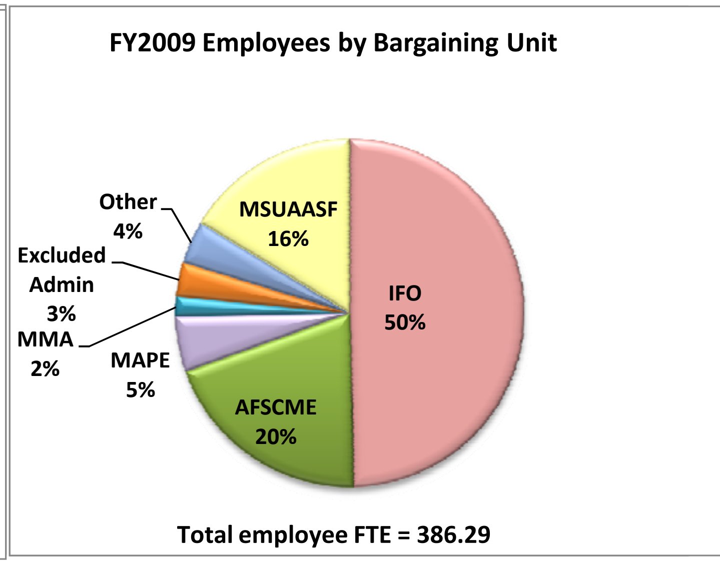
South Central College realizes that the variety of offerings for programming will be limited to a semester basis, section limits, or not
offered at all.

Southwest Minnesota State University

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	3,695	3,754	3,689	3,678	3,716	3,793	3,800	3,800	3,800
% change	5.2%	1.6%	-1.7%	-0.3%	1.0%	2.1%	0.2%	0.0%	0.0%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$102.25	$114.50	$131.50	$151.25	$167.20	$180.00	$187.00	$192.67	$198.45
Fee Rate	$16.14	$16.14	$16.14	$19.19	$21.19	$21.23	$23.73	$23.73	$25.43
% change	9.4%	10.3%	13.0%	15.4%	10.5%	6.8%	4.7%	2.7%	3.5%





FY2003	Full-time	Part-time
Faculty	60%	40%
Staff/ Admin	81%	19%

FY2009	Full-time	Part-time
Faculty	63%	37%
Staff/ Admin	85%	15%

*Full-time/part-time based on employee headcount including CE/CT

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	18,152,013	17,055,534	16,135,633	16,006,843	16,723,606	16,759,120	17,747,275	17,933,323
Tuition revenue	9,702,830	10,463,167	12,392,469	14,722,843	15,932,745	16,309,042	16,588,730	17,253,959
Fee revenue	517,214	502,812	536,632	692,742	995,072	1,123,674	1,229,462	986,601
Total	28,372,057	28,021,513	29,064,734	31,422,428	33,651,423	34,191,836	35,565,467	36,173,883
SA & Tuition Total per FYE	7,886	7,958	8,121	8,317	8,699	8,964	9,336	9,469

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	685,000	845,000	1,635,000	1,300,000	1,050,000	1,645,000	915,000	1,050,000

FY2009 Enrollment by Classification of Instructional Programs

Business	16%	Occupational & Technical	12%
Liberal Arts & Social Sciences	38%	STEM	22%
Education	12%		

Southwest Minnesota State University – Narrative

Budget strategies in the past several years

Southwest Minnesota State University has always attempted to mitigate impacts on the core functions of the University such that changes are as transparent as possible to students and other publics of the University. Since a large measure of our service is the result of employee services, we have tried to limit staffing reductions as much as possible. Transparency and maintaining staffing levels has not always been possible because the reductions needed have sometimes been quite dramatic. For example, in fiscal year 2010, the University reduced expenses and increased some revenues by approximately $3.2 million dollars.

Some examples of recent actions taken are:

- Cooperative academic programs with other MnSCU colleges offered via web-based course rather than interactive television which allowed the elimination of several employees who coordinated ITV activities.
- Clerical positions were consolidated and reduced in academic areas as a result of employee attrition.
- Many staff and faculty positions were eliminated through attrition and some through layoff.
- Most operating budgets were held constant or reduced (over several years) without regard to inflationary pressures.

Budget strategy for the FY2012-2013 biennium

Southwest Minnesota State University has made base modifications to its operations in fiscal year 2010 and plans further changes to fiscal year 2011 to assist in resolving the anticipated revenue decline in the next biennium. A sample of those items is noted above. We have and will continue to utilize these and other methods, such as the early incentive retirement program, to lessen costs. Under the incentive retirement program positions will be either eliminated, filled by lower paid individuals, or functions will be reorganized thus significantly reducing personnel costs.

Southwest Minnesota State University has reduced academic support, institutional support, student affairs, and physical plant staffing and operations to very low levels. We are currently reviewing operational and staffing levels, yet again, to ascertain if further reductions can be managed.

A thorough analysis of instructional programs is currently under way. It may be necessary to reduce instructional offerings either by eliminating programs that are not financially productive or by implementing further cost efficiencies in instructional areas by implementing additional increases in class sizes, reductions in course options for students, and/or eliminate certain areas of emphasis in certain programs.

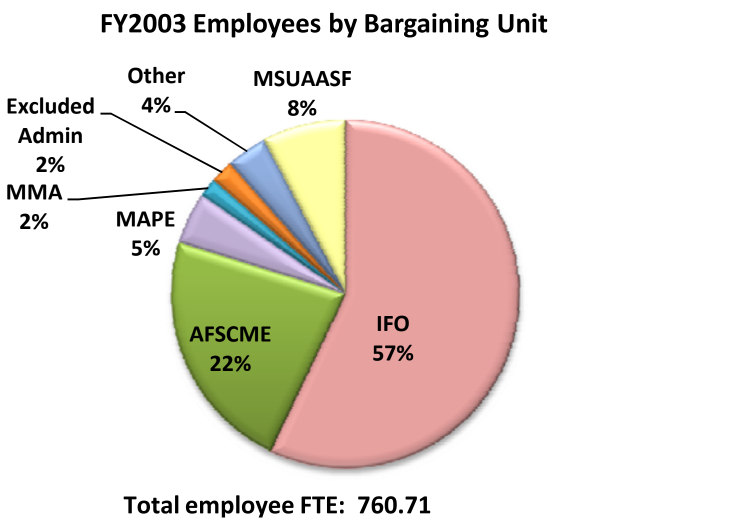
Future vision assuming less state support

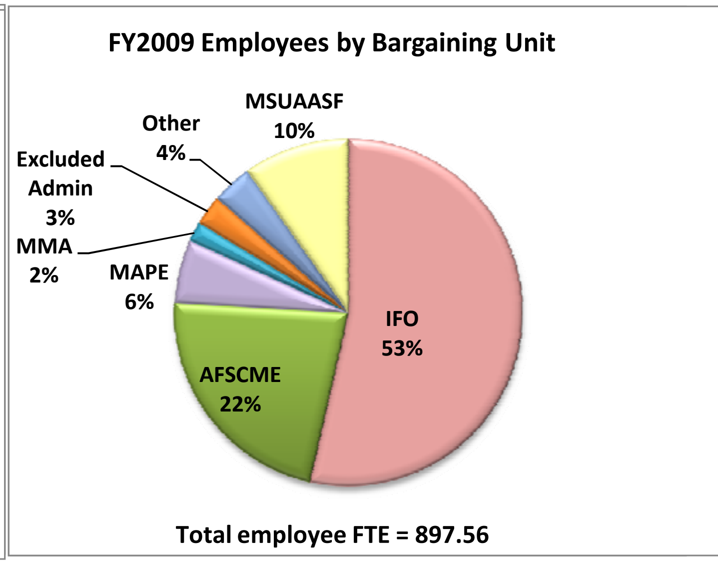
Quite frankly, a future with less state support is bleak indeed. However, Southwest Minnesota State University provides excellent service to the region and state and will continue albeit at a reduced level. It is our opinion that tuition must increase at a rate greater than inflation to stave off some reductions. While we feel strongly that employee compensation must be reasonable and competitive, we hope that national salary levels and inflation will be such that large increases in pay and benefits can be avoided. In general, the institution must redetermine what it is and what it can be with a significant, ongoing decrease in revenues. Southwest Minnesota State University must then focus on what it does best to the exclusion of most other functions and operate within this new core of services.

Winona State University

Enrollment - FY05-13 (FY10-13 projected)									
	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
FYE	7,682	7,675	7,911	7,952	8,172	8,400	8,420	8,450	8,500
% change	-1.1%	-0.1%	3.1%	0.5%	2.8%	2.8%	0.2%	0.4%	0.6%

Tuition & Fee Rates - FY02-10									
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Tuition Rate	$103.67	$116.33	$133.80	$153.87	$164.67	$179.53	$186.67	$192.27	$198.03
Fee Rate	$17.74	$19.69	$20.14	$20.79	$19.99	$19.33	$19.70	$19.44	$19.68
% change	11.0%	12.0%	13.2%	13.5%	5.7%	7.7%	3.8%	2.6%	2.8%





FY2003	Full-time	Part-time
Faculty	72%	28%
Staff/ Admin	89%	11%

FY2009	Full-time	Part-time
Faculty	66%	34%
Staff/ Admin	91%	9%

***Full-time/part-time based on employee headcount including CE/CT**

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	31,605,497	31,229,222	29,958,880	29,823,622	32,808,884	34,017,033	36,690,062	37,163,157
Tuition revenue	23,325,543	26,647,772	30,839,777	34,903,358	37,535,628	41,924,715	44,177,822	47,336,536
Fee revenue	1,779,842	2,325,158	2,335,062	2,162,007	2,334,697	2,535,250	2,600,206	2,715,346
Total	56,710,882	60,202,152	63,133,719	66,888,987	72,679,209	78,476,998	83,468,090	87,215,039
SA & Tuition Total per FYE	7,457	7,632	7,829	8,426	9,165	9,600	10,170	10,340

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	1,000,000	1,486,506	1,200,000	1,447,000	1,138,249	697,340	493,178	1,106,419

FY2009 Enrollment by Classification of Instructional Programs

Business	10%	Education	10%
Health	7%	Occupational & Technical	14%
Liberal Arts & Social Sciences	36%	STEM	24%

Winona State University – Narrative

Budget strategies in the past several years

At Winona State, we have approached the budget as an investment portfolio. The investment model carries four defining features that contrast with the more conservative or budget-cutting model.

Investment model	**Conservative model**
Budget as an investment portfolio	Focus on cutting the budget
Capitalize on gains	Cut losses
Try new approaches	Stick to the familiar
Take calculated risks (up the ante)	Add management controls

Clear Goals: (1) Support academic innovation, distinctiveness and excellence. (2) Enrich the student experience, promote deeper learning and support student success. (3) Expand our climate commitment and sustainability efforts.

Discipline: Revisit all assumptions and look for buried assumptions that are worth exploring. Pay attention to the impact of our choices on the resources we generate and consume and the results we get from our efforts.

Budget strategy for the FY2012-2013 biennium

Many of the strategies that we have used in the past two years to handle both the unallotment in 2008 and the reduction in our base in this biennium will soon reach their limits or else be unavailable to us in the next biennium. Examples include:

a. Early separation incentives supported by Federal stimulus funds
b. Additional reductions in the backfill for faculty members on sabbatical leave
c. Further reductions in the use of non-contractual released time.

Our goal is to examine every academic program and every support unit to determine how best to staff and deliver academic programs and support services while retaining as much flexibility as possible as we face the uncertainties of the next biennium.

1. We are starting with a resource scan in academic affairs to examine the cost of delivery of our curriculum. We will be sharing these reports with the Facilities and Finance Committee. Academic departments and programs will work with their Deans to review the resource scans. Facilitators will be available to work with Departments as they propose ways to deliver their curriculum and support student that will both reduce our costs and maintain high levels of student learning outcomes.
2. We are exploring the appropriate use of differential tuition.
3. We are considering additional ways to design and deliver educational programming for working professionals during the Academic Year and during Summer Session in order to

the resource scans. Facilitators will be available to work with Departments as they propose ways to deliver their curriculum and support student that will both reduce our costs and maintain high levels of student learning outcomes.
2. We are exploring the appropriate use of differential tuition.
3. We are considering additional ways to design and deliver educational programming for working professionals during the Academic Year and during Summer Session in order to generate additional revenue for investment in our future and to respond effectively to the changing needs of the professional communities with which we have close ties.
4. We will continue to work on managing our critical instructional resources, including adjunct appointments, overload assignments, extra duty days and released time in ways that protect the integrity of our programs while allowing us to operate within the fiscal constraints that may be imposed upon us.

All of these efforts are guided by our budget principles that we adopted a year ago as well as by our five-part test for appropriate investment.

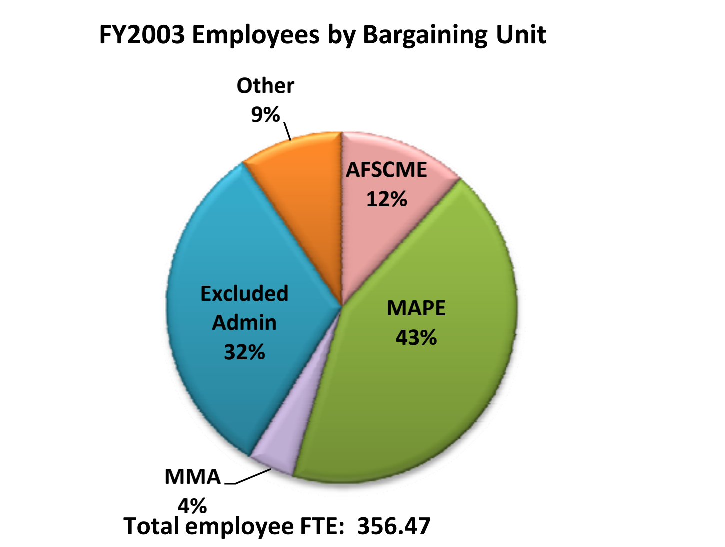
d. Will this help us remain attractive to potential students?
e. Will this contribute to the success of our current students?
f. Will this protect and enhance the quality and integrity of our academic core?
g. Will this allow us to generate additional revenue for investing in our future?
h. If we should do this, have we found the best to do so or should we look for other ways to accomplish our goals?

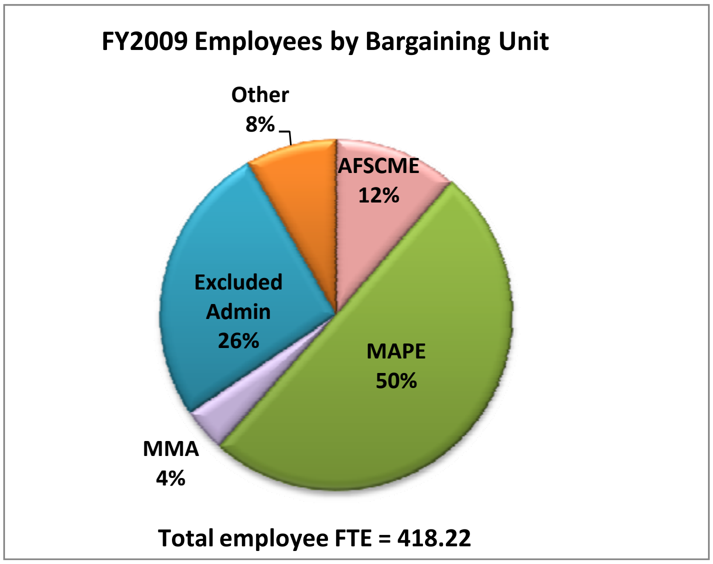
Future vision assuming less state support

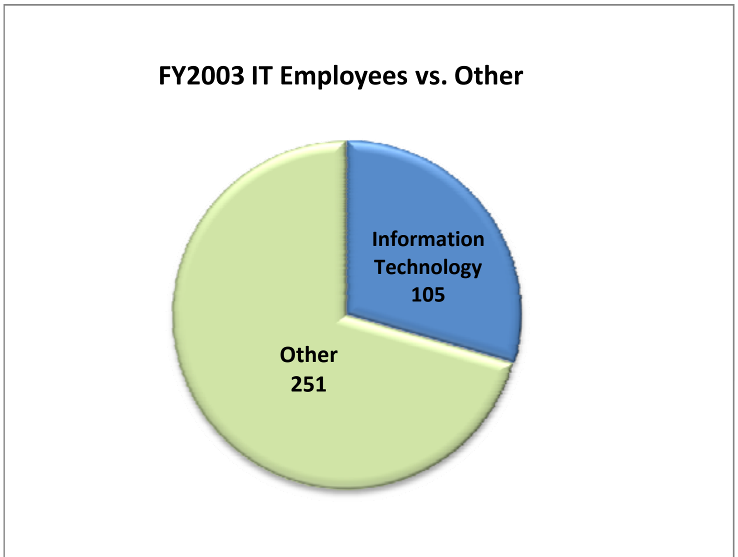
We need to work smarter, not harder. For our academic programs, this means incorporating new approaches when we design new degree programs as well as introducing some design elements into our current programs as we continue to use the goals that we have been articulating during our HLC Self-Study. What we do expect is that we will test every change we make and consider ways to improve the results if our initial efforts do not accomplish our goals or have consequences that we did not anticipate. We know that some of the changes we make will fall short of our goals and some may surprise us by how far they exceed our expectations. We are prepared to learn and make adjustments as required.

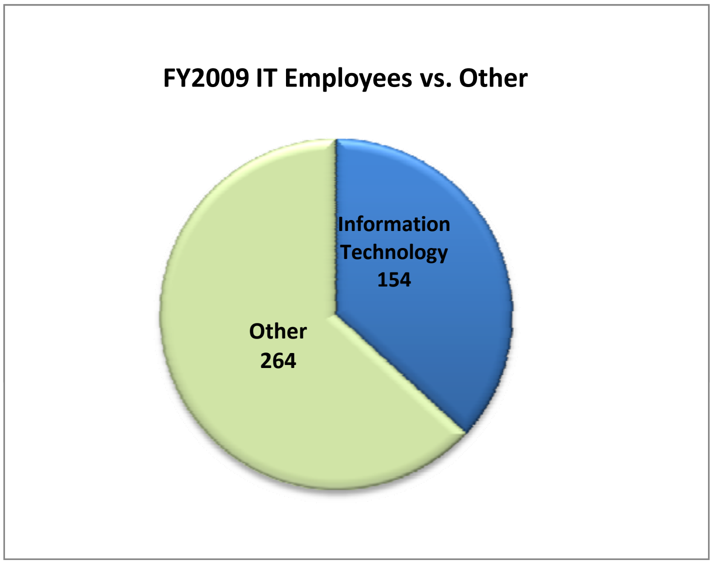
Minnesota State Colleges and Universities - Office of the Chancellor

*Employee data includes presidents









FY2003	OOC/SD
Student FYE to Staff/Admin	409

FY2009	OOC/SD
Student FYE to Staff/Admin	372

FY2003	Full-time	Part-time
Staff/ Admin	98%	2%

FY2009	Full-time	Part-time
Staff/ Admin	97%	3%

State Appropriation and Tuition Revenue including Total per FYE (FY2002-2009)								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
State appropriation	36,299,350	35,049,350	31,559,994	37,819,200	38,970,550	40,170,550	40,985,843	40,950,383
Tuition revenue	0	0	0	0	0	0	0	0
Fee revenue	0	0	0	0	0	0	0	0
Total	36,299,350	35,049,350	31,559,994	37,819,200	38,970,550	40,170,550	40,985,843	40,950,383
SA & Tuition Total per FYE	288	264	232	279	290	296	293	285

*Table requires actual revenue numbers, and therefore, FY2009 is the most recent year of actual revenue.

FY08-09 does not include enterprise technology or president compensation for purpose of comparing previous fiscal years

Annual Reallocations								
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Reallocated Amount	2,166,300	1,971,500	825,518	2,858,304	1,527,000	1,685,000	4,375,600	2,329,211

Office of the Chancellor - Narrative

Minnesota State Statutes, Chapter 136F. State Colleges and Universities, legislative establishes the Minnesota State Colleges and Universities (MnSCU) system, establishes a governing board of trustees, empowers them to govern the system, and directs them to "appoint a chancellor who shall posses powers and perform duties as delegated by the board."

MnSCU Board Policy 1A.3, System Administration, Part 2, Chancellor's Duties and Responsibilities, provides very clear direction: "The chancellor's duties and responsibilities shall include but not be limited to implementing Board policy; providing for educational leadership; recommending operating and capital budgets; recommending allocation of resources; planning; oversight of collective bargaining; providing information systems; management of personnel resources; annual evaluation of the presidents; and establishment of committees, including a presidents' advisory council."

Budget strategy in the past several years

The Office of the Chancellor has had little increase in employment and budget for several years, aside from increased investment in system wide technology. In FY2008, the Legislature provided increased funding specifically to improve system wide technology infrastructure. A total of $29.1 million was allocated, and of that, $5 million was sent directly to campuses for their infrastructure initiatives. The remaining Office of the Chancellor base budgets increased by just under 4 percent in FY2008. Increases in full time equivalent employees in the Office of the Chancellor during this same time frame were 18 percent in Information Technology Services and a total of 2 percent across all other areas.

In FY2009, the Office of the Chancellor applied reductions directed by actions of the 2008 legislature. The reductions occurred in two areas:
1. $5,000,000 reduction in the information technology enterprise investment program; and
2. $2,600,000 reduction to the Office of the Chancellor operating budget.

The reduction amounted to a 4 percent cut in operating accounts. A reduction of $1.6 million occurred in the amount of base budget funds used for system wide programs. Additionally, $1 million was reduced from the base operating budgets of the three largest divisions with smaller reductions in other cabinet offices. These solutions were both cost avoidance and cost reduction recommendations and concentrated on base reductions which continued into 2010.

The Office of the Chancellor reduced operating budgets in FY2010 by another $2.4 million, an additional 3.4 percent reduction. While a significant level of the Office of the Chancellor staff reductions were achieved through attrition, the elimination of vacancies and reorganization, there were some layoffs in FY2010. A total of 34 positions were eliminated from the Office of the Chancellor division rosters.

Planning for fiscal year 2011 is based on current projections which anticipate that the Office of the Chancellor will absorb a $1 million appropriation reduction share, which translates to 1.5 percent and a "fair share" of the expected $10.5M system reduction.

Budget strategy for the FY 2012-13 biennium

Planning for fiscal years 2012 and 2013 is currently being modeled under assumptions based on the Governor's recommendation, which assigns an additional base reduction in FY2012 of $11 million. We are modeling the Chancellor's fair share of that reduction as $1 million in the system office, as well as modeling inflationary cost increase projections of 2.1 percent in FY2012 and 1.9 percent in FY2013. Finally, we are also modeling some change in employer retirement contributions that is currently under Legislative consideration.

Within this resource reduction planning, divisions have also begun revising work plans to reflect recommendations already made by the OLA. Additionally, the chancellor's advisory team recommendations will inform program and service reorganization, as well as possible implementation of regionalized services.

Future vision assuming less state support

Presidents, through the Leadership Council, have articulated that it is critical to preserve centralized activities that support the System's core mission and the colleges and universities. They are constant in their belief that all institutions have been significantly advantaged by the comprehensive services offered by the Office of the Chancellor, particularly in times of institutional stress and at times when specific expertise is needed to supplement local knowledge.

An advisory team has been assembled to continue the work of analyzing the activities and services of the Office of the Chancellor—to examine the results of decisions made and revisit the core question of how to provide centralized, comprehensive services that are made necessary by law, statute, board policy or institutional need. This team is comprised of Leadership Council representatives and members of Chancellor McCormick's Cabinet. They develop recommendations for Chancellor McCormick to consider as he crafts budget plans for FY2011 and into the next biennium. Their task will be to focus and streamline the centralized functions for long-term systemic health and viability. The recently released Office of Legislative Auditor's evaluation report on the MnSCU System Office informs this work and provides analytical data from which to suggest modifications in the structure and delivery of certain services and functions.

Minnesota
STATE COLLEGES
& UNIVERSITIES

WELLS FARGO PLACE
30 7TH ST. E., SUITE 350
ST. PAUL, MN 55101-7804

ph 651.296.8012
fx 651.297.5550
www.mnscu.edu

FINANCE DIVISION
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