



**Minnesota**  
STATE COLLEGES  
& UNIVERSITIES

# **Fiscal Year 2013 Operating Budget**

**Presented to the Finance and Facilities Committee  
Board of Trustees  
May 15, 2012**



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# FY 2013 Operating Budget Overview

- Budget Principles
- Trends & Analysis
- Cost of Education
- FY 2013 All Funds Budget



# FY 2013 Budget Objectives

- Align the budget with the Strategic Framework
- Reallocate to meet highest and emerging priorities
- Keep tuition increases modest
- Improve efficiency and productivity
- Mitigate risks
- Budget with a multi-year perspective



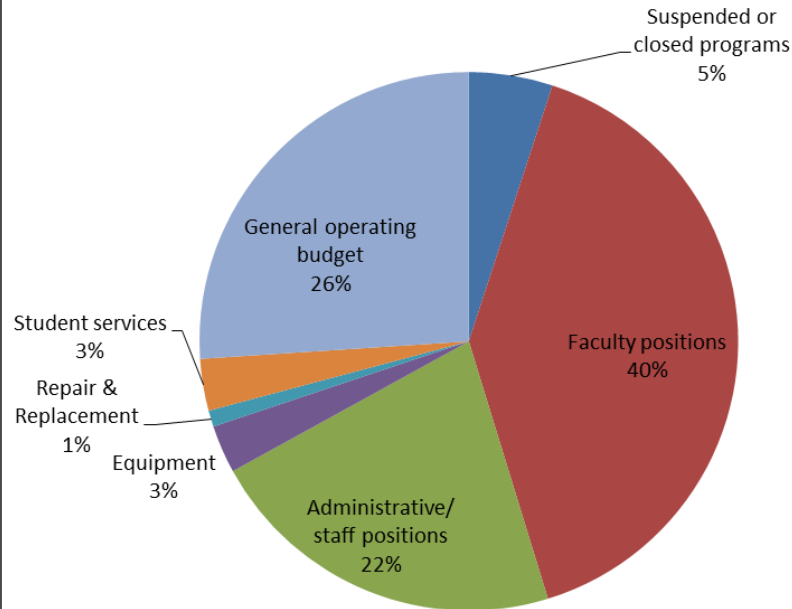
# Align Resources with the Strategic Framework

- Ensure access to an extraordinary education
- Be the partner of choice to meet workforce and community needs
- Deliver the highest value / most affordable higher education option

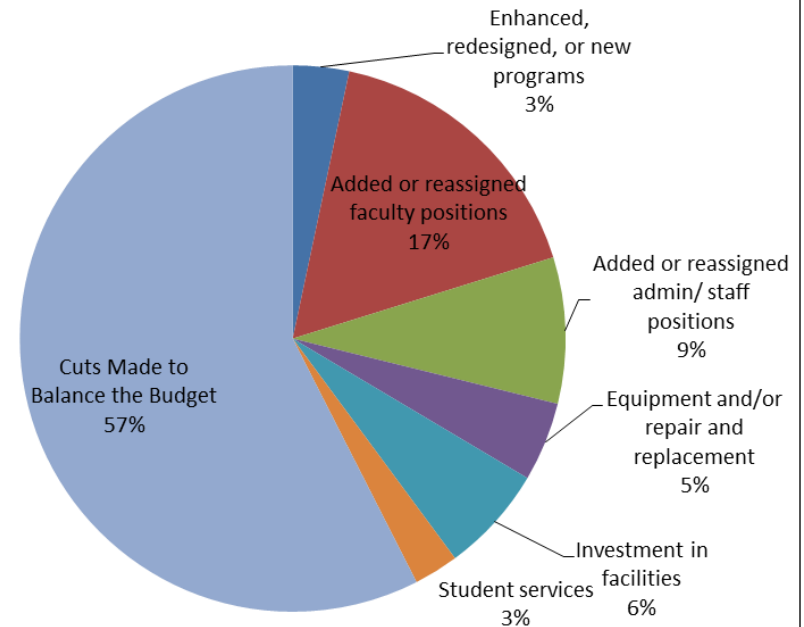


# Over \$76 Million Reallocated 2012-13 Biennium

## Reductions for FY 2012-13

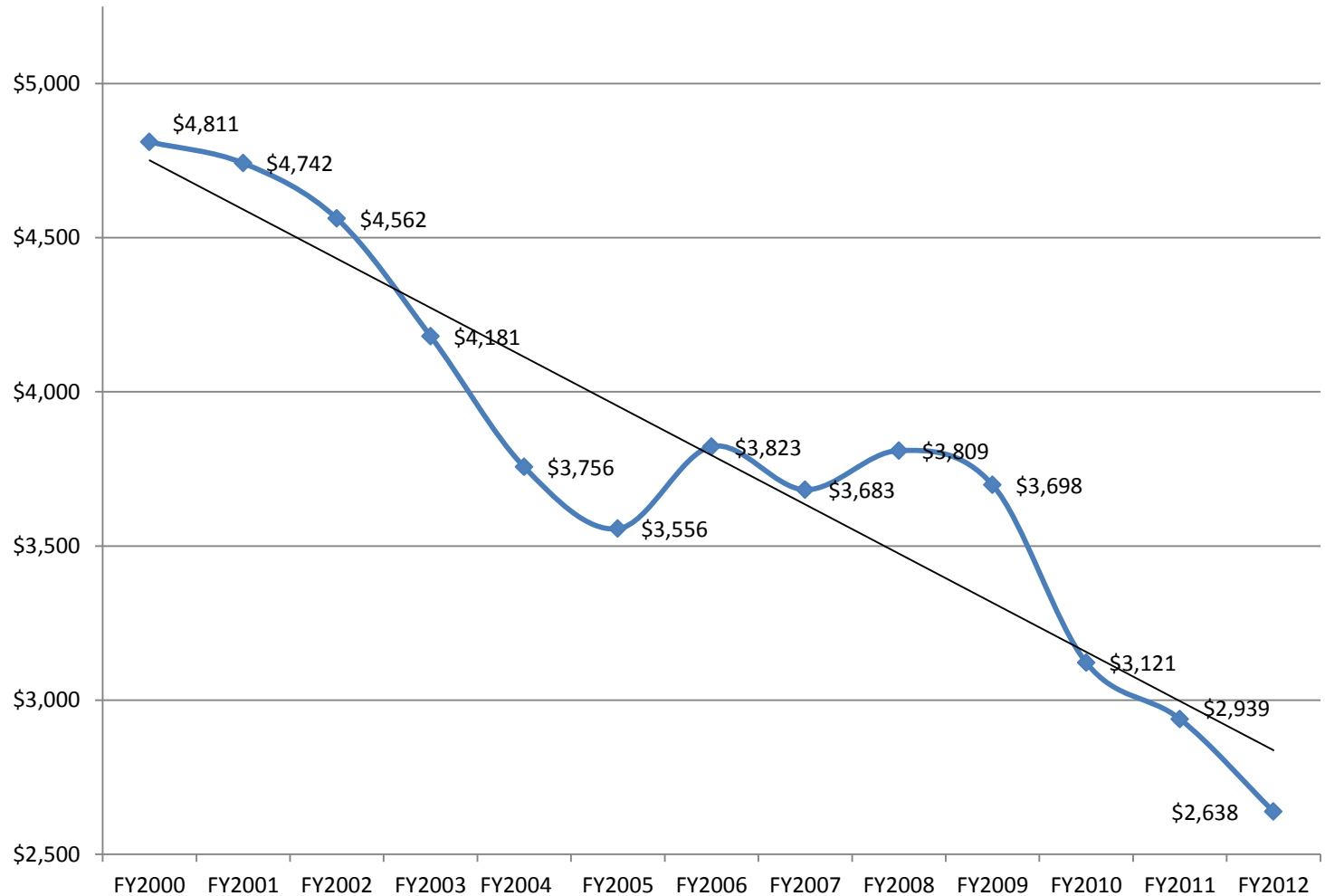


## Use of Funds FY 2012-13



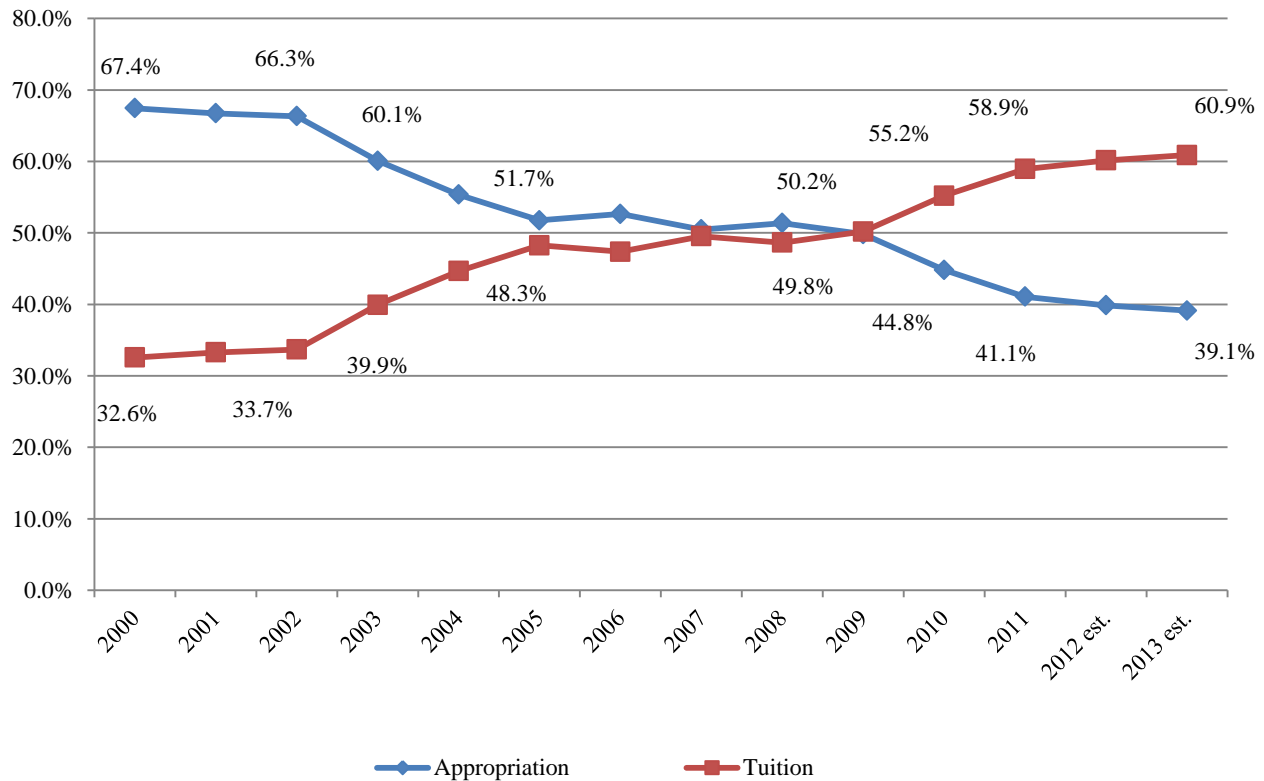


# State Support per MnSCU Student Down 45% in Constant Dollars





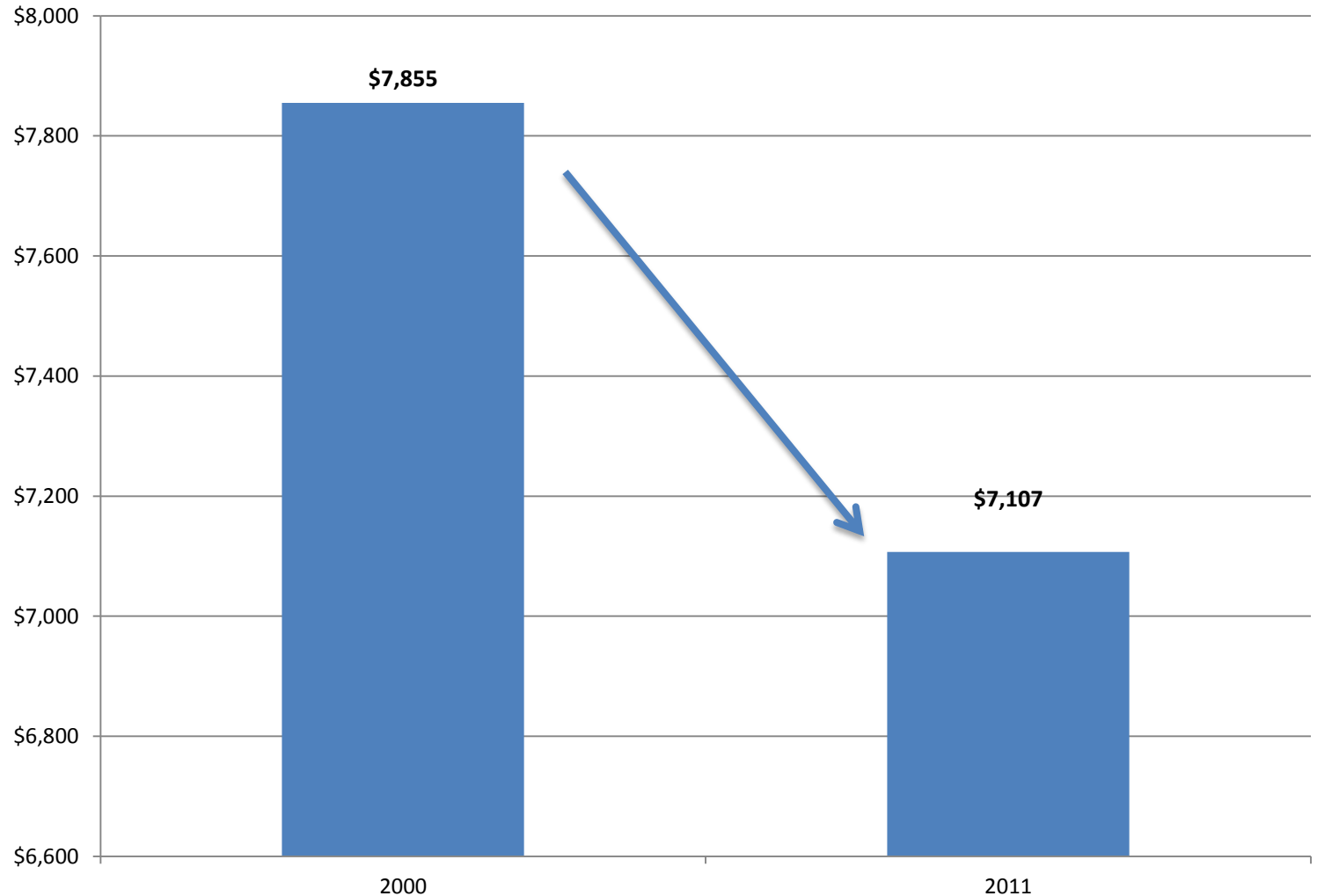
# As State Support Falls, Reliance on Tuition Increases





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# Cost of Educating a MnSCU Student Is Down 10% (Constant Dollars)







# Keeping Tuition Affordable

- Average proposed tuition increase at colleges:
  - \$171 (3.7%)
- Average proposed tuition increase at universities:
  - \$285 (4.4%)
- Tuition Structure



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# Minnesota State Colleges and Universities Continue to Offer the Highest Value / Most Affordable Option

	<b>FY 2012 Tuition</b>	<b>Est. Annual Increase</b>	<b>FY 2013 Tuition</b>
MnSCU Colleges	\$ 4,644	\$ 171	\$ 4,815
MnSCU State Universities	\$ 6,497	\$ 285	\$ 6,782
University of Minnesota	\$ 11,650	\$ 410	\$ 12,060
Private 4-Year Colleges*	\$ 32,349	\$ 1,466	\$ 33,815

\*Includes tuition and fees for private 4-year colleges



# Tuition and Fee Increases Partially Offset by State Grant

- Lower income college students on average will see their tuition & fees increase by an estimated \$126\*
- Lower income university students on average will see their tuition & fees increase by an estimated \$208\*

*\*Estimated increase for full year/full time degree seeking students*



# All Funds Operating Budget

(\$ in millions)	FY 2012 Current Budget	FY 2013 Proposed Budget	\$ Change	% Change
Revenues	\$1,965.6	\$2,001.5	\$35.9	1.8%
Expenses	\$1,953.6	\$1,992.1	\$38.5	2.0%
<b>Budget balance</b>	<b>\$12.0</b>	<b>\$9.4</b>		



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# Revenue Fund Budget

(\$ in millions)	FY 2012 Current Budget	FY 2013 Proposed Budget	\$ Change	% Change
Revenues	\$108.4	\$107.6	(\$0.8)	(0.7%)
Expenses	\$104.0	\$95.7	(\$8.3)	(8.0%)
<b>Net Income</b>	<b>\$4.4</b>	<b>\$11.9</b>		



# New and Reallocated Resources

New tuition revenue	\$25.4M (43%)
New state support	\$ 0.0M (0%)
Other revenues	\$10.4M (18%)
Reallocated funds	\$22.9M (39%)
<b>Total</b>	<b>\$58.7M</b>



# New Academic Program and Student Services Investments

New programs and services	\$23.9M
Compensation increases	\$28.0M
Facilities and equipment	\$ 6.8M
<b>Total</b>	<b>\$58.7M</b>



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# Recommended Motion

- Adopt all funds budget
- Approve tuition structure
- Approve Revenue Fund rates/fees





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# Planning for the Future: FY2014-2015 Outlook

- Advance the Strategic Framework
- Reinvigorate state partnership
- Acknowledge state budget challenges