

Agency Purpose

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 throughout 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.

At A Glance

- ◆ Largest provider of higher education in Minnesota, educating about 242,000 students in credit courses annually
- ◆ Serves another 140,000 students in non-credit courses.
- ◆ Graduates 34,000 students each year
- ◆ Produces the largest share of the state's new teachers, accountants, police officers, nurses, firefighters, technicians, trades people and others from a broad range of disciplines.
- ◆ The system has 7 universities and 25 colleges on 53 campuses in 46 Minnesota communities. A 54th campus, located in Owatonna, is scheduled to be added to the system by the end of calendar year 2008.

Vision - The Minnesota State Colleges and Universities will enable the people of Minnesota to succeed by providing the most accessible, highest value education in the nation.

Mission - 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 throughout the state.

Core Functions

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

Operations

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

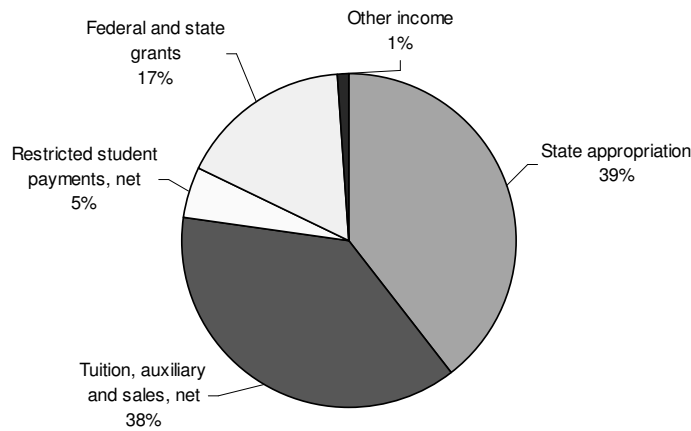
Educational programs are delivered at 53 campus locations statewide, comprising 26 million square feet of space, or approximately one-third of the state's building inventory. Each one of the 32 Minnesota state colleges and universities contribute to the civic, economic, and cultural life in the 46 communities in which they are located.

Budget

Revenue

Fiscal year 2007 operating revenues total \$1.5 billion. State appropriations comprised 39%, and tuition, auxiliary and sales (net) revenue 38% of the system's operating revenues. Other major revenue sources included federal and state grants. More than 95% of the state appropriation was distributed to the colleges and universities. All tuition and fee revenues generated by the colleges and universities remain with the institution that generates the revenues.

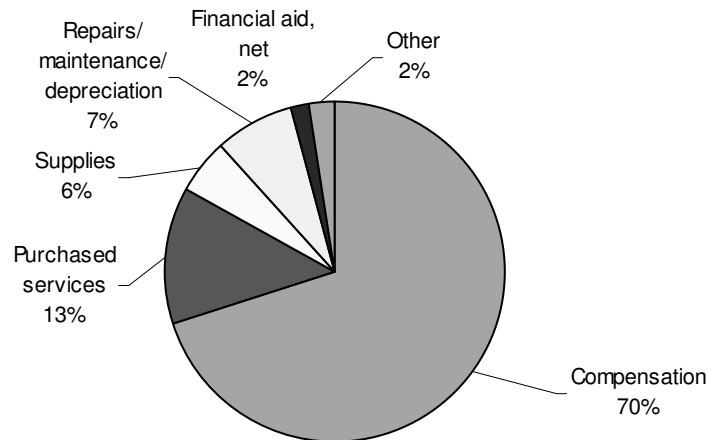
**Revenues – All Funds
Fiscal Year 2007 \$1.5 Billion**



Expenses

Operating expenses during fiscal year 2007 totaled \$1.5 billion. Compensation accounted for 70% of the Minnesota State Colleges and Universities total operating expenses.

**Expenses – All Funds
Fiscal Year 2007 \$1.5 Billion**



Laws of Minnesota for 2007 require the public post-secondary systems in Minnesota to report instructional and non-instructional expenses in the biennial budget document. For fiscal year 2007 (the most recent year of audited financial data), the Minnesota State Colleges and Universities system’s instructional expenses totaled \$617.4 million. The definition of instructional expenses is “a functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. It includes both credit and non-credit instruction.” This definition was developed by the Integrated Postsecondary Education Data System (IPEDS) and is used by all higher education institutions for consistent reporting and cross-institution comparisons.

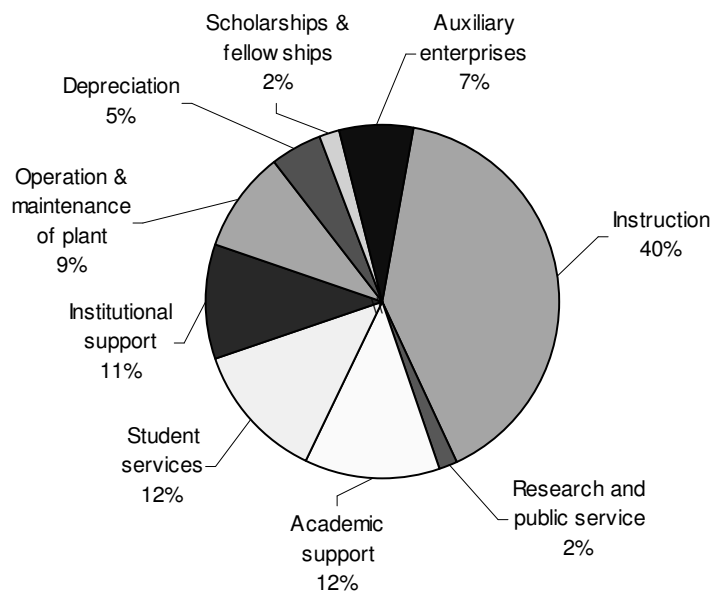
Non-instructional expenses for fiscal year 2007 totaled \$910.4 million. Non-instructional expenses included the following IPEDS categories: research, public service, academic support, student services, institutional support, operation and maintenance of plant, depreciation, scholarships and fellowships, and auxiliary enterprises.

**Operating Expenses
Fiscal Years 2006 and 2007 (\$ in millions)**

	Fiscal year 2006	Fiscal year 2007
Instructional expenses	\$603.3	\$617.4
Non-instructional expenses	\$855.3	\$910.4
Total operating expenses	\$1,458.6	\$1,527.8

Instructional activities comprised approximately 40% of the Minnesota State Colleges and Universities total operating expenses.

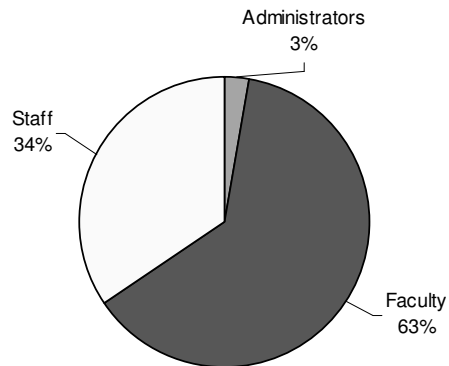
**Operating Expenses by Functional Category
Fiscal Year 2007 \$1.5 billion**



Employees

Faculty comprise 63% of the 19,486 total employee headcount; staff 34% of the total; and administrators 3%.

**Employee Headcount
Fiscal Year 2007**



Contact

Linda Kohl
Public Affairs Division: 651.296.9595

Minnesota State Colleges and Universities website:
www.mnscu.edu

Minnesota State Colleges and Universities Finance Division website:
www.finance.mnscu.edu

STATE COLLEGES & UNIVERSITIES

Agency Overview

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	371	0	0	0	0
Forecast Base	371	0	0	0	0
Change		0	0	0	0
% Biennial Change from 2008-09					-100%
Mn State Colleges/universities					
Current Appropriation	665,883	682,417	682,417	682,417	1,364,834
Forecast Base	665,883	682,417	681,697	681,697	1,363,394
Change		0	(720)	(720)	(1,440)
% Biennial Change from 2008-09					1.1%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	136	235	0	0	0
Mn State Colleges/Universities	665,940	682,817	681,697	681,697	1,363,394
Statutory Appropriations					
Minnesota Technology Inc	1,746	1,968	1,968	1,968	3,936
Mn State Colleges/Universities	747,174	784,740	792,640	800,040	1,592,680
Mnscu Special Revenue	10,354	10,876	10,300	10,300	20,600
Mnscu Federal Fund	46,049	45,762	45,762	45,762	91,524
Mnscu Agency Fund	26,389	25,833	25,833	25,833	51,666
Mnscu Gift Fund	4,201	4,350	4,350	4,350	8,700
Sub Supplemental & Ira Retire	331	101	101	101	202
Mnscu Enterprise Activities	9,652	9,283	9,283	9,283	18,566
Mnscu Endowment Fund	5	4	4	4	8
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
<u>Expenditures by Category</u>					
Local Assistance	1,511,977	1,565,969	1,572,138	1,579,538	3,151,676
Transfers	0	0	(200)	(200)	(400)
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
<u>Expenditures by Program</u>					
Mn State Colleges & Univer	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276

Program Description

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

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

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

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

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

Population Served

Minnesota State Colleges and Universities is the largest provider of higher education in the state of Minnesota with 32 institutions serving approximately 242,000 (unduplicated headcount) students annually in for-credit programs or about 140,000 full-year equivalents (FYE). The state colleges and universities also serve about 151,000 students and 6,000 employers through customized training. The institutions provide applied research and public service to Minnesota communities in all regions of the state. Enrollment is 96% undergraduate. In FY 2007, the system served more than 32,800 students of color, more than all other Minnesota higher education providers combined. Students of color comprise 14.8% of all students. Thirty-five percent are 25 or older. The average age of our students is 25.4. About 41% attend part-time.

Services Provided

The state colleges and universities offer more than 3,900 educational programs. In the past year more than 53,000 students took online courses. Through Minnesota Online, the state colleges and universities offer more than 230 programs completely or predominantly online and more than 8,000 credit and non-credit course sections online.

Historical Perspective

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

Key Program Goals

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

- ◆ Increase access and opportunity.
- ◆ Promote and measure high-quality learning programs and services.
- ◆ Provide programs and services that enhance the economic competitiveness of the state and its regions.

Program at a Glance

- ◆ Largest provider of higher education in Minnesota, educating about 382,000 students each year.
- ◆ Eighty-eight percent (88%) of students are Minnesota residents.
- ◆ Eighty-seven percent (87%) of graduates get jobs related to their major or program within one year after graduation.
- ◆ Eighty-three percent (83%) of graduates stay in Minnesota to work or to continue their education.
- ◆ The system has seven universities and 25 colleges on 53 campuses in 46 Minnesota communities. A 54th campus, located in Owatonna, is scheduled to be added to the system by the end of calendar year 2008.

- ◆ Innovate to meet current and future educational needs

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. Additional information about the strategic and action plans is available on the system website at: http://www.mnscu.edu/media/publications/pdf/strategicplan_2008-12.pdf

Key Program Measures

Performance Goals: The Governor and the Legislature included five performance goals for the Minnesota State Colleges and Universities system in the 2007 appropriations act. The system achieved all five of the performance goals. The goals focused on

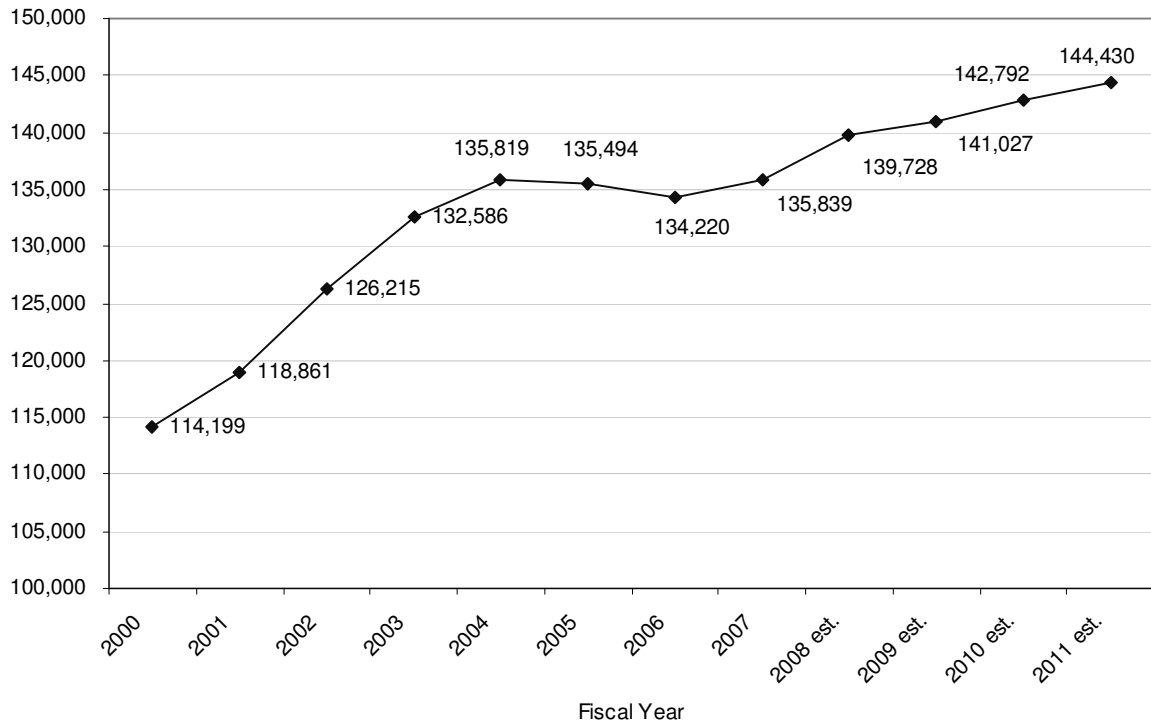
- ◆ Increasing enrollment in courses in science, technology, engineering, and math;
- ◆ Increasing enrollment in courses at the four existing center of excellence programs;
- ◆ Increasing number of students trained on the use of electronic medical record technology;
- ◆ Increasing the number of students taking online courses or the number of online courses offered; and
- ◆ Expanding the use of “awards of excellence” or other initiatives that reward member institutions, faculty, administrators, or staff for innovations designed to advance excellence and efficiency.

Accountability Dashboard: An accountability dashboard was developed that monitors the performance of the Minnesota State Colleges and Universities system on selected key measures. It is designed as a tool for the Board of Trustees, institutions, policymakers and other visitors to access key performance measures for each of the colleges and universities and the system overall. There are ten key performance measures which are tied to the four strategic directions within the strategic plan. Substantial effort will be devoted to improving the following ten performance measures:

- ◆ Percent change in enrollment
- ◆ Net tuition and fees as percent of median income
- ◆ Licensure exams pass rate
- ◆ Persistence and completion rate
- ◆ High quality learning
- ◆ Student engagement
- ◆ Partnerships
- ◆ Related employment of graduates
- ◆ Innovation
- ◆ Facilities condition index

Enrollment: Enrollment at the system’s colleges and universities has grown from 114,199 FYE students in fiscal year 2000 to an estimated 135,839 FYE in fiscal year 2008, a 19% increase. Enrollment is expected to grow an additional one percent each year for FY2009, 2010, and 2011. The system’s FYE enrollment is calculated by dividing the total number of undergraduate credits in a given year by 30 (considered to be a full academic load for an undergraduate student). For graduate FYE, the total number of graduate credits is divided by 20 (considered to be a full academic load for a graduate student).

Full-Year Equivalent Enrollment



Undergraduate enrollment accounts for 97% of total enrollment.

Full-Year Equivalent Enrollment by Level

	Fiscal year 2006	Fiscal year 2007	Fiscal year 2008 (est.)
Undergraduate	129,885	131,474	135,458
Graduate	<u>4,335</u>	<u>4,365</u>	<u>4,426</u>
Total	134,220	135,839	139,884

Program Funding

The state general fund appropriation to the system totaled \$682.4 million in FY2009. That amount included resources for general operating expenses as well as \$11 million for serving the underserved population and \$28.7 million for the enterprise technology initiative. State General Fund resources support approximately 50% of the system's total FY2009 budget. The balance of the budget is generally supported through tuition and fee revenues.

The Minnesota State Colleges and Universities system is faced with inflationary cost increases. The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the main cost drivers in higher education. It is a more accurate indicator of changes in costs for colleges and universities than the more familiar Consumer Price Index (CPI). The HEPI measures the average relative level of prices in a fixed basket of goods and services purchased by colleges and universities. The CPI, on the other hand, measures goods and services that people buy for day-to-day living. The main components of the HEPI basket of goods are professional salaries and fringe benefits of faculty, administrators and other professional service personnel; non professional wages, salaries and fringe benefits for clerical, technical, service and other non-professional personnel; contracted

STATE COLLEGES & UNIVERSITIES

Program: MN STATE COLLEGES & UNIVER

Narrative

services such as data processing, communication, transportation, supplies and materials, and equipment; library acquisitions; and utilities. The HEPI rose by 3.6% for fiscal year 2008.

The Department of Finance and Employee Relation's inflationary guideline of 3% each year was used in developing the inflationary cost increases for the 2010-2011 biennial budget request.

Contact

Linda Kohl

Public Affairs Division: 651.296.9595

Minnesota State Colleges and Universities website: <http://www.mnscu.edu>

Minnesota State Colleges and Universities Finance Division website: <http://www.finance.mnscu.edu>

STATE COLLEGES & UNIVERSITIES

Program: MN STATE COLLEGES & UNIVER

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	136	235	0	0	0
Mn State Colleges/Universities	665,940	682,817	681,697	681,697	1,363,394
Statutory Appropriations					
Minnesota Technology Inc	1,746	1,968	1,968	1,968	3,936
Mn State Colleges/Universities	747,174	784,740	792,640	800,040	1,592,680
Mnscu Special Revenue	10,354	10,876	10,300	10,300	20,600
Mnscu Federal Fund	46,049	45,762	45,762	45,762	91,524
Mnscu Agency Fund	26,389	25,833	25,833	25,833	51,666
Mnscu Gift Fund	4,201	4,350	4,350	4,350	8,700
Sub Supplemental & Ira Retire	331	101	101	101	202
Mnscu Enterprise Activities	9,652	9,283	9,283	9,283	18,566
Mnscu Endowment Fund	5	4	4	4	8
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
<u>Expenditures by Category</u>					
Local Assistance	1,511,977	1,565,969	1,572,138	1,579,538	3,151,676
Transfers	0	0	(200)	(200)	(400)
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
<u>Expenditures by Activity</u>					
Mn State Colleges And Univ	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276
Total	1,511,977	1,565,969	1,571,938	1,579,338	3,151,276

STATE COLLEGES & UNIVERSITIES

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Total Non-Dedicated Receipts	0	0	0	0	0
<u>Dedicated Receipts:</u>					
Grants:					
Minnesota Technology Inc	1,846	1,874	1,874	1,874	3,748
Mn State Colleges/universities	15,058	15,100	15,100	15,100	30,200
Mnscu Special Revenue	2,345	2,180	2,180	2,180	4,360
Mnscu Federal Fund	45,761	45,762	45,762	45,762	91,524
Mnscu Gift Fund	136	0	0	0	0
Other Revenues:					
Minnesota Technology Inc	132	94	94	94	188
Mn State Colleges/universities	743,745	759,540	767,440	774,840	1,542,280
Mnscu Special Revenue	1,485	1,389	1,389	1,389	2,778
Mnscu Federal Fund	6	0	0	0	0
Mnscu Gift Fund	4,233	4,350	4,350	4,350	8,700
Sub Supplemental & Ira Retire	27	27	27	27	54
Mnscu Enterprise Activities	9,365	9,283	9,283	9,283	18,566
Mnscu Endowment Fund	5	4	4	4	8
Other Sources:					
Minnesota Technology Inc	-10	0	0	0	0
Mn State Colleges/universities	8,448	10,000	10,000	10,000	20,000
Mnscu Special Revenue	7,045	6,731	6,731	6,731	13,462
Mnscu Federal Fund	-28	0	0	0	0
Mnscu Agency Fund	26,026	25,833	25,833	25,833	51,666
Sub Supplemental & Ira Retire	74	74	74	74	148
Mnscu Enterprise Activities	5	0	0	0	0
Taxes:					
Mn State Colleges/universities	5	0	0	0	0
Total Dedicated Receipts	865,709	882,241	890,141	897,541	1,787,682
Agency Total Revenue	865,709	882,241	890,141	897,541	1,787,682