

February 3, 2005

To the Senate Higher Budget Division,

**As an elected student representative, I am writing on behalf of the undergraduate student body at the University of Minnesota to encourage you to support full funding for the U of M's biennial budget proposal for 2006-2007.**

In my five years that the University of Minnesota I have witnessed the negative impact of reductions in state funding for the U of M. Declining state support has forced the University of Minnesota to increase tuition for both undergraduate and graduate students. As a result of these tuition increases, students have increased work hours while in school, added to their student loan burden, enrolled in universities outside of the state, and even dropped out of school entirely. The increased burden on students has undermined the quality of each student's education by detracting precious time and energy away from studies.

Gov. Pawlenty's recommendation is a step in the right direction, but it does not go far enough. There is a blaring omission in the Governor's recommendation: attendance adjustment. **This \$56 million omission could mean further increases in tuition rates for students. On top of their already heavy burden this could make a strenuous situation into a crisis for low and middle income students. The U of M's proposal is modest and balanced and deserves full funding.**

Sincerely,



Emily Serafy Cox  
Legislative Affairs Chair  
Minnesota Student Association  
2301 26th Ave S  
Minneapolis, MN  
55406

U of M

197 cut  
73 enroll growth

270

113 gov rec

157 short

Hold Revenue

MN Sec

191 cut  
130 enroll growth

321

107 gov rec

214 short

# UNIVERSITY OF MINNESOTA

---

*Twin Cities Campus*

*Graduate and Professional Student  
Assembly*

*234 Coffman Memorial Union  
300 Washington Avenue S.E  
Minneapolis, MN 55455*

*Office: 612-625-2982  
Fax: 612-626-1963*

Date: February 2, 2005

To : The Senate Higher Education Budget Division  
State of Minnesota

Dear Members of the Committee,

I am writing on behalf of over 16,000 graduate and professional students at the University of Minnesota that I represent to encourage and appeal to you to support the University's biennial budget proposal for 2006-2007 fiscal years.

Governor Tim Pawlenty's Higher Education budget recommendations for the University of Minnesota are a step in the right direction in providing our institution with the much needed funding increase. We are thrilled to learn his vision for the University and that he has made U a priority. We realize that the State of Minnesota is facing severe financial constraints and is limited in its ability to meet all our needs. However, in the past few years, our University has experienced massive cuts in funding from the State and consequently, higher tuition for the students and less resources for the researchers. The approximately 10% proposed increase is not only needed for the University, but is extremely critical for maintaining a healthy and competitive educational and research environment in Minnesota.

The graduate and professional students at the University of Minnesota sincerely hope that you will consider the Governor's recommendation a point to improve upon and not reduce our ability to compete in this global economy. Only your support can relieve some of our burdens and allow us to work towards the common goal to make University of Minnesota an enviable educational and research institution in the World. We need to maintain the status of this institution as a proud achievement and asset of the citizens of the State of Minnesota.

Thank you.

Sincerely,



Abu Jalal  
Doctoral Student in Finance  
President, Graduate and Professional Student Assembly (GAPSA)  
University of Minnesota

# Governor Tim Pawlenty's Higher Education Budget Proposal

---

Minnesota Senate Higher  
Education Budget Division

February 3, 2005

## Governor's Higher Education Budget

---

- University of Minnesota
- Minnesota State Colleges & Universities
- Minnesota Higher Education Services Office

## 2003 Legislative Change

---

- ❑ Cabinet-level agency
- ❑ Governor appoints director
- ❑ Provide a policy perspective on the higher education sector.

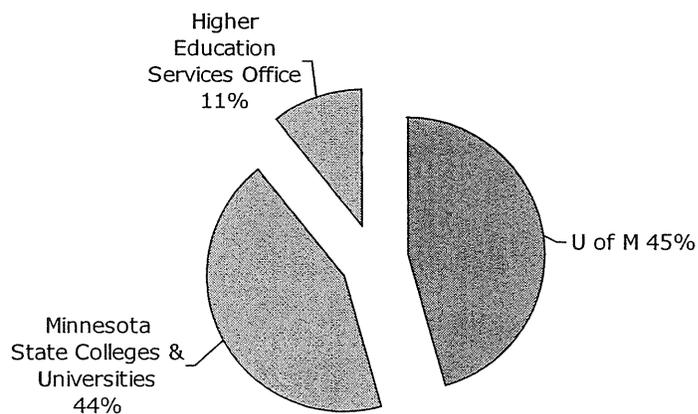
Higher Education Services Office

3

## Minnesota's Higher Education Sector

(\$2.6 billion General Fund appropriation FY 04-05)

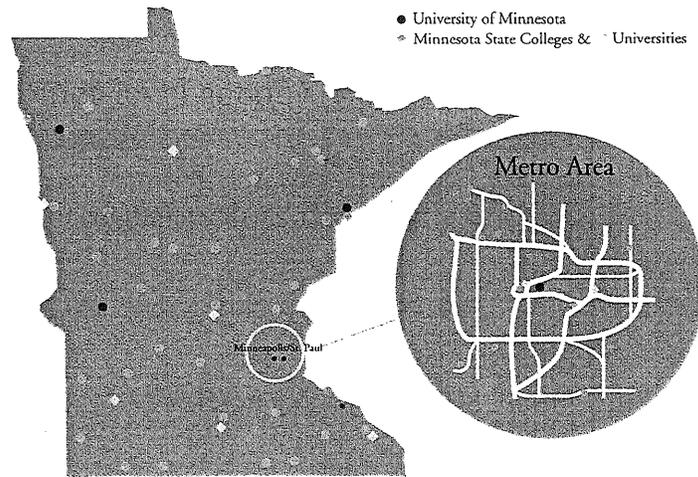
---



Higher Education Services Office

4

## Two Public Systems

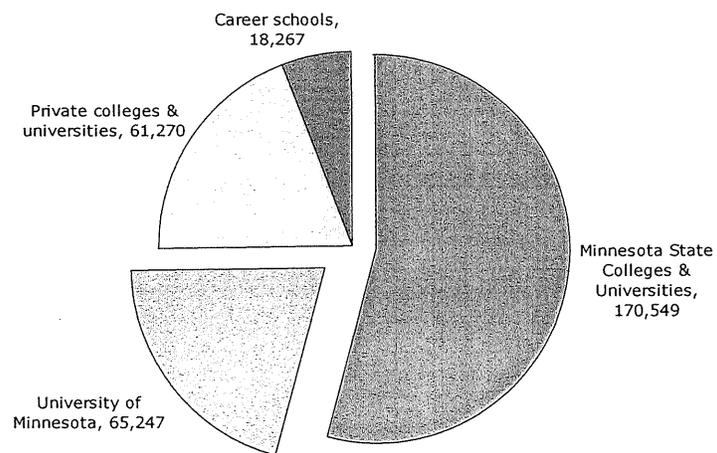


Higher Education Services Office

5

## Public Systems

Enroll 74% of Minnesota Undergraduates  
(Fall 2004 Preliminary Headcount)



Higher Education Services Office

6

# Governor Tim Pawlenty's Higher Education Budget Request

---

## Background & Context

### Budget Context

---

- ❑ Estimated General Fund shortfall of \$700 million in FY 2006-07
- ❑ Increase in base budget for Human Services of nearly 20 percent for FY 2006-07
- ❑ Governor recommending an overall increase in state spending over the current biennium of 5.8%
- ❑ Governor's Recommendation in E-12 of \$184 million increase from the General Fund compared to a \$12 billion base

Source: Department of Finance

## The 2004 Citizens League Report

### Challenges identified

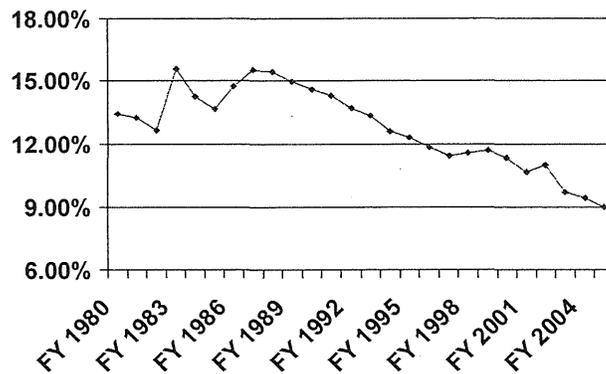
- ❑ Demographics and aging population
- ❑ Huge economic need for educated workers
- ❑ Opportunity costs of not meeting needs
- ❑ Importance of research, liberal arts, technical education
- ❑ Tuition increases
- ❑ State budget limitations

**Called for reform, focus and more accountability**

Higher Education Services Office

9

## Higher Education Spending as a Share of the General Fund



Source: Dept of Finance, June 2004

Higher Education Services Office

10

## Systems Budget Requests

---

### University of Minnesota

Total	\$199.8
<i>Percent Change from 2004-05</i>	<i>18.2%</i>

### Minnesota State Colleges & Universities

Total	\$197.3
<i>Percent change from 2004-05</i>	<i>17.8%</i>

\* Both system requests include funding for enrollment adjustments

Higher Education Services Office

11

## University of Minnesota

### 2006-2007 Budget Request

---

<input type="checkbox"/> Enrollment - one-time	\$43.0
<input type="checkbox"/> Enrollment - ongoing	30.8
<input type="checkbox"/> Biosciences for a Healthy Society	36.0
<input type="checkbox"/> Preparing Students for 21st Century	19.5
<input type="checkbox"/> Competitive Compensation	15.0
<input type="checkbox"/> Research Support	34.5
<input type="checkbox"/> 21st Century Technology	21.0

<b>Total</b>	<b>\$199.8</b>
<i>Percent Change from 2004-05</i>	<i>18.2%</i>

(in millions)

Higher Education Services Office

12

## Minnesota State Colleges & Universities

### 2006-2007 Budget Request (in millions)

<input type="checkbox"/> Enrollment - one-time	\$58.8
<input type="checkbox"/> Enrollment - ongoing (allocation formula)	72.0
<input type="checkbox"/> Competitive Salaries	13.9
<input type="checkbox"/> MN Online	8.1
<input type="checkbox"/> Nursing	10.0
<input type="checkbox"/> Access & Outreach	12.0
<input type="checkbox"/> Innovations Fund	5.5
<input type="checkbox"/> Agri. & Sm. Business Management	3.0
<input type="checkbox"/> Teacher Education	3.0
<input type="checkbox"/> Repair & Replacement	11.0
<b>Total, MnSCU</b>	<b>\$197.3</b>
<i>Percent change from 2004-05</i>	<i>17.8%</i>

Higher Education Services Office

13

## Governor's Budget Recommendation for Higher Education FY 2006-2007

---

**Reform**  
**Strategic Focus**  
**Accountability**

## Governor's Budget Recommendation Change Requests

---

University of Minnesota	\$113.0
<i>(Excludes \$7.5 million for Mayo Foundation partnership)</i>	
<i>Percent Change from 2004-05</i>	<i>10.3%</i>
 Minnesota State College & Universities	 \$107.5
<i>Percent Change from 2004-05</i>	<i>8.5%</i>
 Higher Education Services Office	 (\$5.5)
<i>Percent Change from 2004-05</i>	<i>(1.5%)</i>

(in millions)

Higher Education Services Office

15

## Total Proposed Budget for Higher Education

---

Total Budget FY 2006-2007

\$2,774.0

Percent Change for higher education over 2004-05

8.4%

(in millions)

Higher Education Services Office

16

## University of Minnesota Governor's Budget Recommendation

---

<input type="checkbox"/> Biosciences for a Healthy Society	\$36.0
<input type="checkbox"/> Preparing Students for 21st Century	19.5
<input type="checkbox"/> Competitive Compensation	15.0
<input type="checkbox"/> Research Support	35.0
<input type="checkbox"/> Mayo-University Partnership	7.5
(Plus \$7.5 million for Mayo Foundation)	

<b>Total increase, U of M</b>	<b>\$113.0</b>
<i>Percent Change from 2004-05</i>	<i>10.3%</i>

(in millions)

Higher Education Services Office

17

## Minnesota State Colleges & Universities Governor's Budget Recommendations

---

<input type="checkbox"/> Implement allocation model	\$50.0
<input type="checkbox"/> MN Online	14.0
<input type="checkbox"/> Nursing	10.0
<input type="checkbox"/> Innovations Fund	5.5
<input type="checkbox"/> Agri. & Sm. Business Management	3.0
<input type="checkbox"/> Centers of Excellence	20.0
<input type="checkbox"/> Competitive Salaries	5.0

<b>Total increase, MnSCU</b>	<b>\$107.5</b>
<i>Percent change from 2004-05</i>	<i>8.5%</i>

(in millions)

Higher Education Services Office

18

## Centers of Excellence

---

### Objectives

- ❑ Establish flagship programs in core areas
- ❑ Provide Minnesota students with best-in-class programs
- ❑ Attract students, faculty, talent and jobs from outside Minnesota
- ❑ Leverage external support
- ❑ Build a more strategic education system in Greater Minnesota
- ❑ Establish Minnesota as a leader and innovator

## Additional Recommendations

### Governor's Higher Education Budget Proposal

---

#### HESO Proposals:

Accountability Measures	0.4
State Grant Changes (Pell)	0.0
State Grant Upgrade	0.3
Reciprocity Reduction	(5.2)
Learning Network of Minnesota	(1.0)
Rochester Campus	3.2

(in millions)

## Additional Funding Recommendations Governor's Budget

---

- ❑ Merge Higher Education Facilities Authority into the Higher Education Services Office
  
- ❑ Increase private career license fees
  
- ❑ Review higher education funding structure

Higher Education Services Office

21

## Governor Tim Pawlenty's Higher Education Budget Proposal

---

**Susan Heegaard, Director**

Higher Education Services Office

**Mark Misukanis, Director of Fiscal Policy & Research**

Higher Education Services Office



February 3, 2005

To the Senate Higher Budget Division,

**As an elected student representative, I am writing on behalf of the undergraduate student body at the University of Minnesota to encourage you to support full funding for the U of M's biennial budget proposal for 2006-2007.**

In my five years that the University of Minnesota I have witnessed the negative impact of reductions in state funding for the U of M. Declining state support has forced the University of Minnesota to increase tuition for both undergraduate and graduate students. As a result of these tuition increases, students have increased work hours while in school, added to their student loan burden, enrolled in universities outside of the state, and even dropped out of school entirely. The increased burden on students has undermined the quality of each student's education by detracting precious time and energy away from studies.

Gov. Pawlenty's recommendation is a step in the right direction, but it does not go far enough. There is a blaring omission in the Governor's recommendation: attendance adjustment. **This \$56 million omission could mean further increases in tuition rates for students. On top of their already heavy burden this could make a strenuous situation into a crisis for low and middle income students. The U of M's proposal is modest and balanced and deserves full funding.**

Sincerely,



Emily Serafy Cox  
Legislative Affairs Chair  
Minnesota Student Association  
2301 26th Ave S  
Minneapolis, MN  
55406