

Agency Purpose

The University of Minnesota is both the state's land-grant university, with a strong tradition of education and public engagement, and a major research institution, with faculty of national and international reputation. Its statutory mission is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and ... be the primary state supported academic agency for research and extension services." (M.S. 135A.052)

The University of Minnesota, founded in 1851, has five campuses (Twin Cities, Duluth, Morris, Crookston, Rochester), six research and outreach centers, two biological stations, one forestry station and regional extension offices throughout the state.

The University is a multi-campus university. The chief operating officers for the Twin Cities campus also serve as the senior officers for the entire University.

The Twin Cities campus is one of the two largest campuses in the country in terms of enrollment (50,883 students) and also one of the most comprehensive. It is the state's major research campus and with more than \$600 million annually in research grant awards, it accounts for more than 98% of all research expenditures at Minnesota's higher education institutions, both public and private.

The University of Minnesota, Duluth (11,184 students) is a comprehensive regional university that offers instruction through the master's degree. The campus contributes to meeting the cultural needs of the region and serves as a focal point for the economic development of the region through community outreach and through an emphasis on the sea-grant and land-grant components of its program.

The University of Minnesota, Morris (1,686 students) is one of the top public liberal arts colleges in the nation, providing an innovative and high quality residential education to its undergraduates that emphasizes faculty-student collaborative research, study abroad and service learning.

The University of Minnesota, Crookston (2,346 students) provides applied, career-oriented education through baccalaureate programs that combine theory, practice and experimentation in a technologically rich environment.

The University of Minnesota, Rochester, established in 2006, is focused on meeting the educational needs of the Rochester area. With more than 35 programs available, UMR provides graduate and undergraduate degrees in health sciences, biotechnology, business, education, graphic design, public health, and social work.

Core Functions

The University of Minnesota's three mission activities are:

- ◆ teaching and learning;
- ◆ research and discovery; and
- ◆ outreach and public service.

At A Glance

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

Statewide Presence:

- ◆ Five campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- ◆ Six research and outreach centers (Crookston, Grand Rapids, Lamberton, Morris, Rosemount, Waseca)
- ◆ Two biological stations (Lake Itasca, Cedar Creek)
- ◆ One forestry center (Cloquet)
- ◆ 18 regional University of Minnesota Extension Offices

Annual Budget:

\$3.0 billion (FY 2009 budgeted revenues)

Student Enrollment (Fall 2007):

40,572	Undergraduate
14,906	Graduate
3,939	First Professional
<u>6,682</u>	Non-Degree
66,099	TOTAL / all campuses

Faculty and Staff (Fall 2007):

19,274 Faculty and Staff
14,636 Student Workers (includes fellows, post-docs, and professionals in training)

Teaching and Learning: The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

Research and Discovery: The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

Outreach and Public Service: The University of Minnesota exchanges its knowledge and resources with society by making them accessible to the citizens of the state.

Operations

The University of Minnesota conducts its mission activities from its campuses and other facilities throughout the state. The University of Minnesota:

- ◆ provides instruction for more than 66,000 students;
- ◆ graduates more than 13,500 students, 36 percent with graduate or first professional degrees;
- ◆ conducts more than \$600 million in research sponsored by the National Institutes of Health, the National Science Foundation, many other federal agencies, and numerous private companies and foundations; and
- ◆ reaches out to more than one million Minnesotans through various outreach and public service activities.

Budget

The University of Minnesota's FY 2009 budgeted revenues of \$3.0 billion are primarily generated by five main sources of revenue:

◆ State Appropriations	\$721.9 million / 24%
◆ Tuition and Fees	\$622.8 million / 21%
◆ Sponsored Grants & Contracts	\$470.0 million / 16%
◆ Sales and Other Revenue	\$858.9 million / 28%
◆ Gift, Endowment Earnings and Other Restricted Sources	\$348.3 million / 11%

The University of Minnesota's total state appropriation includes both a general unrestricted appropriation that supports the University's core operations and appropriations that are restricted to special purposes (e.g., University of Minnesota Extension Service).

Instructional Expenditures

Laws of Minnesota for 2007 require the public post-secondary systems in Minnesota to report instructional and non-instructional expenditures in the biennial budget document. For fiscal year 2006-07 (the most recent year of audited financial data) the University of Minnesota's instructional expenditures totaled \$644,461,760. The definition of instructional expenditures 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." This definition was developed by the Integrated Post-Secondary Education Data System (IPEDS) and is used by higher education institutions for consistent cross-institution comparisons.

Non-instructional expenditures for fiscal year 2006-07 totaled \$1,910,893,614 and included the following IPEDS categories of expenses: Research, Public Service, Academic Support, Student Services, Institutional Support, Operations and Maintenance of Plant, Depreciation, Scholarships and Fellowships, Auxiliary Enterprises.

	<u>FY 2007</u>	<u>FY 2006</u>
Instructional Expenditures	\$644,461,760	\$621,355,308
Non-Instructional Expenditures	<u>\$1,910,893,614</u>	<u>\$1,774,824,054</u>
Total Operating Expenditures	\$2,555,355,374	\$2,396,179,362

Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	3,123	2,831	2,831	2,831	5,662
Forecast Base	3,123	2,831	0	0	0
Change		0	(2,831)	(2,831)	(5,662)
% Biennial Change from 2008-09					-100%
General					
Current Appropriation	711,622	697,142	697,142	697,142	1,394,284
Forecast Base	711,622	697,142	702,592	702,592	1,405,184
Change		0	5,450	5,450	10,900
% Biennial Change from 2008-09					-0.3%
Health Care Access					
Current Appropriation	2,157	2,157	2,157	2,157	4,314
Forecast Base	2,157	2,157	2,157	2,157	4,314
Change		0	0	0	0
% Biennial Change from 2008-09					0%
Miscellaneous Special Revenue					
Current Appropriation	22,250	22,250	22,250	22,250	44,500
Forecast Base	22,250	22,250	22,250	22,250	44,500
Change		0	0	0	0
% Biennial Change from 2008-09					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	3,209	3,331	0	0	0
General	706,922	699,842	703,992	703,592	1,407,584
Miscellaneous Special Revenue	22,250	22,250	22,250	22,250	44,500
Statutory Appropriations					
Health Care Access	2,157	2,157	2,157	2,157	4,314
Miscellaneous Agency	9,271	9,042	11,206	10,921	22,127
Total	743,809	736,622	739,605	738,920	1,478,525
<u>Expenditures by Category</u>					
Other Operating Expenses	17,400	17,400	17,400	17,400	34,800
Local Assistance	724,252	717,065	720,248	719,563	1,439,811
Transfers	2,157	2,157	1,957	1,957	3,914
Total	743,809	736,622	739,605	738,920	1,478,525
<u>Expenditures by Program</u>					
Maintenance & Operations	706,922	699,842	703,992	703,592	1,407,584
Permanent University Fund	9,271	9,042	11,206	10,921	22,127
Health Special Revenues	24,407	24,407	24,407	24,407	48,814
Lcmr/Mn Resources	3,209	3,331	0	0	0
Total	743,809	736,622	739,605	738,920	1,478,525

Program Description

The University of Minnesota, through its land grant mission of teaching and learning, research and discovery, and outreach and public service, is dedicated to advancing knowledge and serving as a partner for the public good. To that end, the University is committed to a vision to transform itself into one of the world's top public research universities.

Each year, the University serves more than 66,000 students, conducts approximately \$600 million in externally sponsored research and reaches out to more than one million Minnesotans through public service activities. All of the various activities necessary to bring this three-part mission to life make up the "program" of maintenance and operations.

State appropriations to the University are allocated throughout the system. State funding supports the work on each campus, across all units, in each college, and across a wide variety of departments and centers. The state special appropriations are restricted to particular purposes as indicated in law, while the general operations and maintenance appropriation is unrestricted and is used to support a portion of the University's core cost of instruction, research, public service, academic support, institutional support, student services and support, and operation and maintenance of the physical plant. Combined, these functional categories of expense make up the total of University operations.

Population Served

The University of Minnesota provides services to students and citizens of the state. Some of the University's services are so far-reaching that citizens of the nation and the world are beneficiaries. The University's missions of teaching and learning, research and discovery, and outreach and public service are mutually reinforcing activities and often intersect in the delivery of services.

The instructional mission serves students throughout their lifetimes and is delivered in different modalities – from classroom instruction, to the Internet, to outreach activities in local communities. More than 66,000 students enroll in undergraduate, graduate, and professional degree programs at the University. Programs at the University can be viewed at <http://onestop2.umn.edu/programCatalog/>

Talented secondary students receive instruction through the Post-Secondary Education Option Act, College in the Schools, the Talented Youth Mathematics program, the Minority Health High School Superstar Program, and many other programs. Adult learners have opportunities through online courses, professional development courses, and certificate programs, as well as educational outreach programs in communities throughout the state.

Research conducted at the University of Minnesota benefits the state and all of society. Research fuels job creation – for every \$1 million spent on university-based research, 39 jobs are created in Minnesota. Research expands the sum of human knowledge and research labs provide the training ground for future scientists. Research at the University has resulted in discoveries and inventions in agriculture, medicine, engineering, and other fields. Many start-up companies have been formed and technologies licensed as a result of University research. Discoveries – from seed stock to plant varieties, from animal vaccines to drugs for humans, from

Program at a Glance

Governance

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

Education

Student Enrollment (Fall 2007):	
40,572	undergraduate
14,906	graduate
3,939	first professional
<u>6,682</u>	non-degree
66,099	TOTAL all campuses

- ◆ More than 13,500 degrees awarded in 2007

Research

- ◆ \$619.0 million in research grant awards in fiscal year 2007; \$422.8 million from federal agencies and the balance from private sources, industry, and state and local governments
- ◆ 98% of research and development conducted by higher education institutions in Minnesota is conducted at the University of Minnesota
- ◆ 44 patents issued to U researchers in 2007 and 77 new technologies licensed

Public Service

- ◆ More than one million people served annually
- ◆ 18 regional extension offices statewide
- ◆ Six research and outreach centers in state

medical devices to engineering applications – all contribute to the high quality of life in Minnesota and the state's economy. Current University of Minnesota research programs are sponsored by hundreds of federal agencies, private foundations, and private companies. These sponsors are among the many who are served by the University. Highlights of fiscal year 2007 research activity can be found at <http://www.research.umn.edu/communications/publications/documents/OVPRAnnualReport07.pdf>

The outreach and public service mission of the University serves communities throughout the state. Outreach programs serve as a way to transfer and apply knowledge between the University and society. A full range of University expertise is offered to respond to the diverse needs of the citizens of the state. More than one million people are served annually by University public service activities. The largest program is the University of Minnesota Extension Service. Examples of the wide range of other programs available are: mini-medical school, a health care purchasing alliance, a swine disease eradication program, telemedicine, economic development for northeastern Minnesota, cooperative programs with school districts, and technology training. The Minnesota Geological Survey, the Veterinary Diagnostics Laboratory, and the Center for Urban and Regional Affairs are just a few of the centers at the University offering outreach services. University of Minnesota faculty who are veterinarians, dentists, pharmacists, and physicians also provide a special kind of public service through their clinical work at the University and affiliated hospitals and clinics.

Services Provided

The University of Minnesota's three mission activities are:

- ◆ teaching and learning,
- ◆ research and discovery, and
- ◆ outreach and public service.

Teaching and Learning: The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

Research and Discovery: The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

Outreach and Public Service: The University of Minnesota extends and applies its knowledge and resources with society by making them accessible to the citizens of the state.

Historical Perspective

Over the past decade, the University has given high priority to continuing the improvement of its undergraduate, graduate, and professional programs as can be measured by the success of its students (e.g., increased applications, quality of applicants, student satisfaction, and graduation and retention rates). The University offers unique opportunities to its undergraduates through its Undergraduate Research Opportunities Program, intensive seminars with distinguished faculty, and a wealth of disciplines for study, including many cutting-edge interdisciplinary fields. The University has also expanded residential learning – an educational model in which students with shared academic interests choose to reside together. And in cooperation with the state of Minnesota, the University has invested more than \$1 billion in capital improvements on all of its campuses to enhance the learning and research environments for students.

The University continues to grow its highly ranked research endeavor to produce pioneering solutions to issues faced by the citizens of Minnesota and people around the globe. In fiscal year 2007, the University was awarded \$619.0 million in grants to pursue research activities. Included in the figure is approximately \$423.0 million from federal agencies; additional grants were received from business and industry as well as state and local governments. The University was issued 44 patents in fiscal year 2007 and currently has more than 760 active licenses with industry. The University's Academic and Corporate Relations Center serves as a "front door" to connect Minnesota businesses and industry to the University's resources; the center received the 2007 Tekne Award for "Innovation Collaboration of the Year." Additionally, multiple ranking systems place the University of Minnesota among the top 10 public research universities nationwide.

Throughout the decades, the University has fulfilled its mission as the state's land-grant university through numerous public service and outreach activities. The best known, the University of Minnesota Extension Service, is one of the principle ways in which the University delivers the practical applications of its research to the citizens of the state. Through the commercialization of technology, continuing education programs, medical and dental clinics, and numerous other public engagement activities, the University of Minnesota improves the quality of life of all Minnesotans.

Key Program Goals

In 2004, the University embarked on a journey to achieve a higher standard of academic excellence, with a goal of becoming one of the top three public research universities in the world within a decade. Critical to obtaining this goal is a system of metrics and measurements by which to evaluate progress. The University Plan, Performance, and Accountability Report (available at <http://www.academic.umn.edu/accountability/reports/2008.html>) is a comprehensive report that aligns the University's aspirational goal with a set of strategic measures.

Key Program Measures

Within the University's comprehensive strategic review, four "pillars" upon which its efforts to achieve the aspirational goal were identified. They are:

- ◆ Exceptional Students: Recruit, educate, challenge, and graduate outstanding students who become highly motivated lifelong learners, leaders, and global citizens.
- ◆ Exceptional Faculty and Staff: Recruit, mentor, reward, and retain world-class faculty and staff who are innovative, energetic, and dedicated to the highest standards of excellence.
- ◆ Exceptional Organization: Be responsible stewards of resources, focused on service, driven by performance, and known as the best among our peers.
- ◆ Exceptional Innovation: Inspire exploration of new ideas and breakthrough discoveries that address the critical problems and needs of the University, state, nation, and the world.

Each of these areas has multiple criteria for measuring the University's progress toward achieving its strategic goal. These measures are enumerated, with comparative data across years and other institutions in the University Plan, Performance, and Accountability Report (available at: <http://www.academic.umn.edu/accountability/reports/2008.html>)

Program Funding

The general state appropriation for the University of Minnesota totaled \$632.1 million in budgeted revenues for fiscal year 2009. In addition to this general appropriation, the University receives restricted state funding for specific purposes at the University, \$67.2 million in budgeted revenues for fiscal year 2009. Combined, these general and restricted sources of state funding, \$699.3 million, support approximately 24% of the University's fiscal year 2009 total budget.

The University of Minnesota 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 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.

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UNIVERSITY OF MINNESOTA

Program: MAINTENANCE & OPERATIONS

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	711,622	697,142	697,142	697,142	1,394,284
Technical Adjustments					
Current Law Base Change			5,450	5,450	10,900
Forecast Base	711,622	697,142	702,592	702,592	1,405,184
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	706,922	699,842	703,992	703,592	1,407,584
Total	706,922	699,842	703,992	703,592	1,407,584
<u>Expenditures by Category</u>					
Other Operating Expenses	17,400	17,400	17,400	17,400	34,800
Local Assistance	689,522	682,442	686,792	686,392	1,373,184
Transfers	0	0	(200)	(200)	(400)
Total	706,922	699,842	703,992	703,592	1,407,584
<u>Expenditures by Activity</u>					
Maintenance & Operations	706,922	699,842	703,992	703,592	1,407,584
Total	706,922	699,842	703,992	703,592	1,407,584

UNIVERSITY OF MINNESOTA

Program: HEALTH SPECIAL REVENUES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
Health Care Access					
Current Appropriation	2,157	2,157	2,157	2,157	4,314
Forecast Base	2,157	2,157	2,157	2,157	4,314
Miscellaneous Special Revenue					
Current Appropriation	22,250	22,250	22,250	22,250	44,500
Forecast Base	22,250	22,250	22,250	22,250	44,500
<u>Expenditures by Fund</u>					
Direct Appropriations					
Miscellaneous Special Revenue	22,250	22,250	22,250	22,250	44,500
Statutory Appropriations					
Health Care Access	2,157	2,157	2,157	2,157	4,314
Total	24,407	24,407	24,407	24,407	48,814
<u>Expenditures by Category</u>					
Local Assistance	22,250	22,250	22,250	22,250	44,500
Transfers	2,157	2,157	2,157	2,157	4,314
Total	24,407	24,407	24,407	24,407	48,814
<u>Expenditures by Activity</u>					
Minnicare	2,157	2,157	2,157	2,157	4,314
Tobacco Medical Education	22,250	22,250	22,250	22,250	44,500
Total	24,407	24,407	24,407	24,407	48,814

UNIVERSITY OF MINNESOTA

Program: PERMANENT UNIVERSITY FUND

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Miscellaneous Agency	9,271	9,042	11,206	10,921	22,127
Total	9,271	9,042	11,206	10,921	22,127
<u>Expenditures by Category</u>					
Local Assistance	9,271	9,042	11,206	10,921	22,127
Total	9,271	9,042	11,206	10,921	22,127
<u>Expenditures by Activity</u>					
Permanent University Fund	9,271	9,042	11,206	10,921	22,127
Total	9,271	9,042	11,206	10,921	22,127

UNIVERSITY OF MINNESOTA
 Program: LCMR/MN RESOURCES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	3,123	2,831	2,831	2,831	5,662
Technical Adjustments					
One-time Appropriations			(2,831)	(2,831)	(5,662)
Forecast Base	3,123	2,831	0	0	0
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	3,209	3,331	0	0	0
Total	3,209	3,331	0	0	0
<u>Expenditures by Category</u>					
Local Assistance	3,209	3,331	0	0	0
Total	3,209	3,331	0	0	0
<u>Expenditures by Activity</u>					
Lcmr/Mn Resources	3,209	3,331	0	0	0
Total	3,209	3,331	0	0	0