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Minnesota State — Agency Profile

https://minnstate.edu/

AT A GLANCE

- Over 270,000 students served each year
- 26 separately accredited two-year colleges and 7 four-year universities located on 54 campuses
- Over 4,000 academic programs offering technical, pre-baccalaureate, baccalaureate, graduate, and applied doctoral degrees
- Over 7,000 employer partnerships across Minnesota
- Over 9,950 customized and specialized training, occupational, and professional classes
- Over 34,000 degrees, diplomas, and certificates awarded each year

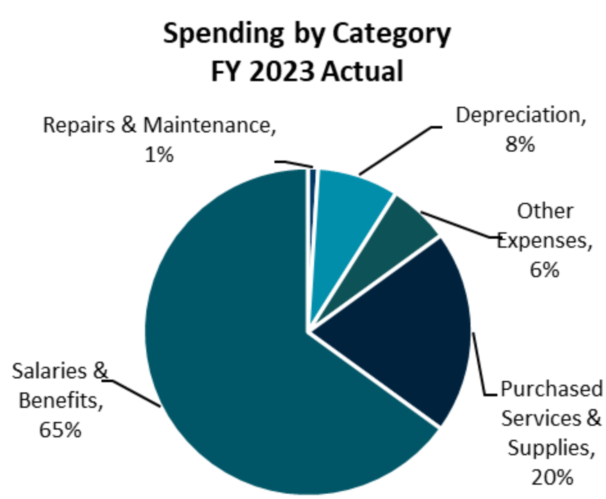
PURPOSE

Minnesota State plays a critical role in ensuring the economic prosperity of Minnesota, its communities, and its citizens by offering high quality, affordable higher education opportunities that are aligned with employer needs throughout the state. Almost two-thirds of Minnesotans enrolled in undergraduate programs are attending Minnesota State colleges and universities to create a better future for themselves, for their families, and for their communities.

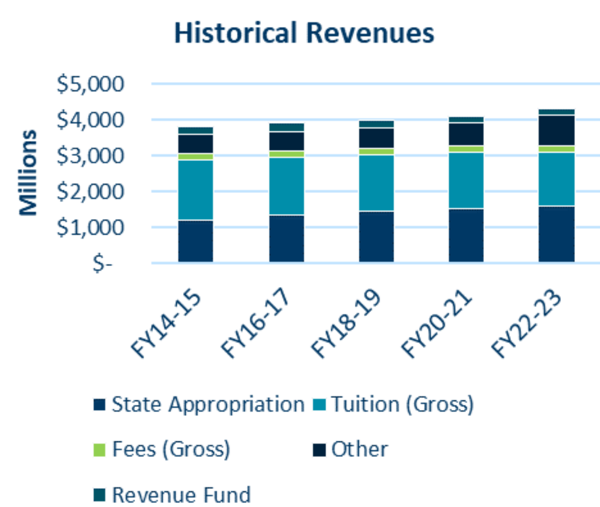
Consistent with our strategic framework, we strive to:

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

BUDGET



Source: Minnesota State Audited Financial Statements



Source: Minnesota State Audited Financial Statements

- Our largest expenditure category is salary and benefits which account for almost two-thirds of expenditures
- Our primary revenue sources are tuition and state appropriation

STRATEGIES

Minnesota's social and economic vibrancy continues to grow and develop in the wake of significant COVID-19 disruptions. With over sixty percent of Minnesota resident students who are pursuing an undergraduate credential and thousands more students who are pursuing skills and knowledge outside of a specific degree or credential, Minnesota State actively implements strategies to provide the talent that Minnesota needs. Recent workforce shortages come at the same time that demographic trends have reduced higher education enrollment. These factors make it all the more important that students who start on an educational program can finish it, even if their families have no past experience with higher education or have significant financial challenges. As we assess the changes our students and our economy are facing, Minnesota State is committed to strategies that focus on key areas that will provide the skilled graduates our economy will rely on to achieve robust post-pandemic growth. Specifically, our colleges and universities are facing changes in:

1. How our students learn and receive services—increasingly through remote and hybrid delivery methods
2. Who our students are—lower numbers of incoming students as historically key demographic groups such as high school graduates are going down; increasingly diverse students in age and backgrounds; significant numbers of economically fragile students who have difficulty starting higher education and continuing as their home- and work-lives change, and
3. What our campuses need to do to face new financial realities—preserving core programs and services that the campus cannot exist without

To respond to these changes, the collective work of Minnesota State is aligned in four areas:

- *Alignment with the changing needs of learners*. Ensure the success of our students, particularly those who learn differently from students in previous generations by:
    - Examining the interface of technology and its use by our students
    - Implementing changes in our classroom and modes of delivery to reflect the way today's students access, process, aggregate, and connect information
    - Preparing for the next wave of change that will impact our work

- *Alignment with the new demographics of an increasingly diverse student body*. Increase our efforts around diversity, equity, and inclusion as we respond to a demographic shift and welcome an increasing number of students from populations traditionally underserved by higher education by:
    - Engaging and immersing ourselves in traditionally underrepresented communities
    - Expanding the landscape of learning beyond the classroom
    - Learning with and from diverse communities
    - Providing the student support services required to ensure student success

- *Alignment with current and emergent talent needs of employers*. Operationalize our strategic framework priorities to ensure that Minnesota's businesses and industries have the talented workforce they need by:
    - Partnering with employers on curriculum advisory councils, student scholarships, and internship opportunities
    - Reorganizing our incumbent worker training offerings to ensure employers can access what they need easily and efficiently, no matter where in the state the expertise they need is offered

- *Alignment with challenging budget realities on our campuses*. Ensure the programmatic and financial sustainability of our campuses by:
    - Reprioritizing and reallocating our resources
    - Alleviating budget pressures through technology and better alignment and more efficient delivery of our curriculum

Guiding all these areas of work, Minnesota State's Equity 2030 goal is to eliminate equity gaps at every Minnesota State college and university. This means meeting the learning needs of all students, including historically underrepresented groups, so the same majority of all types of students can continue and complete their educational goals. This means students will progress towards their goals faster and that a higher-than-ever percentage of them will enter the workforce and contribute to the state's economic needs.

RESULTS

Minnesota State has developed many measures to monitor and assess performance over time. These measures track graduate outcomes, student success, affordability, diversity, efficient use of resources, enrollment, and stewardship of financial and physical resources, and are used by leadership to determine how our strategies are working. Five key measures are shown below.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Student Persistence and Completion	Result	Percent of a fall entering cohort of regular and transfer students who have been retained, graduated, or transferred by the second fall term following original fall enrollment. System report: System 20240306, full-time students.	Over the past five years this metric has remained relatively stable and is a point lower than pre-pandemic measures.	March 2024: 76.0%
Completion Rate (college, university)	Result	Percent of an entering cohort of undergraduate regular and transfer students that has completed. Completion is measured as graduation by the end of the sixth spring after entry at the universities and as graduation or transfer by the end of the third spring after entry at the colleges. System reports: Colleges 20240306 and Universities 20240306, both full-time students.	The college completion rate is at an all-time high and represents a three-point gain from the previous cohort; the university completion rate is also at an all-time high but is growing at a more measured rate.	March 2024: 57.5% college 57.4% university
Related Employment of Graduates	Result	Percent of graduates available for related employment in the year after graduation who reported they were employed during the year after graduation in a job that was related to their program or major. System report: System 20240306.	This metric is down from a high in FY2018 of 89.5%, but data collection and consistency issues may be a concern. Has remained mid- to high-80 percent range.	March 2024: 85.6%

Measure name	Measure type	Measure data source	Historical trend	Most recent data
System Share, Minnesota Resident Enrollment	Quantity	Percent of enrolled undergraduates at Minnesota State institutions with a home state of Minnesota, expressed as a percent of total state enrolled undergraduates with a home state of Minnesota, excepting the enrollment of Walden and Capella. Minnesota Office of Higher Education data, https://www.ohe.state.mn.us/sPages/student_enroll_data3.cfm	This metric continues to slowly decline over time but remains above 50 percent.	September 2024: 59.1%
Percent Students of Color	Quality	Percent of previous fiscal year enrolled students at Minnesota State who indicated race/ethnicity values other than "White," "Unknown," "US Nonresident." System report: ASA All Access, Institution Trend-Headcount, FY2024.	This metric has continued to increase over the past 17 years; this is an all-time high.	September 2024: 32.4%

Minnesota Statutes Chapter 136F (https://www.revisor.mn.gov/statutes/cite/136F) provides the legal authority for Minnesota State.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Expenditures by Fund						
2050 - Environment & Natural Resources	435	522	639	685		
4000 - MN State Colleges/Universities	1,546,708	1,688,179	1,788,447	1,805,784	1,794,410	1,794,371
4002 - MNSCU Special Revenue	7,881	8,983	11,622	10,102	10,102	10,060
4003 - MNSCU Federal	196,533	125,525	82,236	61,617	62,380	62,380
4004 - MNSCU Gift	250	1,404	1,868	700	700	700
4005 - MNSCU Enterprise Activities	9,791	8,495	8,693	8,983	9,283	9,283
4030 - MNSCU Agency	41,802	40,064	36,634	34,500	34,500	34,500
7350 - Sub Supplemental & Ira Retire	328	659	60	450	450	350
Total	**1,803,728**	**1,873,831**	**1,930,199**	**1,922,821**	**1,911,825**	**1,911,644**
Biennial Change				175,461		(29,551)
Biennial % Change				5		(1)
Expenditures by Program						
Minnesota State	1,803,728	1,873,831	1,930,199	1,922,821	1,911,825	1,911,644
Total	**1,803,728**	**1,873,831**	**1,930,199**	**1,922,821**	**1,911,825**	**1,911,644**
Expenditures by Category						
Compensation	1,339,445	1,393,990	1,432,465	1,427,514	1,429,443	1,429,343
Operating Expenses	443,450	459,450	481,837	473,056	464,999	464,918
Grants, Aids and Subsidies	13,386	15,921	15,897	22,251	17,383	17,383
Capital Outlay-Real Property	7,447	4,470				
Total	**1,803,728**	**1,873,831**	**1,930,199**	**1,922,821**	**1,911,825**	**1,911,644**
Total Agency Expenditures	1,803,728	1,873,831	1,930,199	1,922,821	1,911,825	1,911,644
Internal Billing Expenditures		(4)				
Expenditures Less Internal Billing	**1,803,728**	**1,873,835**	**1,930,199**	**1,922,821**	**1,911,825**	**1,911,644**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	FY27
1000 - General						
Direct Appropriation	792,392	789,491	949,396	924,232	875,689	875,700
Transfers Out	792,392	789,491	949,396	924,232	875,689	875,700

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	FY27
2050 - Environment & Natural Resources						
Balance Forward In	1,305	1,325	803	511		
Direct Appropriation	520		393	174	0	0
Cancellations	65		46			
Balance Forward Out	1,325	803	511			
Expenditures	**435**	**522**	**639**	**685**		
Biennial Change in Expenditures				367		(1,324)
Biennial % Change in Expenditures				38		(100)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	FY27
4000 - MN State Colleges/Universities						
Balance Forward In	733,486	802,662	749,590	806,154	797,798	740,127
Receipts	850,285	870,445	910,675	886,582	886,582	886,582
Transfers In	792,630	789,491	956,864	933,568	880,157	880,168
Transfers Out	27,031	24,829	22,528	22,722	30,000	30,000
Balance Forward Out	802,662	749,590	806,154	797,798	740,127	682,506
Expenditures	**1,546,708**	**1,688,179**	**1,788,447**	**1,805,784**	**1,794,410**	**1,794,371**
Biennial Change in Expenditures				359,344		(5,450)
Biennial % Change in Expenditures				11		(0)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	FY27
4002 - MNSCU Special Revenue						
Balance Forward In	10,360	10,455	13,879	14,344	14,564	13,326
Receipts	7,976	12,406	12,087	8,864	8,864	8,864
Transfers In				1,458		
Balance Forward Out	10,455	13,878	14,344	14,564	13,326	12,130
Expenditures	**7,881**	**8,983**	**11,622**	**10,102**	**10,102**	**10,060**
Biennial Change in Expenditures				4,860		(1,562)
Biennial % Change in Expenditures				29		(7)

4003 - MNSCU Federal

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	8,876	10,271	19,236	9,562	10,300	10,275
Receipts	197,928	134,460	72,562	62,355	62,355	62,355
Balance Forward Out	10,271	19,206	9,562	10,300	10,275	10,250
Expenditures	**196,533**	**125,525**	**82,236**	**61,617**	**62,380**	**62,380**
Biennial Change in Expenditures				(178,205)		(19,093)
Biennial % Change in Expenditures				(55)		(13)

4004 - MNSCU Gift

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	1,661	2,401	2,968	2,200	2,000	1,800
Receipts	990	1,971	1,100	500	500	500
Balance Forward Out	2,401	2,968	2,200	2,000	1,800	1,600
Expenditures	**250**	**1,404**	**1,868**	**700**	**700**	**700**
Biennial Change in Expenditures				914		(1,168)
Biennial % Change in Expenditures				55		(45)

4005 - MNSCU Enterprise Activities

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	3,992	2,984	3,013	2,682	2,899	2,816
Receipts	8,782	8,524	8,362	9,200	9,200	9,200
Balance Forward Out	2,983	3,013	2,682	2,899	2,816	2,733
Expenditures	**9,791**	**8,495**	**8,693**	**8,983**	**9,283**	**9,283**
Biennial Change in Expenditures				(610)		890
Biennial % Change in Expenditures				(3)		5

4006 - MNSCU Endowment

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	110					
Receipts	(110)					

4030 - MNSCU Agency

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	1,523	5,960	1,263	1,241	1,241	1,241
Receipts	46,239	35,367	36,612	34,500	34,500	34,500
Balance Forward Out	5,960	1,263	1,241	1,241	1,241	1,241
Expenditures	**41,802**	**40,064**	**36,634**	**34,500**	**34,500**	**34,500**
Biennial Change in Expenditures				(10,732)		(2,134)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Biennial % Change in Expenditures				(13)		(3)

7350 - Sub Supplemental & Ira Retire

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27
Balance Forward In	497	597	376	662	512	362
Receipts	428	438	346	300	300	300
Balance Forward Out	597	376	662	512	362	312
Expenditures	**328**	**659**	**60**	**450**	**450**	**350**
Biennial Change in Expenditures				(477)		290
Biennial % Change in Expenditures				(48)		57

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	**924,232**	**924,232**	**924,232**	**1,848,464**
Base Adjustments				
All Other One-Time Appropriations		(50,000)	(50,000)	(100,000)
Current Law Base Change		1,457	1,468	2,925
Forecast Base	**924,232**	**875,689**	**875,700**	**1,751,389**
Fund: 2050 - Environment & Natural Resources				
FY2025 Appropriations	**174**	**174**	**174**	**348**
Base Adjustments				
All Other One-Time Appropriations		(174)	(174)	(348)
Forecast Base	**174**			
Dedicated				
Fund: 4000 - MN State Colleges/Universities				
Planned Spending	**1,805,784**	**1,794,410**	**1,794,371**	**3,588,781**
Forecast Base	**1,805,784**	**1,794,410**	**1,794,371**	**3,588,781**
Fund: 4002 - MNSCU Special Revenue				
Planned Spending	**10,102**	**10,102**	**10,060**	**20,162**
Forecast Base	**10,102**	**10,102**	**10,060**	**20,162**
Fund: 4003 - MNSCU Federal				
Planned Spending	**61,617**	**62,380**	**62,380**	**124,760**
Forecast Base	**61,617**	**62,380**	**62,380**	**124,760**
Fund: 4004 - MNSCU Gift				
Planned Spending	**700**	**700**	**700**	**1,400**
Forecast Base	**700**	**700**	**700**	**1,400**
Fund: 4005 - MNSCU Enterprise Activities				
Planned Spending	**8,983**	**9,283**	**9,283**	**18,566**
Forecast Base	**8,983**	**9,283**	**9,283**	**18,566**
Fund: 4030 - MNSCU Agency				
Planned Spending	**34,500**	**34,500**	**34,500**	**69,000**
Forecast Base	**34,500**	**34,500**	**34,500**	**69,000**

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 7350 - Sub Supplemental & Ira Retire				
Planned Spending	450	450	350	800
Forecast Base	450	450	350	800

Revenue Change Summary

Dedicated

	FY25	FY26	FY27	Biennium 2026-27
Fund: 4000 - MN State Colleges/Universities				
Forecast Revenues	886,582	886,582	886,582	1,773,164
Fund: 4002 - MNSCU Special Revenue				
Forecast Revenues	8,864	8,864	8,864	17,728
Fund: 4003 - MNSCU Federal				
Forecast Revenues	62,355	62,355	62,355	124,710
Fund: 4004 - MNSCU Gift				
Forecast Revenues	500	500	500	1,000
Fund: 4005 - MNSCU Enterprise Activities				
Forecast Revenues	9,200	9,200	9,200	18,400
Fund: 4030 - MNSCU Agency				
Forecast Revenues	34,500	34,500	34,500	69,000
Fund: 7350 - Sub Supplemental & Ira Retire				
Forecast Revenues	300	300	300	600

Minnesota State

FY 2026-27 Biennial Budget Change Item

Change Item Title: Student Affordability and System Operations

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	93,000	192,000	192,000	192,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	93,000	192,000	192,000	192,000
FTEs	**0**	**0**	**0**	**0**

Request:

This request is to increase the state portion of funding for Minnesota State college and university operations by $93 million in the first year and $99 million in the second year of the biennium. The other main portion of the system's operating budget comes from students through tuition and fees.

This request represents a change of roughly 11 percent each year as compared to total annual appropriations to Minnesota State in current funding.

Rationale/Background:

Minnesota State is the nation's third largest system of colleges and universities, with 54 campuses in 47 communities across the state. Roughly 270,000 students are provided credit and non-credit education each year. Approximately 63 percent of all Minnesota residents pursuing an undergraduate credential do so at a Minnesota State college or university. The seven universities and 26 colleges offer over 4,000 academic programs and provide the bulk of the state's health care workers, peace officers, teachers, welders, plumbers, etc., by awarding over 34,000 degrees, certificates, and diplomas each year. Fourteen thousand faculty and staff across the state account for over a third of all State of Minnesota employees and actively partner with local business and industry to provide educational opportunities that fit the community, including almost 10,000 customized training, occupational, and professional classes. With these dimensions, Minnesota State is arguably the state's largest economic development agency.

State appropriation is one of two primary sources of funding for our colleges and universities, the other main source being tuition. At the system level, the relationship between state appropriation and tuition was nearly 2/3 appropriation and 1/3 tuition in fiscal year 2002, which is the goal set by the legislature in Minnesota Statute. In 2013, largely because of record-high enrollment in response to the recession and annual double-digit percentage tuition increases from 2002 to 2005, the state appropriation share hit an all-time low at 40 percent, with tuition revenue providing 60 percent of annual revenues. Since that time, changes on both sides of the partnership have moved the relationship back towards the statutory goal.

In the decade before the 2024-2025 biennium, tuition revenues had experienced downward trends as system enrollment had decreased and cumulative tuition increases had been less than the rate of inflation. Fiscal year 2011 was the apex in the system's enrollment with 157,903 full-year equivalent (FYE) credit students. Since that peak, the system has roughly 45,000 (28.5 percent) fewer FYE in fiscal year 2025 budgets compared to fiscal year 2011. Legislative limitations and freezes on tuition rate increases in recent bienniums have also kept tuition revenues lower than they might have been otherwise. While appropriation amounts have increased over the

years, those increases have not always offset tuition rate limitations that have been included in legislation since fiscal year 2014.

Adding complexity to the appropriation and tuition relationship is the fact that each college and university has its own mix of tuition and appropriation, based on the history of each institution. Due to their funding history going back to premerger, lower tuition rates, and two-year sector specific funding from the legislature, colleges tend to be more reliant on state appropriation, whereas universities tend to be more reliant on tuition revenues. Institutions that rely more on tuition or have lower tuition rates than their system peers have found that tuition limitations have made financial planning more difficult.

State funding for the 2024-2025 biennium provided substantial new support—including $50 million in one-time funding to help offset lost tuition as enrollment levels come back from pandemic lows—and has brought the current relationship to nearly 56 percent appropriation and 44 percent tuition. Out of concern for potential future state general fund limitations, however, the amounts set as beginning base numbers for the next biennium are significantly lower. Of the $292.9 million increase appropriated for the fiscal 2024-2025 biennium, only $168.3 million (57 percent) continues in base funding for the fiscal 2026-2027 biennium. Planning for fiscal year 2024 and fiscal year 2025 budgets was done in consideration of the fact that 35 percent of the new Minnesota State Stabilization money would go away without legislative action, including $50 million in one-time support and $45 million in ongoing operation money that was no continued as base funding. Funding to replace tuition increases also drops by $25 million in the fiscal 2026-2027 base as compared to the fiscal year 2025 funding level.

Developments that occurred after enactment of the fiscal 2024-2025 biennial budget added to budgetary challenges. Increases in compensation and non-compensation costs were higher than anticipated in many cases across the system. To address the cost increases and pressures that colleges and universities were facing, a supplemental budget request of $61 million was made to bridge the gaps in fiscal year 2024 and fiscal year 2025 budgets. This amount was calculated as the gap between the $128 million in system stabilization funding received and the $264 million in adjusted estimate of biennial compensation and operating cost increases. Because this request was not funded, more current one-time funding has had to be used for ongoing costs. This mismatch has made budgetary challenges even more difficult for colleges and universities.

Proposal:

This request is designed to meet the evolving needs of ongoing college, university, and system office operations while allowing the Board of Trustees to set tuition through its extensive consultation process. This process allows decision making to be respected at the campus level. Both the state appropriation side of college and university funding and the tuition revenue side of funding would be addressed by this request. Potential overall tuition increases would be directly related to the amount of additional base funding received out of the $285 million request. Specific tuition rate changes would focus on instances where compelling needs exist to align rates better with costs and other rates within the institution or system. The $285 million amount is calculated to allow for an average increase across all costs of five percent, based on the fiscal year 2025 approved budget. The approved fiscal year 2025 budget includes the budgets of the 26 colleges, the 7 universities, and the system office.

Freezes on tuition increases enacted in recent bienniums have kept increases in student costs minimal. Limited exceptions have been provided. For example, differential tuition rates have been allowed to increase where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Also, during the fiscal 2022-2023 biennium, universities were allowed to increase base tuition to adjust for the reduction of online differential charges, provided the change was revenue-neutral to the university’s operating revenue. This adjustment was made by most of the universities, based on student input showing that rate simplification and acknowledgement that all courses now use online content made sense to them. Pressure to choose a lower-priced on-campus version of the same course but worry about transportation was one concern expressed by students.

For the fiscal 2026-2027 biennium, the intention would be that institutions would be allowed to increase tuition in limited instances where: costs for course or program delivery have increased due to circumstances beyond the control of the college or university; online differential tuition rates are combined into base tuition rates to reduce the complexity of tuition choices; high-cost programs are not covering unique program costs with the current rate; and where other compelling reasons indicate that tuition adjustments are justified.

Impact on Children and Families, Equity and Inclusion:

This request helps keep higher education available for all members of any Minnesota family, children, parents, and senior citizens. The facilities of Minnesota State are found all across the state and provide resources for a wide variety of educational opportunities, from brief certificate courses to a wealth of undergraduate and graduate degrees. Beyond that, the colleges and universities of Minnesota State provide communities with information, cultural and sporting events, and community-accessible facilities.

Minnesota State's Equity 2030 initiative provides a systemwide framework for equity and inclusion. Equity 2030 focuses on completion rates of learner groups, including low-income students, first-generation students, students of color, and indigenous students. In order for Minnesota to have the skilled workforce needed for economic development and growth, the persistence and completion of all students must be supported. As the demographic groups that have historically provided most graduates have become smaller in recent years, the effects of this request on groups with historically lower completion rates addresses both the equity and economic imperatives that face the state.

Consultation:

Between September 11 and October 1, 2024, the chancellor, board chair and vice chair and several other trustees participated in a series of listening sessions held across the state. A total of nine listening sessions were held on campuses of the Minnesota State system. The goal of these sessions was for internal and external stakeholders to identify key priorities to help guide Minnesota State's fiscal 2026-2027 biennial budget request. There was strong turnout at each of the nine sessions. Participants included students, faculty, staff, business and community leaders, college and university foundation board members, legislators, legislative staff, and other elected officials.

While each session had a slightly different emphasis depending on the composition of the audience, overall, there were consistent themes that emerged across the nine sessions. The priorities that emerged included focusing on student affordability while ensuring there are sufficient wraparound services, continuing and increasing the investments in workforce development, providing adequate funding for college and university operations, and securing funding to address critical facility maintenance and repair projects.

Students at multiple sessions provided powerful personal testimonies where they expressed appreciation for the new financial aid programs and the support they receive from faculty and staff on their educational journey. These students stressed that college affordability does not only include the cost of tuition and fees, but the total cost of attendance which could include day care, transportation, housing, and other basic needs. Faculty, staff, and administrators discussed the need for additional staff and resources to be able to fully support students and the increased demand that is being experienced due to enrollment increases. They talked about the crucial need for financial support directly to students, including additional student scholarships; additional student emergency grants; and making all required internships, practicums, student teaching, and other non-classroom activities paid experiences. We also heard about the need for additional student services in the form of mental health resources, social workers, community resource connectors, and additional college and university staffing to provide services, including campus counselors.

Business and industry partners consistently provided testimony on the value of the relationships they have with college and university faculty and leadership in providing graduates to meet the workforce needs of the region and the state. Specific examples were given where workforce shortages are still being experienced and more graduates are needed. There was strong support to build off the industry sector programming funding and the upgrading of equipment and learning environment funding that was received in the 2024-2025 biennium. In addition, many supported the continuance and expansion of the leveraged equipment program and workforce development scholarships.

Increased funding for basic college and university operations was also recognized as an essential need area. Participants supported direct campus support to cover inflation to address local cost pressures. Without that support, examples were given of budget reductions and unfilled faculty and staff positions at some institutions that were implemented to support unfunded inflationary increases. Faculty and staff compensation not keeping up with the market and inflation was a concern. There was testimony about making sure the system asks for what we need, not what we think we can get and to continue to advocate for the state to return to funding two thirds of a student’s education. The more the state invests in campus operations, the less reliance there will be on tuition revenue to support campus operations. Flexibility in setting tuition and fee rates was also high on participants’ minds, as there are local factors that need to be considered such as the costs of high demand programs and ensuring the student’s campus needs are met by providing an appropriate level of student services and student life experiences.

All sessions also included testimony about the need for asset preservation funding. The backlog of deferred maintenance continues to grow at a faster pace than the resources received from the state to address those issues. There was concern expressed about there being no bonding bill last session that has added to that backlog. The lack of a continuous predictable investment in facilities has had an impact not only on the operating budget, but more importantly on the students’ learning experiences. At a few sessions, there were also requests from campus leadership to seek demolition funding to address buildings that are at the end of their useful life or have been mothballed.

Minnesota State

FY 2026-27 Biennial Budget Change Item

Change Item Title: Critical Infrastructure

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	100,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	100,000	0	0	0
FTEs	**0**	**0**	**0**	**0**

Request:

This request is for a one-time appropriation of $100 million in the first year of the biennium to address the most urgent immediate needs in critical infrastructure.

This request represents a one-time addition of roughly 5 percent compared to current biennial appropriations to Minnesota State.

Rationale/Background:

Minnesota State is the nation's third largest system of colleges and universities, with 54 campuses in 47 communities across the state. Roughly 270,000 students are provided credit and non-credit education each year. Approximately 63 percent of all Minnesota residents pursuing an undergraduate credential do so at a Minnesota State college or university. The seven universities and 26 colleges offer over 4,000 academic programs and provide the bulk of the state's health care workers, peace officers, teachers, welders, plumbers, etc., by awarding over 34,000 degrees, certificates, and diplomas each year. Fourteen thousand faculty and staff across the state account for over a third of all State of Minnesota employees and actively partner with local business and industry to provide educational opportunities that fit the community, including almost 10,000 customized training, occupational, and professional classes. With these dimensions, Minnesota State is arguably the state's largest economic development agency.

State appropriation is one of two primary sources of funding for our colleges and universities, the other main source being tuition. At the system level, the relationship between state appropriation and tuition was nearly 2/3 appropriation and 1/3 tuition in fiscal year 2002, which is the goal set by the legislature in Minnesota Statute. In 2013, largely because of record-high enrollment in response to the recession and annual double-digit percentage tuition increases from 2002 to 2005, the state appropriation share hit an all-time low at 40 percent, with tuition revenue providing 60 percent of annual revenues. Since that time, changes on both sides of the partnership have moved the relationship back towards the statutory goal.

In the decade before the 2024-2025 biennium, tuition revenues had experienced downward trends as system enrollment had decreased and cumulative tuition increases had been less than the rate of inflation. Fiscal year 2011 was the apex in the system's enrollment with 157,903 full-year equivalent (FYE) credit students. Since that peak, the system has roughly 45,000 (28.5 percent) fewer FYE in fiscal year 2025 budgets compared to fiscal year 2011. Legislative limitations and freezes on tuition rate increases in recent bienniums have also kept tuition revenues lower than they might have been otherwise. While appropriation amounts have increased over the

years, those increases have not always offset tuition rate limitations that have been included in legislation since fiscal year 2014.

Adding complexity to the appropriation and tuition relationship is the fact that each college and university has its own mix of tuition and appropriation, based on the history of each institution. Due to their funding history going back to premerger, lower tuition rates, and two-year sector specific funding from the legislature, colleges tend to be more reliant on state appropriation, whereas universities tend to be more reliant on tuition revenues. Institutions that rely more on tuition or have lower tuition rates than their system peers have found that tuition limitations have made financial planning more difficult.

State funding for the 2024-2025 biennium provided substantial new support—including $50 million in one-time funding to help offset lost tuition as enrollment levels come back from pandemic lows—and has brought the current relationship to nearly 56 percent appropriation and 44 percent tuition. Out of concern for potential future state general fund limitations, however, the amounts set as beginning base numbers for the next biennium are significantly lower. Of the $292.9 million increase appropriated for the fiscal 2024-2025 biennium, only $168.3 million (57 percent) continues in base funding for the fiscal 2026-2027 biennium. Planning for fiscal year 2024 and fiscal year 2025 budgets was done in consideration of the fact that 35 percent of the new Minnesota State Stabilization money would go away without legislative action, including $50 million in one-time support and $45 million in ongoing operation money that was no continued as base funding. Funding to replace tuition increases also drops by $25 million in the fiscal 2026-2027 base as compared to the fiscal year 2025 funding level.

Developments that occurred after enactment of the fiscal 2024-2025 biennial budget added to budgetary challenges. Increases in compensation and non-compensation costs were higher than anticipated in many cases across the system. To address the cost increases and pressures that colleges and universities were facing, a supplemental budget request of $61 million was made to bridge the gaps in fiscal year 2024 and fiscal year 2025 budgets. This amount was calculated as the gap between the $128 million in system stabilization funding received and the $264 million in adjusted estimate of biennial compensation and operating cost increases. Because this request was not funded, more current one-time funding has had to be used for ongoing costs. This mismatch has made budgetary challenges even more difficult for colleges and universities.

Proposal:

Asset preservation is a critical need that has increased over many years due to budgetary limitations and limited funding received through the Higher Education Asset Preservation and Replacement (HEAPR) program. $50 million in one-time funding would be allocated to work towards addressing the backlog of asset preservation needs. As noted in the system's FY2024 Capital Request, almost $3 billion is needed over the next decade to address Minnesota State's backlog renewal need.

Funding for building demolition and associated site repurposing, such as creating additional campus green space, is another pressing need on several campuses. Demolition of a facility that can no longer be used is not a cost that can be supported with state bond proceeds. However, the need is significant because costs of maintaining un-usable facilities take funds away from other areas where they are urgently needed. Also, having run-down and unattractive facilities on campus undermines the campus's sense of community. $25 million in one-time funding would be allocated to support campuses that have identified buildings in their comprehensive facilities plan that need to be demolished.

The Workday student system, part of the broader NextGen Enterprise Resource Planning system, is in the beginning stages of development. This student system will be significantly more complex than any yet developed in the nation. The data that will be tracked, managed, and made readily accessible to students will provide colleges and universities with extensively valuable new online resources. $25 million in one-time funding would be allocated to the development and the implementation of this system.

Impact on Children and Families, Equity and Inclusion:

This request helps keep higher education available for all members of any Minnesota family, children, parents, and senior citizens. The facilities of Minnesota State are found all across the state and provide resources for a wide variety of educational opportunities, from brief certificate courses to a wealth of undergraduate and graduate degrees. Beyond that, the colleges and universities of Minnesota State provide communities with information, cultural and sporting events, and community-accessible facilities.

Minnesota State's Equity 2030 initiative provides a systemwide framework for equity and inclusion. Equity 2030 focuses on completion rates of learner groups, including low-income students, first-generation students, students of color, and indigenous students. In order for Minnesota to have the skilled workforce needed for economic development and growth, the persistence and completion of all students must be supported. As the demographic groups that have historically provided most graduates have become smaller in recent years, the effects of this request on groups with historically lower completion rates addresses both the equity and economic imperatives that face the state.

Consultation:

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Minnesota State

FY 2026-27 Biennial Budget Change Item

Change Item Title: Student Support

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	20,000	20,000	20,000	20,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20,000	20,000	20,000	20,000
FTEs	**0**	**0**	**0**	**0**

Request:

This request is to increase funding for Minnesota State college and university operations by $20 million in each year of the biennium to increase critical campus-based services and assistance that enable student success.

This request represents a change of roughly 2 percent each year as compared to total annual appropriations to Minnesota State in current funding.

Rationale/Background:

Minnesota State is the nation's third largest system of colleges and universities, with 54 campuses in 47 communities across the state. Roughly 270,000 students are provided credit and non-credit education each year. Approximately 63 percent of all Minnesota residents pursuing an undergraduate credential do so at a Minnesota State college or university. The seven universities and 26 colleges offer over 4,000 academic programs and provide the bulk of the state's health care workers, peace officers, teachers, welders, plumbers, etc., by awarding over 34,000 degrees, certificates, and diplomas each year. Fourteen thousand faculty and staff across the state account for over a third of all State of Minnesota employees and actively partner with local business and industry to provide educational opportunities that fit the community, including almost 10,000 customized training, occupational, and professional classes. With these dimensions, Minnesota State is arguably the state's largest economic development agency.

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Proposal:

Many challenges students face are outside of the classroom, but can be significant barriers to academic completion even when students are progressing in the classroom. Core student support staff continues to evolve to address more timely issues of mental health and life challenge navigation. The request would be distributed as follows:

- $32.5 million to provide campus staffing to connect students to essential resources that have been created like basic needs supports, emergency grants, the Mantra Health mental health resource, and other campus-based resources
- $5.5 million for emergency grants, which would add $2.75 million per year to the $2.25 million per year currently available through OHE
- $2 million ($1 million per year) to continue current funding levels for the development of free course materials

Campus leaders consistently report that they are seeing increases in the number of students that are seeking support resources and services including, but not limited to, basic needs and mental health. Coordinated, collaborative work across the Minnesota State system has identified food, housing, mental health, transportation, child/familial care, emergency financial support, and certain aspects of technology/internet access as components of student basic needs. With increased enrollment and programs in place like the North Star Promise, American Indian Scholars, and others designed to increase access to higher education, student support resources designed to support persistence and retention are increasingly important so we can provide the support necessary for our students to be successful. Minnesota State students come to our campuses at many different ages, different points in their personal and professional lives, with different family needs, with different financial needs, with different emotional and mental health needs. Student support services help students plan how their educational efforts will fit into their other life activities, coordinate educational concerns with other concerns, navigate requirements, take advantage of opportunities, and manage complex activities made more difficult by a student's personal challenges.

Each college and university will have access to a specific allocation of funds to provide support for basic needs, mental health, and other high need student services. One-time funding in the current biennium has been distributed using the Access & Opportunity funding allocation formula, which focuses on underrepresented students based on the combination of the number of first generation and Pell-eligible students in addition to overall fall headcount.

Campuses will continue to coordinate new and enhanced services that are being scaled systemwide so that resources are not duplicated unnecessarily. This work includes consultation with campus staff engaged in work related to basic needs; clinical health; mental health; public health; health promotion; diversity, equity, and inclusion; student success/student life; and/or other faculty and staff who are leading and participating in ongoing mental health, basic needs, and student support efforts. Campuses also engage with their student senate and solicit real-time feedback from students when planning utilization of these one-time funds. Deliberate efforts will be made to evaluate and affirm the inclusive nature and cultural relevance of the activities supported with these funds.

A new mental health resources service was launched through Mantra Health in September 2024 and is now available at all 33 of our colleges and universities. Maintenance of this and other mental health services is incredibly important in aiding staff and faculty as they help students navigate and become aware of resources available to provide the support they need.

The emergency grant program that was launched in March 2024 has now surpassed $1.3 million in funding distributed. This number demonstrates that the need for this program is widespread among our students. One campus indicated that its allocation was gone in two days and there seems to be extensive need for this type of funding. It does not appear that current funding of $2.25 million per year through the budget of the Office of Higher Education (OHE) will be able to meet this need.

This request would also allow for the continuation of efforts that reduce students' total cost of attendance by seeking out and expanding free offerings for a wide range of course materials and resources. Additional open educational resources (OERs) will be provided or developed for high-demand fields of study, transfer pathways, and gaps in the existing marketplace. This request will also support expanding and sustaining the degrees students can complete with zero cost for textbooks, an effort that has already saved Minnesota State students over $8 million in textbook costs.

Impact on Children and Families, Equity and Inclusion:

This request helps keep higher education available for all members of any Minnesota family, children, parents, and senior citizens. The facilities of Minnesota State are found all across the state and provide resources for a wide variety of educational opportunities, from brief certificate courses to a wealth of undergraduate and graduate degrees. Beyond that, the colleges and universities of Minnesota State provide communities with information, cultural and sporting events, and community-accessible facilities.

Minnesota State's Equity 2030 initiative provides a systemwide framework for equity and inclusion. Equity 2030 focuses on completion rates of learner groups, including low-income students, first-generation students, students of color, and indigenous students. In order for Minnesota to have the skilled workforce needed for economic development and growth, the persistence and completion of all students must be supported. As the demographic groups that have historically provided most graduates have become smaller in recent years, the effects of this request on groups with historically lower completion rates addresses both the equity and economic imperatives that face the state.

Consultation:

Between September 11 and October 1, 2024, the chancellor, board chair and vice chair and several other trustees participated in a series of listening sessions held across the state. A total of nine listening sessions were held on campuses of the Minnesota State system. The goal of these sessions was for internal and external stakeholders to identify key priorities to help guide Minnesota State's fiscal 2026-2027 biennial budget request. There was strong turnout at each of the nine sessions. Participants included students, faculty, staff, business and community leaders, college and university foundation board members, legislators, legislative staff, and other elected officials.

While each session had a slightly different emphasis depending on the composition of the audience, overall, there were consistent themes that emerged across the nine sessions. The priorities that emerged included focusing on student affordability while ensuring there are sufficient wraparound services, continuing and increasing the investments in workforce development, providing adequate funding for college and university operations, and securing funding to address critical facility maintenance and repair projects.

Students at multiple sessions provided powerful personal testimonies where they expressed appreciation for the new financial aid programs and the support they receive from faculty and staff on their educational journey. These students stressed that college affordability does not only include the cost of tuition and fees, but the total cost of attendance which could include day care, transportation, housing, and other basic needs. Faculty, staff, and administrators discussed the need for additional staff and resources to be able to fully support students and the increased demand that is being experienced due to enrollment increases. They talked about the crucial need for financial support directly to students, including additional student scholarships; additional student emergency grants; and making all required internships, practicums, student teaching, and other non-classroom activities paid experiences. We also heard about the need for additional student services in the form of mental health resources, social workers, community resource connectors, and additional college and university staffing to provide services, including campus counselors.

Business and industry partners consistently provided testimony on the value of the relationships they have with college and university faculty and leadership in providing graduates to meet the workforce needs of the region and the state. Specific examples were given where workforce shortages are still being experienced and more graduates are needed. There was strong support to build off the industry sector programming funding and the upgrading of equipment and learning environment funding that was received in the 2024-2025 biennium. In addition, many supported the continuance and expansion of the leveraged equipment program and workforce development scholarships.

Increased funding for basic college and university operations was also recognized as an essential need area. Participants supported direct campus support to cover inflation to address local cost pressures. Without that support, examples were given of budget reductions and unfilled faculty and staff positions at some institutions that were implemented to support unfunded inflationary increases. Faculty and staff compensation not keeping up with the market and inflation was a concern. There was testimony about making sure the system asks for what we need, not what we think we can get and to continue to advocate for the state to return to funding two thirds of a student's education. The more the state invests in campus operations, the less reliance there will be on tuition revenue to support campus operations. Flexibility in setting tuition and fee rates was also high on participants' minds, as there are local factors that need to be considered such as the costs of high demand programs and ensuring the student's campus needs are met by providing an appropriate level of student services and student life experiences.

All sessions also included testimony about the need for asset preservation funding. The backlog of deferred maintenance continues to grow at a faster pace than the resources received from the state to address those issues. There was concern expressed about there being no bonding bill last session that has added to that backlog. The lack of a continuous predictable investment in facilities has had an impact not only on the operating budget, but more importantly on the students' learning experiences. At a few sessions, there were also requests from campus leadership to seek demolition funding to address buildings that are at the end of their useful life or have been mothballed.

Minnesota State

FY 2026-27 Biennial Budget Change Item

Change Item Title: Workforce-Focused Support

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	20,000	20,000	20,000	20,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20,000	20,000	20,000	20,000
FTEs	**0**	**0**	**0**	**0**

Request:

This request is to increase funding for Minnesota State college and university operations by $20 million in each year of the biennium to maintain and strengthen effective workforce and economic development activities across the system.

This request represents a change of roughly 2 percent each year as compared to total annual appropriations to Minnesota State in current funding.

Rationale/Background:

Minnesota State is the nation's third largest system of colleges and universities, with 54 campuses in 47 communities across the state. Roughly 270,000 students are provided credit and non-credit education each year. Approximately 63 percent of all Minnesota residents pursuing an undergraduate credential do so at a Minnesota State college or university. The seven universities and 26 colleges offer over 4,000 academic programs and provide the bulk of the state's health care workers, peace officers, teachers, welders, plumbers, etc., by awarding over 34,000 degrees, certificates, and diplomas each year. Fourteen thousand faculty and staff across the state account for over a third of all State of Minnesota employees and actively partner with local business and industry to provide educational opportunities that fit the community, including almost 10,000 customized training, occupational, and professional classes. With these dimensions, Minnesota State is arguably the state's largest economic development agency.

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Proposal:

The request would build on current successes by continuing what is currently one-time funding and would add flexibility to enable responsiveness to evolving industry needs, statewide workforce projects, and expanded partnerships with businesses and economic development agencies. Effective use of these funds will include support for non-credit and contract training aligned with industry opportunities and expansion of access to workforce scholarships to non-credit programs to reach a broader range of learners, particularly underserved populations. The request would be distributed as follows.

- $13.5 million to continue the work of upgrading college and university equipment and learning environments for high-cost, high-need workforce programs,
- $13.5 million to continue to develop and expand industry sector programming to build capacity and support new and redesigned curricular options with an emphasis on offering students work-based learning experiences,
- $8.5 million to support the maintenance of high-cost and high-demand career & technical, baccalaureate, and graduate programs, and
- $4.5 million for workforce scholarships, which would increase the base for these scholarships by $2.25 million (50 percent) per year and broaden the types of programs the scholarships can be used for.

One-time funding of $27 million ($13.5 million for upgrading college and university equipment and learning environments and $13.5 million to develop and expand industry sector programming) was not included as base funding for the fiscal 2026-2027 biennium. Continuing this funding would build upon the highly successful 2024-

2025 support for the equipment and programming required to address the most in-demand workforce needs of the state. As with the current funding, these funds will continue to enhance state-of-the art skills and applied research laboratories using interactive, hands-on, and multi-disciplinary approaches in science, technology, and career or technical programs. State-of-the-art equipment and learning environments are defined as those that are the best available because they represent the most modern techniques and technology. Minnesota is at risk of falling behind investments made by neighboring states in learning environments that attract and retain students and workers. Also, with the current funding, non-state match requirements will leverage the appropriated dollars in the second year of the biennium.

The Centers of Excellence will play a pivotal role in this initiative, serving as project managers and industry experts to guide colleges in non-credit program assessment and development. Each Center will provide specialized knowledge within key sectors—such as advanced manufacturing, healthcare, IT, and transportation—ensuring that new and expanded non-credit programs reflect the latest industry standards and respond directly to employer needs. By leveraging the expertise of the Centers of Excellence, we can efficiently translate workforce trends into targeted, high-quality non-credit training, positioning Minnesota's workforce programs as a national model for industry alignment. With a focus on Minnesota's key industry sectors this request will support development of new or multi-disciplinary programs at colleges and universities. Funding will support programs that include work-place experiences, such as "earn & learn"; micro-credentials; internships; or applied research, and will be used to address skills gaps, support non-credit and contract training aligned with industry opportunities.

The integration of non-credit and for-credit pathways is an important component of this strategy because non-credit programs aligned with industry needs act as entry points and allow students to gain job-ready skills and to experience success in a short timeframe. Once in the workforce, these students can continue their education by transferring their non-credit learning to for-credit programs, pursuing advanced credentials that further their careers and meet the ongoing needs of Minnesota's economy. This model not only supports individual student growth but also builds a more resilient workforce prepared for long-term employment and career advancement.

$8.5 million will support high-cost and high-demand baccalaureate and graduate programs that are experiencing extraordinary changes in occupational skills due to technological changes in Minnesota's increasingly advanced and diverse economy. Focusing on industry partnerships, these program developments will build capacity and adequate support for new and re-designed curricular options. As a growing number of students pursue certificates or industry-recognized credentials, engaging with students over their careers to address emerging skills rather than only focusing on traditional degrees, is vital to the relevance of our college and university programs.

This request would also expand the Workforce Development Scholarship program to increase affordability for college and university students, encourage enrollment in high-demand fields to meet the state's workforce needs, and offer workforce scholarships to non-credit programs to meet diverse needs and elevate equitable educational opportunities.

The workforce scholarship program is currently funded with $9 million over the biennium ($4.5 million annually), with a 10 percent hold-back of funds matched 1:1 with private dollars. Scholarships may be awarded in the following areas: healthcare, information technology, agriculture, transportation, manufacturing, early childhood education, construction, education and public safety. Colleges may also select an additional area based on regional workforce needs. Increasing the funding to $13.5 million over the biennium will help drive enrollment growth in non-credit CECT programs and, in turn, support the pipeline for for-credit programs. As students gain initial skills and workforce exposure in non-credit courses, they are encouraged and prepared to transition into for-credit pathways, ultimately leading to higher levels of educational attainment and better career outcomes.

Impact on Children and Families, Equity and Inclusion:

This request helps keep higher education available for all members of any Minnesota family, children, parents, and senior citizens. The facilities of Minnesota State are found all across the state and provide resources for a wide variety of educational opportunities, from brief certificate courses to a wealth of undergraduate and graduate degrees. Beyond that, the colleges and universities of Minnesota State provide communities with information, cultural and sporting events, and community-accessible facilities.

Minnesota State's Equity 2030 initiative provides a systemwide framework for equity and inclusion. Equity 2030 focuses on completion rates of learner groups, including low-income students, first-generation students, students of color, and indigenous students. In order for Minnesota to have the skilled workforce needed for economic development and growth, the persistence and completion of all students must be supported. As the demographic groups that have historically provided most graduates have become smaller in recent years, the effects of this request on groups with historically lower completion rates addresses both the equity and economic imperatives that face the state.

Consultation:

Between September 11 and October 1, 2024, the chancellor, board chair and vice chair and several other trustees participated in a series of listening sessions held across the state. A total of nine listening sessions were held on campuses of the Minnesota State system. The goal of these sessions was for internal and external stakeholders to identify key priorities to help guide Minnesota State's fiscal 2026-2027 biennial budget request. There was strong turnout at each of the nine sessions. Participants included students, faculty, staff, business and community leaders, college and university foundation board members, legislators, legislative staff, and other elected officials.

While each session had a slightly different emphasis depending on the composition of the audience, overall, there were consistent themes that emerged across the nine sessions. The priorities that emerged included focusing on student affordability while ensuring there are sufficient wraparound services, continuing and increasing the investments in workforce development, providing adequate funding for college and university operations, and securing funding to address critical facility maintenance and repair projects.

Students at multiple sessions provided powerful personal testimonies where they expressed appreciation for the new financial aid programs and the support they receive from faculty and staff on their educational journey. These students stressed that college affordability does not only include the cost of tuition and fees, but the total cost of attendance which could include day care, transportation, housing, and other basic needs. Faculty, staff, and administrators discussed the need for additional staff and resources to be able to fully support students and the increased demand that is being experienced due to enrollment increases. They talked about the crucial need for financial support directly to students, including additional student scholarships; additional student emergency grants; and making all required internships, practicums, student teaching, and other non-classroom activities paid experiences. We also heard about the need for additional student services in the form of mental health resources, social workers, community resource connectors, and additional college and university staffing to provide services, including campus counselors.

Business and industry partners consistently provided testimony on the value of the relationships they have with college and university faculty and leadership in providing graduates to meet the workforce needs of the region and the state. Specific examples were given where workforce shortages are still being experienced and more graduates are needed. There was strong support to build off the industry sector programming funding and the upgrading of equipment and learning environment funding that was received in the 2024-2025 biennium. In addition, many supported the continuance and expansion of the leveraged equipment program and workforce development scholarships.

Increased funding for basic college and university operations was also recognized as an essential need area. Participants supported direct campus support to cover inflation to address local cost pressures. Without that support, examples were given of budget reductions and unfilled faculty and staff positions at some institutions that were implemented to support unfunded inflationary increases. Faculty and staff compensation not keeping up with the market and inflation was a concern. There was testimony about making sure the system asks for what we need, not what we think we can get and to continue to advocate for the state to return to funding two thirds of a student's education. The more the state invests in campus operations, the less reliance there will be on tuition revenue to support campus operations. Flexibility in setting tuition and fee rates was also high on participants' minds, as there are local factors that need to be considered such as the costs of high demand programs and ensuring the student's campus needs are met by providing an appropriate level of student services and student life experiences.

All sessions also included testimony about the need for asset preservation funding. The backlog of deferred maintenance continues to grow at a faster pace than the resources received from the state to address those issues. There was concern expressed about there being no bonding bill last session that has added to that backlog. The lack of a continuous predictable investment in facilities has had an impact not only on the operating budget, but more importantly on the students' learning experiences. At a few sessions, there were also requests from campus leadership to seek demolition funding to address buildings that are at the end of their useful life or have been mothballed.