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**Minnesota State**

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**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**

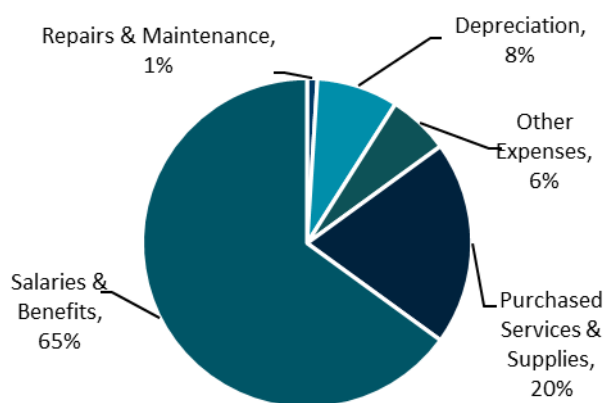
Minnesota State plays a critical role in ensuring the economic prosperity of Minnesota, its communities, and its citizens by offering high quality, affordable higher education opportunities that are aligned with employer needs throughout the state. Almost two-thirds of Minnesotans enrolled in undergraduate 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

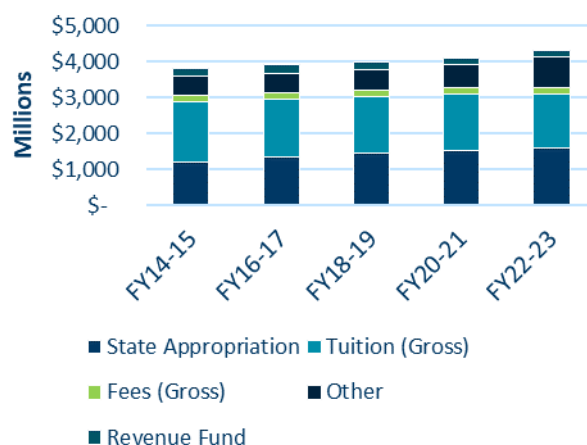
**BUDGET**

**Spending by Category  
FY 2023 Actual**



Source: Minnesota State Audited Financial Statements

**Historical Revenues**



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, <a href="https://www.ohe.state.mn.us/sPages/student_enrollment_data3.cfm">https://www.ohe.state.mn.us/sPages/student_enrollment_data3.cfm</a>	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%

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

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
<b><u>Expenditures by Fund</u></b>								
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	1,794,410	1,794,371
4002 - MNSCU Special Revenue	7,881	8,983	11,622	10,102	10,102	10,060	10,102	10,060
4003 - MNSCU Federal	196,533	125,525	82,236	61,617	62,380	62,380	62,380	62,380
4004 - MNSCU Gift	250	1,404	1,868	700	700	700	700	700
4005 - MNSCU Enterprise Activities	9,791	8,495	8,693	8,983	9,283	9,283	9,283	9,283
4030 - MNSCU Agency	41,802	40,064	36,634	34,500	34,500	34,500	34,500	34,500
7350 - Sub Supplemental & Ira Retire	328	659	60	450	450	350	450	350
<b>Total</b>	<b>1,803,728</b>	<b>1,873,831</b>	<b>1,930,199</b>	<b>1,922,821</b>	<b>1,911,825</b>	<b>1,911,644</b>	<b>1,911,825</b>	<b>1,911,644</b>
Biennial Change				175,461		(29,551)		(29,551)
Biennial % Change				5		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

**Expenditures by Program**

Minnesota State	1,803,728	1,873,831	1,930,199	1,922,821	1,911,825	1,911,644	1,911,825	1,911,644
<b>Total</b>	<b>1,803,728</b>	<b>1,873,831</b>	<b>1,930,199</b>	<b>1,922,821</b>	<b>1,911,825</b>	<b>1,911,644</b>	<b>1,911,825</b>	<b>1,911,644</b>

**Expenditures by Category**

Compensation	1,339,445	1,393,990	1,432,465	1,427,514	1,429,443	1,429,343	1,429,443	1,429,343
Operating Expenses	443,450	459,450	481,837	473,056	464,999	464,918	464,999	464,918
Grants, Aids and Subsidies	13,386	15,921	15,897	22,251	17,383	17,383	17,383	17,383
Capital Outlay-Real Property	7,447	4,470						
<b>Total</b>	<b>1,803,728</b>	<b>1,873,831</b>	<b>1,930,199</b>	<b>1,922,821</b>	<b>1,911,825</b>	<b>1,911,644</b>	<b>1,911,825</b>	<b>1,911,644</b>

Total Agency Expenditures	1,803,728	1,873,831	1,930,199	1,922,821	1,911,825	1,911,644	1,911,825	1,911,644
Internal Billing Expenditures		(4)						
<b>Expenditures Less Internal Billing</b>	<b>1,803,728</b>	<b>1,873,835</b>	<b>1,930,199</b>	<b>1,922,821</b>	<b>1,911,825</b>	<b>1,911,644</b>	<b>1,911,825</b>	<b>1,911,644</b>

(Dollars in Thousands)

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

**2050 - Environment & Natural Resources**

Balance Forward In	1,305	1,325	803	511				
Direct Appropriation	520		393	174	0	0	0	0
Cancellations	65		46					
Balance Forward Out	1,325	803	511					
<b>Expenditures</b>	<b>435</b>	<b>522</b>	<b>639</b>	<b>685</b>				
Biennial Change in Expenditures				367		(1,324)		(1,324)
Biennial % Change in Expenditures				38		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

**4000 - MN State Colleges/Universities**

Balance Forward In	733,486	802,662	749,590	806,154	797,798	740,127	797,798	740,127
Receipts	850,285	870,445	910,675	886,582	886,582	886,582	886,582	886,582
Transfers In	792,630	789,491	956,864	933,568	880,157	880,168	880,157	880,168
Transfers Out	27,031	24,829	22,528	22,722	30,000	30,000	30,000	30,000
Balance Forward Out	802,662	749,590	806,154	797,798	740,127	682,506	740,127	682,506
<b>Expenditures</b>	<b>1,546,708</b>	<b>1,688,179</b>	<b>1,788,447</b>	<b>1,805,784</b>	<b>1,794,410</b>	<b>1,794,371</b>	<b>1,794,410</b>	<b>1,794,371</b>
Biennial Change in Expenditures				359,344		(5,450)		(5,450)
Biennial % Change in Expenditures				11		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

**4002 - MNSCU Special Revenue**

Balance Forward In	10,360	10,455	13,879	14,344	14,564	13,326	14,564	13,326
Receipts	7,976	12,406	12,087	8,864	8,864	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	13,326	12,130
<b>Expenditures</b>	<b>7,881</b>	<b>8,983</b>	<b>11,622</b>	<b>10,102</b>	<b>10,102</b>	<b>10,060</b>	<b>10,102</b>	<b>10,060</b>
Biennial Change in Expenditures				4,860		(1,562)		(1,562)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
Biennial % Change in Expenditures				29		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0

**4003 - MNSCU Federal**

Balance Forward In	8,876	10,271	19,236	9,562	10,300	10,275	10,300	10,275
Receipts	197,928	134,460	72,562	62,355	62,355	62,355	62,355	62,355
Balance Forward Out	10,271	19,206	9,562	10,300	10,275	10,250	10,275	10,250
<b>Expenditures</b>	<b>196,533</b>	<b>125,525</b>	<b>82,236</b>	<b>61,617</b>	<b>62,380</b>	<b>62,380</b>	<b>62,380</b>	<b>62,380</b>
Biennial Change in Expenditures				(178,205)		(19,093)		(19,093)
Biennial % Change in Expenditures				(55)		(13)		(13)
Governor's Change from Base								0
Governor's % Change from Base								0

**4004 - MNSCU Gift**

Balance Forward In	1,661	2,401	2,968	2,200	2,000	1,800	2,000	1,800
Receipts	990	1,971	1,100	500	500	500	500	500
Balance Forward Out	2,401	2,968	2,200	2,000	1,800	1,600	1,800	1,600
<b>Expenditures</b>	<b>250</b>	<b>1,404</b>	<b>1,868</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
Biennial Change in Expenditures				914		(1,168)		(1,168)
Biennial % Change in Expenditures				55		(45)		(45)
Governor's Change from Base								0
Governor's % Change from Base								0

**4005 - MNSCU Enterprise Activities**

Balance Forward In	3,992	2,984	3,013	2,682	2,899	2,816	2,899	2,816
Receipts	8,782	8,524	8,362	9,200	9,200	9,200	9,200	9,200
Balance Forward Out	2,983	3,013	2,682	2,899	2,816	2,733	2,816	2,733
<b>Expenditures</b>	<b>9,791</b>	<b>8,495</b>	<b>8,693</b>	<b>8,983</b>	<b>9,283</b>	<b>9,283</b>	<b>9,283</b>	<b>9,283</b>
Biennial Change in Expenditures				(610)		890		890
Biennial % Change in Expenditures				(3)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0



(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27

**4006 - MNSCU Endowment**

Balance Forward In	110							
Receipts	(110)							

**4030 - MNSCU Agency**

Balance Forward In	1,523	5,960	1,263	1,241	1,241	1,241	1,241	1,241
Receipts	46,239	35,367	36,612	34,500	34,500	34,500	34,500	34,500
Balance Forward Out	5,960	1,263	1,241	1,241	1,241	1,241	1,241	1,241
<b>Expenditures</b>	<b>41,802</b>	<b>40,064</b>	<b>36,634</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>	<b>34,500</b>
Biennial Change in Expenditures				(10,732)		(2,134)		(2,134)
Biennial % Change in Expenditures				(13)		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0

**7350 - Sub Supplemental & Ira Retire**

Balance Forward In	497	597	376	662	512	362	512	362
Receipts	428	438	346	300	300	300	300	300
Balance Forward Out	597	376	662	512	362	312	362	312
<b>Expenditures</b>	<b>328</b>	<b>659</b>	<b>60</b>	<b>450</b>	<b>450</b>	<b>350</b>	<b>450</b>	<b>350</b>
Biennial Change in Expenditures				(477)		290		290
Biennial % Change in Expenditures				(48)		57		57
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
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
Total Governor's Recommendations	924,232	875,689	875,700	1,751,389
<b>Fund: 2050 - Environment &amp; Natural Resources</b>				
FY2025 Appropriations	174	174	174	348
Base Adjustments				
All Other One-Time Appropriations		(174)	(174)	(348)
Forecast Base	174			
Total Governor's Recommendations	174			
<b>Dedicated</b>				
<b>Fund: 4000 - MN State Colleges/Universities</b>				
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
Total Governor's Recommendations	1,805,784	1,794,410	1,794,371	3,588,781
<b>Fund: 4002 - MNSCU Special Revenue</b>				
Planned Spending	10,102	10,102	10,060	20,162
Forecast Base	10,102	10,102	10,060	20,162
Total Governor's Recommendations	10,102	10,102	10,060	20,162
<b>Fund: 4003 - MNSCU Federal</b>				
Planned Spending	61,617	62,380	62,380	124,760
Forecast Base	61,617	62,380	62,380	124,760
Total Governor's Recommendations	61,617	62,380	62,380	124,760
<b>Fund: 4004 - MNSCU Gift</b>				
Planned Spending	700	700	700	1,400
Forecast Base	700	700	700	1,400
Total Governor's Recommendations	700	700	700	1,400
<b>Fund: 4005 - MNSCU Enterprise Activities</b>				
Planned Spending	8,983	9,283	9,283	18,566

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Forecast Base	8,983	9,283	9,283	18,566
Total Governor's Recommendations	8,983	9,283	9,283	18,566
<b>Fund: 4030 - MNSCU Agency</b>				
Planned Spending	34,500	34,500	34,500	69,000
Forecast Base	34,500	34,500	34,500	69,000
Total Governor's Recommendations	34,500	34,500	34,500	69,000
<b>Fund: 7350 - Sub Supplemental &amp; Ira Retire</b>				
Planned Spending	450	450	350	800
Forecast Base	450	450	350	800
Total Governor's Recommendations	450	450	350	800
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 4000 - MN State Colleges/Universities</b>				
Forecast Revenues	886,582	886,582	886,582	1,773,164
Total Governor's Recommendations	886,582	886,582	886,582	1,773,164
<b>Fund: 4002 - MNSCU Special Revenue</b>				
Forecast Revenues	8,864	8,864	8,864	17,728
Total Governor's Recommendations	8,864	8,864	8,864	17,728
<b>Fund: 4003 - MNSCU Federal</b>				
Forecast Revenues	62,355	62,355	62,355	124,710
Total Governor's Recommendations	62,355	62,355	62,355	124,710
<b>Fund: 4004 - MNSCU Gift</b>				
Forecast Revenues	500	500	500	1,000
Total Governor's Recommendations	500	500	500	1,000
<b>Fund: 4005 - MNSCU Enterprise Activities</b>				
Forecast Revenues	9,200	9,200	9,200	18,400
Total Governor's Recommendations	9,200	9,200	9,200	18,400
<b>Fund: 4030 - MNSCU Agency</b>				
Forecast Revenues	34,500	34,500	34,500	69,000
Total Governor's Recommendations	34,500	34,500	34,500	69,000

*(Dollars in Thousands)*

	FY25	FY26	FY27	Biennium 2026-27
<b>Fund: 7350 - Sub Supplemental &amp; Ira Retire</b>				
Forecast Revenues	300	300	300	600
Total Governor's Recommendations	300	300	300	600