

Annual Report to the Legislature

Use of State Appropriations for the Benefit of Health Science Colleges and Schools

Date: November 13, 2025

The following annual report is in response to the following language enacted in 2024 Session, Chapter 127, Article 66, Subd. 21:

ANNUAL REPORT TO LEGISLATURE; USE OF APPROPRIATION FUNDS.

By January 15, 2025, and every year thereafter, the Board of Regents of the University of Minnesota must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education and health and human services policy and finance on the use of all appropriations for the benefit of the University of Minnesota's health sciences schools and colleges, including:

- (1) changes to the University of Minnesota's anticipated uses of each appropriation;*
- (2) the results of the performance measures required by Minnesota Statutes, section 137.095, subdivision 2, clause (6); and*
- (3) current and anticipated achievement of the goals, outcomes, and purposes of each appropriation.*

This report does not contain information pertaining to (2) above because no current appropriations apply to that requirement. During the 2025 legislative session, the University submitted the *Healthiest State for All Minnesotans* change item through the biennial budget process as well as the report required under Minnesota Statutes 137.095. However, the State of Minnesota did not provide funding for that request.

2025, First Special Session, Chapter 5

The FY26 appropriations in 2025 First Special Session, Chapter 5 for the University of Minnesota's health science colleges and schools are used to support the colleges' and schools' base operations with an overarching goal to ensure consistency in the University of Minnesota's ability to deliver world class health education, research and outreach. Although the structure of the University's state appropriations changed beginning in the FY26-27 biennium, the amount provided for each specific purpose did not change.

Additional details on each FY26 budgeted appropriation benefiting the University of Minnesota's health sciences schools and colleges are included below and organized by appropriation in Chapter 5.

Sec. 4, Subd. 2 (Operations and Maintenance appropriation)

The Operations and Maintenance appropriation is a part of the University of Minnesota's general fund base. The amount allocated for all Twin Cities colleges, greater Minnesota campuses, and support units is based on the University of Minnesota's internal annual operating budget process, which considers many factors when determining the amount provided by unit. Considerations include the availability of other revenues, reallocations, changes in expenses, and so on. The FY26 operating budget was approved by the Board of Regents in June 2025. A summary of each FY26 budgeted allocation by health science school and college is included below.

- College of Pharmacy: \$10,970,483
- College of Veterinary Medicine: \$19,427,293
- Medical School: \$69,671,252

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- School of Dentistry: \$10,199,449
- School of Nursing: \$5,363,519
- School of Public Health: \$11,498,752

For the health science schools and colleges, the state operations and maintenance appropriation is used, in combination with tuition, to support salaries and fringe as well as operating costs, student aid, and other expenditures. FY26 budgeted compensation expenses for these funds range from 48% to 75%, varying by health science college or school based on the unit's overarching budget. Other budgeted expenses range from 25% to 52%.

Sec. 4, Subd. 3 (Special Appropriations; Research and Innovation)

- Subd. 3(a) – Medical Discovery Teams: \$12,000,000
This appropriation is for the Medical Discovery Teams, which are within the structure of the Medical School but capitalize on partnerships with the other campuses as well as Twin Cities colleges. In FY26, this appropriation will be used for the following teams: Addiction, Biology of Aging, Optical Imaging and Brain Science, Rural and American Indian Health Disparities, and GLP1 research, which are focused on addressing complex health issues. Below is a summary of the FY26 budgeted allocations. Allocations are assessed annually:
 - Medical Discovery Team on the Biology of Aging: \$3,000,000
 - Medical Discovery Team on Addiction: \$3,000,000
 - Medical Discovery Team on Optical Imaging and Brain Science: \$3,000,000
 - Medical Discovery Team – Memory Keepers: \$1,800,000
 - Medical Discovery Team – GLP1 Research Support: \$1,200,000

Information on the Medical Discovery Teams is available on the Medical School's website: [Medical Discovery Teams](#).

- Subd. 3(b) – Clinical and Translational Science Institute: \$2,150,000
This appropriation is budgeted for the Clinical and Translational Science Institute and will be used to support clinical translational research. Funds will be primarily used for compensation expenses and will support clinical trials management and data and informatics services to increase clinical translational research capacity, primarily impacting the University's health science schools.
- Subd. 3(e) – Health Science Research: \$2,465,000
This appropriation is allocated to the School of Public Health and Office of Academic Clinical Affairs for base operations supporting health sciences research. Allocations are as follows:
 - School of Public Health: \$341,000
 - Office of Academic Clinical Affairs: \$2,124,000
- Subd. 3(f) – Regenerative Medicine Grants: \$4,350,000
This funding supports grants related to regenerative medicine through a partnership between the Medical School's Department of Medicine and the Mayo Clinic.

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- Subd. 3(h) – Biomedical Engineering: \$77,000
This appropriation supports base operations for the Institute for Engineering in Medicine, which is housed in the Medical School.
- Subd. 3(i) – Cannabis Research Center: \$2,250,000
This appropriation provides funding for the Cannabis Research Center in the School of Public Health. The funds will be used to investigate the health effects of cannabis use and to research other topics related to cannabis, including but not limited to prevention and treatment of substance use disorders, equity issues, education, and decriminalization. In FY26, approximately 62% of the funds are budgeted for personnel expenses.

Sec. 4, Subd. 4 (Special Appropriations; Medical Training and Care): \$12,946,000

The state special appropriation for medical training and care is used to support programs in the Medical School and School of Dentistry.

- Medical School: \$11,953,000
The state special for medical training and care provides base funding for several Medical School programs impacting training and care across the state. This includes residency and training sites, including but not limited to: Bethesda, Broadway, Phalen, Smiley's, and St. Cloud. In addition, the funds are used to support primary care initiatives in the Department of Family Medicine and Community Health as well as geriatrics education. Of the amount allocated in FY26, 53% is budgeted for compensation expenses. Funds are also budgeted for supplies, services, student aid, and other operating expenses. The list below highlights the appropriations within this state special.
 - Subd. 4(a) – Rural Physician Associate Program (RPAP) and Metropolitan Physician Associate Program (MetroPAP): \$1,043,000
 - Subd. 4(b) – Clinical Residency Program Sites: \$6,247,000
 - Subd. 4(c) – St. Cloud Hospital Family Medicine: \$346,000
 - Subd. 4(d) – Medical School St. Cloud Site: \$1,500,000
 - Subd. 4(f) – Primary Care Education Initiatives: \$2,157,000
 - Subd. 4(g) – Geriatrics Education: \$660,000
- School of Dentistry: \$993,000
 - Subd. 4(e) – Mobile Dental Clinic: \$993,000
This appropriation supports the School of Dentistry's mobile dental clinic. Of the amount allocated in FY26, approximately 84% is budgeted for compensation expenses.

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Sec. 4, Subd. 5 (Special Appropriations; Natural Resources Management and Education)

Of the \$50,995,000 appropriated for the natural resources management and education state special, \$3,000,000 is allocated to the College of Veterinary Medicine, including:

- \$1,673,000 for the Veterinary Diagnostics Laboratory. In FY26, funds are budgeted for faculty compensation.
- \$1,327,000 is available through the Agricultural Experiment Station appropriation to support population medicine, biomedical sciences, and clinical sciences in the College of Veterinary Medicine. As required in session law under this subdivision, the Board of Regents will submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded by the appropriation to the Agricultural Experiment Station.

2025 Minnesota Statutes, Section 297F.10, Deposit of Proceeds

\$22,250,000 in proceeds from the tax and use tax on cigarettes, as defined under Minnesota Statutes, Chapter 197F and further distributed under Minnesota Statutes, section 297F.10 are provided to the University of Minnesota for academic health sciences for base operations. These funds are used on multiple University campuses and budgeted in FY25 as follows:

- Office of Academic Clinical Affairs: \$3,613,301
- Academic Health Sciences: \$822,861
- School of Dentistry: \$144,000
- Medical School: \$14,897,838
- School of Nursing: \$518,000
- College of Pharmacy: \$1,444,000
- Rochester Campus: \$450,000
- College of Veterinary Medicine: \$360,000

Per the requirements set forth in Minnesota Statute 3.197, the cost to prepare this report was \$1,000.