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2016-17 Biennial Budget – University of Minnesota

Agency Profile – University of Minnesota 1

AT A GLANCE

- Five Campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- Seven Research and Outreach Centers throughout the state (previously referred to as Agricultural Experiment Stations)
- FY15 approved budget of \$3.4 billion
- October 2013: 19,592 faculty and staff employees; 6,088 graduate student and professionals in training employees
- Fall 2013 Enrollment:
 - 43,646 Undergraduate
 - 13,606 Graduate
 - 4,194 First Professional
 - 6,601 Non Degree
 - 68,047 Total
- Sponsored Research Awards totaled \$741 million in 2014

PURPOSE

The University of Minnesota's statutory mission is to offer undergraduate, graduate and professional instruction through the doctoral degree, and be the primary state supported academic agency for research and extension service (MN Statute 135A.052). The University's mission is threefold: research and discovery, teaching and learning, and outreach and public service.

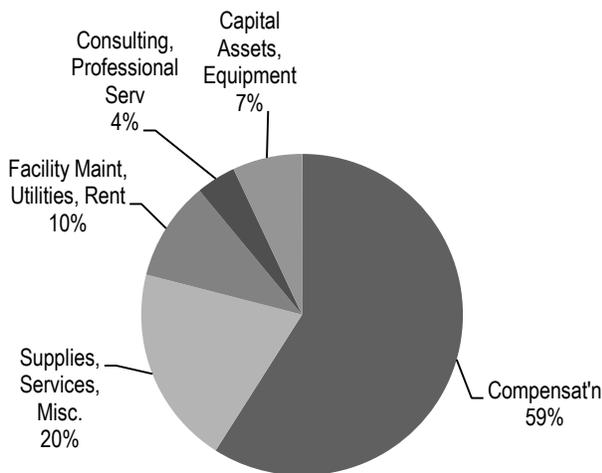
The University of Minnesota is the state's only land grant and research institution, and has a unique responsibility to better the lives of Minnesotans through education, research and public engagement. As one of the nation's top research institutions, the University is a venue where human talent, ideas and innovations, and discoveries and services converge to advance Minnesota's economy and quality of life.

In carrying out its mission on five campuses and throughout the state, the University contributes directly to the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities;
- Minnesotans have the education and skills needed to achieve their goals;
- All Minnesotans have optimal health, and Sustainable options to safely move people, goods, services & information.

BUDGET

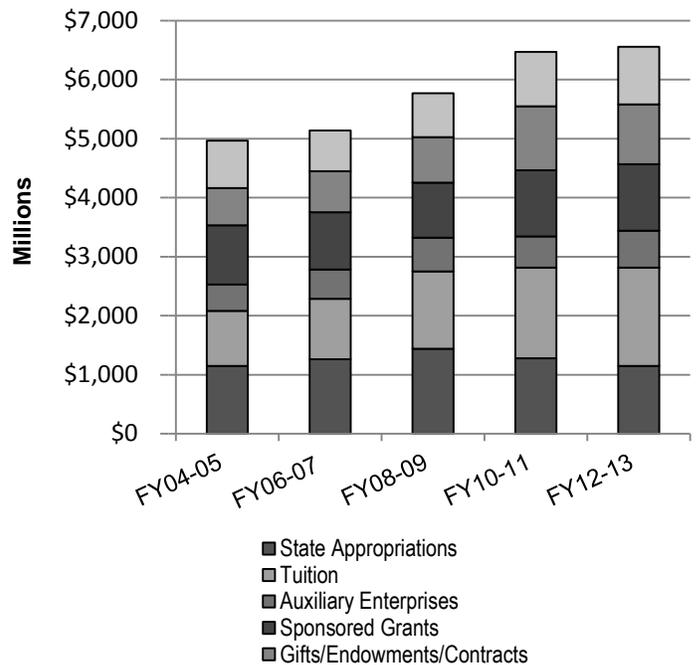
**Spending by Expense Category
FY 13 Actual**



(University of Minnesota - all funds)

Source: U of MN Enterprise Financial System

Historical Revenues



Source: U of MN Enterprise Financial System and State Law – State Appropriation includes general fund, Hlth Care Access, Tobacco Endowment/Cigarette Tax, LCCMR

The University's FY15 \$3.4 billion budget is built on revenue support from a variety of sources: tuition (25%), state appropriation (19%), sponsored research grants from the federal government and other sources (17%), restricted gifts and contracts (15%), miscellaneous income from sales, fees, etc. (14%) and auxiliary business operations (10%). In approving recent annual operating budgets, the President and the University of Minnesota Board of Regents have focused revenue and spending plans on achieving the goals of Access, Affordability, Academic and Operational Excellence, and Accountability.

STRATEGIES

The University is finalizing a strategic plan for the Twin Cities campus. This plan will be aligned with existing plans for the system campuses and will provide a roadmap for advancing the University's mission over the next three to five years. The Board of Regents is expected to act on adopting the new strategic plan at its October 2014 meeting. The plan articulates a new, inspirational vision: "[to] be preeminent in solving the grand challenges of a diverse and changing world." In pursuit of this vision, the University will:

- Leverage its breadth and depth to capitalize on its exceptional students, faculty, staff and location to generate and disseminate new knowledge and insights
- Create an educated populace able to identify, understand, and solve demanding problems
- Leverage divergent paths of knowledge and creativity to address grand challenges
- Partner with communities and the people of the State of Minnesota to benefit the common good

To this end, the University is advancing four broad goals, each with related strategies and tactics:

- **Goal 1) Build an exceptional University where grand societal challenges are addressed.** Strategies – Educate, cultivate, and empower leaders to foster institutional and societal change; target resources that will build capacity to harness the University's depth and breadth to address these grand challenges; prepare students who can uniquely contribute to solving grand societal challenges; transform curricula in a way that combines grand challenges with disciplines; and coordinate and leverage research in institutionally crosscutting areas of strength
- **Goal 2) Support excellence and, with intention, reject complacency.** Strategies – Establish incentives for creative disruption and accept productive tension; increase efforts to empower individual initiatives; streamline rules and regulations; measure and set goals for meaningful diversifying experiences
- **Goal 3) Establish a culture of reciprocal engagement, capitalizing on our unique location.** Strategies – Better leverage our location for the mutual benefit of the University and the community to contribute to and benefit from a vibrant and enriching economic, creative, social, and intellectual environment; and clearly define and embrace what it means to be a land grant research university in the 21st century
- **Goal 4) Aggressively recruit, retain and promote field shaping researchers and teachers.** Strategies – Build a pipeline to recruit and retain the best and brightest field shaping teachers and researchers; support their work with needed infrastructure and a culture of high expectations; reduce barriers to productive work across disciplines and advance partnerships between institutions; and accelerate transfer of knowledge for the public good

The final plan will include short and long term actions in each of these goal areas and each campus will align its unique goals that meet the needs of the students and regions they serve.

RESULTS

In 2013, the Minnesota Legislature approved five performance measures (Minnesota Laws 2013, Chapter 99) for the University of Minnesota and made five percent of the University's fiscal year 2015 funding conditional on meeting at least three of those five performance goals. The University and the Minnesota Office of Higher Education agreed to the specific numerical indicators and definitions for the goals in the summer of 2013.

The five performance goals relate to: graduation rates and degrees awarded to general student populations and specific subsets of that student population; reductions in administrative costs, and the number of inventions or original creations with commercial or public value disclosed by University researchers. Below is information assembled on each of the performance measures in legislation, with base level indicators and definitions.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Goal</i>	<i>Progress to Date</i>	<i>Dates</i>
Results	Twin Cities Graduation Rate – Low Income Students (3 year average): a) 4 year; b) 5 year; c) 6 year	a – 38.9% b – 53.3% c – 56.8%	Increase each by at least 1%	On track	Early 2015
Quantity	Twin Cities Undergraduate STEM Degrees Conferred (3 year average)	2,557	Increase by at least 3%	On track	Early 2015
Results	Twin Cities Undergraduate Freshmen Graduation Rate (3 year average): a) 4 year; b) 5 year; c) 6 year	a – 47.9% b – 65.0% c – 67.7%	Increase each by at least 1%	On track	Early 2015
Quality	Administrative Cost Reductions	NA	At least \$15 million in FY14	On track	Early 2015
Result	Invention Disclosures	330 est.	Increase FY14 by 3% over FY13	On track	Early 2015

Performance measure notes:

For measures one and three, the base three year average for the four year rate is calculated on freshmen entering the fall of 2006, 2007, 2008; the three year average for the five year rate is calculated on freshmen entering the fall of 2005, 2006, 2007, and the three year average for the six year rate is calculated on freshmen entering the fall of 2004, 2005, 2006. The goal metric will be calculated as the three year average related to the freshmen entering two years later for each cohort (e.g. for the four year rate the goal years will be the average of freshmen entering the fall of 2008, 2009, 2010).

Measure two will be the total undergraduate STEM degrees awarded by the Twin Cities campus in fiscal years 2012, 2013, 2014 compared to the same measure in fiscal years 2010, 2011, 2012.

For measure four, administrative cost reductions will be made in the “nonmission” functional areas of academic support, institutional support, student services, auxiliary operations and operations and maintenance of plant.

For measure five, the 330 is an estimate of what was to be reported to the Board of Regents in December of 2013. The total reported in December of 2014 will be compared against the actual number reported in December of 2013.

Finally, within the University’s charter, 1851 Territorial Laws, Chapter 3, Section 16, it is stated that “[the regents shall] make a report annually, to the Legislature...exhibiting the state and progress of the University...and such other information as they may deem proper, or may from time to time be required of them.” Consequently, the University of Minnesota publishes annually the [“University Plan, Performance, and Accountability Report,”](#) which provides a performance baseline for the institution around its key strategic goals, progress appraisal, and identification of areas for improvement (<http://www.academic.umn.edu/accountability/pdf/2013/Accountability-Report-for-BOR-Sept2013Draft.pdf>).