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2014-15 Governors Budget - University of Minnesota

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Mission:

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

<http://www1.umn.edu/twincities/history-mission/index.html>

Statewide Outcome(s):

University of Minnesota supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The University of Minnesota is the state's only land grant and research institution, and operates to better the lives of Minnesotans through education, research, and public engagement. As one of the state's most important economic and intellectual assets - and 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.

The University of Minnesota operates on five campuses (Crookston, Duluth, Morris, Rochester, Twin Cities), with approximately 25,000 faculty and staff employees system-wide, and over 60,000 students enrolled at all levels. Through its programs, the University provides services to students and citizens of the state and beyond to better position them for lifelong learning and success.

The University's fiscal year 2013 \$3.2 billion budget is built on revenue support from a variety of sources: tuition (26 percent), sponsored research grants (19 percent), state appropriation (18 percent), miscellaneous income-sales, fees, etc. (16 percent), restricted gifts/contracts (13 percent), and auxiliary business operations (eight percent). Institutional priorities include the availability of extraordinary education, breakthrough research; and dynamic public engagement.

<http://supporttheu.umn.edu/assets/pdf/2012-AtAGlance.pdf>

Strategies:

The University of Minnesota's strategic plan, adopted by the Board of Regents in 2005, is organized around four essential strategies:

- **Exceptional Students** - Recruit, educate, challenge, and graduate outstanding students who become highly motivated lifelong learners, leaders, and global citizens.
 - Recruit highly prepared students from diverse populations
 - Challenge, educate and graduate students
 - Develop lifelong learners, leaders, and global citizens
 - Ensure affordable access for students of all backgrounds
- **Exceptional Faculty and Staff** - Recruit, mentor, reward, and retain world-class faculty and staff who are innovative, energetic, and dedicated to the highest standards of excellence.
 - Recruit and place talented and diverse faculty and staff to best meet organizational needs
 - Mentor, develop, and train faculty and staff to optimize performance
 - Recognize and reward outstanding faculty and staff
 - Engage and retain outstanding faculty and staff
- **Exceptional Innovation** - Inspire exploration of new ideas and breakthrough discoveries that address the critical problems and needs of the University, state, nation, and the world.
 - Increase sponsored research support, impact, and reputation

- Promote peer-leading research and scholarly productivity
- Accelerate the transfer and utilization of knowledge for the public good
- **Exceptional Organization** - Be responsible stewards of resources, focused on service, driven by performance, and known as the best among our peers.
 - Ensure financial strength
 - Be responsible stewards of resources
 - Promote performance, process improvement, and effective practice
 - Foster peer-leading competitiveness, productivity, and impact
 - Ensure a safe and healthy environment for the university community
 - Focus on quality service

http://www1.umn.edu/systemwide/strategic_positioning/

Results:

In 2011, the Minnesota Legislature approved five performance measures (Minnesota Laws 2011, 1st Special Session, Chapter Five) for the University of Minnesota and mandated that one percent of funding for fiscal year 2013 be retained until the Board of Regents demonstrates to the Commissioner of Management and Budget that the University has met at least three of the five performance goals identified in the legislation. The Board of Regents and the Minnesota Office of Higher Education agreed to the specific numerical indicators and definitions for the goals on September 9, 2011.

The five performance goals relate to:

- Institutionally provided financial aid to students
- Degrees awarded
- Twin Cities campus undergraduate graduation rates
- Research and development expenditures
- Sponsored expenditures funded by business and industry

Below is the information assembled on the progress of the University of Minnesota on the specific numerical indicators and definitions developed in consultation with the Minnesota Office of Higher Education, and approved by the Board of Regents (<http://govrelations.umn.edu/assets/pdf/022912-PerformanceMeasuresUpdate.pdf>).

Performance Measures	Previous	Current	Trend
1. Amt. of Institutional Financial Aid	\$151 million	\$176.6 million	Improving
2. Total Degrees Awarded	13,591	14,836,	Improving
3a. Four-year Graduation Rate	45.4%	54.0%	Improving
3b. Six-year Graduation Rate	64.0%	70.5%	Improving
4. National Science Foundation R&D Expenditures	\$595 million	\$786 million	Improving
5. Business & Industry Sponsored Exp.	\$38.4 million	\$42.4 million	Improving

Performance Measures Notes:

For measures 1, 2 and 5, "Previous" = FY 2007 data and "Current" = FY 2011 data (the most recent closed fiscal year)

For measure 3a, "Previous" = students entering fall 2003 and "Current" = students entering fall 2007

For measure 3b, "Previous" = students entering fall 2001 and "Current" = students entering fall 2005

For measure 4, due to the timing of submitted information to NSF, "Previous" = FY 2006 and "Current" = FY 2010

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/2011/2011_UMN_Accountability_Report.pdf

University Of Minnesota
Current, Base and Governor's Recommended Expenditures

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	\$1,073,288	\$76,373	\$15	\$1,149,676
Current Law Expenditures (FY 2014-15)	\$1,090,688	\$68,048		\$1,158,736
Governor's Recommended Expenditures (FY2014-15)	\$1,090,688	\$68,048		\$1,158,736
\$ Change from FY 2014-15 Current Law to Governor's Rec	\$0	\$0		\$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

University Of Minnesota**Sources and Uses**

(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
TRANSFERS IN	\$34,800	\$19,234		\$54,034
APPROPRIATION	\$1,090,688	\$48,814	\$0	\$1,139,502
SOURCES OF FUNDS	\$1,125,488	\$68,048	\$0	\$1,193,536
TRANSFERS OUT	\$34,800	\$0		\$34,800
EXPENDITURES	\$1,090,688	\$68,048		\$1,158,736
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	\$1,090,688	\$68,048		\$1,158,736
USES OF FUNDS	\$1,125,488	\$68,048		\$1,193,536

University Of Minnesota

Governor's Changes

(Dollars in Thousands)

	FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
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University of Minnesota Investments

The Governor is strongly committed to supporting the University of Minnesota and its vital mission of research, innovation, and education. He is also concerned that Minnesotans' tax dollars are being spent for those essential purposes. In light of recent reports questioning the substantial growth in the University's administrative budget and legislative leaders' requests for a response by March 15th, the Governor is setting aside his intended \$80 million support of the University's requests for tuition relief and other initiatives, pending receipt of that review. He will decide upon the allocation of these funds for higher education in his supplemental budget released after the February 2013 forecast.

Performance Measures:

The Governor will review the information provided by the University to legislative leaders on March 15th

General Fund	Expenditure	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0
Net All Change Items	General Fund	0	0	0	0	0	0
	Net Change	0	0	0	0	0	0