MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee **DATE:** January 29, 2025

TITLE: College and University Financial Performance Update

☐ Action ☒ Review and Discussion

☒ *This item is required by policy*

PRESENTERS
Bill Maki, Vice Chancellor for Finance and Facilities
Metody Popov, System Director for Financial Reporting
Steve Ernest, System Director for Financial Planning and Analysis

PURPOSE
This item provides a review of the system's overall financial health as presented in the fiscal year 2024 financial statements, followed by a presentation and analysis of key campus-level financial metrics required by System Procedure 7.3.16.

FISCAL YEAR 2024 SYSTEM FINANCIAL STATEMENTS
On November 19, 2024, the system's Audited Financial Statements for fiscal year 2024 were presented to the Audit Committee. The statements show improvement from the prior year and support the assessment that the system's overall long-term financial condition remains stable. Specifically, the system's overall financial position increased by $108.9 million in fiscal year 2024. Excluding the effects of Governmental Accounting Standards Board (GASB) Statements 68 and 75 related to pension and other postemployment benefit expenses, the fiscal year 2024 net position increased by $76.3 million, or 3.2 percent. This follows a fiscal year 2023 net position decrease of $64.0 million, or 2.5 percent. Changes in the primary revenue and expenditure areas include the following.

- Compensation, the largest cost category in the system, increased $179.8 million, or 14.0 percent, in fiscal year 2024. This follows an increase of $106.9 million or 9.1 percent, and a decrease of $232.5 million, or 16.5 percent, in fiscal years 2023 and 2022, respectively. Excluding the GASB Statements No. 68 and No. 75 adjustments, the net increase in compensation was $64.0 million, or 4.5 percent, in fiscal year 2024. This follows an increase in compensation of $57.5 million, or 4.2 percent, and a decrease of $21.3 million, or 1.5 percent, in fiscal years 2023 and 2022, respectively. This cost constitutes 68.5 percent of the system's fiscal year 2024 total operating expenses, compared to 67.5 percent for fiscal year 2023.

- The state appropriation and tuition charged to students are the system's two largest revenue sources. The state appropriation increased by $167.1 million, or 21.1 percent, in fiscal year 2024 following a 0.6 percent decrease in fiscal year 2023.

- Gross tuition revenue increased $23.6 million, or 3.1 percent, in fiscal year 2024. This is compared to an increase of $2.1 million, or 0.3 percent, and a decrease of $9.3 million, or 1.2 percent, in fiscal years 2023 and 2022, respectively. Undergraduate tuition rates for two-year colleges and universities were unchanged for fiscal year 2024. This follows tuition rate increases of 3.4 percent at two-year colleges and 3.5 percent at state universities in fiscal year 2023.

- The number of full year equivalent students is a significant factor driving both tuition revenue and operating expenses. The number of full year equivalent for credit students in fiscal years 2024, 2023, and 2022 totaled 108,082, 105,497, and 108,034, respectively. Enrollment in fiscal year 2024 increased 2.5 percent from fiscal year 2023. This follows an enrollment decrease of 2.3 percent between fiscal year 2023 and 2022.

- Federal grants decreased by $25.8 million, or 7.9 percent, in fiscal year 2024 compared to fiscal year 2023, following a decrease of $250.9 million, or 43.3 percent, in fiscal year 2023 compared to fiscal year 2022. The fiscal year 2024 and 2023 decrease is attributable to the conclusion of Higher Education Emergency Relief Fund (HEERF I, II, and III) grant revenue.

- Total debt supporting the system's capital asset investment programs decreased in fiscal year 2024 by $43.5 million to a total of $403.5 million, a 9.7 percent decrease. This decrease was primarily due to the repayment of general obligation and revenue bonds of $33.7 million. The decrease was offset by a net increase of $13.7 million related to leases and subscriptions.

- The system has been building up its cash in fiscal years 2021, 2020, and 2019 to adopt a new Enterprise Resource Planning (ERP) system which began implementation in fiscal year 2021. Revenues outpaced expenses by $4.5 million in fiscal year 2024. In contrast to fiscal year 2023, expenses outpaced revenues by $10.5 million.

Overall, the adjusted operating margin for the period showed a gain of $30.1 million. The most significant component of this was an increase in state appropriation. Tuition revenues for fiscal year 2024 also showed a modest increase.

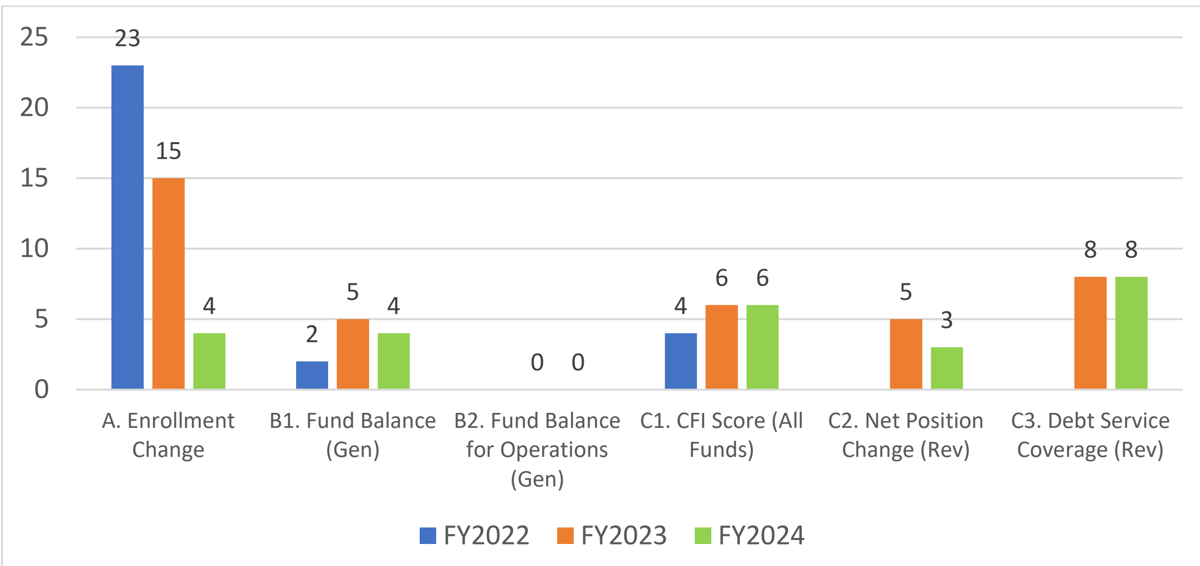
SYSTEM PROCEDURE 7.3.16, 2024 SUMMARY OF RESULTS

System Procedure 7.3.16 facilitates the board's financial administration of the system by annually monitoring key financial metrics and assessing the results within the larger managerial environment at colleges and universities. Metrics address enrollment levels, fund balance health, and revenue fund facilities-related obligations. Most of the metrics are derived directly from the year-end financial statements. Specific measures of financial health covered by this report are:

- A. Enrollment Change in Full-Year Equivalents
- B1. General Fund Year-End Fund Balance
- B2. General Fund Use of Fund Balance to Balance the Annual Operating Budget
- C1. All Funds Adjusted Composite Financial Index (annual and 2-year average)
- C2. Revenue Fund Change in Unrestricted Net Position (annual and 2-year trend)
- C3. Revenue Fund Maximum Annual Debt Service Coverage

Graph 1 summarizes the number of institutions that have triggered each financial health measure for the past three fiscal years.

Graph 1. Summary of Financial Health Indicators FYs 2022, 2023, 2024



The individual colleges and universities triggering enrollment, General Fund, and All-Funds indicators are listed in Attachment 1. Attachment 2 lists the colleges and universities that have financial activity in the Revenue Fund and identifies which indicators were triggered for that fund. Of the six measures, sixteen colleges triggered none of them (up from ten last year), nine colleges and three universities triggered only one, one college and two universities triggered two measures, one university triggered three measures, and one university triggered four.

The following sections provide a description of each measure, the trigger point(s) at which each measure requires a college or university to provide response information, results for the measure for fiscal year 2024, and information on efforts colleges and universities are undertaking so they will not continue to trigger each measure.

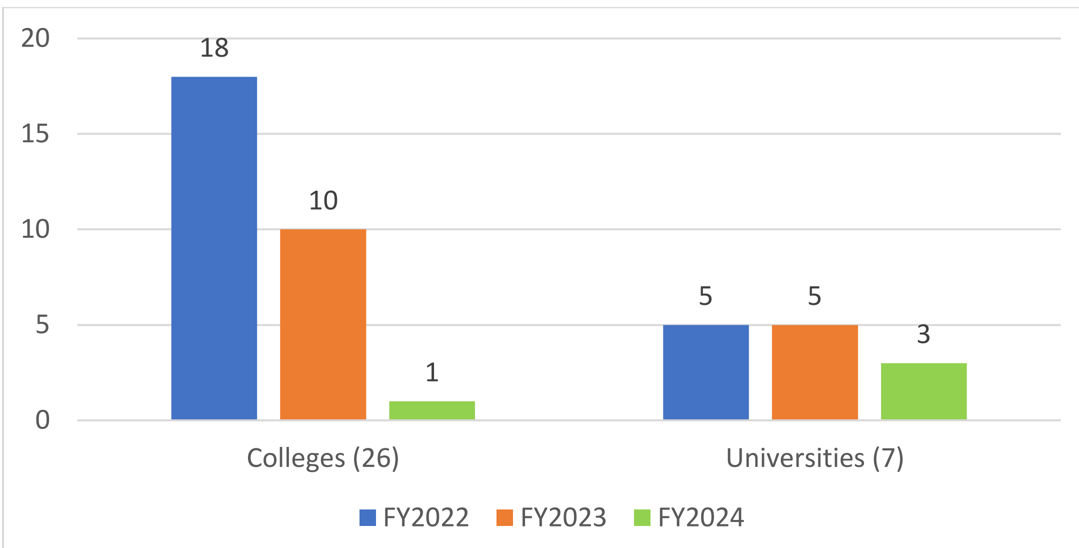
In addition to the written responses and meetings required for triggering certain measures, this year began the implementation of enhancing college and university financial accountability measures as was presented as part of the FY2025 Chancellor and System Office Workplan at the annual Board of Trustees retreat in September 2024. Colleges and universities that were also trending towards triggering these indicators or have triggered the CFI score in the recent past met with the Chancellor and members of his cabinet with the goal of increasing monitoring and if applicable identifying earlier in the process if an institution appears to be headed towards financial crisis.

A. ENROLLMENT CHANGE

Because of the primary importance of enrollment to an institution's financial health, the first financial health indicator identified in System Procedure 7.3.16 measures enrollment changes over time. This indicator is measured in Full Year Equivalent (FYE) students to roughly equate each FYE to a more equivalent amount of tuition revenue. An FYE equates to 30 undergraduate credits and 20 graduate credits. This measure compares FYE enrollment in fiscal year 2024 to enrollment in fiscal year 2022. For this measure, institutions trigger follow-up action if enrollment has declined more than eight percent over the past two years.

Graph 2 shows that one college and three universities triggered this measure for fiscal year 2024.

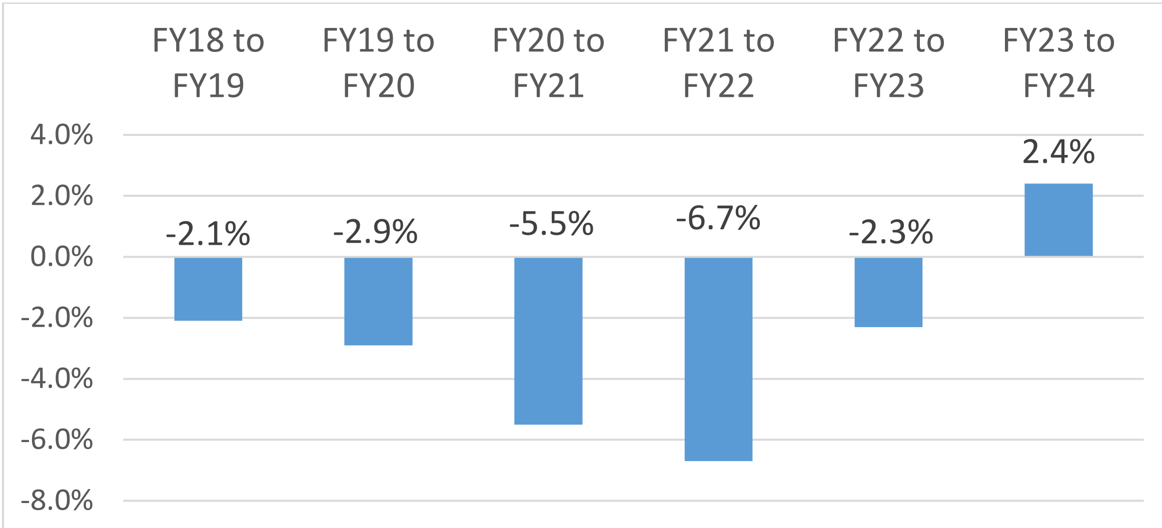
Graph 2. Enrollment Decline of More than 8% Over 2 Years (Measure A)



No new colleges or universities are included this year that were not included last year; nine colleges and two universities that triggered last year did not trigger this year. These numbers continue to show growth from pandemic-related lows and because they cover two years, they generally lag behind the most recent numbers showing that institutions' enrollments continue to grow.

Graph 3 shows that the system was losing enrollment prior to the pandemic and lost significantly more during the pandemic but is currently growing back from the low experienced during the pandemic. In fiscal year 2022, with system enrollment down by 6.7 percent, 18 colleges and 5 universities triggered the two-year enrollment decline indicator for response. In fiscal year 2023, with system enrollment down 2.3 percent, 10 colleges and 5 universities triggered the indicator. In fiscal year 2024, with system enrollment up 2.4 percent, 1 college and 3 universities triggered the indicator.

Graph 3. Annual Enrollment Change for the System



As reported to the committee at its November meeting, fiscal year 2025 system enrollment is currently projected to increase by 4.5 percent, the numbers of institutions triggering this indicator should fall again next year.

The four institutions that triggered this indicator for 2024 are trending in a positive direction for fiscal year 2025 as their annual projections range from being stable to nearly double-digit percentage growth after experiencing enrollment growth for fall semester 2024. These institutions continue to implement goals and initiatives that are identified in their strategic enrollment management plans. These goals focus both on recruitment and retention.

Recruitment strategies include:

- Comprehensive and targeted marketing campaigns focusing on new state and institutional financial aid programs.
- New partnerships that include K-12 and other higher education institutions.
- An increased focus on adult learners and increasing graduate program enrollments.

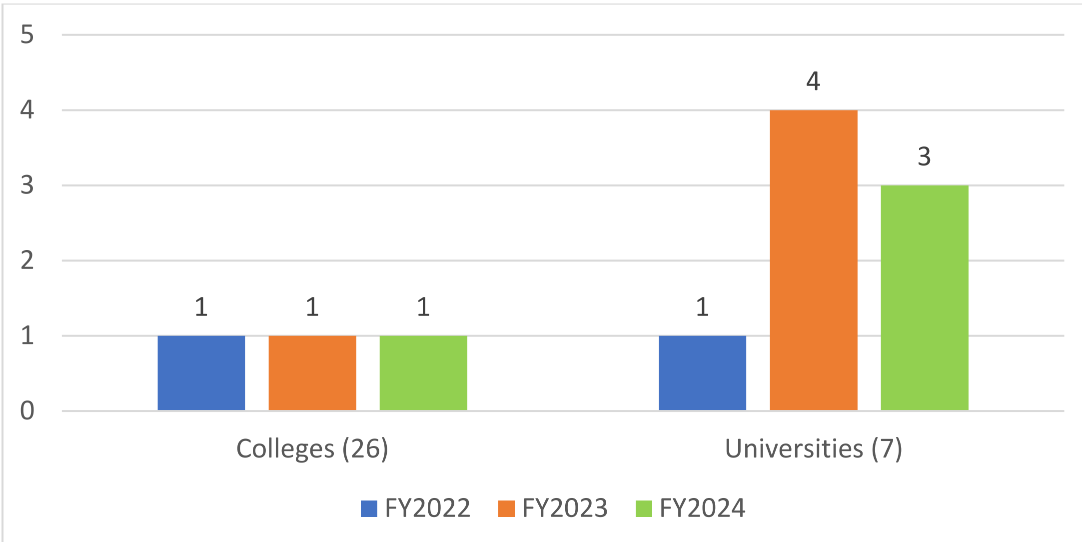
Retention strategies include:

- Utilization of data through expanded use of CRM (Customer Relationship Management) systems
- Increasing campus student support services such as academic advising, food pantries, and career centers.

B1. GENERAL FUND YEAR-END FUND BALANCE

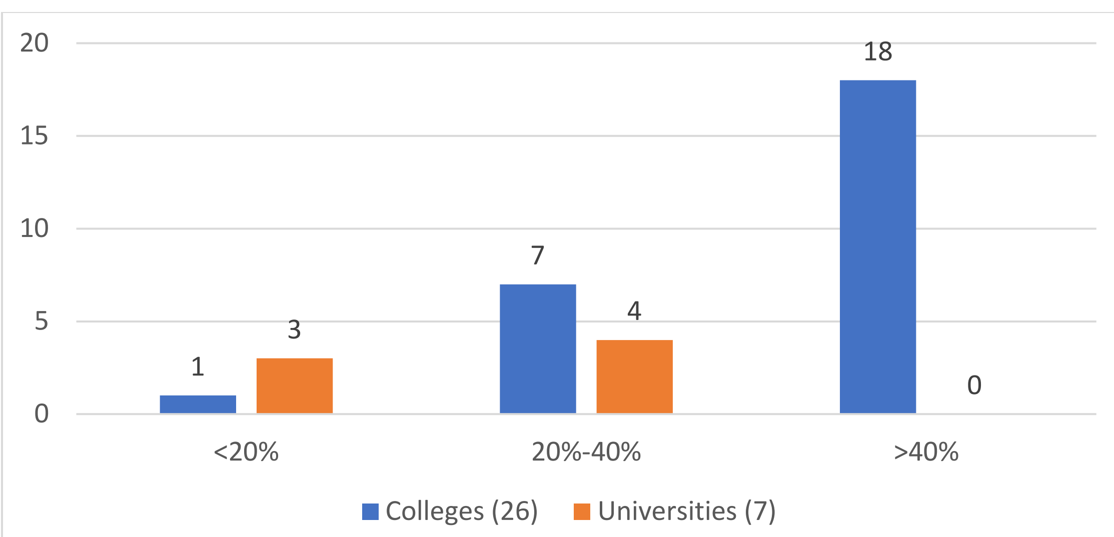
The next area of financial health focused on is cash balances in the General Fund at the end of the year. For this measure, institutions trigger follow-up action if the cash balance is less than twenty percent of the General Fund revenue in that year. As shown in Graph 4, one college and three universities triggered this measure for fiscal year 2024, the same college and three of the four universities that triggered last year.

Graph 4. Fund Balance Less Than 20 Percent of Annual Revenues (B1)



Graph 5 shows the one college and three universities that triggered this measure for being below 20 percent and shows the ranges where fund balances are at for the other colleges and universities. For fiscal year 2024, one university increased to greater than 20 percent and one college slipped just below 40 percent. Most colleges (eighteen of the twenty-six) had cash balances equal to more than forty percent of the revenue they received in fiscal year 2024.

Graph 5. Fund Balance as Percent of Annual Revenues (B1)



There are many reasons for colleges and universities to preserve a certain amount of fund balance, especially for emergencies but also for planned strategic investments such as large facilities/technology projects or academic program development. To maintain financial health for the long-term, an institution should be increasing this amount most years to align with the growth in operating revenues. While measure B1 tracks year-end fund balance as a percentage of revenues into the fund during the year, measure B2 below tracks the percentage of that fund balance that is budgeted to be used for general operating purposes in the coming year.

For the college and universities that triggered General Fund year-end fund balance measures, strategic enrollment management is a critical part of the plan as well as implementing budget adjustments to account for changes that have occurred in programs and services. Increased investments are needed in high demand programs and services while at the same time having to implement budget reductions to cover unfunded annual inflationary costs. Examples of plans include the ability to increase enrollment in high demand technical programs once a capital project is completed and implementing a hiring chill to allow the institution to capture salary and fringe savings to build additional flexibility into the operating budget.

It can take a number of fiscal years to build cash in the general fund operating budget back up to twenty percent of annual revenues. The three universities that triggered this health indicator are all in the process of implementing difficult decisions to reduce base expenditures. Some of the individual actions that are implemented will take several years before the full projected financial savings are realized. As reported to the board in June 2024 and in November 2024, systemwide reserves have been loaned to two universities to ensure they have a positive cash position in fiscal year 2025. System leadership meets with university leadership multiple times throughout the year to provide support, guidance, and to monitor the financial situation.

B2. GENERAL FUND USE OF FUND BALANCE IN THE ANNUAL OPERATING BUDGET

The first recent addition is the measure of how much of an institution's year-end General Fund balance was planned to be spent in the coming year's operating budget. This two-part measure triggers follow-up if fund balance use for operations is either a) greater than 5 percent of the prior year's revenues (in cases where the institution's total fund balance is less than 30 percent of prior year's revenues) or b) greater than 10 percent of the prior year's revenues (in cases where the institution's total fund balance is between 30 and 50 percent of the prior year's revenues). This allows institutions with greater fund balance amounts to use more of their fund balance before triggering follow-up information. This new measure replaced a prior measure of decrease in General Fund balance, which was triggered by a ten percent drop over three years regardless of the reason in order to focus on amounts used for ongoing operations and not include use for one-time projects, which may have been planned and anticipated for many years.

The second measure in subpart B measures the percentage of the year-end fund balance that is budgeted to be spent on ongoing operations in the coming year. For this measure, the trigger for follow-up action depends on each institution's year-end fund balance as measured by measure B1, above. If the institution has a B1 below 30 percent, reducing the year-end fund balance by 5 percent or more (of the past year's revenues) would trigger follow-up action. If the institution has a B1 between 30 and 50 percent, reducing the year-end fund balance by 10 percent or more would trigger follow-up action.

For planned use of fiscal year 2024 year-end fund balance in fiscal year 2025 budgets, no college or university triggered this measure for follow-up. Contributing factors for this success include the ability to plan ahead for use of the $50 million in one-time state appropriation for operation support was all distributed to colleges and universities in fiscal year 2024, together with continuing strength in enrollment.

Since this is only the second year of tracking this measure, it is still too early to assess its value in monitoring financial health going forward. Prior to fiscal year 2024, there were institutions that would have triggered this measure if it had been in place. The goal of this financial health indicator is to provide earlier detection of a budget crisis by identifying institutions that are heavily relying on fund balance to cover on-going operating expenses.

C1. ALL FUNDS ADJUSTED COMPOSITE FINANCIAL INDEX (CFI)

The most widely used measure of financial health for higher education institutions is the Composite Financial Index, the CFI score. This measure is a combination of four key ratios derived from the year's audited financial statements. These four ratios focus on the ability of the institution's financial reserves to withstand unexpected pressures, the ability of the institution to pay off debts, how much the institution's assets have grown in the past year, and how well revenues matched expenses in the past year. CFI numbers are calculated on an all-funds basis, including the General Fund (tuition and fee revenues plus state appropriations), the Revenue Fund (for certain facilities operations), and auxiliary funds, combined. The specific ratios include two ratios of financial position from the system's balance sheet and two ratios of financial operation from the system's income statements:

1. The *primary reserve ratio* measures spendable resources on hand compared to the prior year's expenses. (35 percent weight)
2. The *viability ratio* measures spendable resources on hand compared to total debt and obligations. (35 percent weight)
3. The *return on net asset ratio* measures the change in net assets during the prior year compared to where they were at the beginning of the year. (20 percent weight)
4. The *operating margin ratio* measures the difference between revenues and expenses in the past year as a percentage of those revenues. (10 percent weight)

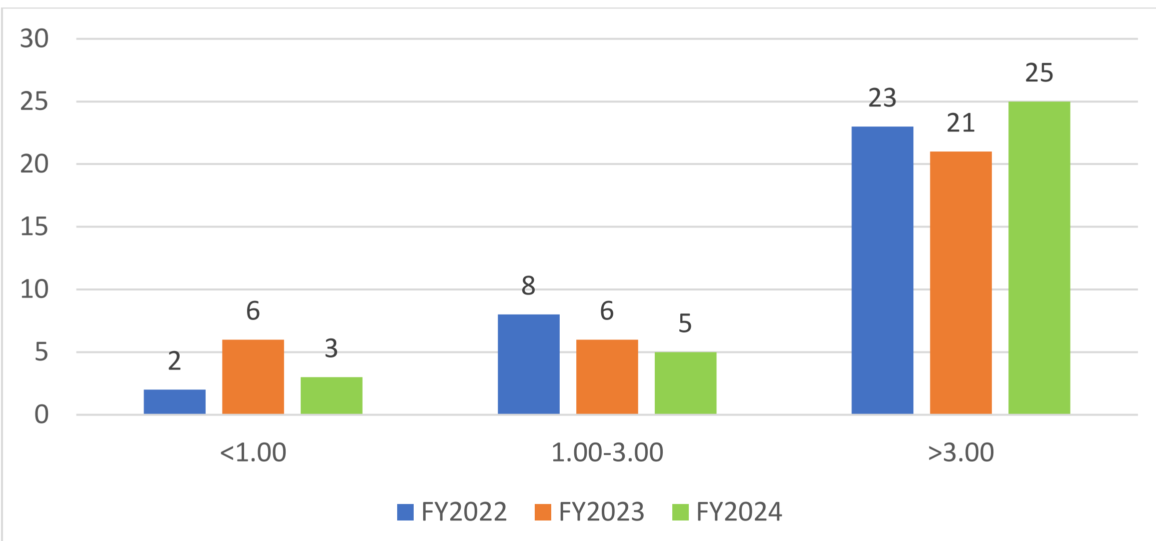
The system office calculates these values as a part of the annual financial statement process. Each ratio on its own provides a measure of financial health. When the four are combined and weighted (more heavily on the first two than the second two), the resulting CFI score is used across the United States as a key measure of financial health for higher education institutions.

CFI scores, by definition, range from a negative four to a positive ten. An annual CFI value below 1.0 indicates that an institution could have issues with viability and survival and may require more intense analysis to make sure the situation is properly managed. A CFI of between 1.0 and 2.0 indicates that an institution needs to be re-engineered to have longer-term financial stability. A value of 2.0 to 3.0 is considered to signify stronger financial health and that the organization has moderate capacity to deal with adversity or invest in innovation and opportunity. A CFI value greater than three represents increasingly stronger financial health and the ability to be transformational and to allow for experimentation and new initiatives. It is important to note that this indicator only measures the financial component of an institution's well-being, and it must be analyzed in that context, especially with the achievement of its mission.

While CFI measures are only operational at the individual institution level, the combined CFI measure for the system also provides a sense of financial health overall. From fiscal year 2023 to fiscal year 2024, the overall CFI for the system went from 2.26 to 3.62 when excluding the provisions of GASB Statements 68 and 75. These provisions address long-term pension and other post-employment benefit obligations which may have significant volatility due to projections of future values of invested funds and actuarial projections of the members covered by each of those retirement funds. To focus on nearer-term financial health, it is useful to look at the CFI without the effects of these retirement-related provisions. When including these provisions, the system's CFI has gone from 2.33 to 2.78. Because Minnesota State's audited financial statements use the full accrual method of accounting, non-cash items like depreciation are included on the expense side and the ratios used in the CFI scores measure operating positions from a non-cash basis.

Looking at CFI results at the institutional level, Graph 6 summarizes the fiscal year 2024 CFI scores for the system's colleges and universities.

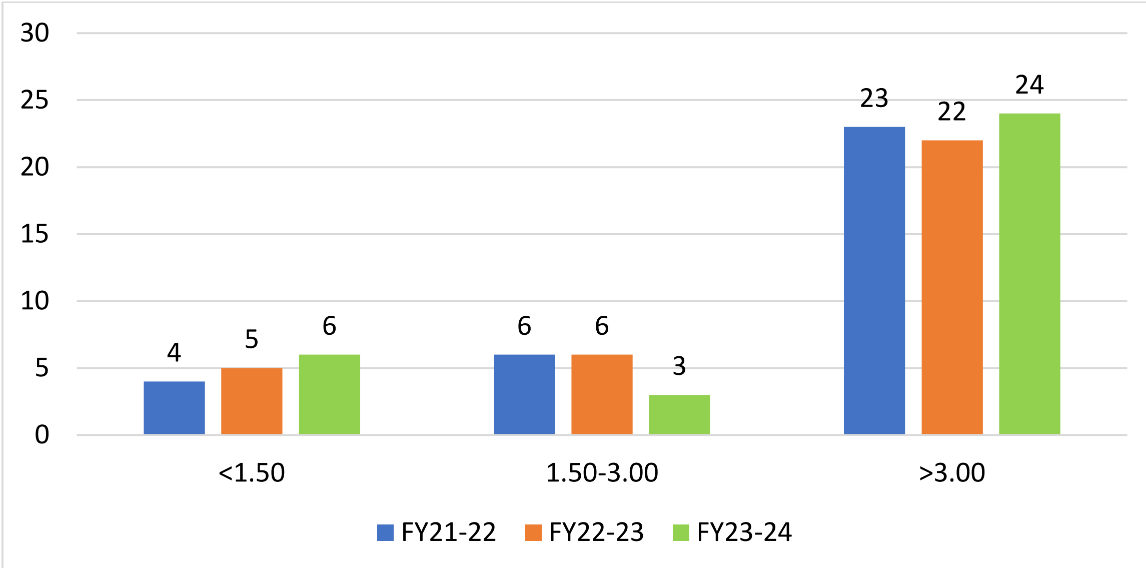
Graph 6. Annual Composite Financial Index (CFI) Scores for FY 2024



This graph shows some improvements from last year. Two colleges and one university moved from the lowest bracket (triggering follow-up) into the 1.00-3.00 bracket. Three colleges and one university moved from the 1.00-3.00 bracket to the >3.00 bracket.

To take a slightly longer-term look at CFI, the system procedure also sets a trigger for two-year average CFI scores, requiring follow-up if an institution's two-year moving average CFI score is less than 1.5. This information is shown in Graph 7.

Graph 7. Two-year Average CFI Scores for FY 2024



For 2024, the same five institutions plus one additional university were below 1.5 for the two-year CFI measure. On the other side of the graph, two additional colleges moved over the 3.0 level. One factor contributing to the stability of these numbers was the $50 million in one-time operational support appropriation received in fiscal year 2024.

While CFI is an all-funds measure derived from the accrual-based financial statements, responses to triggering this measure generally center around the same revenue and cost actions as the General Fund year-end balance measure does. This is because annual changes in fund balances are one of the most immediate factors affecting CFI score, and issues with reserves, return on net assets, and operating margins are generally helped by the same strategies. The fourth component of the CFI score, the viability ratio, is concerned with the ability to cover debt. Since universities tend to have more extensive facilities, especially the six universities that have residence halls, long-term debt service often adds more possibility for them to trigger this measure. In addition, universities with significant revenue fund activity tend to have less variation from year to year with their CFI than two-year colleges that do not have this type of debt on their balance sheet. Improving the CFI can take several different strategies over several years.

REVENUE FUND MEASURES

Measures C2 and C3 apply only to those institutions with activity in the Revenue Fund, which includes all seven universities and eight colleges. The Revenue Fund exists to segregate financial activity for facilities that have been acquired, constructed, or renovated using the board's authority to sell revenue bonds. These facilities are required to have fees that generate sufficient revenue to pay debt service, operate, equip, maintain, and repair the facilities. These measures were added to Procedure 7.3.16 starting in fiscal year 2023 to provide more transparency for the financial health of Revenue Fund activities.

Minnesota State's Revenue Fund outstanding revenue fund bonds and long-term outlook were both affirmed by Moody's Investor Services and S&P Global Ratings this past year. Moody's affirmed Minnesota State's Aa3 issuer rating and A1 debt rating. It was noted in their rationale that the system's debt affordability is favorable to peers with no identified plans for additional debt and noted that significant competition for students in the state is a key credit challenge. S&P Global Ratings affirmed its AA- long-term rating on the system's outstanding revenue fund bonds and provided a stable outlook rating. The stable outlook opinion was based on the system continuing to work on stabilizing its enrollment and maintaining budgetary balance that includes remaining in compliance with all its bond covenants.

Measure C2, change in unrestricted net position, measures the profit or loss for the year net of accrued obligations. Measure C3, maximum annual debt service coverage, measures the ability of the fund's net operating income to pay the fund's debt obligations for the year.

Table 1 shows the institutions and types of facilities in the Revenue Fund at each. Revenue fund facilities include residence halls, student unions, some parking facilities, health/wellness centers, and a few other facilities.

Table 1. Colleges and Universities in the Revenue Fund

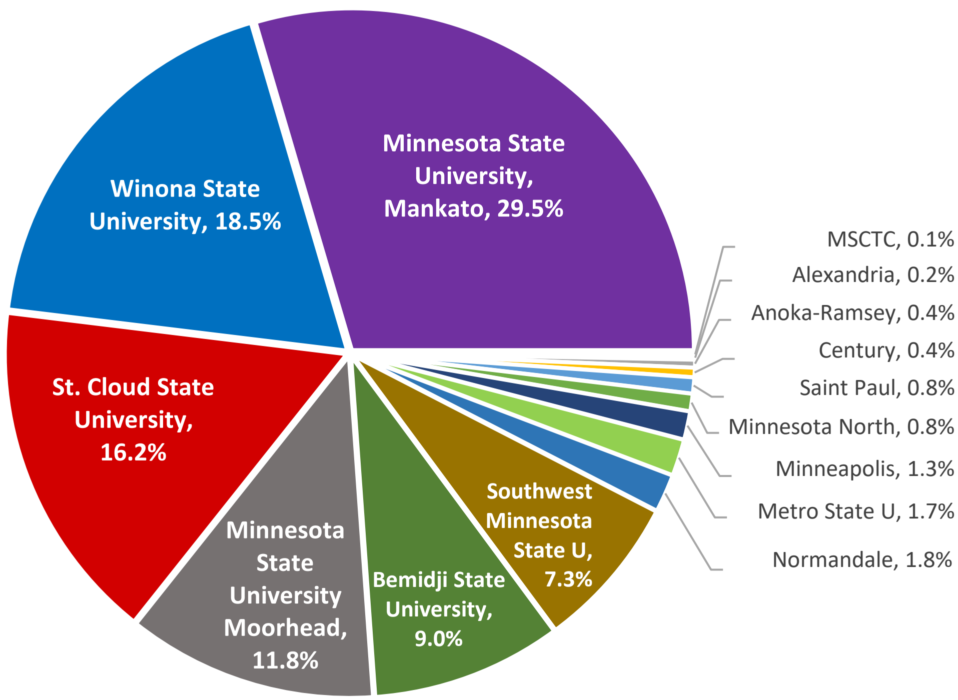
INSTITUTIONS	Student Housing	Student Union	Parking	Wellness	Other
Universities					
Bemidji State University	X	X			
Metropolitan State University		X	X		
Minnesota State University, Mankato*	X	X			X
Minnesota State University Moorhead	X	X		X	
St. Cloud State University**	X	X	X		X
Southwest Minnesota State University	X	X			
Winona State University	X	X		X	
Colleges					
Alexandria Technical and Community College			X		
Anoka Ramsey Community College (Coon Rapids)				X	
Century College			X		
Minneapolis College		X	X		
Minnesota State Comm. & Tech. College (Moorhead)				X	
Normandale Community College		X	X		
Saint Paul College			X		
Minnesota North College (Vermilion)	X				

* Other is recreational athletic fields and the Sports Dome

** Other is the Herb Brooks National Hockey Center

Chart 1 shows the relative size of each institution's activity in the Revenue Fund. The bulk of the activity in this fund is at universities, which have more extensive facilities for student housing, food service, athletics, and so on. Attachment 2 lists each college or university's Revenue Fund operating expenses as a percentage of operating expenses from all funds. Revenue Fund expenses range from 0.2 percent to 2.0 percent of all expenses at the colleges in the fund, and from 8.9 percent to 12.0 percent of all expenses at all the universities other than Metropolitan State University.

Chart 1. Fiscal Year 2024 Revenue Fund Operating Expenditures (Including Depreciation & Amortization)



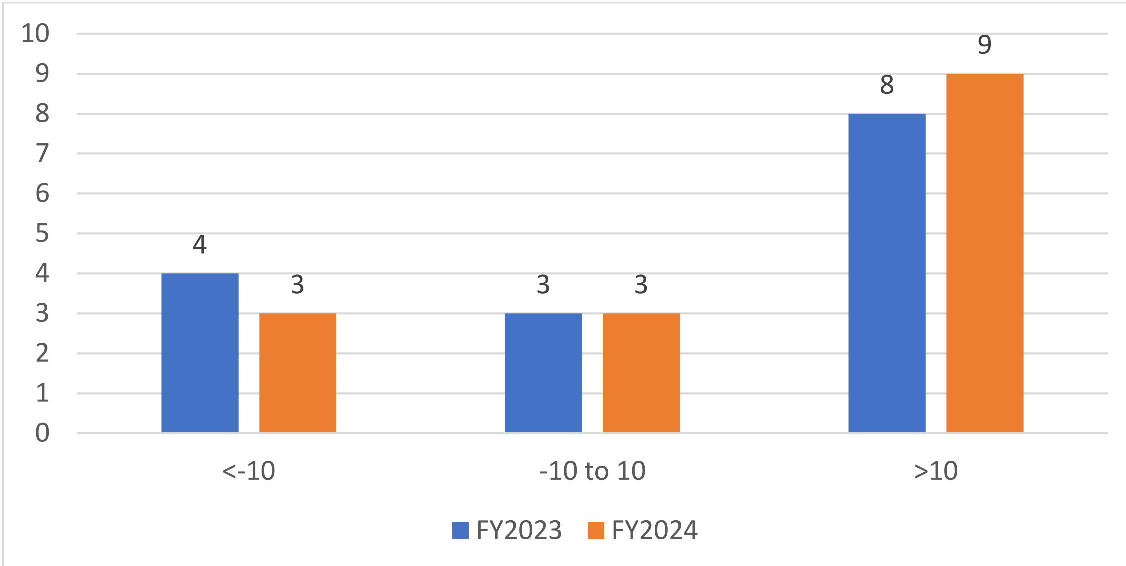
The financial condition of Minnesota State's Revenue Fund operations showed improvement in fiscal year 2024, continuing its recovery from the COVID-19 pandemic. Operating revenues increased by 5.9 percent in fiscal year 2024 after increasing by 6.8 percent in fiscal year 2023 from fiscal year 2022 levels. Colleges and universities continue to successfully manage their operating expenses as those increases were less than the changes in operating revenues, 2.6 percent between fiscal years 2024 and 2023 and 5.1 percent between fiscal years 2023 and 2022. With student affordability as a priority, cost containment is of importance as colleges and universities continue to ensure services and activities meet the needs and demands of our students.

C2. REVENUE FUND CHANGE IN UNRESTRICTED NET POSITION

Unrestricted net position measures the profit or loss for the year net of accrued obligations. As with CFI, there are two ways an institution can trigger this measure for follow-up. The first is if the current year's unrestricted net position is negative and is more than ten percent below the prior year's number.

Graph 8 shows that for fiscal year 2024, two colleges (one less than for 2023) and one university (the same as for 2023) triggered this measure for follow-up in this way.

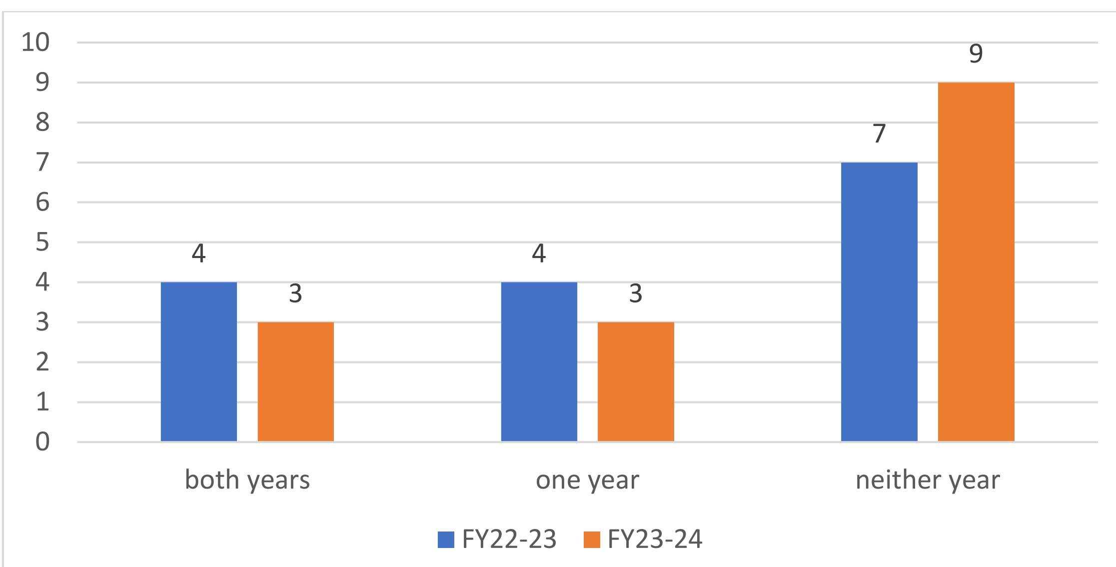
Graph 8. FY 2024 Revenue Fund Unrestricted Net Position Negative and More Than Ten Percent Below Starting Position



The second way an institution can trigger this measure for follow-up is if the current year's number and the prior year's number are both negative, regardless of the gap between the two.

Graph 9 shows that for the fiscal year 2023-2024 period, three institutions (two colleges and one university) triggered this measure for follow-up in this way. This is one less university than for the fiscal year 2022-2023 period.

Graph 9. FY 2024 and FY 2023 Unrestricted Net Position Two Years Negative

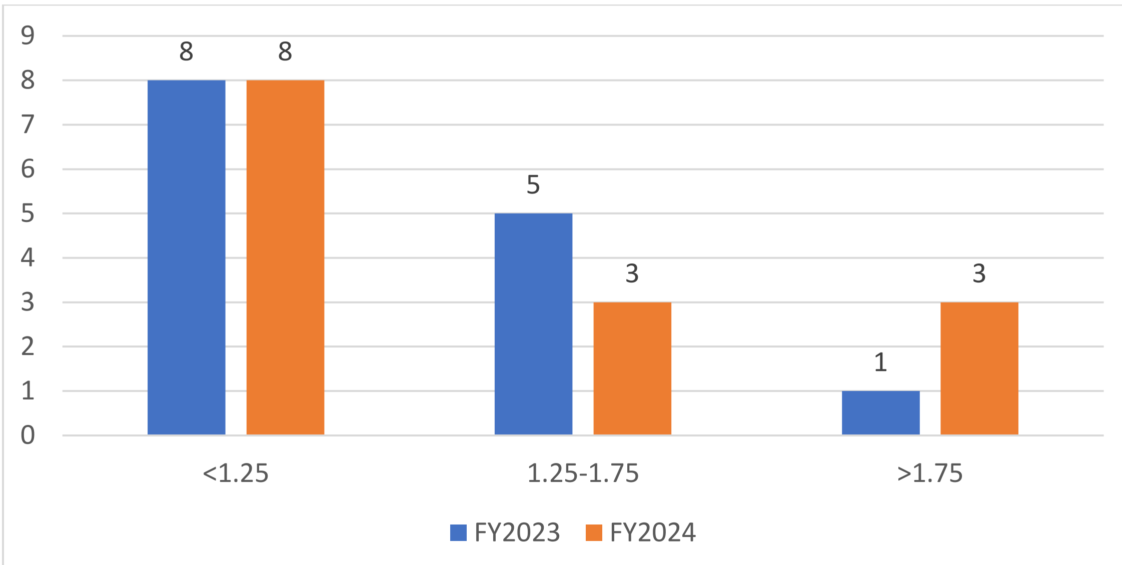


For fiscal year 2024, the same colleges and university triggered this measure in both ways.

C3. REVENUE FUND MAXIMUM ANNUAL DEBT SERVICE COVERAGE
Maximum annual debt service coverage measures the ability of the fund's net operating income to pay the fund's debt obligations for the year. This measure is triggered for follow-up by a value of less than 1.25.

Graph 10 shows that for fiscal year 2024, five colleges (one more than last year) and three universities (one fewer than last year) triggered this measure for follow-up. Of three universities that triggered the measure for 2024, two are the same as last year and one is new in 2024.

Graph 10. Maximum Annual Debt Service



Note that the total number of colleges and universities on this graph is one fewer than for measure C2. This is because one of the eight colleges in the Revenue Fund does not have any outstanding debt so does not have debt service payments.

Both long-term and pandemic-related enrollment declines caused significant reductions in the use of Revenue Fund facilities in recent years, causing significant reductions in revenues. Both colleges and universities saw reductions in food service, parking facilities, events and other ongoing activities that generated the revenues needed to run Revenue Fund facilities. While federal HEERF dollars provided some support during and after the pandemic to backfill some lost revenues at many institutions, continued changes in on-campus enrollment patterns, changes in the numbers of students and visitors to campus, and the ongoing aging of facilities has posed significant challenges to Revenue Fund activities. Inflationary costs in this area have been difficult to fund as additional revenues, particularly in fiscal years 2022-2024, were well short of covering inflationary costs.

To restore financial stability for Revenue Fund activities, universities and colleges are looking at their level of revenue fund fees as well as which populations of students are assessed these fees. There have been benefits from increasing campus enrollment, more students living in residence halls and having meal plans. The historical ways in which these activities have been funded are under constant review as the delivery of programs and services continue to change to meet student expectations.

SUMMARY

Minnesota State's overall financial position remained relatively stable in fiscal year 2024. Significant new investments from the State of Minnesota and the stabilization of enrollment played a significant role in a $108.9 million improvement in the system's overall financial position. Reversing over a decade long year-to-year enrollment declines along with the strong fiscal year 2024 investment from the State of Minnesota resulted in less triggers of the system financial health indicators in 2024 than we have seen for several years. Two years ago, seventy percent of our institutions triggered the enrollment indicator decreasing to twelve percent this year.

The chancellor's leadership team is utilizing the financial health indicators more broadly and proactively. Additionally, current and regularly updated budget information is requested to increase monitoring of financial accountability measures and short and long-term enrollment and budget projections. Since the November fiscal year 2024 financial statements and fiscal year 2025 operating budget update, meetings have occurred with the seven state universities and five colleges. These discussions with institutional leadership have focused on understanding the current financial picture as well as understanding priorities and how they impact long-term financial sustainability.

Minnesota State

Financial Health Indicator Summary FY2024

Enrollment, General Fund and All-Funds Measures

Attachment 1

	A1	B1	B2	C1	C1
Colleges	**Two-Year Enrollment Change**	**Cash Balance as Percent of Revenue -Gen Fund**	**Cash Balance Use for FY24 Operations -Gen Fund**	**Annual CFI -All Funds**	**Two-Year Average CFI -All Funds**
Alexandria Technical & Community College					
Anoka-Ramsey Community College					
Anoka Technical College					
Central Lakes College					
Century College					
Dakota County Technical College					
Fond du Lac Tribal and Community College					
Hennepin Technical College					↔
Inver Hills Community College					
Lake Superior College					
Minneapolis College					
Minnesota North College					
Minnesota State College Southeast					
Minnesota State Community and Technical College					
Minnesota West Community and Technical College					
Normandale Community College					
North Hennepin Community College					
Northland Community and Technical College	↑				
Northwest Technical College					
Pine Technical and Community College		↑			
Ridgewater College					
Riverland Community College					
Rochester Community and Technical College					
St. Cloud Technical and Community College					
Saint Paul College					
South Central College					↑
Universities					
Bemidji State University	↑	↓		↑	↓
Metropolitan State University	↑				
Minnesota State University, Mankato					↓
Minnesota State University Moorhead	↑				
St. Cloud State University		↓		↑	↓
Southwest Minnesota State University					
Winona State University		↓		↑	↓

Trigger of FHI	<-8%	<20%	<-10%	<1.00	<1.50
	-8%-0%	20%-40%	-10%-10%	1.00-3.00	1.50-3.00
	>0%	>40%	>10%	3.00-8.00	3.00-7.00
Trigger and improvement from last health indicator	↑	↑	↑	↑	↑
Trigger and decline since last health indicator	↓	↓	↓	↓	↓
Trigger and similar to previous health indicator	↔	↔	↔	↔	↔
colleges	1	1	0	2	
universities	3	3	0	4	

FPA Jan-25

Minnesota State

Attachment 2

Financial Health Indicator Summary FY2024

Revenue Fund Measures

	C2	C2	C3	
Colleges	**Net Position Change -Rev Fund**	**Net Position Two Years Negative -Rev Fund**	**Debt Service Coverage -Rev Fund**	**Rev Fund Percent Total Op Expenses**
Alexandria Technical & Community College	↑	↑	↑	0.6%
Anoka-Ramsey Community College			↔	0.5%
Century College	↑	↑		0.5%
Minneapolis College			↑	1.9%
Minnesota North College				1.4%
Minnesota State Community and Technical College			↓	0.2%
Normandale Community College				2.0%
Saint Paul College			↓	1.2%
Universities				
Bemidji State University				11.0%
Metropolitan State University			↔	1.7%
Minnesota State University, Mankato				10.4%
Minnesota State University Moorhead				12.4%
St. Cloud State University	↓	↑	↑	8.9%
Southwest Minnesota State University			↓	11.6%
Winona State University				12.9%
LEGEND	<-10%	Trigger Both	<1.25	
	-10% to 10%	Trigger One	1.25-1.75	
	>10%	No Trigger	>1.75	

This table includes only the fifteen colleges and universities that have facilities with financial activity in the Revenue Fund because these facilities were acquired, constructed, or renovated using the board's authority to sell revenue bonds. The amount and size of the facilities each college or university has in the Revenue Fund varies greatly. Three colleges only have parking facilities in the fund. Two colleges only have a wellness center in the fund. All universities have a student union in the fund and all universities except Metropolitan State University also have student housing facilities in the fund.

In order to represent the magnitude Revenue Fund activity has on the overall financial activity for each college or univeristy, the right-hand column shows Revenue Fund operating expenses (including depreciation and amortization) as a percentage of total operating expenses from all funds.