



April 18, 2023

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# Operating Budget and Enrollment Update

# Presentation Outline

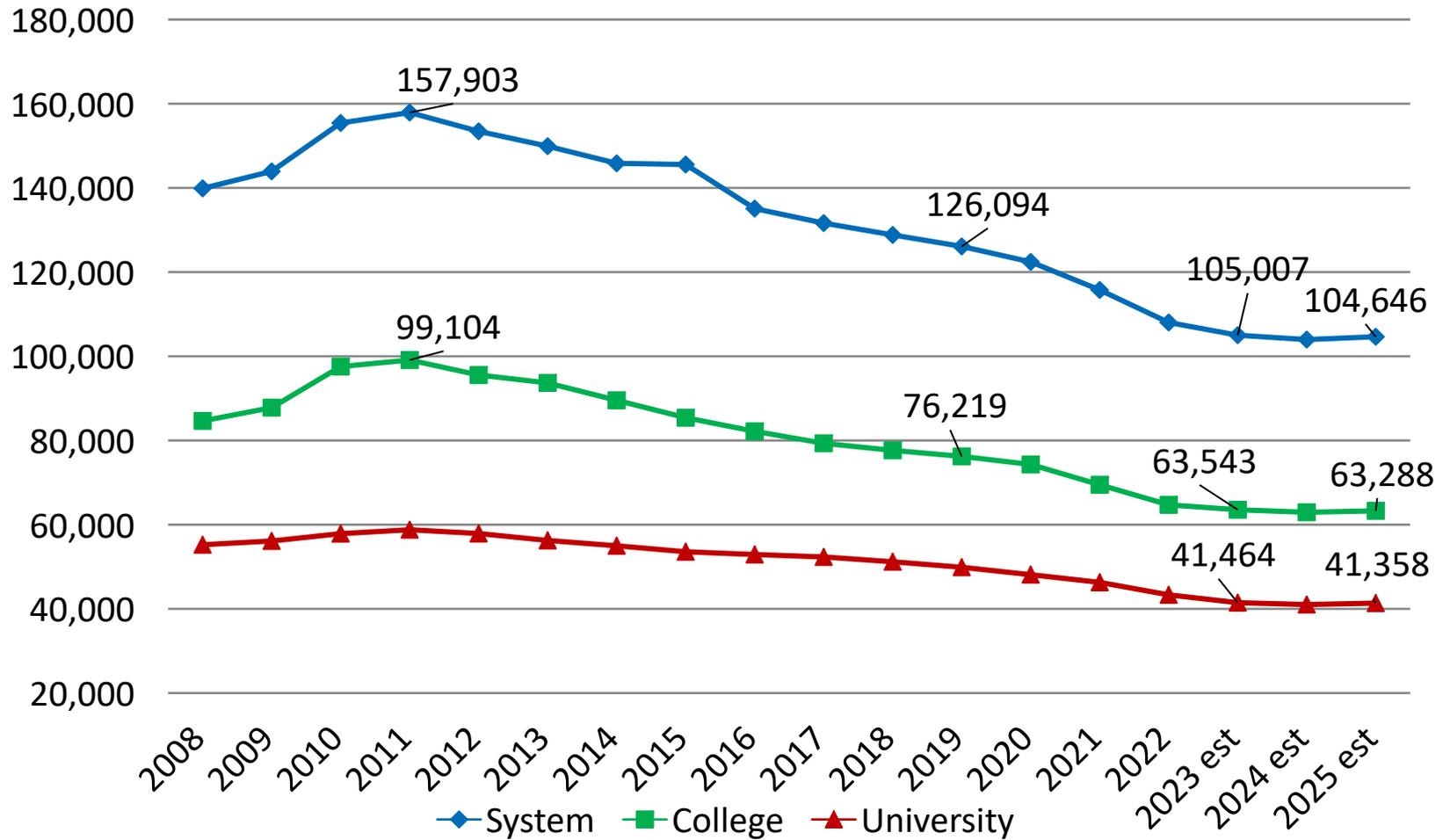
- Enrollment update
- Fiscal Year 2023 budget update
- Legislative update
- Fiscal Year 2024 annual operating budget timeline



# System's enrollment outlook for FY2023

	May 2022		October 2022		February 2023	
<b>FY2023 Compared to FY2022</b>	<b>% Change FY23 vs. FY22</b>	<b>FY2023 FYE</b>	<b>% Change FY23 vs. FY22</b>	<b>FY2023 FYE</b>	<b>% Change FY23 vs. FY22</b>	<b>FY2023 FYE</b>
Colleges	-2.0%	63,430	-3.0%	62,763	-1.8%	63,543
Universities	-3.0%	42,039	-5.0%	41,160	-4.3%	41,464
System	-2.4%	105,469	-3.8%	103,923	-2.8%	105,007

# Enrollment History and 2024-2025 Enrollment Outlook



# System's Enrollment Change FY2019-FY2023

FY2019 Compared to FY2023 Projected	FY2019 FYE	FY2023 Projected FYE (February 2023)	Difference	% change
Colleges	76,219	63,543	(12,676)	-16.6%
Universities	49,874	41,464	(8,410)	-16.9%
System	126,094	105,007	(21,086)	-16.7%

# General Fund Structural Gap

	Approved Budget (June 2022)	Budget Update (Fall)	Budget Update (Spring)
<b>\$s in millions</b>			
Revenue/Sources	\$1,633.4	\$1,623.6	\$1,624.7
Expenses/Uses	\$1,702.4	\$1,701.3	\$1,699.6
<b>Budget gap</b>	<b>(\$69.0)</b>	<b>(\$77.6)</b>	<b>(\$74.8)</b>

*\*Numbers may not add due to rounding.*

# Fiscal Year 2023 Budgetary Gaps

- The system level general fund gap has remained relatively stable during the fiscal year
- System level general fund gap is less than five percent of the year's budgeted spending
  - Less than 5% - 15 colleges/4 universities
  - 5% to 10% - 9 colleges/2 universities
  - 10% to 15% - 2 colleges/1 university
- The budgetary gaps are covered by remaining HEERF funds, programmed fund balance, and expense reductions/delayed investments

# 2024-2025 State Biennial Budget Positions as of April 5, 2023

Appropriations in Thousands of Dollars	System Request	Governor's Budget	House Bill	Senate Bill
System Stabilization	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
One-time Operation Support			\$ 50,000	\$ 74,000
IRAP Employer Contributions		\$ 521	\$ 1,733	\$ 521
Unemployment Insurance			\$ 1,618	
Tuition Freeze	\$ 75,000		\$ 75,000	
Student Support, Basic Needs	\$ 26,000	\$ 26,000	\$ 26,000	\$ 26,000
Menstrual Products				\$ 764
Transfer Scholarships	\$ 12,000	\$ 12,000		
Emergency Grants	\$ 10,000			
Z-degrees/Free Materials	\$ 2,000		\$ 2,000	
Advanced Technology/Facilities	\$ 49,000	\$ 11,500	\$ 25,000	\$ 20,000
Industry Sector Development	\$ 25,500		\$ 12,500	\$ 10,000
Workforce Scholarships	\$ 25,500		\$ 12,500	
<b>Total</b>	<b>\$ 350,000</b>	<b>\$ 175,021</b>	<b>\$ 331,351</b>	<b>\$ 256,285</b>

# 2024-2025 State Biennial Budget Positions Ongoing vs. One-Time as of April 5, 2023

Appropriation \$ in thousands	System Request	Governor's Budget	House Bill	Senate Bill
<b>System Stabilization</b>				
Ongoing	\$125,000	\$125,000	\$96,000	\$125,000
One-time stabilization			\$29,000	
One-time campus support			\$50,000	\$74,000
<b>Student Support</b>				
Ongoing	\$125,000	\$38,000	\$79,000	\$10,000
One-time			\$24,000	\$16,000
<b>Workforce &amp; Economic Development</b>				
Ongoing	\$100,000	\$10,000		
One-time		\$1,500	\$50,000	\$30,000
<b>Other</b>				
Ongoing		\$521	\$3,351	\$1,285
One-time				
<b>Total Ongoing</b>	<b>\$350,000</b>	<b>\$173,521</b>	<b>\$178,351</b>	<b>\$136,285</b>
<b>Total Onetime</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$153,000</b>	<b>\$120,000</b>



# 2026-2027 State Biennial Budget Positions as of April 5, 2023

Appropriations in Thousands of Dollars	System 2026-2027	Governor 2026-2027	House 2026-2027	Senate 2026-2027
System Stabilization	\$ 170,000	\$ 168,000	\$ 96,000	\$ 170,000
IRAP Employer Contributions		\$ 1,245	\$ 1,777	\$ 1,245
Unemployment Insurance			\$ 1,618	
Tuition Freeze	\$ 100,000		\$ 100,000	
Student Support, Basic Needs	\$ 26,000	\$ 26,000	\$ 4,000	\$ 10,000
Menstrual Products				\$ 564
Transfer Scholarships	\$ 12,000	\$ 12,000		
Emergency Grants	\$ 10,000			
Z-degrees/Free Materials	\$ 2,000			
Advanced Technology/Facilities	\$ 49,000	\$ 10,000		
Industry Sector Development	\$ 25,500			
Workforce Scholarships	\$ 25,500			
<b>Total</b>	<b>\$ 420,000</b>	<b>\$ 217,245</b>	<b>\$ 203,395</b>	<b>\$ 181,809</b>

# Fiscal Year 2024 Annual Operating Budget Timeline

- May 16-17 - Board meeting: first reading of the FY2024 operating budget
- May 22 – End of 2023 legislative session
- June 20-21 – Board meeting: second reading of the FY2024 operating budget

# Conclusions

- Enrollment projected to stabilize in fiscal year 2025
- Colleges and universities will likely to continue to manage one-time revenues with investments in key areas
- Legislative session likely to end with significant new investments in Minnesota State