



FY2026-FY2027 Biennial Budget Request (First Reading)

Finance and Facilities Committee

October 15, 2024

Biennial Budget Listening Sessions 2024

- » Southwest Minnesota State University
Marshall, September 11
- » Riverland Community College
Austin, September 11
- » Winona State University
Winona, September 12
- » Minnesota North College
Hibbing, September 19
- » Pine Technical and Community College
Pine City, September 19
- » Minnesota State University Moorhead
Moorhead, September 26
- » St. Cloud Technical and Community College
St. Cloud, September 26
- » Century College
White Bear Lake, October 1
- » North Hennepin Community College
Brooklyn Park, October 1

Draft Request for FY26-FY27 Biennium

FY2026-FY2027 Biennial Appropriation Request (dollars in thousands)			
Request Area	Base Funding	One-Time Funding	Total
Student Affordability and System Operations	\$285,000	\$0	\$285,000
Critical Infrastructure	\$0	\$100,000	\$100,000
Student Support	\$40,000	\$0	\$40,000
Workforce-Focused Support	\$40,000	\$0	\$40,000
Total	\$365,000	\$100,000	\$465,000

Student Affordability and System Operations Calculations

General Fund Operating Budgets (June 2024) and Biennial Budget Request Calculations				
Expenses (\$s in millions)	FY2025 Budget	FY2026 5% Increase	FY2027 5% Increase	Total Increase over FY2026-FY2027 Biennium
Compensation	\$1,371	\$68	$\$68 + \$73 = \$141$	\$209
Operating Costs	\$499	\$25	$\$25 + \$26 = \$51$	\$76
Total	\$1,870	\$93	$\\$93 + \\$99 = \\$192$	\$285

Base Increase for Student Affordability and System Operations

\$285 million (base)

- » This request would provide stable state funding to campuses to allow for an overall five percent increase in costs each year
- » The funding would move the system closer to the statutory goal of 67 percent of funding coming from the state and 33 percent of funding coming from students through tuition
- » Focused tuition flexibility would be provided if this request is fully funded

Tuition Flexibility

- » This request is designed to allow the Board of Trustees to set tuition through its extensive consultation process. This process allows decision making to be respected at the campus level.
- » Potential overall tuition increases would be directly related to the amount of additional base funding received out of the \$285 million request
- » Differential tuition rates would be allowed to be adjusted where:
 - costs have increased for reasons outside the institutions control
 - high-cost programs are not covering unique program costs with the current rate
 - online rates are being combined into base rates
- » Individual compelling college and university requests could be considered

Critical Infrastructure Concerns

\$100 million (one-time funds)

- » This funding would address the most urgent immediate needs in
 - asset preservation (\$50 million)
 - building demolition to avoid maintenance costs for un-usable facilities that undermine a campus's sense of community (\$25 million)
 - the development of the new Workday student planning system (\$25 million). This student planning system will be significantly more complex than any yet developed in the nation, providing students with extensively valuable online resources

Student Support

\$40 million (base)

- » to provide campus staffing to connect students to essential resources that have been created like the basic needs supports, emergency grants, the Mantra Health mental health resource, and other campus-based resources (\$32.5 million)
- » for emergency grants, which would add \$2.75 million per year to the \$2.25 million per year currently available through OHE (\$5.5 million)
- » to continue current funding levels for the development of free course materials (\$2 million)

Workforce-Focused Program Support

\$40 million (base)

- » to continue the work of upgrading college and university equipment and learning environments for high-cost, high-need workforce programs (\$13.5 million)
- » to continue to develop and expand industry sector programming to build capacity and support new and redesigned curricular options with an emphasis on offering students work-based learning experiences (\$13.5 million)
- » to support the maintenance of high-cost and high-demand career & technical, baccalaureate, and graduate programs (\$8.5 million)
- » for workforce scholarships, which would increase the base for these scholarships by \$2.25 million (50 percent) per year and broaden the types of programs the scholarships can be used for (\$4.5 million)

Timeline: State Funding for FY26 and FY27

- Sep-Nov 2024 - System develops FY2026-27 biennial budget request
- Oct 15-16, 2024 - Board hears first reading of biennial budget request
- Nov 5, 2024 - Election day
- Nov 19-20, 2024 - Board approves biennial budget request; submits request to MMB
- Late Nov 2024 - State releases November Budget and Economic Forecast
- Jan 14, 2025 - Legislative Session Begins
- Jan 28, 2025 - Governor sends budget to legislature; may differ from Board request
- Late Feb 2025 - State releases February Budget and Economic Forecast
- May 19, 2025 - Legislative Session Ends
- May 20-21, 2025 - Board hears first reading of FY2026 operating budgets
- June 17-18, 2025 - Board approves FY2026 operating budgets
- July 1, 2025 - System begins FY2026

Discussion Questions

- » Does the proposed request address the priorities raised at the listening sessions and other input received by our
 - students?
 - faculty and staff?
 - external partners?
 - college and university leadership?

- » Do the proposed amounts seem to adequately align with the magnitude of the needs?



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