

3/21/2025

	Flat Tuition	Cover Tuition Relief	Proposed increase	Match System Average Increase	Upper end allowable	Break Even
	0.00%	2.09%	6.00%	7.40%	9.00%	20.82%
FYE	1607	1607	1607	1607	1607	1607
<b>Revenues</b>						
1 SO Base Allocation	\$ 11,978,926	\$ 11,978,926	\$ 11,978,926	\$ 11,978,926	\$ 11,978,926	\$ 11,978,926
2 Tuition Relief Allocation	\$ 1,432,698	\$ 1,432,698	\$ 1,432,698	\$ 1,432,698	\$ 1,432,698	\$ 1,432,698
3 Access and Opportunity	\$ 139,933	\$ 139,933	\$ 139,933	\$ 139,933	\$ 139,933	\$ 139,933
4 Rural College Support Allocation	\$ 316,667	\$ 316,667	\$ 316,667	\$ 316,667	\$ 316,667	\$ 316,667
5 PALS	\$ 59,009	\$ 59,009	\$ 59,009	\$ 59,009	\$ 59,009	\$ 59,009
6 Debt Service Allocation	\$ 216,030	\$ 216,030	\$ 216,030	\$ 216,030	\$ 216,030	\$ 216,030
7 Backlog Sabbaticals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Next Gen Contribution (Northlands Cost)	\$ (187,072)	\$ (187,072)	\$ (187,072)	\$ (187,072)	\$ (187,072)	\$ (187,072)
9 Menstrual Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Leveraged Equipment	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709
11 Equip and Learn Enviro (leveraged equip)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Dev and Exp Industry Sector Programming	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Year End Cost Distribution (Chargebacks)	\$ 586,915	\$ 586,915	\$ 586,915	\$ 586,915	\$ 586,915	\$ 586,915
14 Basic Needs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Allocation Support</b>	<b>\$ 14,716,815</b>	<b>\$ 14,716,815</b>	<b>\$ 14,716,815</b>	<b>\$ 14,716,815</b>	<b>\$ 14,716,815</b>	<b>\$ 14,716,815</b>
15 Tuition	\$ 9,651,210	\$ 9,852,815	\$ 10,230,283	\$ 10,365,400	\$ 10,519,819	\$ 11,661,038
16 Tech Fee	\$ 482,877	\$ 492,964	\$ 511,850	\$ 518,610	\$ 526,336	\$ 583,434
17 Health Fee	\$ 17,835	\$ 18,208	\$ 18,906	\$ 19,155	\$ 19,441	\$ 21,550
<b>Total Tuition and Fees</b>	<b>\$ 10,151,923</b>	<b>\$ 10,363,987</b>	<b>\$ 10,761,038</b>	<b>\$ 10,903,165</b>	<b>\$ 11,065,596</b>	<b>\$ 12,266,022</b>
18 Admin Cost Allowance - Financial Aid	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
19 Workforce Development	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000	\$ 552,000
20 Miscellaneous	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
<b>Total Other Revenue</b>	<b>\$ 1,667,000</b>	<b>\$ 1,667,000</b>	<b>\$ 1,667,000</b>	<b>\$ 1,667,000</b>	<b>\$ 1,667,000</b>	<b>\$ 1,667,000</b>
<b><u>Total Revenue</u></b>	<b><u>\$ 26,535,738</u></b>	<b><u>\$ 26,747,802</u></b>	<b><u>\$ 27,144,853</u></b>	<b><u>\$ 27,286,980</u></b>	<b><u>\$ 27,449,411</u></b>	<b><u>\$ 28,649,837</u></b>
<b>Expenditures</b>						
1 Debt Service (Northland + SO Portion)	\$ 432,060	\$ 432,060	\$ 432,060	\$ 432,060	\$ 432,060	\$ 432,060
2 Chargebacks	\$ 597,890	\$ 597,890	\$ 597,890	\$ 597,890	\$ 597,890	\$ 597,890
3 Menstrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 Leveraged Equipment	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709	\$ 173,709
5 Equip and Learn	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Allocation Specific Expenses</b>	<b>\$ 1,203,659</b>	<b>\$ 1,203,659</b>	<b>\$ 1,203,659</b>	<b>\$ 1,203,659</b>	<b>\$ 1,203,659</b>	<b>\$ 1,203,659</b>
6 Personnel	\$ 22,255,822	\$ 22,255,822	\$ 22,255,822	\$ 22,255,822	\$ 22,255,822	\$ 22,255,822
7 Other non-Personnel	\$ 5,390,356	\$ 5,390,356	\$ 5,390,356	\$ 5,390,356	\$ 5,390,356	\$ 5,390,356
8 Indirect from Grants	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)
<b>Total Other Expenses</b>	<b>\$ 27,446,178</b>	<b>\$ 27,446,178</b>	<b>\$ 27,446,178</b>	<b>\$ 27,446,178</b>	<b>\$ 27,446,178</b>	<b>\$ 27,446,178</b>
<b>One - Time Investments</b>						
<b><u>Total Expenses</u></b>	<b><u>\$ 28,649,837</u></b>	<b><u>\$ 28,649,837</u></b>	<b><u>\$ 28,649,837</u></b>	<b><u>\$ 28,649,837</u></b>	<b><u>\$ 28,649,837</u></b>	<b><u>\$ 28,649,837</u></b>
Surplus/Deficit	\$ (2,114,100)	\$ (1,902,036)	\$ (1,504,984)	\$ (1,362,858)	\$ (1,200,427)	\$ -

## Notes for FY26 Budget 3/25/25

1. Tuition increase - Proposed tuition and fees increase for each scenario
  - a. This rate is applied across the board for all tuition and fees
    - i. Standard tuition, online tuition, differentials, tech and health fees.
2. FYE – This is the projected FYE for fiscal year 26 used in each scenario.
  - a. 1607 is the baseline and it is calculated on a 3% increase to FY25's projected FYE of 1560
3. SO Base Allocation is projected using new FY26 Allocation framework provided by the System Office with the Governor's proposed budget amount for total allocation.
  - a. The Governor's proposal is a no change budget which actually includes a \$22.5 million reduction to the allocation in FY26
    - i. Northlands total reduction is \$687,000
  - b. Northlands's percent share of total allocation was reduced from 1.91% to 1.87%
    - i. This would have led to a \$267,000 reduction if the SO's allocation was flat
  - c. See Attachment 1 for the Governor's Proposal Implications
4. Tuition Relief Allocation is projected using the FY25 Allocation framework and plugging in the total system allocation included in the Governor's budget.
  - a. The Governor's proposal is a no change budget which actually includes a \$12.5 million reduction to the allocation in FY26
  - b. See Attachment 1 for the Governor's proposal implications
5. Other Allocation Support includes all other support received from the State
  - a. We receive several that are for specific Expenses
6. Tuition and fees can be adjusted in FY26
  - a. See Attachment 2 for system wide increase requests
  - b. Northlands original submission was 6%
  - c. See attachment 3 for Current Tuition and fees calculation's
    - i. Calculations are based on the average collections over the past several years to account for changes in standard vs online, differentials, and write – off's
  - d. See Attachment 4 for Northlands historical rates
7. Other Revenue includes all other Revenue
  - a. Rent, WDS, investment income, grants, resale, miscellaneous fees such as Nelnet, etc
8. Personnel - This is based on a 4.5% increase to projected FY25 budget
  - a. 4.5% was suggested by the system office.
  - b. Each half percent change equals roughly \$100,000
9. Non – Personnel is assumed flat in FY26 compared to FY25
10. Indirect – This is the indirect we receive from administering grants
  - a. Northlands's rate is 31.5% of personnel and Fringe
11. Allocation Specific Expenses



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This document provides a brief follow-up on the Governor's office budget recommendation and is being shared with Presidents and CFOs.

No portion of Minnesota State's \$465 million budget request was included in the Governor's office budget recommendation. Although this is a "no change recommendation" for Minnesota State, it does impact **current funding levels**. A "no change recommendation" means no change from the funding levels provided for in **current funding law**. The following table provides specifics on the funding changes specified in current law. The listed changes would occur if the Governor's budget were enacted.

MINNESOTA STATE BASE BUDGET funding (legal citation)	annual amt in \$thousands	
Higher Ed budget bill (Laws of 2023 Chapter 41)	923,232	
+Juvenile Justice in Public Safety bill ('23 Ch 52)	500	
+Kids on Campus in Higher Ed supplemental bill ('24 Ch 124)	500	
<b>=Current appropriations for FY 2025</b>	<b>924,232</b>	
-base reduction, operations support ('23 Ch 41)	-22,500	
-base reduction, tuition replacement ('23 Ch 41)	-12,500	
-base reduction, z-degree projects ('23 Ch 41)	-1,000	
-1x funding, workforce equipment & environments ('23 Ch 41)	-6,750	
-1x funding, workforce program development ('23 Ch 41)	-6,750	
-1x funding, kids on campus ('23 Ch 41)	-500	<b>-50,000</b>
+TRA employer share aid ('23 Ch 64)	1,446	
+IRAP employer share aid increase '26 ('23 Ch 41)	11	<b>+1,457</b>
<b>=base/Governor's budget for FY 2026</b>	<b>875,689</b>	
+IRAP employer share aid increase '27 ('23 Ch 41)	11	<b>+11</b>
<b>=base/Governor's budget for FY 2027</b>	<b>875,700</b>	

These current law reductions from an operating budget perspective mean that:

- the annual amount available for base allocations to campuses would decrease from approximately \$663 million to approximately \$640.5 million
- the annual amount available for tuition replacement assistance to campuses would decrease from approximately \$107 million to approximately \$94.5 million

The Governor's budget recommendation is the first step in the process of establishing the next biennium's budget. At the end of February, MMB will release another state economic forecast that will be used as the basis for the legislature setting and negotiating overall spending targets in March through the end of session in May. We will continue to update planning assumptions as we receive new information. Please feel free to reach out at any time to Steve Ernest, System Director for Financial Planning and Analysis, or myself with any questions or to discuss how these planning assumptions impact your institution. On-going system discussions will occur throughout the legislative session at Leadership Council and in regular CFO meetings related to projected state support and tuition rates for fiscal year 2026.

# FY2026 Undergraduate Tuition Rates Survey Results

- » Weighted system average 7.4%
  
- » Weighted college sector average 6.8%
  - 5 colleges 3.5%
  - 11 colleges 4.0%-6.0%
  - 3 colleges 7.0%-8.0%
  - 7 colleges 10.0%-14.0%
  
- » Weighted university average 7.9%
  - 1 university 7.5%
  - 6 universities 8.0%

Tuition Calculation

Fiscal Year	22	23	24	
FYE	1563	1450	1426	4439
Tuition	\$ 9,020,361.51	\$ 8,663,377.78	\$ 8,979,020.00	\$ 26,662,759.29
<b><u>\$ Per FYE</u></b>	<b><u>\$ 5,771.18</u></b>	<b><u>\$ 5,974.74</u></b>	<b><u>\$ 6,296.65</u></b>	<b><u>\$ 6,006.48</u></b>

Tech Fee Calculation

Fiscal Year	22	23	24	
FYE	1563	1450	1426	4439
Tech Fee	\$ 454,308.10	\$ 429,265.80	\$ 428,542.80	\$ 1,312,116.70
<b><u>\$ Per FYE</u></b>	<b><u>\$ 290.66</u></b>	<b><u>\$ 296.05</u></b>	<b><u>\$ 300.52</u></b>	<b><u>\$ 295.59</u></b>

