University of Minnesota Agency Profile

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AT A GLANCE

- Five Campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- Seven Research and Outreach Centers throughout the state
- Budget: $3.8 billion (FY18)
- 20,389 faculty & staff; 6,511 graduate student & professionals in training employees (as of 10/17)
- Enrollment: 67,949 (Fall 2017 Total)
  - 44,544 Undergraduate
  - 13,283 Graduate
  - 3,860 First Professional
  - 6,262 Non-Degree
- Degrees awarded: 15,985 (2017)
- Sponsored research awards: $793 million (FY18)

PURPOSE

The University of Minnesota’s statutory mission is to offer undergraduate, graduate, and professional instruction through the doctoral degree and be the primary state supported academic agency for research and extension service (MN Statute 135A.052). The University’s mission is threefold: research and discovery, teaching and learning, and outreach and public service. The University of Minnesota is the state’s only land grant and research institution, and has a unique responsibility to better the lives of Minnesotans. As 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 fuel Minnesota’s economy and improve our quality of life. In carrying out its mission on five campuses and research and outreach centers throughout the state, the University contributes to all eight of the state’s outcome areas through knowledge generation and by providing services, but advances most directly the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- Minnesotans have the education and skills needed to achieve their goals;
- All Minnesotans have optimal health; and
- Sustainable options to safely move people, goods, services, and information.

BUDGET

![Spending by Category FY 17 Actual](Source: University of Minnesota, General Ledger)

![Historical Spending](Source: University of Minnesota, General Ledger)
The University’s FY18 $3.8 billion budget is based on revenue support from a variety of sources: tuition (26%), state appropriation (18%), sponsored research grants from federal government and other sources (15%), philanthropy and contracts (17%), miscellaneous income from sales, fees, etc. (14%) and auxiliary business operations (10%). The University’s budget includes funding for the Crookston, Duluth, Morris, Rochester, and Twin Cities campuses as well as seven research and outreach centers, fifteen regional Extension offices, a multitude of research institutes, and MN Extension staff in every county in the state. The University uses its State appropriation for all aspects of the University system.

Although the University is dependent on its partnership with the State of Minnesota to continue to succeed, this partnership has changed significantly over the last two decades. In 1996, the State’s portion of the University’s total tuition plus state appropriation was 70%. In 2018, the State’s portion of that same total was 43%. As a percent of total revenues (including gifts, sales, grants etc.), the State’s portion has dropped from 32% to 18%. Although the University has continued to serve more students and improve student success, ongoing State operating support for the University has declined since its 2008 peak and as a result, the University has become more dependent on tuition and other revenue sources and has greatly enhanced its efficiency to achieve success.

STRATEGIES

In recent annual operating budgets, the President and the University of Minnesota Board of Regents have focused revenue and spending plans on achieving the goals of Access, Affordability, Academic and Operational Excellence, and Accountability. In fall 2016, the University began system wide strategic planning to better align its resources and leverage system strengths - a system including five unique campuses and an array of Extension and Outreach centers and services effecting people statewide. As examples, the University will capitalize on the following:

- **Crookston Campus:** Known for its focus on experiential learning for its campus-based students, the University of Minnesota Crookston is also one of the nation’s pioneers in online and distance education.

- **Duluth Campus:** The University of Minnesota Duluth is a highly-ranked, regional research and liberal arts university with a global reputation for freshwater research. With over 160 majors and minors and eight pre-professional programs, UMD offers an expansive array of high-quality academic choices for students. In addition, UMD’s Large Lakes Observatory is the only institute in the country dedicated to the study of large lakes throughout the world.

- **Morris Campus:** The University of Minnesota Morris is a nationally ranked, undergraduate-focused liberal arts campus with a deep commitment to environmental sustainability and diversity. The “Morris experience” emphasizes faculty-student collaborative research, study abroad opportunities, and service learning.

- **Rochester Campus:** The University of Minnesota Rochester prepares health science professionals and maintains unique collaborations with world-renowned medical organizations in the community. This includes high quality, more individualized instruction. To date, 100 percent of Rochester’s Bachelor of Science in Health Professions graduates have passed the exams for their professions and are employed in their chosen fields.

- **Twin Cities Campus:** The University of Minnesota Twin Cities campus is the University’s flagship campus and is one of only five campuses in the country with schools of engineering, medicine and veterinary medicine, law, and agriculture on a single campus. Because of the Twin Cities campus size and scope of programs, unique opportunities exist for interdisciplinary education, research, and outreach. The Twin Cities campus will continue its excellence in:
Education: The Twin Cities campus attracts high caliber students from across the globe due to its world-renowned faculty and staff. As an example, 84.3 percent of freshman are admitted from the top 25 percent of their class and the average freshman ACT score is greater than 28.

Research: Twin Cities campus faculty led Forbes magazine to name Minneapolis one of the top 10 innovative cities. Examples of innovations include: the invention and patent of the “black box” flight recorder in the United States; the development of Ziagen, one of the world’s most effective AIDS drugs; medical firsts such as the first open-heart surgery and first pancreas and human bone marrow transplants, and nearly 30 new apple varieties including the beloved Honeycrisp.

Outreach: The Twin Cities campus continues its vast array of outreach efforts though initiatives and partnerships such as its mobile dental clinic and the Community-University Health Care Center partnership.

- **Minnesota Extension:** Extension researchers and educators engage individuals and organizations in asking the challenging questions to discover science-based answers that make a difference. As an example, Extension’s Regional Sustainable Development Partnerships serve Greater Minnesota with 145 active sustainable development projects across the state.

To capitalize on these strengths, President Kaler charged a System wide Strategic Planning Committee to develop a plan to benefit students and citizens across the state and to articulate the common values, processes, and expectations across campuses. Through this process, the Committee developed a System wide Strategic Framework. The Board of Regents adopted the Framework in June 2017. The Framework highlights ways to better connect, leverage, and align the system’s distinctive statewide resources. The Framework is available at [https://president.umn.edu/sites/president.umn.edu/files/swsp_framework.pdf](https://president.umn.edu/sites/president.umn.edu/files/swsp_framework.pdf).

Later that fall, President Kaler subsequently charged the System wide Strategic Planning and Oversight Committee to lead the development of system priorities in focus areas that align with the University’s mission and System wide Strategic Framework. This work will yield an academic program investment strategy and a long-term financial framework with the following focus areas: Teaching and Learning; Research and Discovery; Outreach and Public Service; Medicine and Health; and Supporting the Mission.

Through these strategic planning efforts, the University will make decisions on investments that strengthen student success, enhance knowledge transfer between the University and Minnesota and communities and businesses, build upon research opportunities affecting Minnesotans, and align the University’s health sciences work with Minnesota’s health policy and workforce needs. The University is committed to providing high-value education and research to improve outcomes for all Minnesotans and to optimize communications with Minnesota communities to deliver useful, actionable information to stakeholders.

**RESULTS**

The University pursues excellence in education, research, and outreach to produce discovery and innovation that improves the lives of individuals and communities throughout our state and world. The University’s inspired and motivated community of faculty, staff, and students and its strong sense of purpose drives the focus on continual improvement. To help chart its progress on providing high-value education, research, and public engagement services, the University measures and tracks its progress on a variety of results-based performance measures. The Board of Regents adopted the measures in the spring of 2016, which are showcased on the University’s Progress Card. The Progress Card helps the Board of Regents focus oversight on a limited number of strategically measurable outcomes (Gold measures), which have quantifiable goals for 2021. These measures track the University’s progress on improving graduation rates (four-year by campus, six-year by campus, Pell-eligible students systemwide), average freshman ACT on the Twin Cities campus, institutional gift aid, R&D expenditures, Medical School ranking, faculty awards, participation in the employee engagement survey, and progress on the University’s operational excellence goal.
The University has made progress on many of these measures over the last several years, which helps to exemplify the University’s commitment to providing high-value services:

- Graduation rates for a variety of different student groupings have increased over time, resulting in a financial gain for students through lower total spending on tuition/fees/housing/debt and earlier entry into the workforce;
- Twin Cities campus ACT scores have increased indicating the campus is attracting high quality students who have the best chance to succeed academically at the University of Minnesota;
- Institutional gift aid has increased showing an increase in support for students;
- R&D expenditures have increased indicating the University’s continued role in producing high-value research for Minnesota and the world; and
- The University continues to meet its administrative cost reallocation goals, which highlights the University’s commitment to administrative efficiency.

Each of these measures is an indication that the University is providing a greater and greater value to Minnesotans each year.

The Progress Card also provides insight into important trends (Maroon measures), that are a signal of institutional strength. These items are important to monitor, but the University alone cannot significantly influence them. They include measures such as the Twin Cities transfer student 3-year graduation rate, number of graduate and professional degrees awarded, median undergraduate debt at graduation, students of color with a favorable sense of belonging on campus, national research ranking, among others. The full set of measures can be found at: https://oir.umn.edu/planning-metrics/progress-card.

The University also publishes annually the “University Plan, Performance, and Accountability Report” (https://conservancy.umn.edu/handle/11299/174174), which reflects the institution’s progress against its key strategic goals and identifies areas for improvement. This report is required under the University’s charter, 1851 Territorial Laws, Chapter 3, Section 16, where it states 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.”

Minnesota Statutes 137 (https://www.revisor.mn.gov/statutes/cite/137) provides the legal authority for the University of Minnesota.