



FY26 Tuition Consultation
Student Fee Management Committee
March 24, 2025

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Up Front

- Tuition increase for FY26
- FY26 University General Fund budget deficit reduction of \$3M
- Budget reductions have been determined
- No program closures or layoffs of existing personnel



Enrollment

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Total FYE (Full Year Equivalent) Enrollment

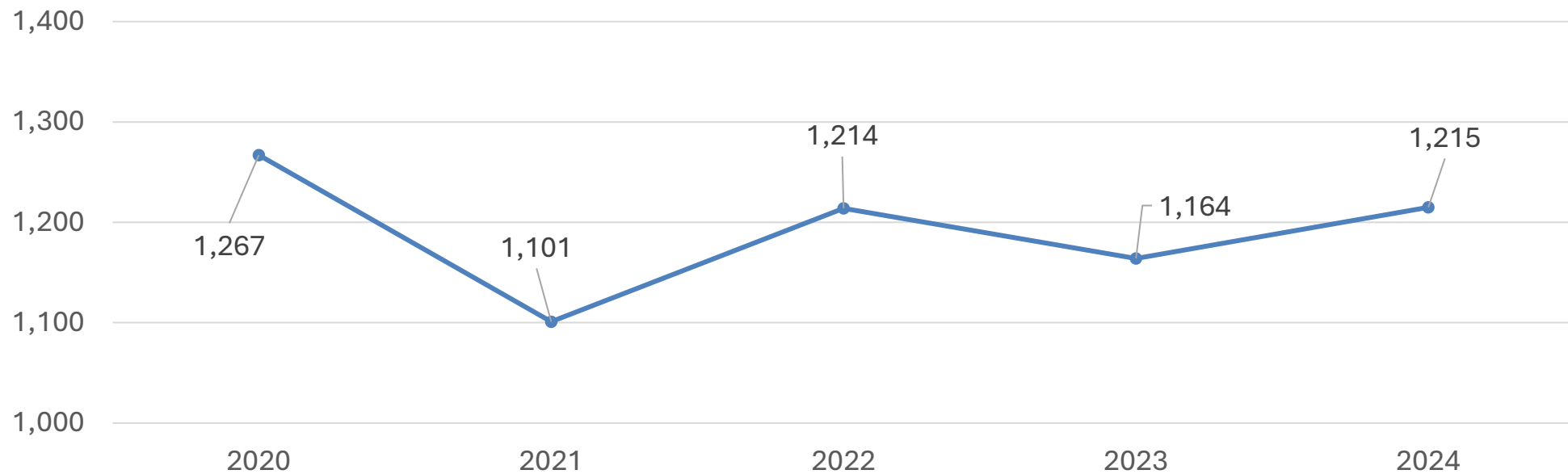


Enrollment Change

FY24 to FY25: +39 FYE or +0.7%

FY25 to FY26: +55 FYE or +1.0%

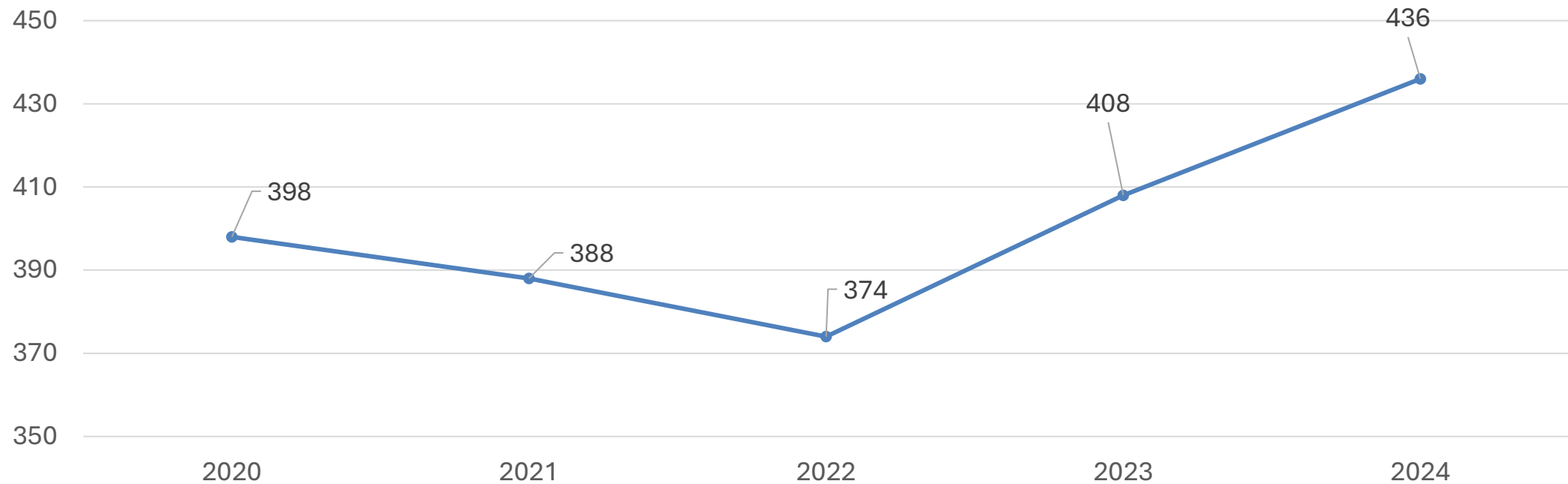
New Entering Freshman Enrollment



NEF Change

2023 to 2024: +51 or +4.3%

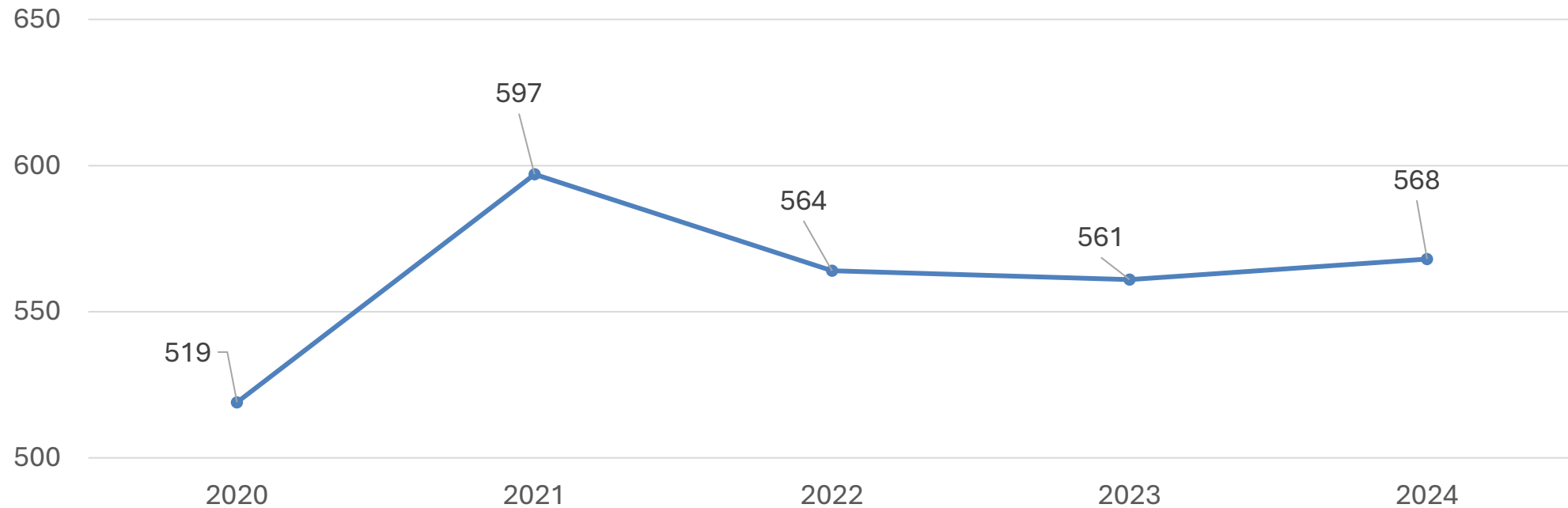
New Entering Transfers Enrollment



NET Change

2023 to 2024: +28 or +6.8%

Graduate Enrollment (FYE)



Graduate FYE Change

2023 to 2024: +7 or +1.2%

Enrollment – Mn State

Full Year Equivalent (FYE)	Spring 2024 vs. Spring 2025
Bemidji State	6.4%
Metro State	11.3%
MSU-Mankato	2.9%
MSU-Moorhead	2.4%
St Cloud State	-4.6%
SW Minn State	14.5%
Winona State	1.7%
Rochester CTC	8.3%
MNState College SE	13.0%



State Budget and Legislative Update

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State of Minnesota Budget

- FY26/27 State Budget Forecast shows a surplus of \$450M as of 3/6/24
 - Total State Biennial Budget is about \$66B
 - Impact of Federal Government actions(DOGE/Tariffs, etc) on economy
- Spring 2024 estimate was a surplus of \$1.7B (Decline of \$1.3B)
 - Structural imbalance in future years (FY28/29 Deficit of -\$5.9B est)

Mn State Biennial Budget Request – FY26/27

- Total Biennial Budget Request \$465M (\$365M base and \$100M one time)
- Student Affordability and System Operations \$285M (About a 5% increase annually)
- Critical Infrastructure \$100M (one-time - \$50M HEAPR, \$25M Demo, \$25M Workday)
- Student Support \$40M
- Workforce-Focused Support \$40M
- Silent on tuition (If 5% fully funded, assumption is a zero/very low tuition increase)
- Governor Walz did not include any of the Mn State Biennial Budget request in his budget recommendations
 - With the discontinuation of one-time funding Mn State received in FY24/25, the System is actually facing a reduction of 3.4% in State Appropriation



FY25/26 Budget Update

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Where are we? – FY25 Budget

- Budget deficit in FY25 (\$3.9M) will have to be solved with carryforward and fund balance
 - **Hiring chill = 40+ positions vacant (combination of faculty and staff)**
- Fund balance is already below the 20% Mn State threshold
 - Current fund balance is around 16%
 - Mn State is watching and monitoring
 - **Once budget is balanced, will have to rebuild this fund balance above 20%**
- **We need as much carryforward as possible**
 - Carryforward comes from salary savings due to unfilled positions and unspent operating budgets
 - Annually about \$2-3M is realized from carryforward (hopefully higher this year)

Federal Funding Changes

- Executive orders signed by President Trump
- Information gathering at this point from MnState/MMB
- Could have far reaching implications
 - Federal Financial Aid
 - Grants
 - One-time funded projects

Hiring Chill

- Starting in the Fall, Cabinet limited hiring to essential positions
- More than 40 positions had been held vacant or searches delayed for extended periods of time
- As budget reduction plans have been approved, positions were released for search
- Cabinet will continue to review and approve all positions for replacement

Where are we? – FY26 Budget

- FY26 Budget scenarios ranged from -\$3.9M to - \$6.9M
- President's Cabinet has decided to make base budget reductions of \$3M for the FY26 budget
- Budget reductions were due February 14, 2025
- Budget situation has worsened due to lack of State funding support from Legislature
 - Allocation model loss of \$1.8M from earlier estimates
 - State Appropriation funds approximately 47% of the general fund budget
 - Tuition funds approximately 53% of the general fund budget

FY26 Budget Scenarios (as of 3/24/25)

	(M = Millions)	12/4/24	3/24/25
A	Entering FY26 Budget Deficit	-\$3.9M	-\$3.9M
B	State Appropriation Change	\$0.90M (2%)	-\$1.86M (-4%)
C	Tuition Rate Change	\$2.175M (5%)	\$4.13M (9.5%)
D	Tuition Gain/Loss: FY26 Enrollment Change	\$0.40M (+50)	\$0.40M (+50)
E	Total Revenue Change (B+C+D)	\$3,475,000	\$2,670,000
F	Salary/Fringe Settlements	\$2.80M (3.5%)	\$3.60M (4.5%)
G	Fringe Benefit Increases (Health Ins, Ret, Paid Leave, etc)	\$500,000	\$500,000
H	Inflation	\$600,000 (3%)	\$600,000 (3%)
I	Total Expense Change (F+G+H)	\$3.90M	\$4.7M
J	FY26 Budget Status (A+E-I)	-\$4,325,000	-\$5,930,000 (Pre-Cuts)



FY26 Budget Reductions Summary

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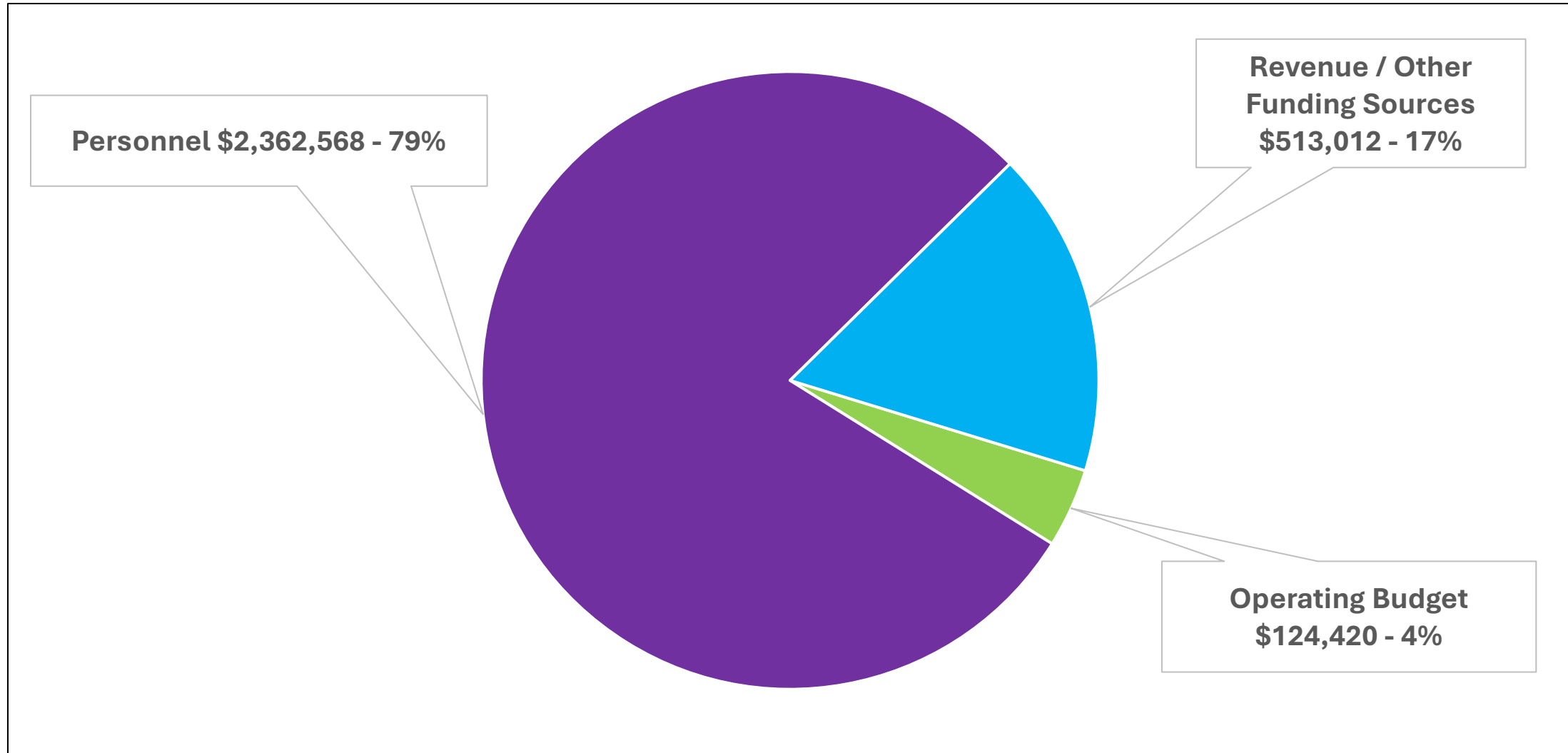
Budget Reductions Summary – FY26

- 20 vacant positions will be eliminated from the budget
- No elimination of academic programs or retrenchment of faculty
- No layoffs where a person moves from employed to no employment

Budget Reduction Targets

Area	Reduction Target
Academic Affairs	\$1,983,000
Finance and Administration	\$336,000
Enrollment Management and Student Life	\$216,000
Information Technology	\$168,000
Athletics	\$144,000
University Advancement	\$135,000
Presidents Office	\$18,000
Total	\$3,000,000

Budget Reductions by Function – FY26



Budget Reductions by Area – FY26

Unit	Personnel (Salary and Fringe)	Operating Budget	Revenue / Other Funding Sources	Total
Academic Affairs	\$126,000	\$0	\$0	\$126,000
Library	\$81,000	\$0	\$0	\$81,000
Information Technology	\$154,580	\$13,420	\$0	\$168,000
College of Business	\$258,000	\$0	\$0	\$258,000
College of Education	\$243,000	\$0	\$0	\$243,000
College of Liberal Arts	\$549,000	\$0	\$0	\$549,000
College of Nursing and Health Sciences	\$218,988	\$0	\$114,012	\$333,000
College of Science and Engineering	\$358,000	\$35,000	\$0	\$393,000
Enrollment Management and Student Life	\$216,000	\$0	\$0	\$216,000
Finance and Administration	\$158,000	\$58,000	\$120,000	\$336,000
University Advancement	\$0	\$0	\$135,000	\$135,000
Athletics	\$0	\$0	\$144,000	\$144,000
Presidents Office	\$0	\$18,000	\$0	\$18,000
Total	\$2,362,568	\$124,420	\$513,012	\$3,000,000

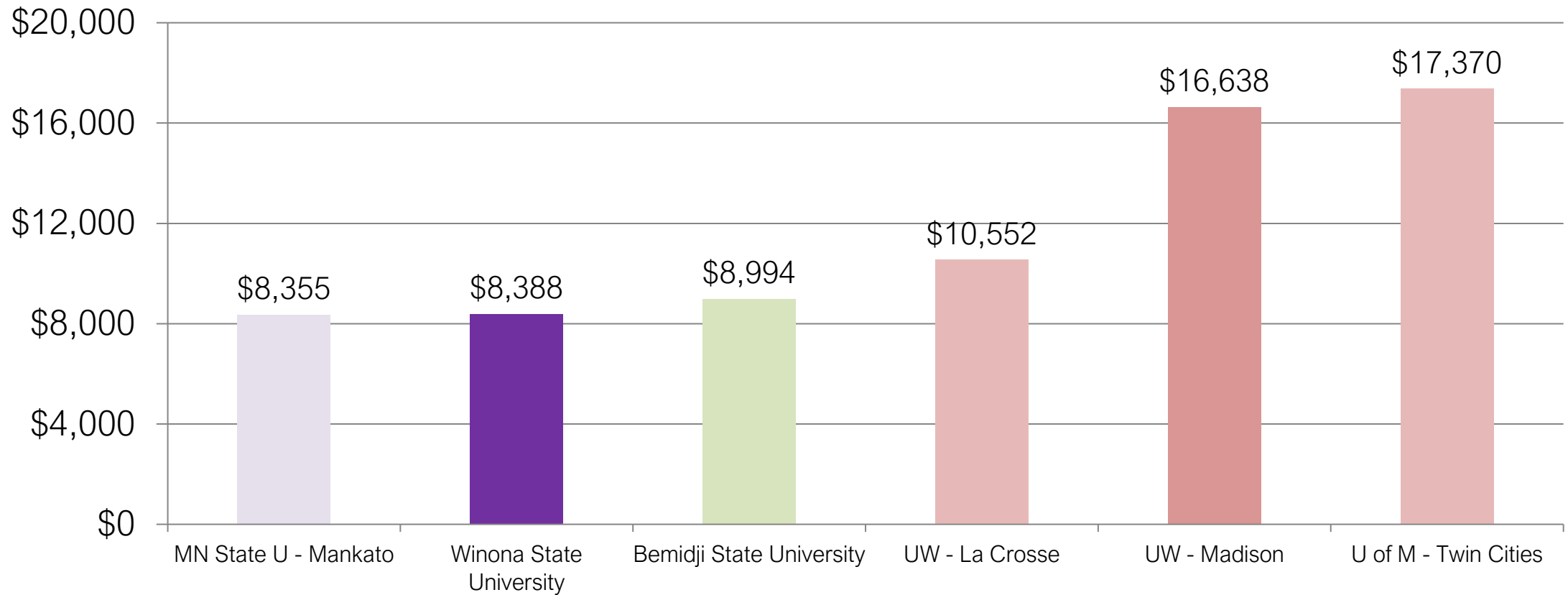


FY26 Tuition Proposal

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Tuition Costs at Selected Institutions – FY25

Annual Undergraduate Tuition – Full Time Student

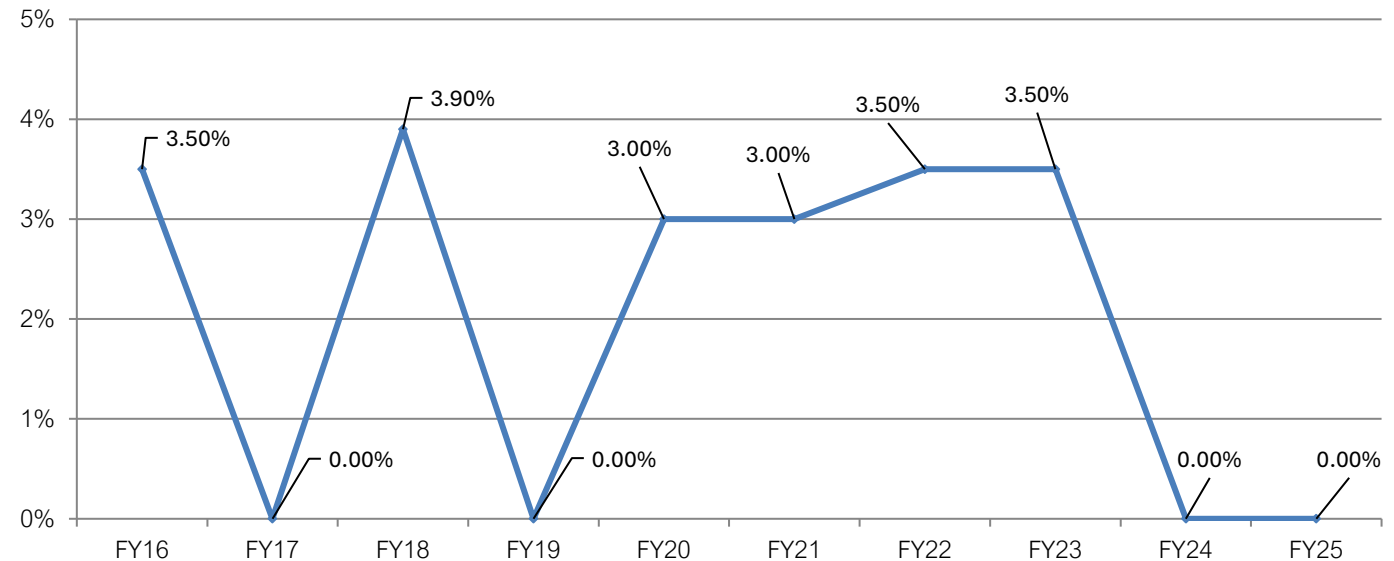


History – Tuition and Budget Reductions

•Tuition Increases

- FY16 – 3.5%
- FY17 – 0%
- FY18 – 3.9%
- FY19 – 0%
- FY20 – 3%
- FY21 – 3% (0% Fall)
- FY22 – 3.5%
- FY23 – 3.5%
- FY24 – 0%
- FY25 – 0%

- 5 Year Average (FY21-25) – 2.00%
- 10 Year Average (FY16-25) – 2.04%



Budget Reductions

FY10 - \$1.8M
FY12 - \$2.5M
FY15 - \$1.5M
FY18 - \$4.0M
FY19 - \$5.9M
FY21 - \$6.0M
FY22 - \$5.3M
FY23 - \$4.5M
FY25 - \$7.0M
FY26 - \$3.0M

FY26 Tuition Proposal

Tuition increase of 9.5% Undergraduate and 9.5% Graduate

- University Administration will pledge to work with Summer Student Tuition Consultation group as more data becomes available
- Tuition increase request amount could be lowered if there are positive changes to the State Appropriation from the Legislature

MN Undergraduate	FY25 Board Approved	FY26 Amount of Increase	FY26 est. (Proposed)
Per Credit	\$277.40	\$26.35	\$303.75
Banded (Semester)	\$4,193.75	\$398.41	\$4,592.16
Banded (Annual)	\$8,387.50	\$796.82	\$9,184.32
MN Graduate	FY25 Board Approved	FY26 Amount of Increase	FY26 est. (Proposed)
Per Credit	\$497.41	\$47.25	\$544.66

New Differential Tuition Proposals

- Art and Design programs (eliminates course fees – 1:1 swap)

Budget and Tuition Timeline



- Super Meet and Confer – March 6, 2025
- Budget Forum – March 6, 2025
- State Economic Forecast – March 6, 2025

- **Present Tuition at Student Fee Management Committee – Monday, March 24th**
- Continue to meet with Student Tuition Consultation Team – Post Commencement
- Legislative Session Ends – May 19, 2025
- Student Consultation Letters are due – End of May 2025
- MnState Board of Trustees (Approve Budget/Tuition/Fees) – May/June 2025
- Implement Budget Reductions – June 30, 2025



Thank You!

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