WE ARE Minnesota State

375,000 STUDENTS | 54 CAMPUSES | 47 COMMUNITIES

@MinnStateEdu

#FundMinnesotaState

MINNESOTA STATE

Minnesota State Contributes to the State's Economic and Social Vitality

Minnesota State makes an economic impact of $8.0B each year

$458.5M in state and local revenue

$291.2B impact of alumni working in MN

$116.2M in community contributions

Supports and sustains 67,717 JOBS

MINNESOTA STATE

What is ISRS? ISRS stands for Minnesota State's current Integrated State Wide Record System

- ISRS is comprised of financial, accounting and human resource components, as well as a student information system that allows all of our colleges and universities to conduct business

- Plays a critical role in the success of our students
  – from applicant to graduate and nearly every process in between

- IT serves as the cornerstone data system for our enterprise and requires high security and availability

- Touches everyone and nearly every activity: application, registration, course schedule, housing, financial aid, transcripts, system finance, accounting, and HR

- It is 20 years old, home grown, and has reached the end of its technological life
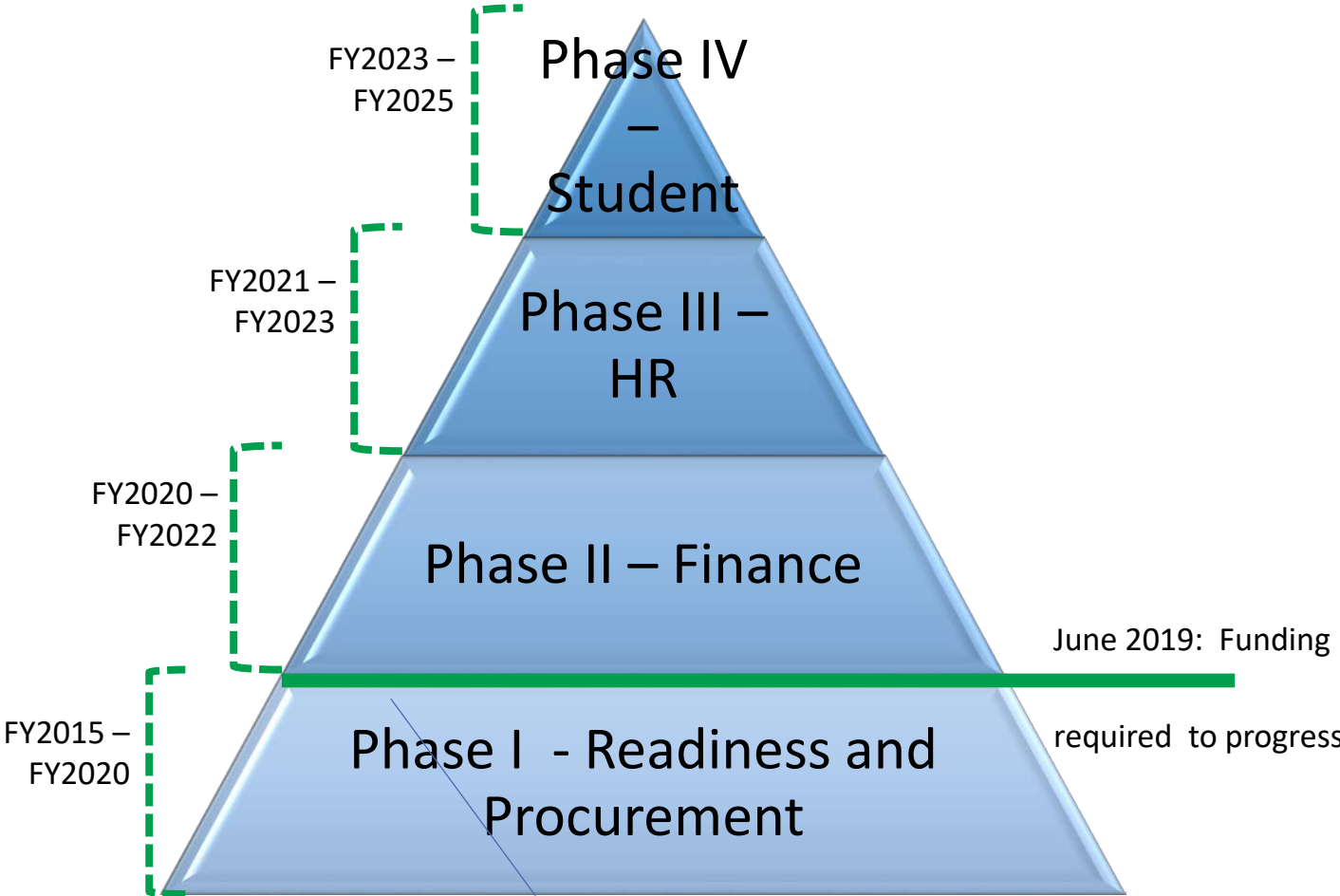
NextGen is a critical enterprise system investment that must be made

- *NextGen* is the name of our project to provide an enhanced student experience and "future proof" our technology

- The NextGen goal is to deliver an online experience that will improve registration, degree planning, credit transfer, online advising, data analytics, recruitment, and increase efficiencies and effectiveness of current business practices

- Specifically, students today expect a personalized experience - immediate, easy access to information they need when they need it- on their mobile devices. They want solutions built from the ground up for their mobile device

- NextGen will give students what they need to help manage their success

NextGen Phases

FY2023 – FY2025 — Phase IV – Student

FY2021 – FY2023 — Phase III – HR

FY2020 – FY2022 — Phase II – Finance

June 2019: Funding required to progress

FY2015 – FY2020 — Phase I - Readiness and Procurement

NextGen Phase 1 Deliverables

- Project charter, steering committee, risk management plan and working teams established
- Phase one contractor engaged for business process reviews, vendor showcases, ERP RFP and change management
- Current and future state business process reviews for 365 processes completed – 200+ campus staff participated in finance, human resources, data, IT and student process mapping
- Three vendor showcases completed
- Established a change management strategy and phase 1 change management plan
- All campuses have established transition management teams
- An initial readiness assessment will be compiled by January 2019
- RFP drafting and scoring team established
- Legacy technology updates on track (keeping current system running)
- RFP to be published June 2019, contract to be executed by March 2020
- 3rd Party Owner's Representative to be identified March 2020

Minnesota's higher education funding trails U.S. average significantly

State and Local Educational Appropriations for Higher Education per FTE Student from 1997 to 2017
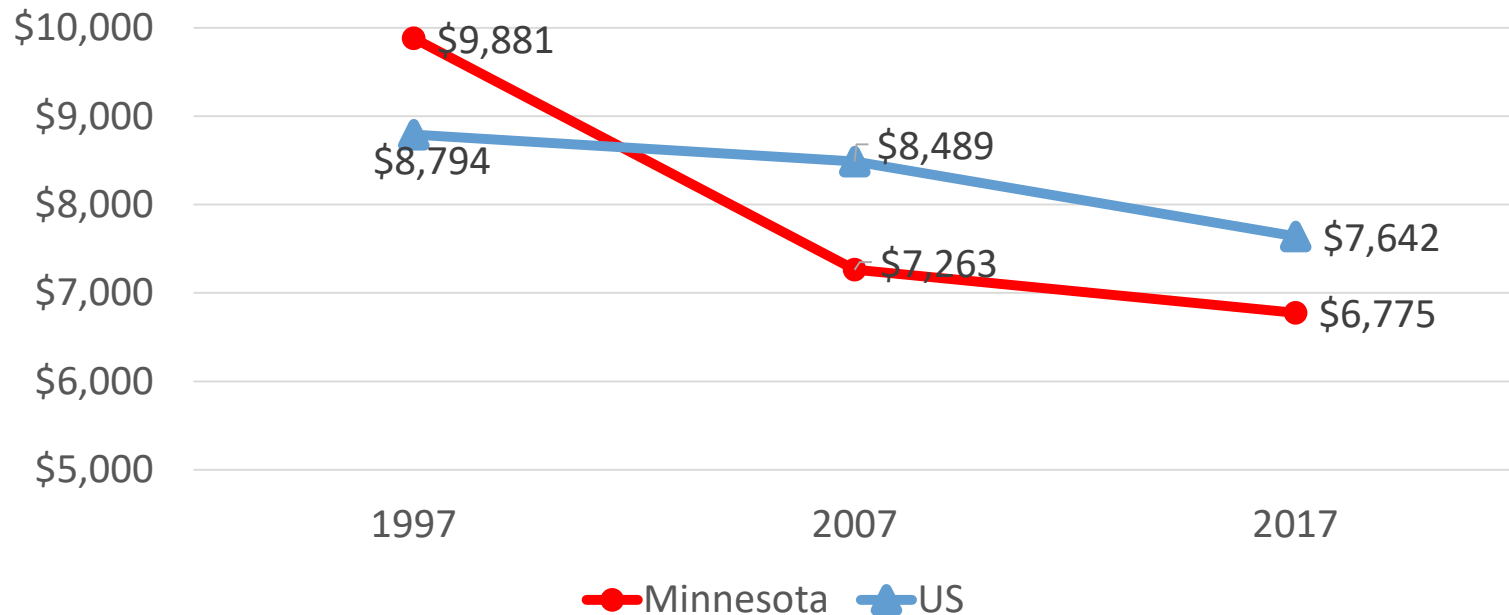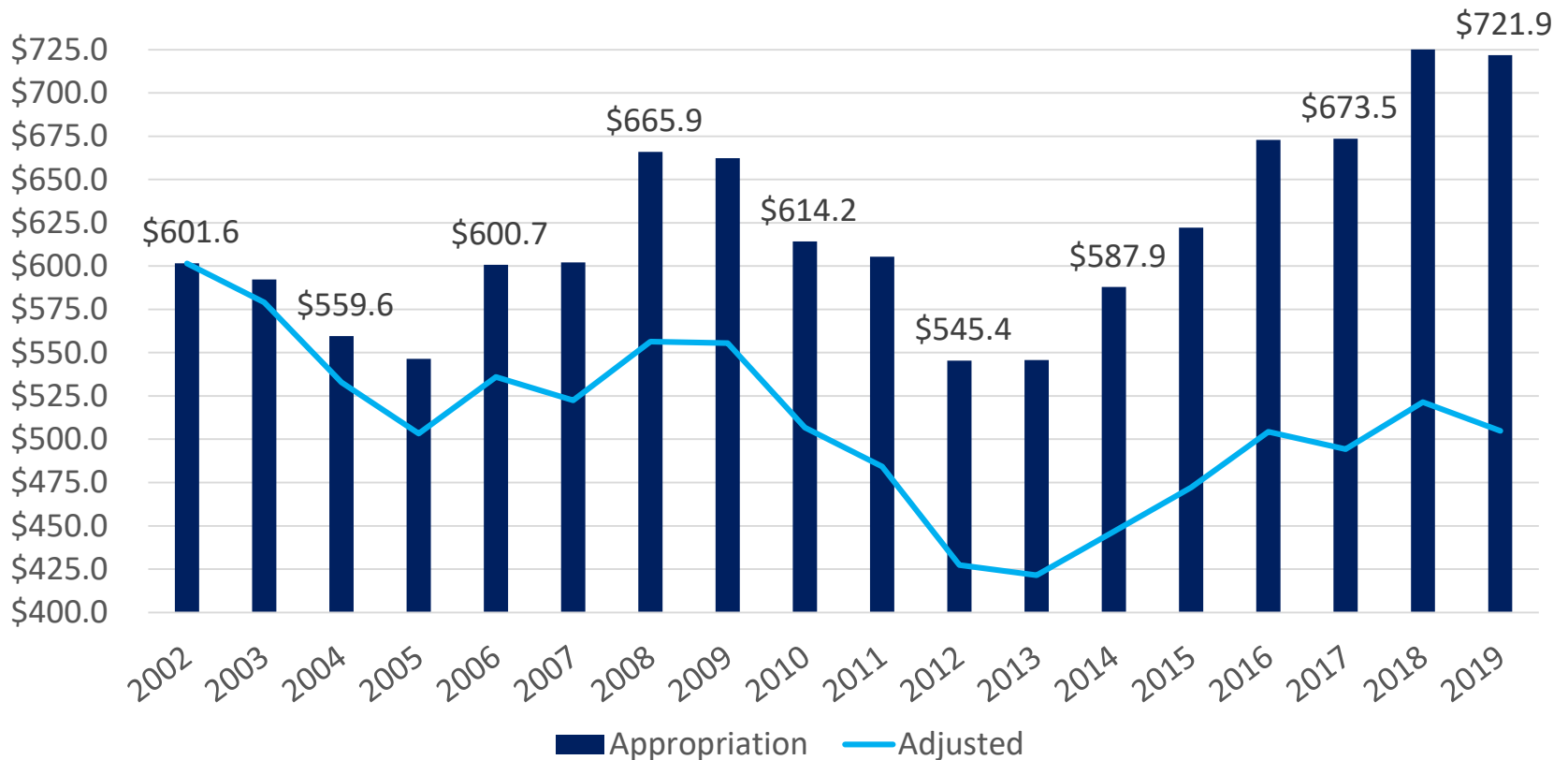

Source: SHEEO (2017). SHEF FY 17. Constant 2017 dollars adjusted by SHEEO Higher Education Cost Adjustment

Despite significant increases, Minnesota's adjusted investment in higher education is $97 million less than 2002

State appropriation revenue ($ millions) and adjusted for inflation

The relationship between Minnesota State tuition and state appropriation has changed significantly over the past 15 years
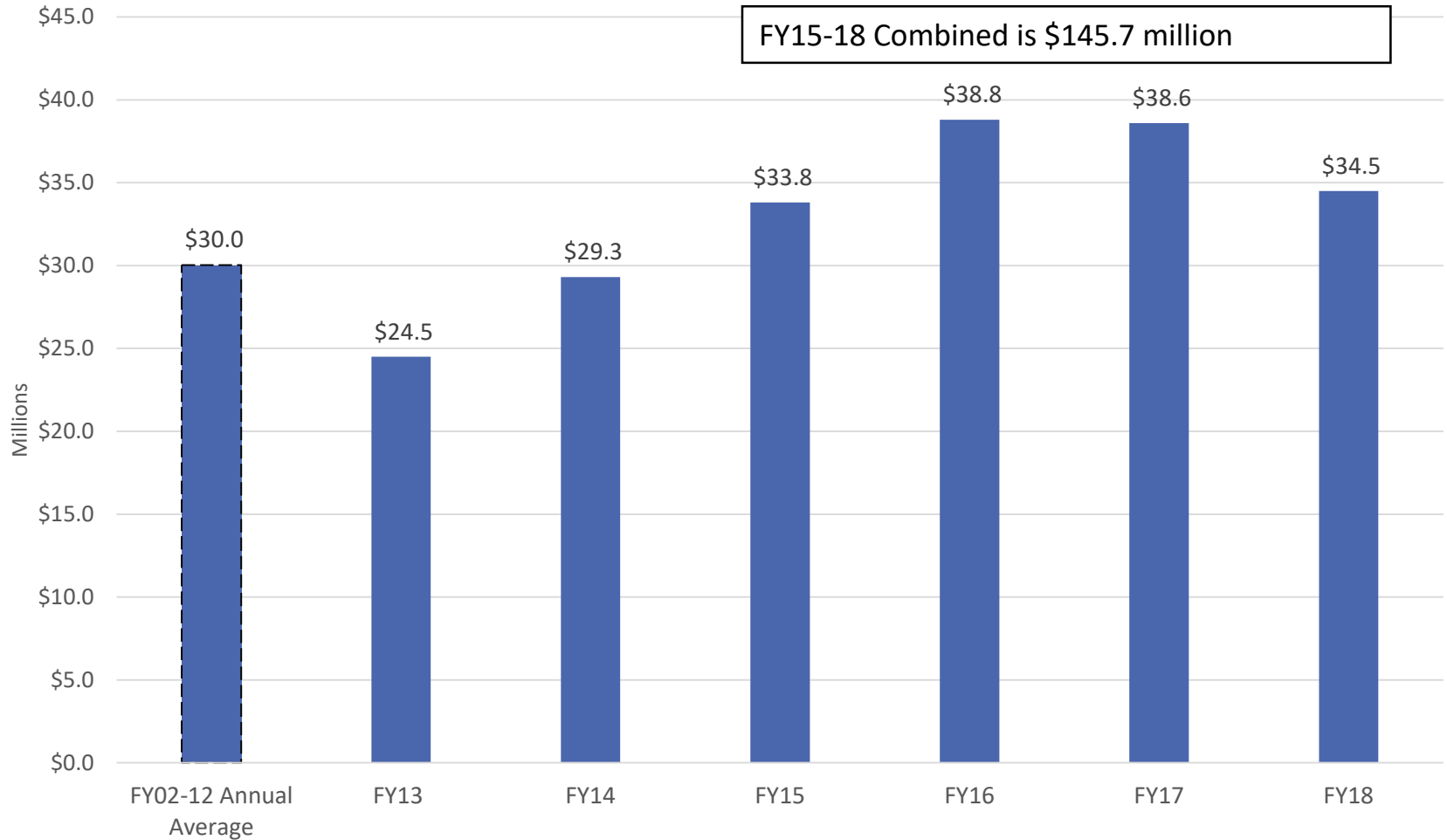

MINNESOTA STATE   9
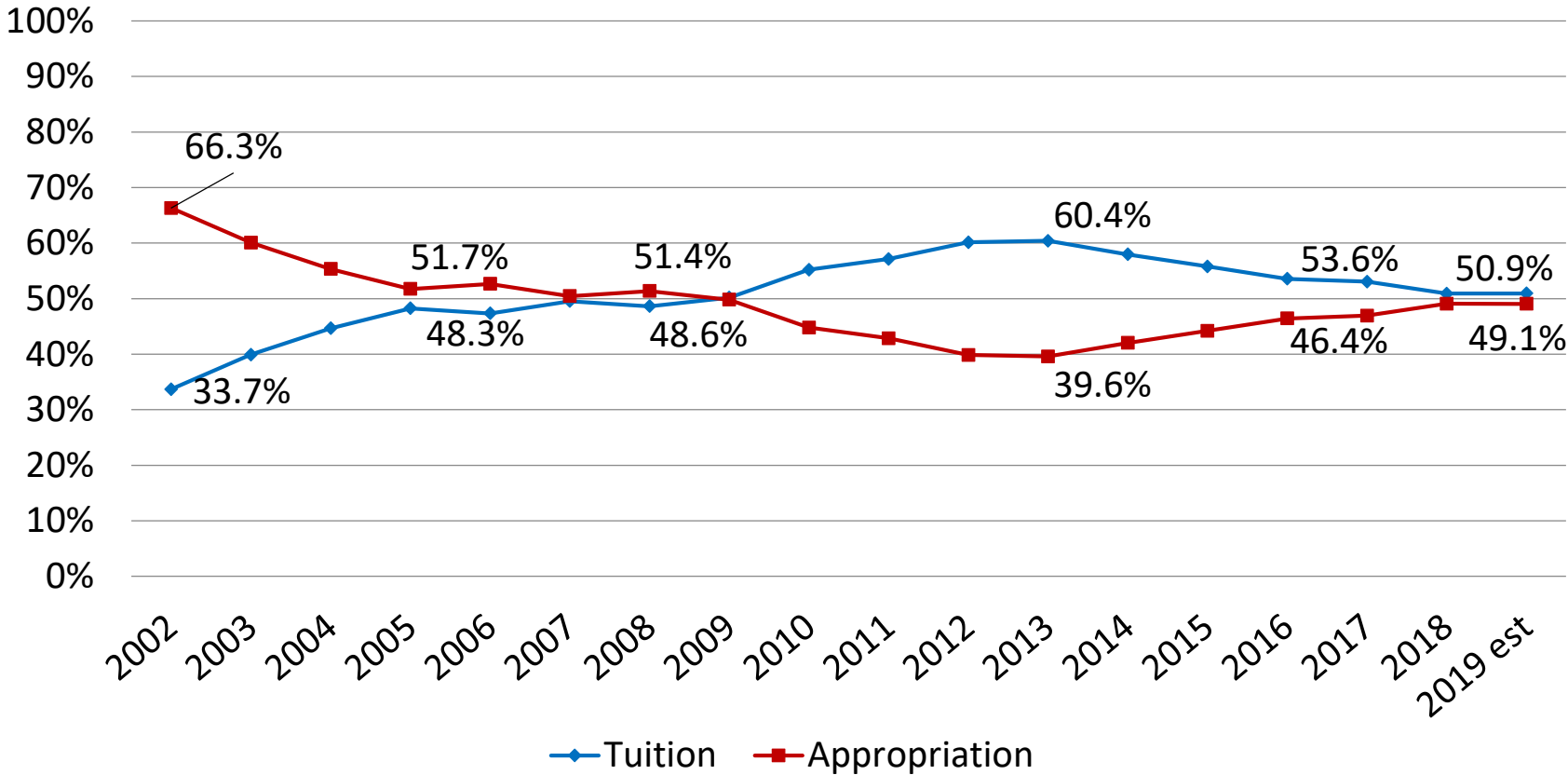
Some Facts

- Between FY2008 and FY2019, state support and tuition revenue *combined* increased an average of 1.1% per year.

- In the FY2016-FY2017 biennium, state support increased 8.2% ($102 million), but net new revenue from both tuition and state support increased only 2.8% (**$78 million**) or 1.4% per year due to enrollment losses, rate changes and state funding shortfalls.

- In the FY2018-FY2019 biennium, state support increased 7.9% (**$106 million**), but net new revenue from both tuition and state support is projected to increase only 2.5% over two years (**$71 million**) or 1.25% per year due to enrollment losses, rate changes and state funding shortfalls.

Reallocation Trends FY2002 - FY2018

FY15-18 Combined is $145.7 million

Millions

$30.0	$24.5	$29.3	$33.8	$38.8	$38.6	$34.5
FY02-12 Annual Average	FY13	FY14	FY15	FY16	FY17	FY18

Invest in programs and curriculum

- Request pledges undergraduate tuition limits if fully funded

- Colleges and universities depend on state support for 50% of revenue

- Faculty and staff represent 70% of costs

- Operating budgets seek support for competitive salaries and operating cost support

Grant programs target affordability and completion

Mn College Promise Program – up to 60 credits

- Addresses affordability and encourages enrollment intensity

- Estimate average grant of $1,000 per term

- Forecast 6,200 students in 1st year and 3,800 students in 2nd year, 10,000 students benefit in 1st two years

- Estimate that 97% of benefit would flow to households with incomes below $70,000 and 80% would flow to incomes below $50,000

Mn University Transfer Program – up to 24 credits

- Encourages progression from AA to BA/BS or diploma to degree

- Addresses affordability -support students at all income levels

- Estimate average grant of $3000/ per term

- Forecast 1,000-1,200 students benefit per year

Combined – first three years of BA/BS are free

Invest in the workforce opportunity gap

- Expand career technical education and professional programming in sectors with high employment growth and demand in sustainable wage occupations

- Leverage campus and system capacity for collaborative program development and delivery
  - Strengthen and expand the K-12 career and technical pipeline and grow K-12 collaborative programming
  - Strengthen and expand opportunities for adult and incumbent workers

- Develop new teacher education pathways in career technical education in support of K-12 and higher education programming

Educating Minnesota's talent - $246 million in new funding over the biennium

- $37 million to support ISRS Next Gen, a mission-critical, multi-year technology infrastructure project to replace our out-of-date enterprise technology system and substantially improve the student experience

- $169 million to provide high quality programs and fund inflationary costs at three percent each year of the biennium

- $25 million in targeted financial support to strengthen access and help our students advance and succeed, especially diverse student groups

- $15 million to address the workforce gap through innovative career, technical and professional programming serving business and industry

BACKGROUND

FY2019 enrollment is projected to decline 2.2% then level off
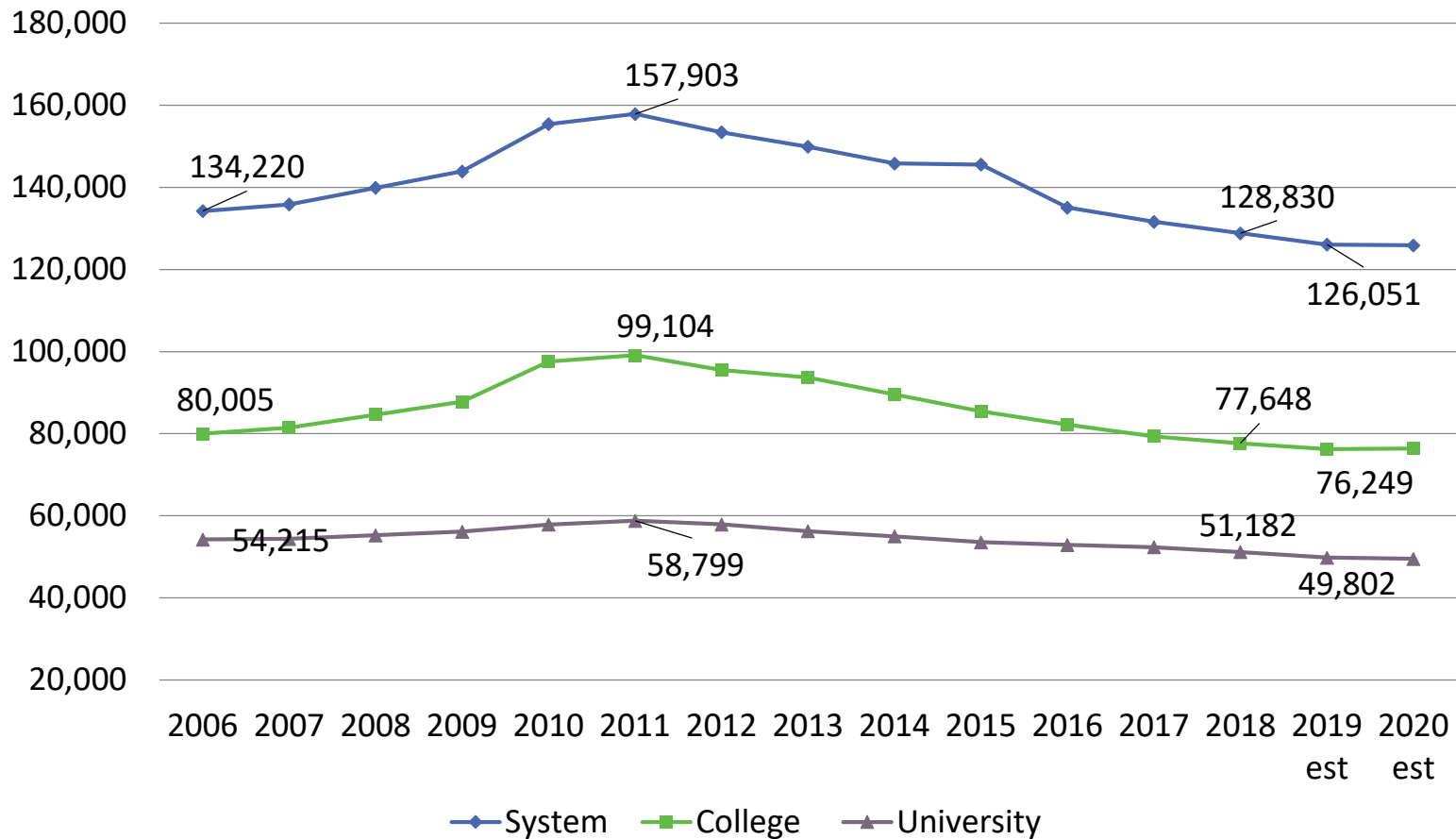
Tuition rates have been restricted by the legislature

Fiscal Year	Colleges	Universities
2014	Frozen	Frozen
2015	Frozen	Frozen
2016	Frozen	Increased overall average of 3.4%
2017	Cut 1%	Frozen
2018	Increased overall average of 1%	Increased overall average of 3.9%
2019	Frozen	Frozen

Next Gen student record system

$ in millions	FY2018-2019	FY2020-2021	FY2022-2023	FY2024-2025	Total
State contribution	$8*	$8*			
New support		$37*			
Total state contribution	$8	$45*	$45*	$45*	$143
System office & college & university contribution	$8	$0	$0	$0	$8
Total project investment	$16	$45	$45	$45	$151

*State funds added to the base – no additional state funds required in the FY2022-FY2023 and FY2024-FY2025 biennia

What is the difference between Minnesota State NextGen project and rewrite of a legacy system

NextGen project	Typical legacy rewrite project
Purchase of commercially available software.	Contractor/internal staff hired to rewrite in house/legacy code.
No customizations allowed – change business processes to match software.	Code is written to accommodate business practices. Emphasis on process standardization varies by project.
Business readiness and organizational change management is part of the software as a service acquisition process.	Process tends to focus on transferring legacy functionality to new software platform; may not start with effort to rethink how business is done.
Project governance, stakeholder engagement, board and audit oversite are integral to the project. There are many checkpoints for course correction.	Often seen as an IT project since the focus is on rewriting existing system.
Software is maintained and hosted by vendor.	Resulting software is "one of a kind" tailored to own environment.
Project design includes substantial user engagement in product selection and change management.	Project design may or may not include user engagement as code is written.

Asset Preservation - $150 million
Higher Education Asset Preservation and Replacement - HEAPR

Building Construction History

Number One Priority of Colleges and Universities
- Keeps campus warm, safe, and dry
- Reduces campus operating expenses
- Enhance recruitment and retention of students and faculty

Legend: GSF, # of Buildings

HEAPR Funding History (millions)

Requested / Received:
- 2012/2013: $110 / $20.0
- 2014/2015: $110 / $42.5
- 2016/2017: $110 / $25.0
- 2018/2019: $130 / $45.0

Backlog of Maintenance (millions)

- 2012: $713
- 2013: $716
- 2014: $738
- 2015: $744
- 2016: $783
- 2017: $913
- 2018: $993