

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Board of Regents Work Session**

**Thursday, December 13, 2007**

**1:15 - 2:15 p.m.**

**600 McNamara Alumni Center, East Committee Room**

**Board Members**

Patricia Simmons, Chair

Clyde Allen, Vice Chair

Anthony Baraga

Dallas Bohnsack

Maureen Cisneros

Linda Cohen

John Frobenius

Venora Hung

Steven Hunter

Dean Johnson

David Larson

David Metzen

**AGENDA**

1. Financing the Future: State Support - R. Bruininks/R. Pfitzenreuter/  
T. Stinson (pp. 2-3)



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**Agenda Item:** Financing the Future: State Support

review       review/action       action       discussion

**Presenters:** President Robert H. Bruininks  
Vice President/CFO Richard Pfutzenreuter  
Tom Stinson, State Economist

**Purpose:**

policy       background/context       oversight       strategic positioning

To review the November 2007 State Economic Forecast and to discuss a range of operational and financial strategies needed to advance the University's strategic goals.

**Outline of Key Points/Policy Issues:**

The November 2007 forecast was released on November 30, 2007. It updated all revenue and expenditure data for the current biennium (2007-2008) and developed planning estimates for the 2009-2010 biennium. In order to develop the forecast, national economic data is reviewed and then translated into a model for the Minnesota economy. This Minnesota economic model drives the revenue estimate for the state. Projected expenditures are also forecast, especially for formula expenditure programs in K-12 education, Human Services, and Local Aids and Credits.

There are four major points of discussion when reviewing the state economic forecast:

1. How is the forecast done?
2. What does the forecast mean?
3. Why is the forecast important?
4. What are the risks to the outlook the forecast provides?

In addition to the state economic forecast, the discussion will also build upon strategic position documents and financial plans required to achieve the goals and objectives of strategic positioning, keeping in mind the following key points:

- The State of Minnesota is a critical component to realizing the long term goals of the University.

- The University will need to continue to analyze trends, opportunities, and threats to its major revenue streams.
- The University will need to organize efforts around new or expanded revenue streams to provide the resources to advance the University's strategic goals.
- The administration will present to the Board a series of discussions involving significant financial issues in major revenue and expenditure areas.

The administration will first focus on strategies, objectives, goals and major trends in the area of financial support from the State of Minnesota.

**Background Information:**

Tom Stinson is the State Economist for the State of Minnesota. In addition, he is a faculty member in Applied Economics here at the University. Dr. Stinson oversees the economic forecast for the state, which is produced twice a year in November and February, and has had similar discussions with the Finance & Operations Committee in previous years.