

Minnesota Higher Education Overview

Minnesota House
Higher Education Committee

January 14, 2015

Minnesota Statutes Chapter 136A

The Office's responsibilities include:

- Administer state financial aid programs
 - State Grant
 - SELF Loan
 - Childcare Grant, State Work Study, GI Bill, MN Indian Scholarship
- Register and license private colleges and career schools
- Negotiate and Administering tuition reciprocity agreements
 - North Dakota, South Dakota, Wisconsin, Canadian province of Manitoba and Iowa Lakes Community College (Northwestern Iowa)
- Administer federal programs
 - Get Ready
 - Improving Teacher Quality Program
- Collect and report postsecondary data
 - SLEDS

Office has become more proactive on consumer protection and best institutional practices by assigning a Student Consumer Advocate

- Work with students and constituents to resolve issues with their institution of postsecondary education

- Reports Available
 - Developmental Education
 - Intervention for College Attendance Program
- Reports Pending
 - 2015 Minnesota Measures
 - Retention and Completion
 - Student Loan Refinancing
 - Study Abroad Regulation
 - Institutional Metrics

Key Legislative Policies

- **“35 Mile Rule”**

- Expansion in the number of institutions in the state to ensure every citizen would have access to a postsecondary institution within 35 miles of their home (1963)

- **Stable Funding, Shared Responsibility and 67%**

- Minnesota Statute 135A.01 (1983)

*It is the policy of the legislature to provide stable funding for public postsecondary institutions and that **the state and students share the cost of public postsecondary education**. The legislature intends to provide at least 67 percent of the combined revenue from tuition, the university fee at the University of Minnesota, and state general fund appropriations to public postsecondary institutions.*

- **Student Choice**

- Minnesota Statute 136A.095 (1971)

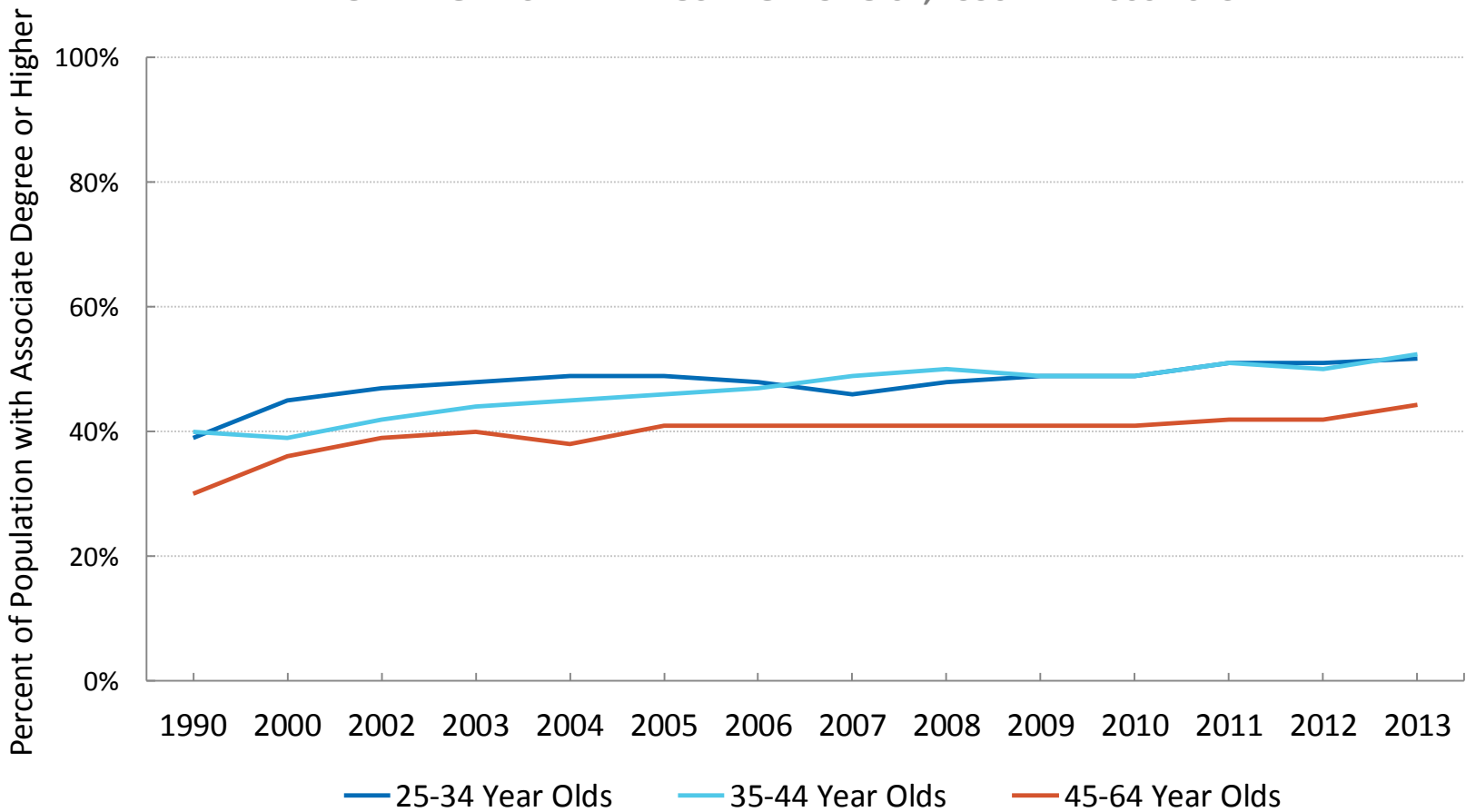
*The legislature finds and declares that the identification of men and women of the state who are **economically disadvantaged** and the encouragement of their educational development **in eligible institutions of their choosing** are in the best interests of the state and of the students.*

Minnesota Higher Education Landscape

- 70% MN high school grads attend MN institutions
- 440,600 students enrolled in MN institutions in Fall 2013
 - Includes high school PSEO, undergraduate and graduate, as well as 85,000 from private online
- \$195.9 million in need-based financial aid to 114,000 students in FY14
 - Includes State Grant, Childcare Grant, MN Indian, GI Bill and State Work Study
 - State Grant served 99,500 students in FY14
- 9,400 SELF loans made in 13-14 academic year
 - Current interest rates 3.2% variable and 6.9% fixed

Minnesota ranks 2nd with 51% of those aged 25-34 with an associate degree or higher

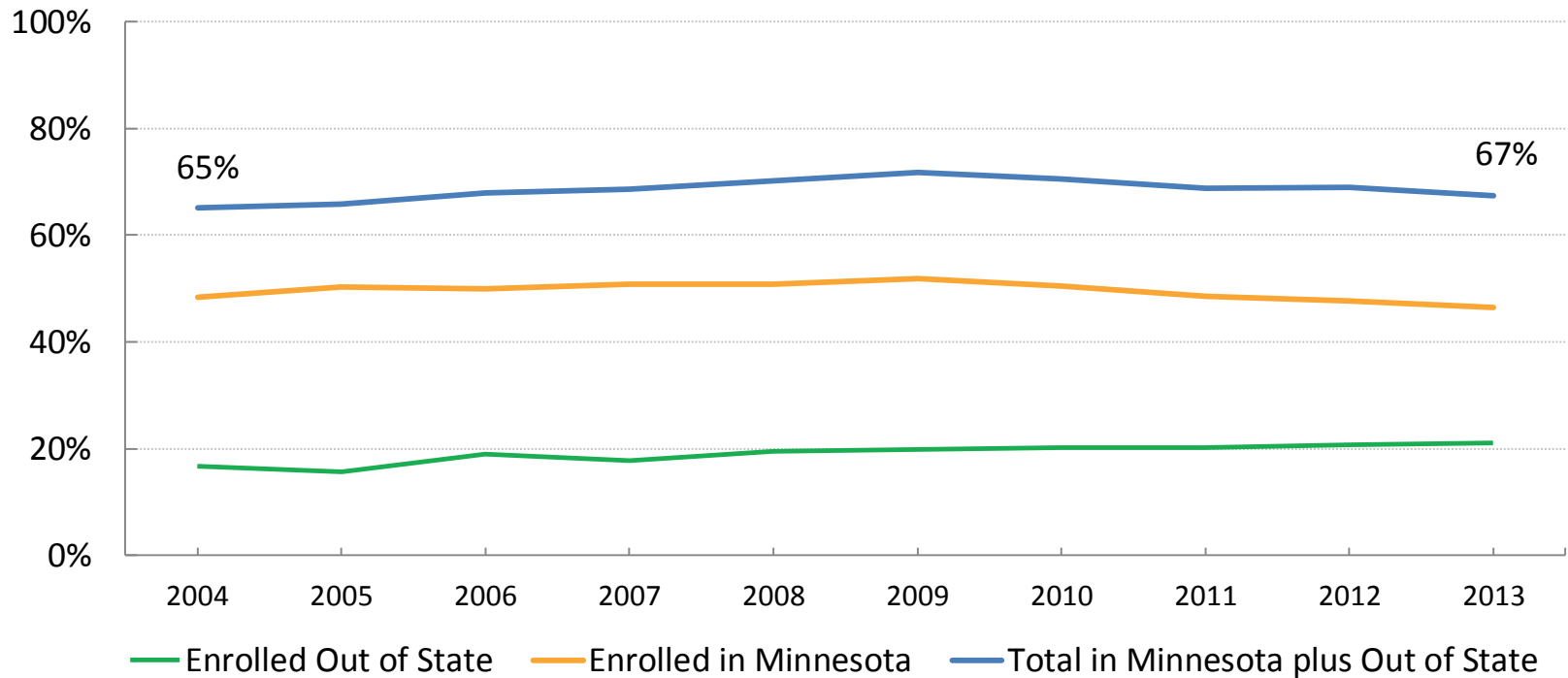
YOUNGER MINNESOTANS, AGE 25 TO 44,
HAVE MORE DEGREES THAN THOSE AGE 45 TO 64, 1990 AND 2000-2013



Source: U.S. Census Bureau, 1990 and 2000 Decennial Census; 2002-2013 American Community Survey

Nearly 70% of Minnesota high school graduates go to postsecondary education

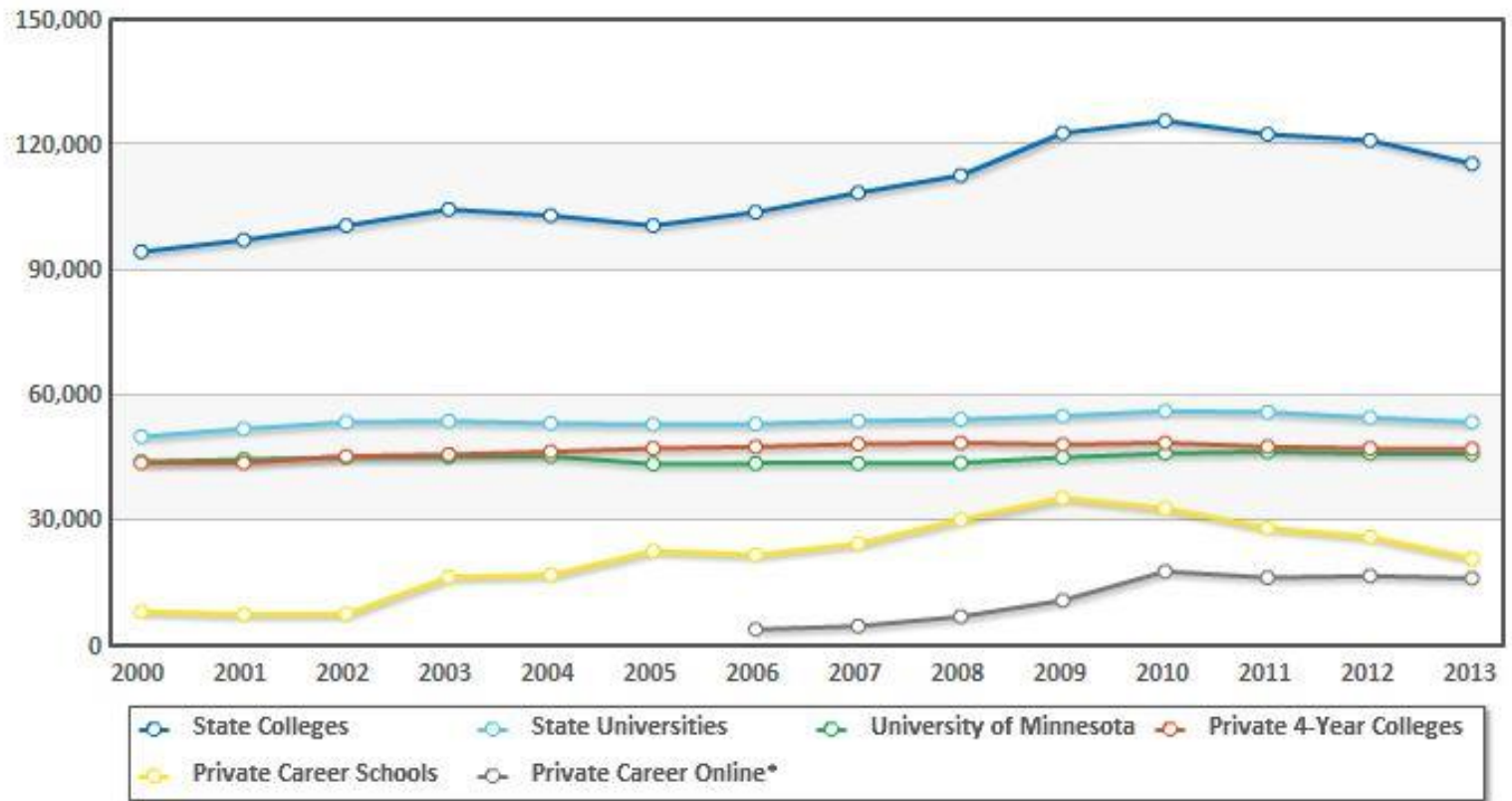
TOTAL COLLEGE PARTICIPATION OF MINNESOTA HIGH SCHOOL GRADUATES STEADY OVER THE DECADE, 2004-2013



Source: Minnesota Office of Higher Education (Minnesota); U.S. Department of Education , IPEDS Enrollment Survey (out-of-state)

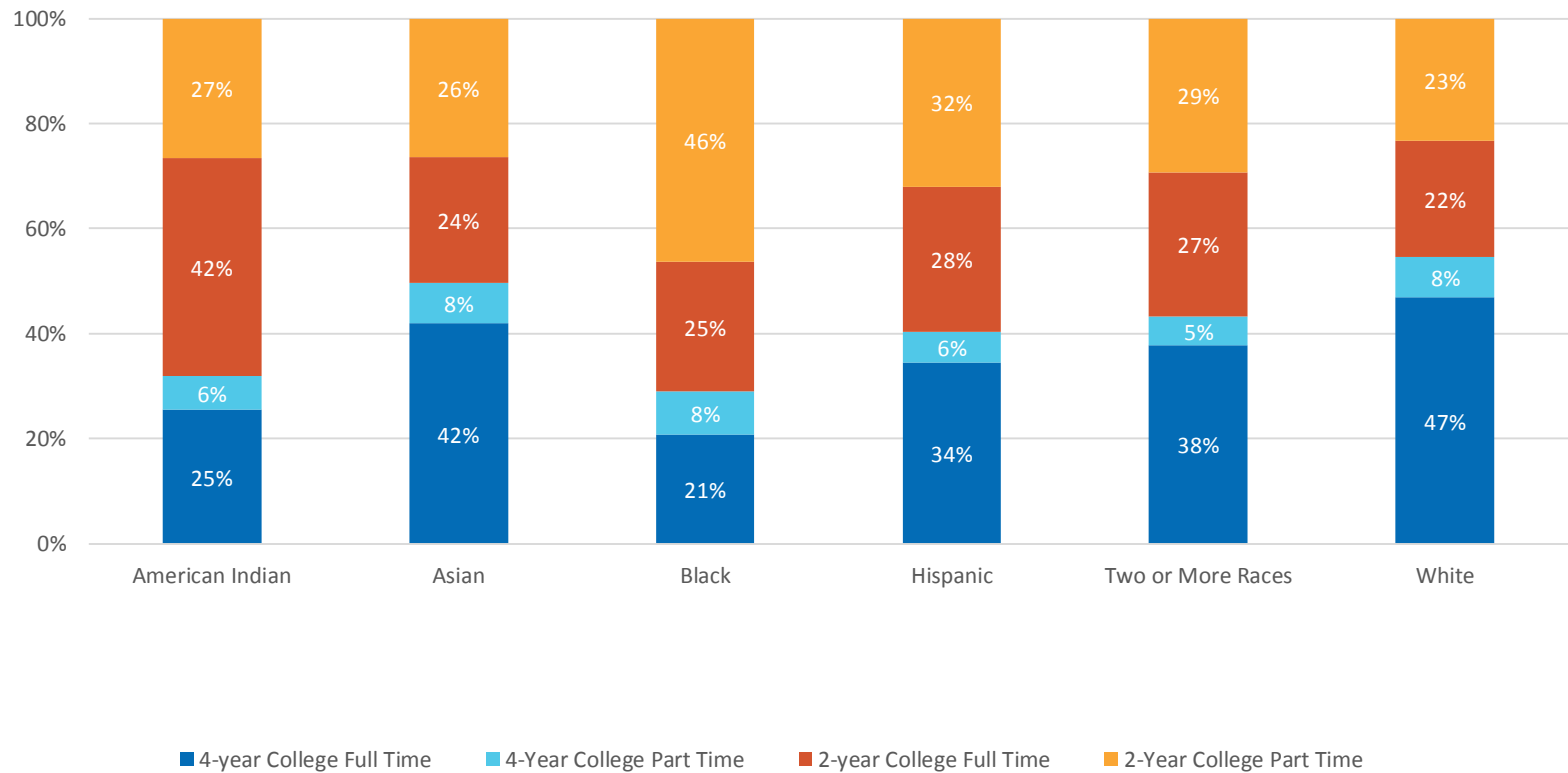
What Institutions Do They Attend

Minnesota Undergraduate Enrollment Trends, Fall 2000 to 2013



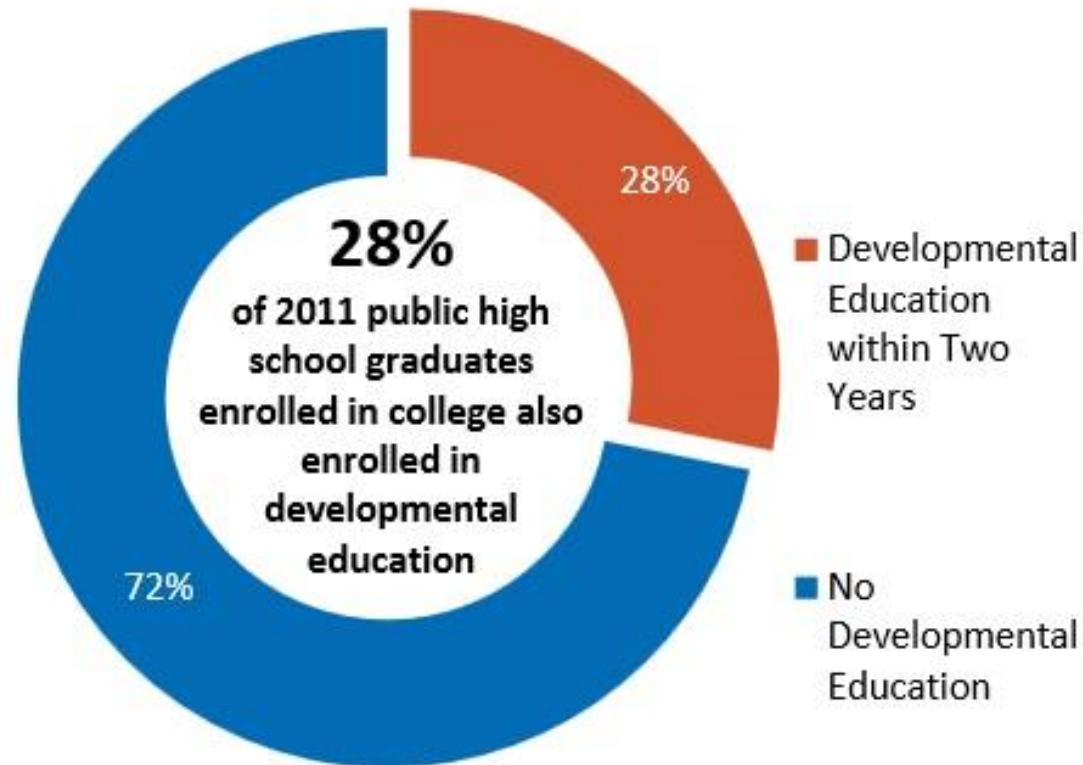
Enrollment Type by Race

BLACK STUDENTS MORE LIKELY TO ENROLL IN 2-YEAR COLLEGES PART TIME THAN PEERS, FALL 2013



Source: Minnesota Office of Higher Education

Developmental Education



Developmental Education Enrollment

	Graduates Enrolled in Developmental Courses within Two Years of Public High School Graduation By Sector Offering Developmental Education Credits (includes students first enrolling outside MN then transferring to a MN college)						
	Total Minnesota	Minnesota Public Two-Year Colleges		Minnesota State Universities		Other Minnesota Colleges and Universities (University of Minnesota and Private)	
Year of High School Graduation	Number of Students	Number of Students	Percent of Total	Number of Students	Percent of Total	Number of Students	Percent of Total
2006	9,068	7,108	78%	1,373	15%	587	6%
2007	10,270	8,004	78%	1,579	15%	687	7%
2008	10,629	8,488	80%	1,412	13%	729	7%
2009	9,989	8,124	81%	1,278	13%	587	6%
2010	10,118	8,454	84%	1,179	12%	485	5%
2011	9,480	8,034	85%	1,056	11%	390	4%
2012 (Preliminary data)	7,256	6,150	85%	846	12%	260	4%

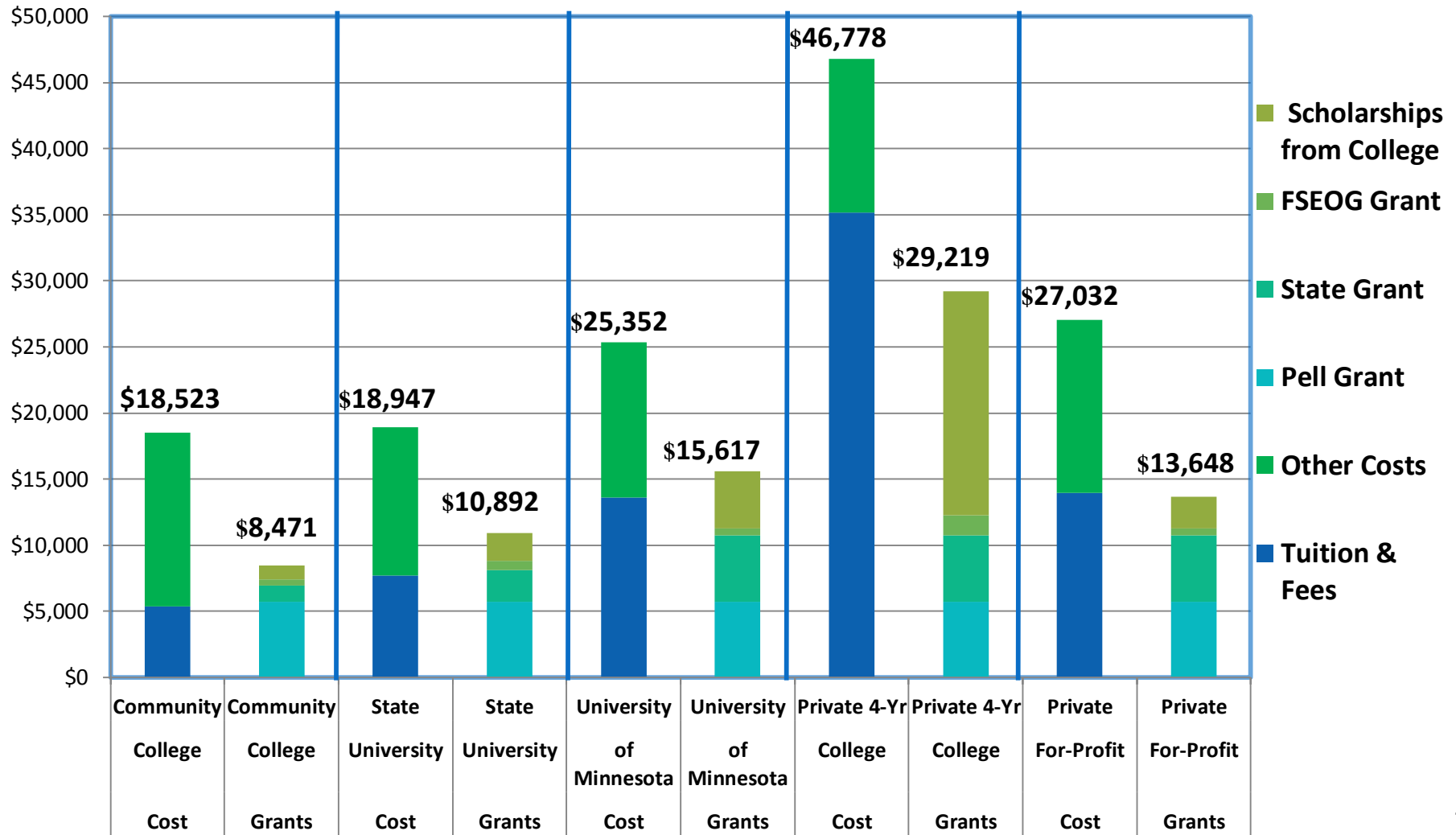
*Enrollment within two years of graduation for 2006-2011 graduates and within one year of graduation for 2012 graduates; data for 2012 graduates is considered preliminary and should not be used in trend analysis

Affordability and Debt

- Tuition increased three times the rate of inflation and family income between 2002-2012
- Tuition tends to be on higher end compared nationally
- Minnesota students have higher debt compared with students nationally, but they have lower loan default rates than students nationally.
- 2013 median debt for bachelor's degree was \$26,800 (70%).
 - A slight decrease from previous years
- 2013 median debt for associates degree was \$19,097 (71%).
 - A slight increase from previous years
- Last biennium \$200 million in direct student aid
 - Tuition freezes and state grant

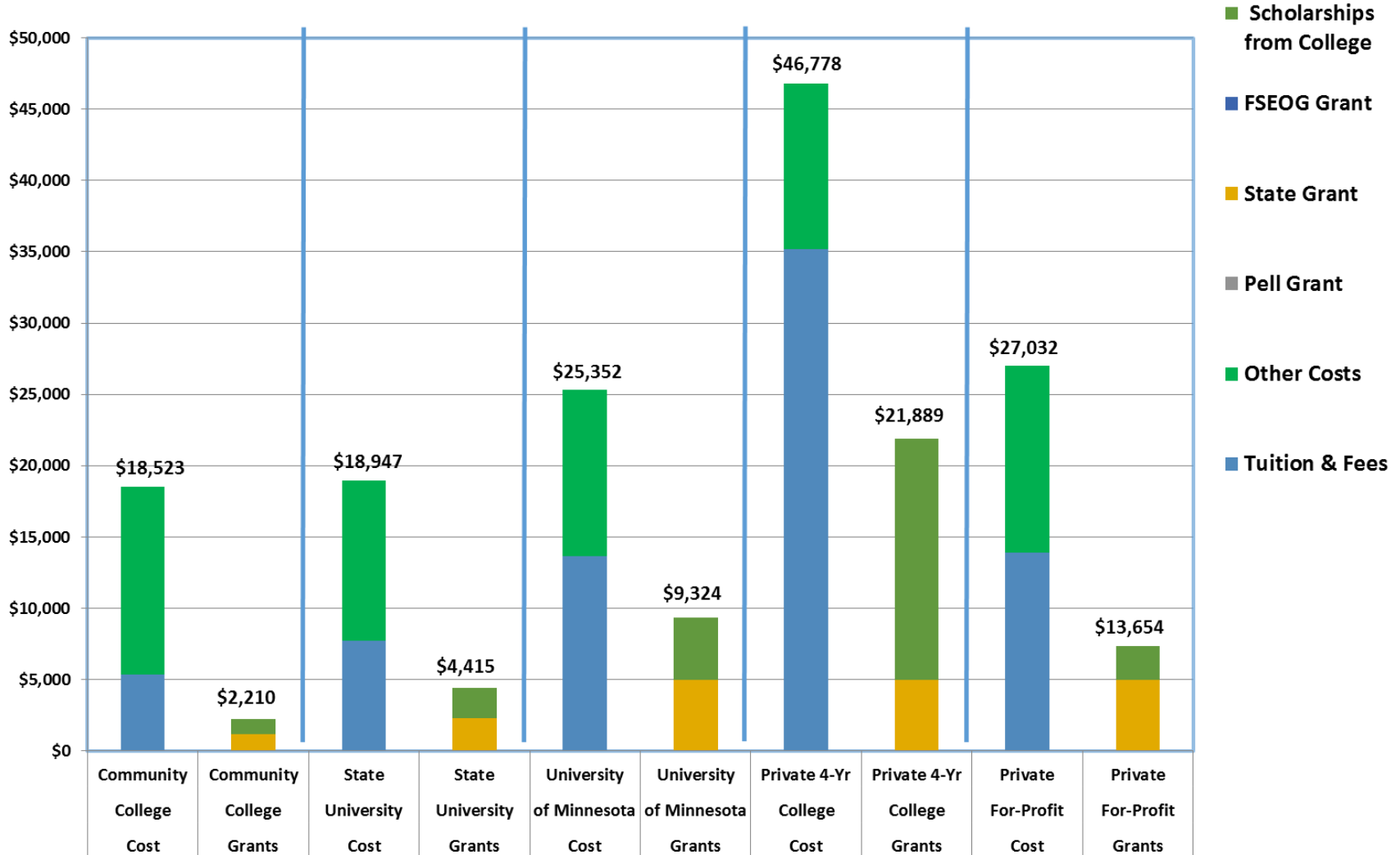
How Students Pay for College - \$0 EFC

**COST OF ATTENDANCE & GRANTS AND SCHOLARSHIPS
FAMILY INCOME \$30,000 - \$40,000, \$0 EFC
2014-2015 ACADEMIC YEAR**



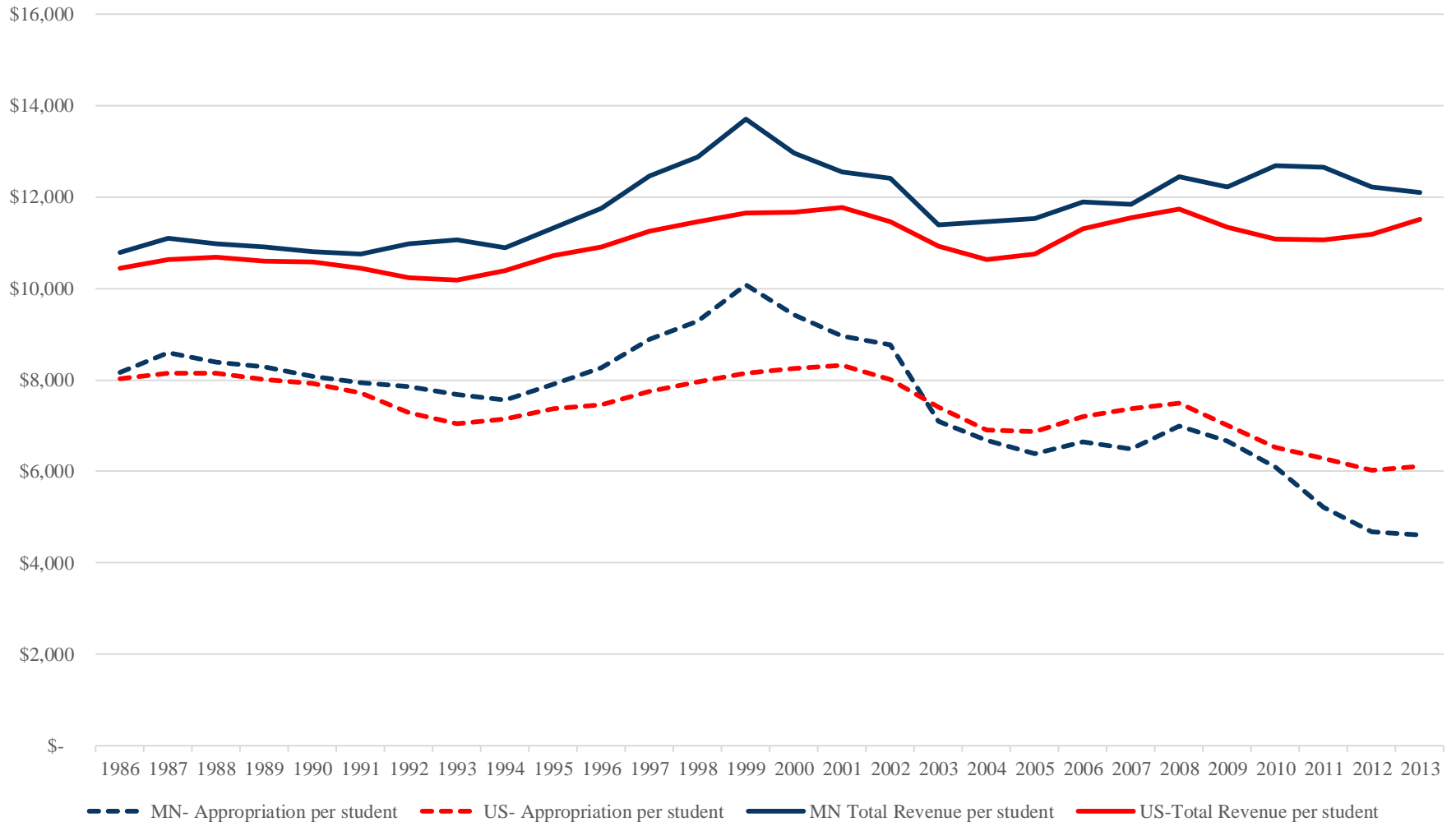
How Students Pay for College - \$6,030 EFC

Cost of Attendance & Grants and Scholarships
Family of 4, \$70,000 Income, \$6,030 EFC
2014-2015 Academic Year



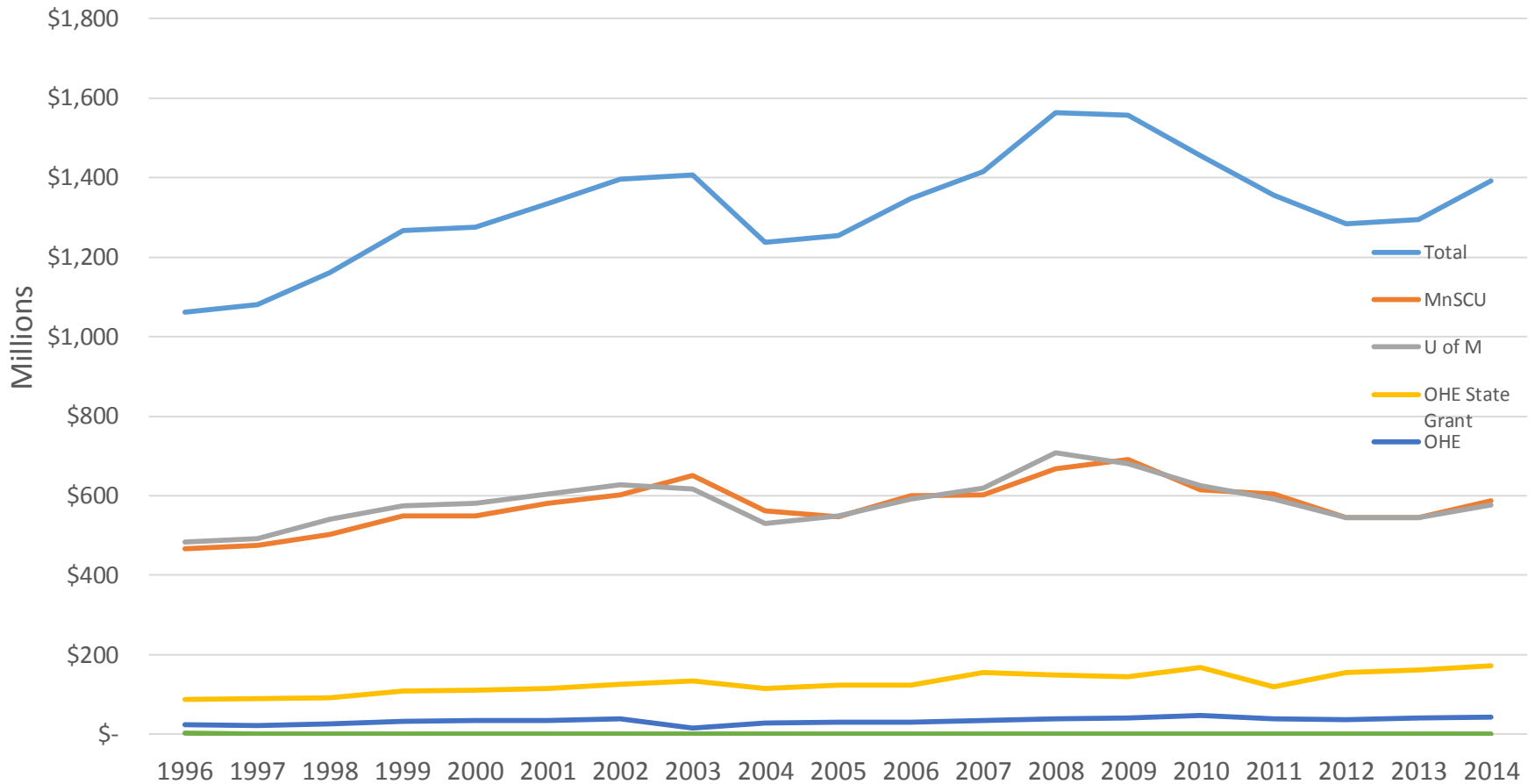
Revenue/Appropriations

Educational Revenue and Appropriations per Student
Constant Dollars: 1986-2013



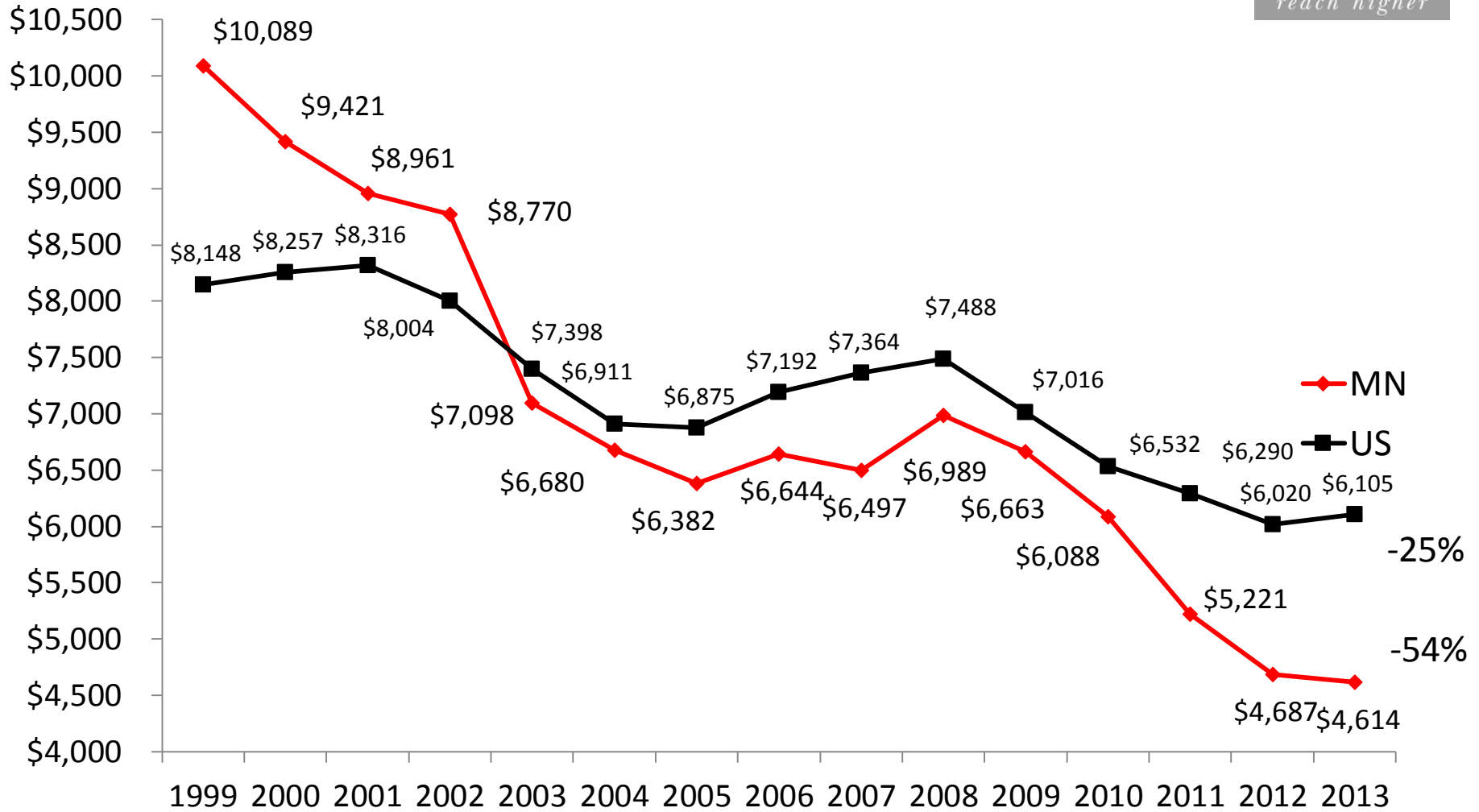
MN Higher Education Appropriations

MINNESOTA HIGHER EDUCATION APPROPRIATIONS, FY1996 - 2014



Source: Office of Higher Education and Minnesota Management and Budget

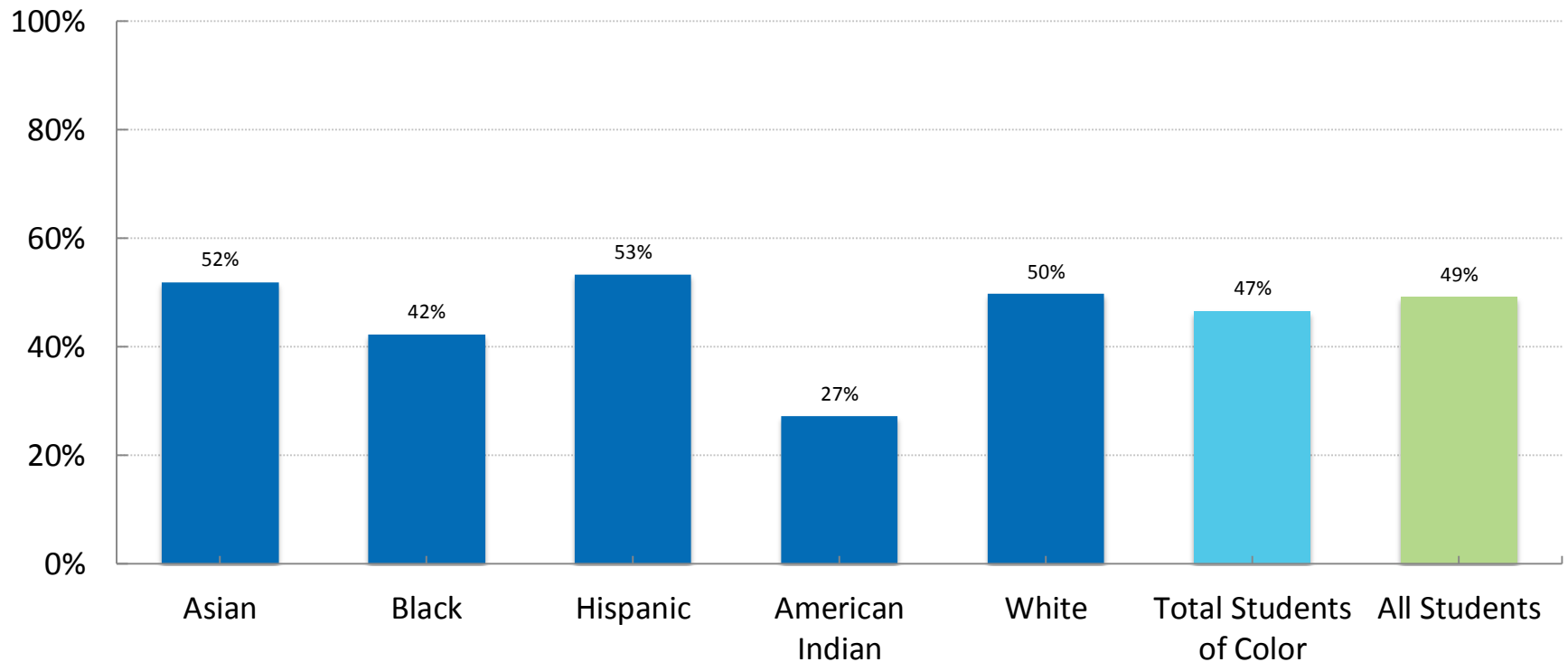
MN Higher Education Appropriations Per FTE 1999-2013



Source: 2014 State Higher Education Executive Officers (SHEEO) – State Higher Education Finance FY2013

Education Equity – Participation Gap

MINNESOTA HIGH SCHOOL GRADUATES ATTENDING MINNESOTA COLLEGES VARIED BY RACE AND ETHNICITY, 5-YEAR AVERAGE 2009 TO 2013

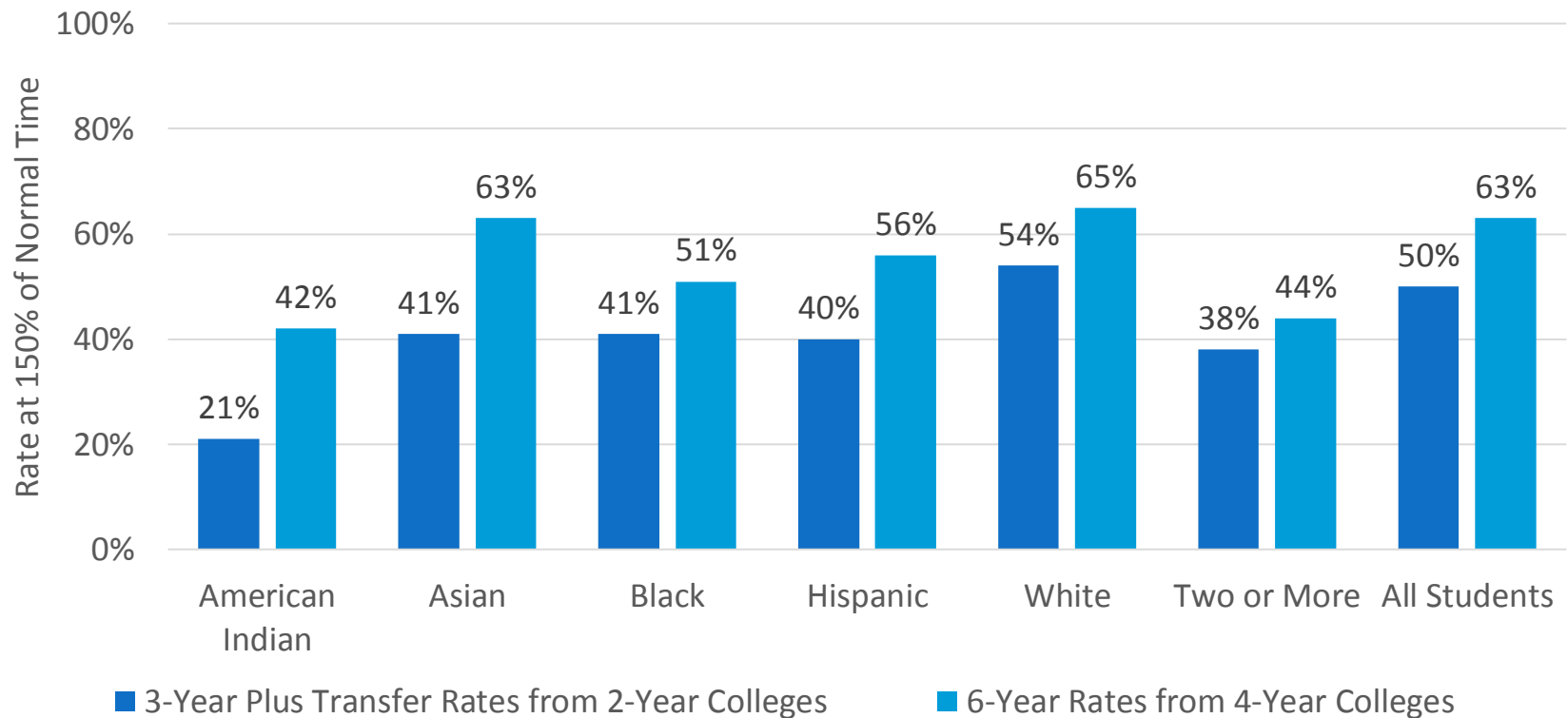


Percent college participation for attendance only in Minnesota. Out-of-state attendance not available by race/ethnicity.

Source: Minnesota Office of Higher Education

Education Equity – Attainment Gap

MINNESOTA'S NONWHITE UNDERGRADUATE STUDENTS ARE LESS LIKELY TO REACH TIMELY GRADUATION, 2013



At 4-year institutions, first-time, full-time undergraduates entering college in 2007 and graduating from same institution by 2013. At 2-year institutions first-time, full-time undergraduates entering college in 2010 and graduating from same institution or transferring to another institution by 2013.

Source: U.S. Department of Education, IPEDS Graduation Rate Survey

Statewide Longitudinal Education Data System (SLEDS)

- The SLEDS database is being created to assist policymakers in identifying pathways for individuals to achieve successful outcomes in education and work
- The SLEDS data system will enable research to:
 - Identify system predictors of long-term individual success
 - Design targeted improvement strategies
 - Improve data driven decision making

Current SLEDS Information

Getting Prepared 2014

<http://www.ohe.state.mn.us/mPg.cfm?pageID=2102>

- Report on college participation, persistence and developmental education enrollments among Minnesota public high school graduates

Graduate Employment Outcomes <http://mn.gov/deed/geo>

- Employment outcomes of Minnesota college graduates 1-4 years after graduation by college type, program and major
- NEW!! Includes graduates from 2007-2012

SLEDS Mobile Analytics sleds.mn.gov

- Reports focused on High School to College Transitions
- 2015 additions: Getting Prepared, Demographic filters
- Website includes background info on project

Minnesota State Grant Program

Need-based grant

- Complete Free Application for Federal Student Aid (FAFSA)
 - Application process same as federal Pell Grant.
 - 86% of new entering resident undergraduates complete the FAFSA
- Minnesota Residents Attending Minnesota Institutions
 - One-third of resident undergraduates receive a grant
- Budget of approx. \$178 million per year
 - Budget increase of 15.1% in FY2014
 - FY2014: 175,226 applicants; 99,501 recipients

Shared Responsibility Model

Calculation of total cost of attendance:

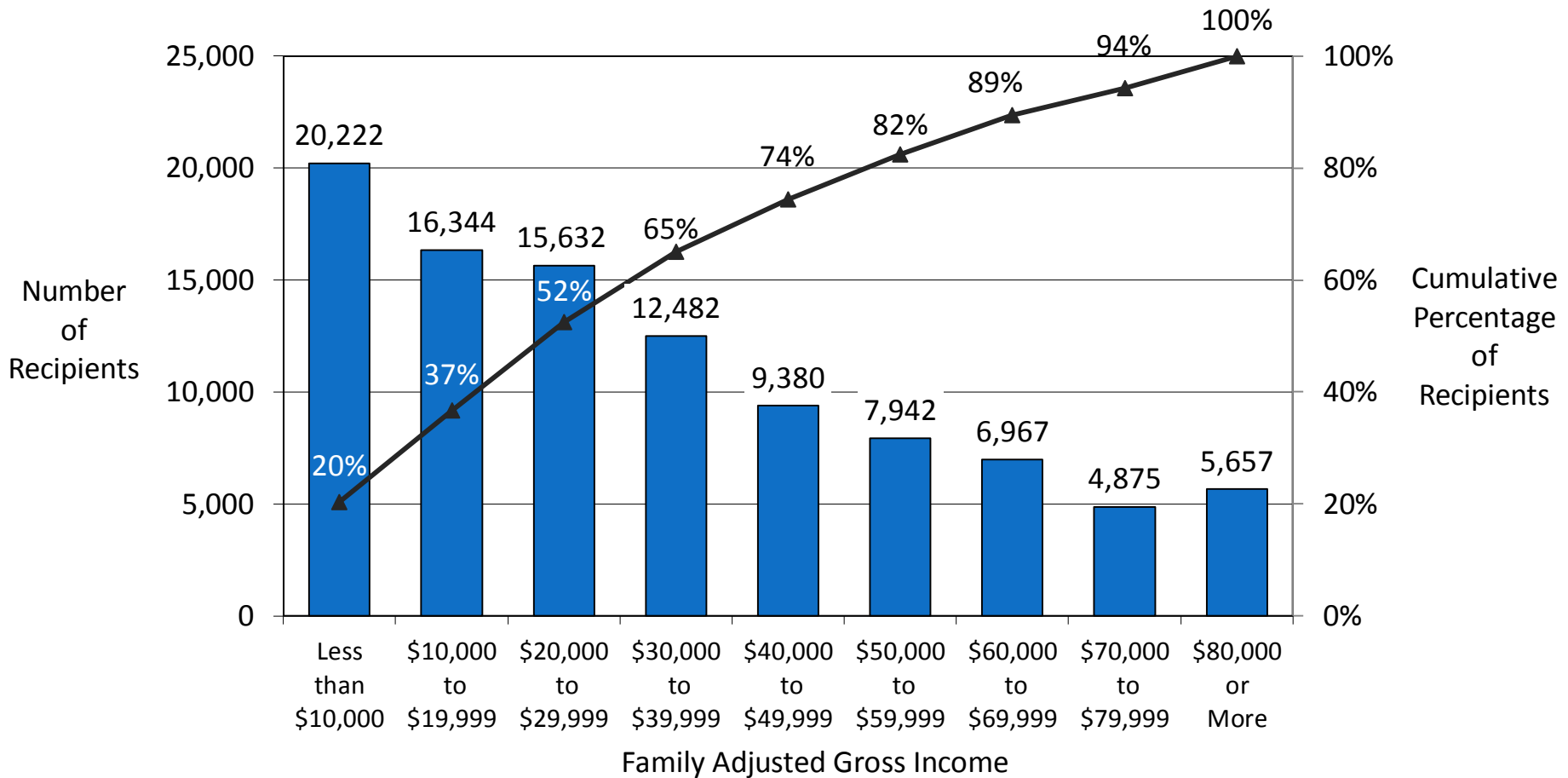
- Tuition & Fees
- Living Expenses

Divide that cost among 3 payers:

- 1) Students,
- 2) Families, and
- 3) Taxpayers (as needed)
 - Federal – Pell Grants
 - State – Minnesota State Grants

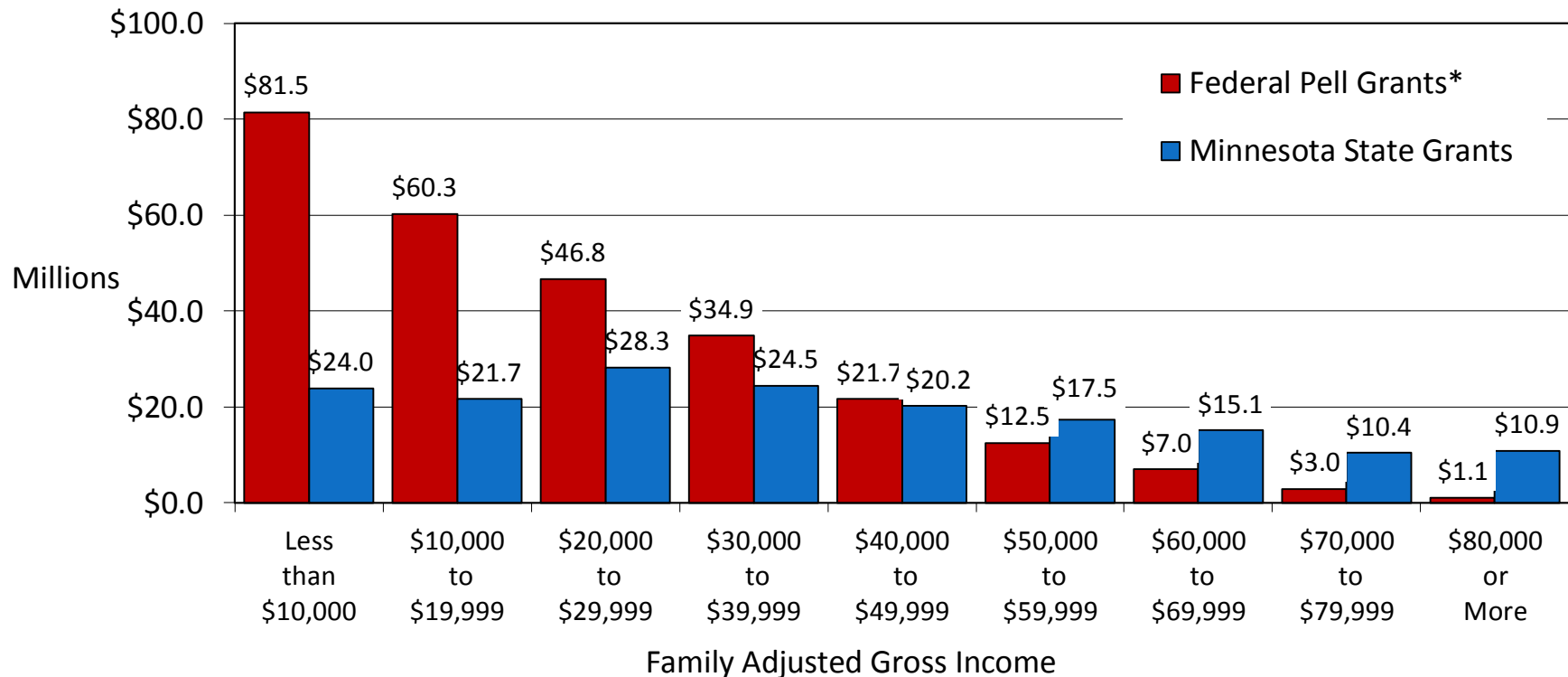
State Grant Recipients 2014

NUMBER AND CUMULATIVE PERCENTAGE
OF MINNESOTA STATE GRANT RECIPIENTS, FISCAL YEAR 2014



Complement to Federal Pell Grant

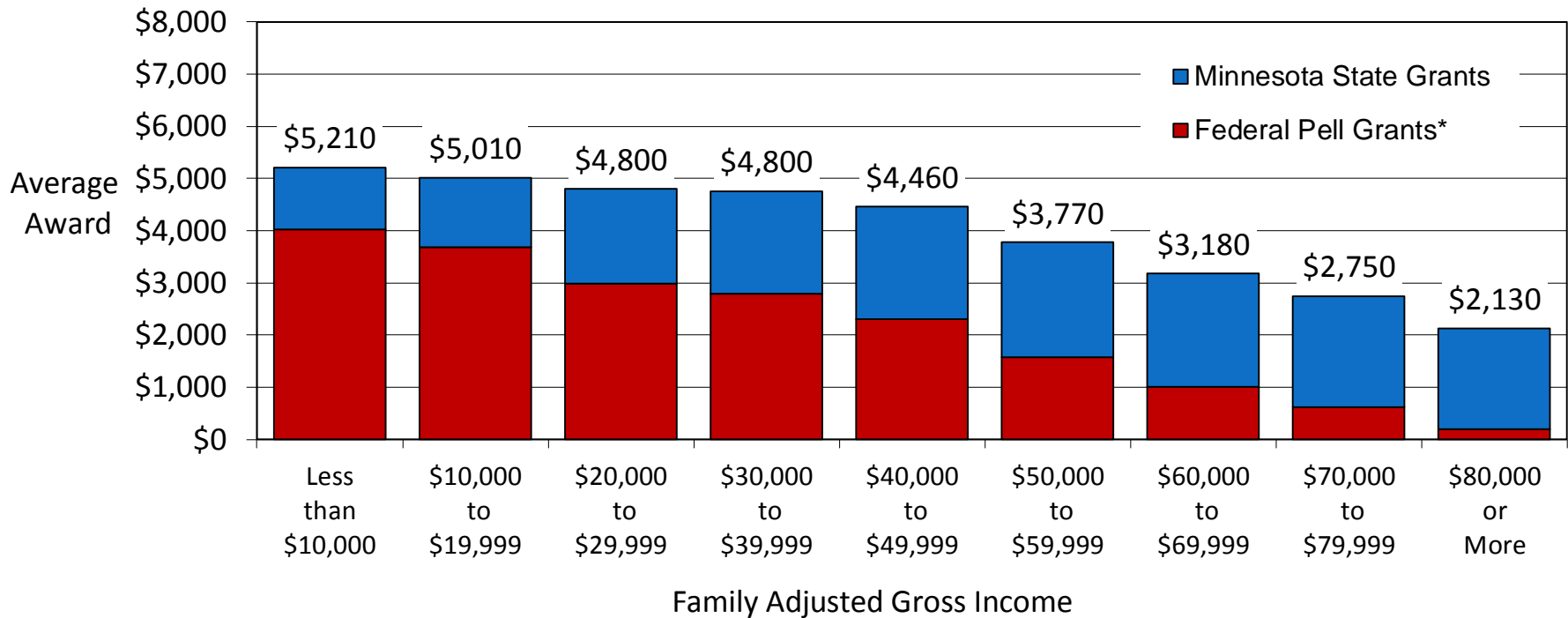
**FEDERAL PELL AND MINNESOTA STATE GRANT AWARDS
RECEIVED BY STATE GRANT RECIPIENTS, FISCAL YEAR 2014**



*Includes only Federal Pell Grants received by Minnesota State Grant recipients

Pell Grant and State Grant 2014

**AVERAGE COMBINED FEDERAL PELL AND MINNESOTA STATE GRANT AWARD
RECEIVED BY STATE GRANT RECIPIENTS, FISCAL YEAR 2014**



*Includes only Federal Pell Grants received by Minnesota State Grant recipients

Challenges

- Debt Load
- Retention and Completion
- Cost Containment
- Student under matching by Race and Income
- Workforce
 - Replacement of Retiring Boomers
 - Meeting Emerging Needs