



Agency Overview

Commissioner Dennis Olson

January 19, 2021 | House Higher Education Policy & Finance Committee

"To support the pursuit and completion of a higher education credential by every Minnesotan, regardless of race, gender, or socio-economic status, in order to enhance our democracy, the State's economic vitality, and individual quality of life."

Minnesota Statutes Chapter 136A

Agency Responsibilities

- Administer state financial aid programs
 - Minnesota State Grant Program, State Work Study, Childcare Assistance Grants, Minnesota Indian Scholarships, Interstate Tuition Reciprocity, SELF Loan Program, and more.
- Register degree-granting colleges and license non-degree-granting career schools
- Negotiate and administer tuition reciprocity agreements
- Administer federal programs – e.g. Get Ready
- Collect, maintain, and report data on students and postsecondary institutions
- Research and report on the effectiveness of postsecondary institutions

Statewide Educational Attainment Goal

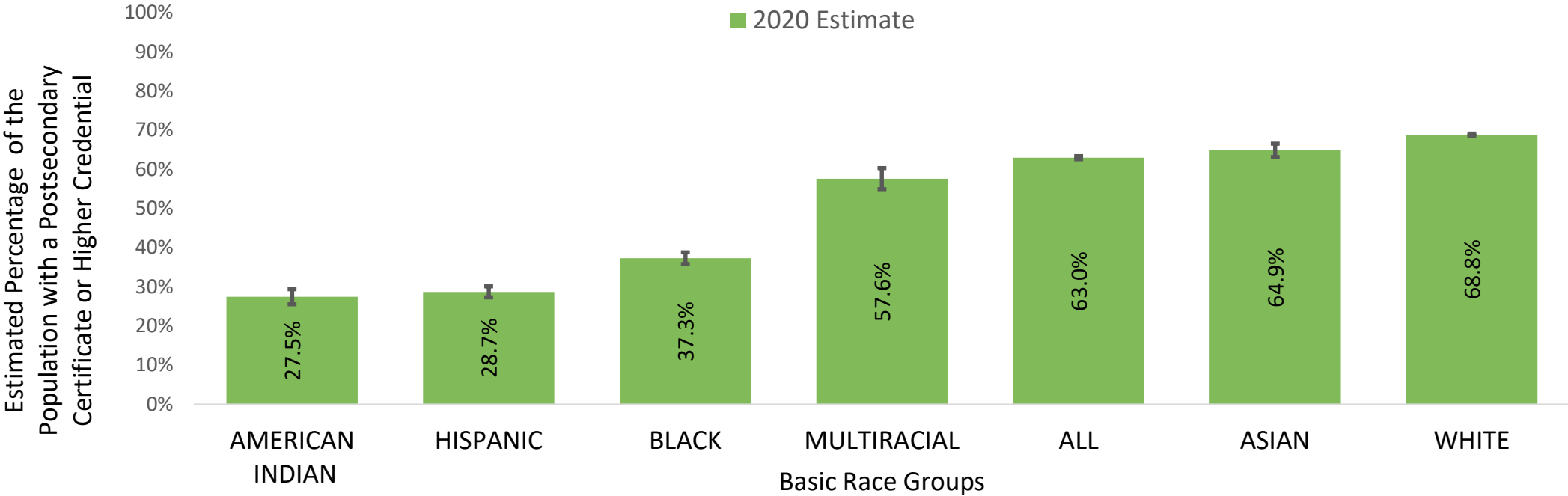
*Established by Minnesota Laws 2015 Chapter 69, Article 3, Section 25
MN § 135A.012*

By 2025 – 70% statewide attainment rate for adults age 25-44

- Includes certificate, associate, bachelor degrees
- 70% attainment rate for each race/ethnic group
- Interim benchmarks of 30% and 50% by race/ethnic group
- Minnesota estimated to be at 63.0% now
 - At least associate – 54.8%
 - Certificates – 8.3%

Education attainment gaps by race/ethnicity

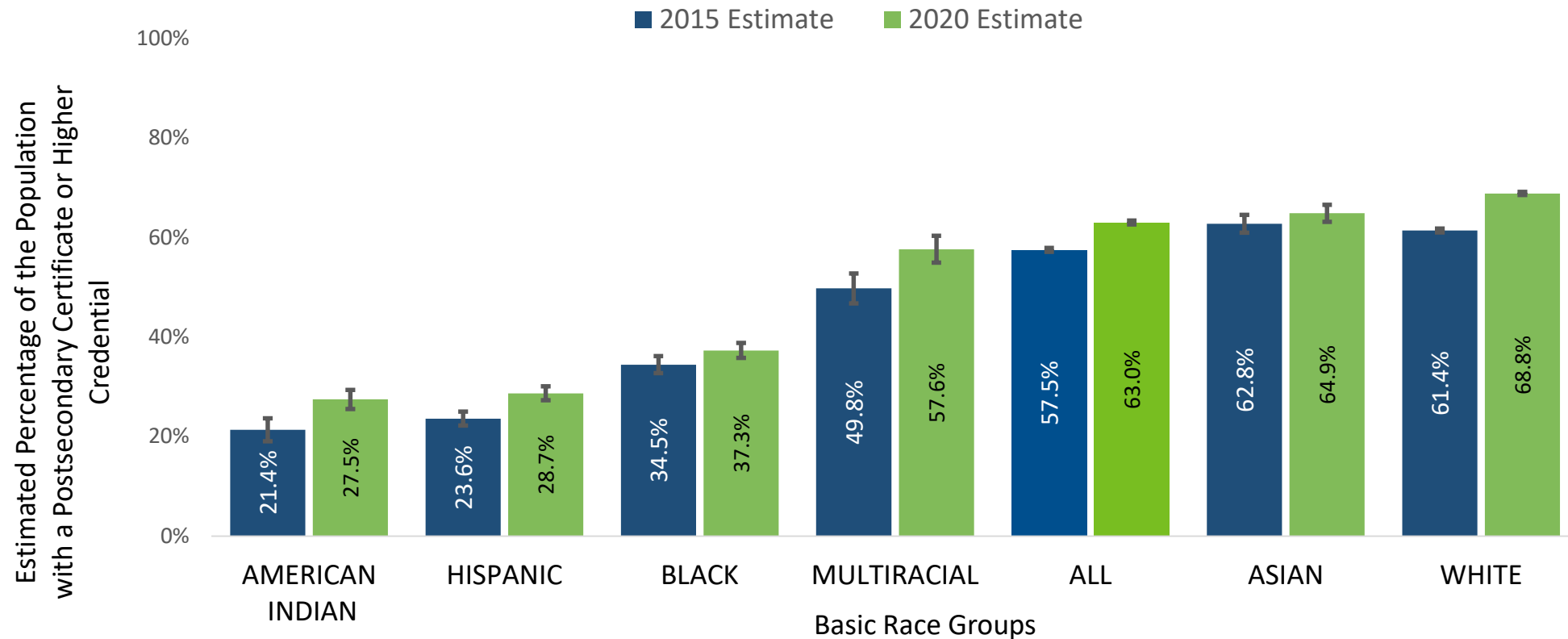
Percentage of the Population Age 25-44 with a Certificate or Higher Credential, Minnesota, 2020 Estimates by Basic Race Groups



Source: IPUMS microdata version of U.S. Census Bureau 2014-2018 American Community Survey for Associate's or Higher Degree, with tabulations and additional analysis by the MN State Demographic Center.

Change in attainment most recent 4 years

Percentage of the Population Age 25-44 with a Certificate or Higher Credential, Minnesota, 2015 and 2020 Estimates by Basic Race Groups



Source: IPUMS microdata version of U.S. Census Bureau 2014-2018 American Community Survey, with tabulations and additional analysis by the Minnesota Demographic Center

Financial Aid, SELF Loans, and Tuition Reciprocity

Promoting Access and 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 State Grants

Nicole Whelan
Research Analyst

Outline of Presentation

- I. Program Basics
- II. Award Formula & Policy Detail
- III. Statistics
- IV. Questions

Minnesota State Grant - Program Basics

Need-based grant

- Complete Free Application for Federal Student Aid (FAFSA)
 - Application process same as federal Pell Grant.
 - Application deadline is 30 days after the start of term (no waitlist)
 - 89% of new entering resident undergraduates complete the FAFSA

Minnesota residents

- Attending Minnesota institutions
 - 60% of applicants received a State Grant
 - 43% of resident undergraduates received a grant

Budget of approx. \$208 million per year

- FY2020: 130,070 applicants; 77,544 recipients; 87 participating institutions

2-Year Budget Cycle

Projected Spending reported every November 1, February 15

Projected Demand based on:

- Evaluation of Applicant Pool (total apps, pattern within apps, timing of apps, feedback from institutional staff)
- Full simulation model using last year of applicant data
- Monthly spending comparisons – actual cash flow vs. projections

Policy is adaptable; Law allows OHE to:

- Transfer funds between financial aid programs and between fiscal years, and
- Adjust grant awards to accommodate short-term deficits or spending balances

State policy determines the price of attendance:

Tuition & Fees + Living Expenses

And then divides that price among 3 payers:

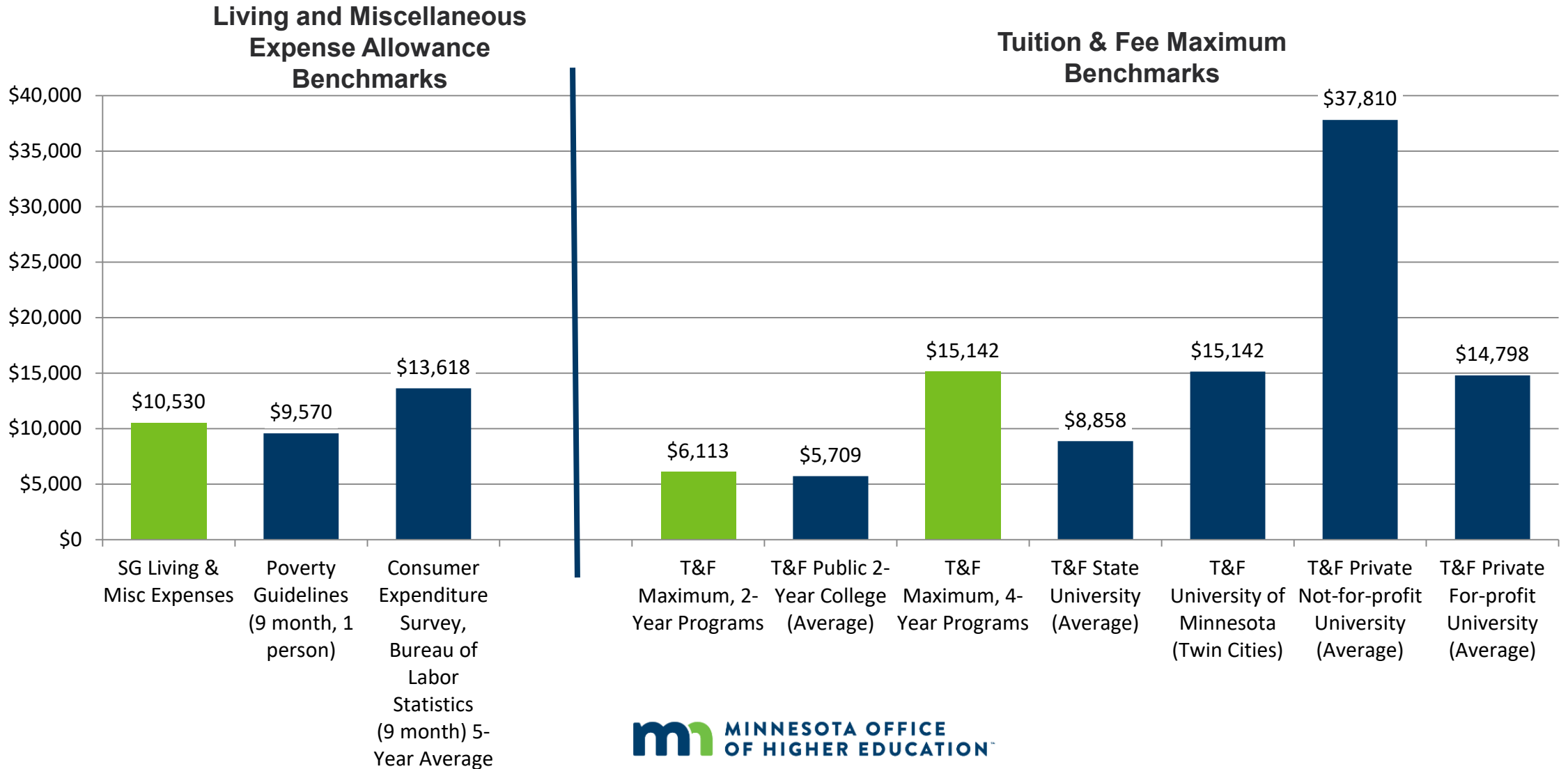
- 1) Students,
- 2) Families, and
- 3) Taxpayers
 - Federal – Pell Grants
 - State – Minnesota State Grants

Established in Minnesota Law

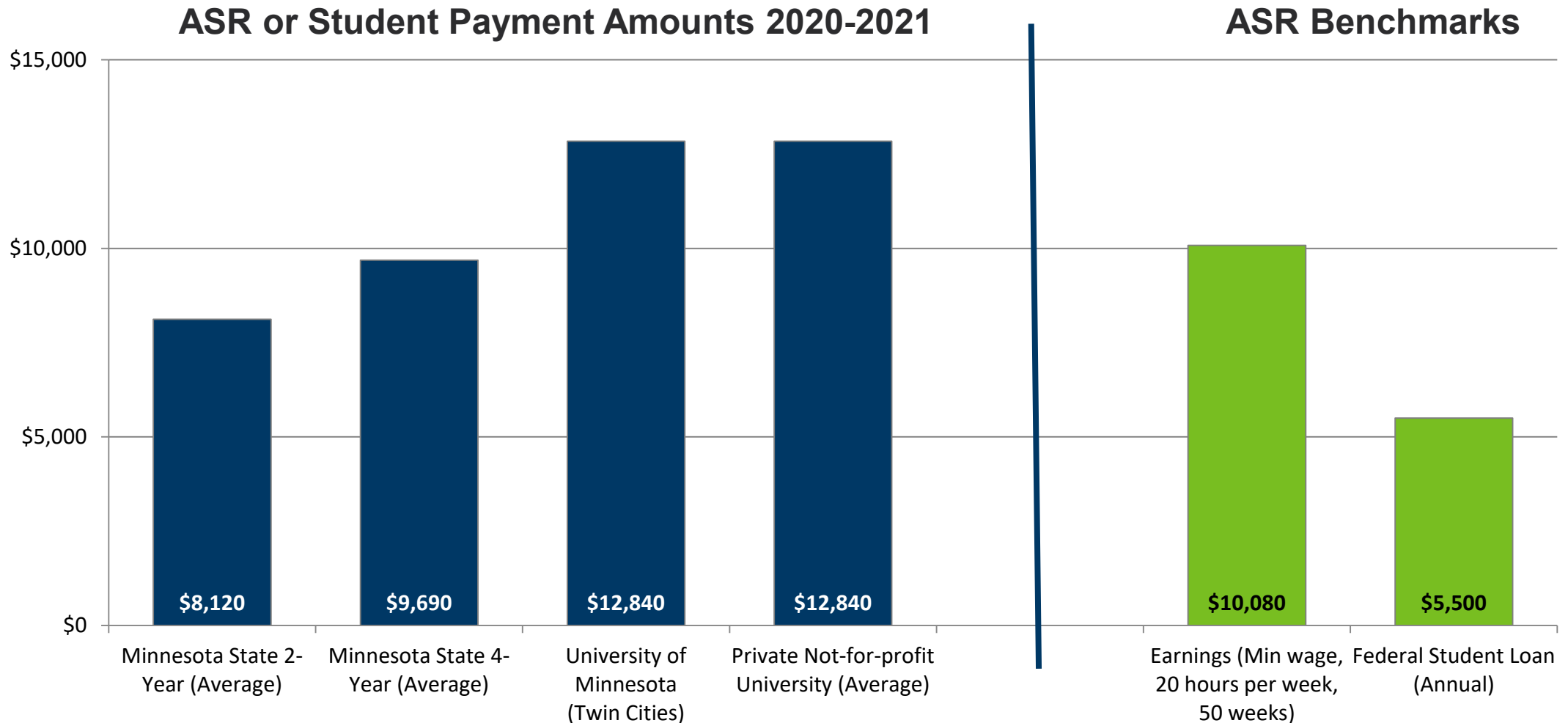
For academic year 2020-2021

- Recognized Price of Attendance
 - Recognized Tuition and Fees (T&F) is equal to the highest average tuition & fees by a public institution; \$15,142 4-Year programs; \$6,113 2-Year programs
 - Living and Miscellaneous Expense Allowance (LME); \$10,530 or approximately 110% of federal poverty guidelines
- Payment Assignments
 - Students *Assigned Student Responsibility (ASR), 50%*
 - Families *Assigned Family Responsibility (AFR) \$0-\$12,836*
 - Taxpayers *Assigned Taxpayer Responsibility (ATR) \$0-\$12,836*

Current Law Compared to Realities



Assigned Student Responsibility



“Ability to Pay” principle:

- Families with available income and assets should contribute to their student’s educational costs; Amount determined by federal need analysis & MN modifications
- Ability to Pay does not vary by enrollment level
- The federal need analysis may be unreasonable for some students and families

Minnesota Statute 136A.101

Subd. 5a. Assigned family responsibility.

"Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis."

For **dependent students** ... **82 percent** of the parental contribution.

For **independent students with dependents**...**74 percent** of the expected family contribution.

For **independent students without dependents**...**38 percent** of the expected family contribution.

Current Year Contributions

Family Adjusted Gross Income	Parents of Dependent Students	Students, Married with Dependents	Students, Single with Dependents	Students, Married No Dependents	Students, Single No Dependents
\$0	\$0	\$0	\$0	\$0	\$0
\$25,000	\$0	\$0	\$0	\$424	\$1,564
\$50,000	\$1,886	\$0	\$514	\$3,336	\$5,050
\$75,000	\$5,579	\$2,338	\$2,956	\$6,886	\$9,172
\$100,000	\$11,931	\$6,201	N/A	\$10,724	N/A
\$125,000	\$18,631	\$12,896	N/A	\$13,799	N/A
\$150,000	\$24,998	\$18,864	N/A	N/A	N/A

N/A is used in cells with less than 10 state grant applicants

Pell Grants

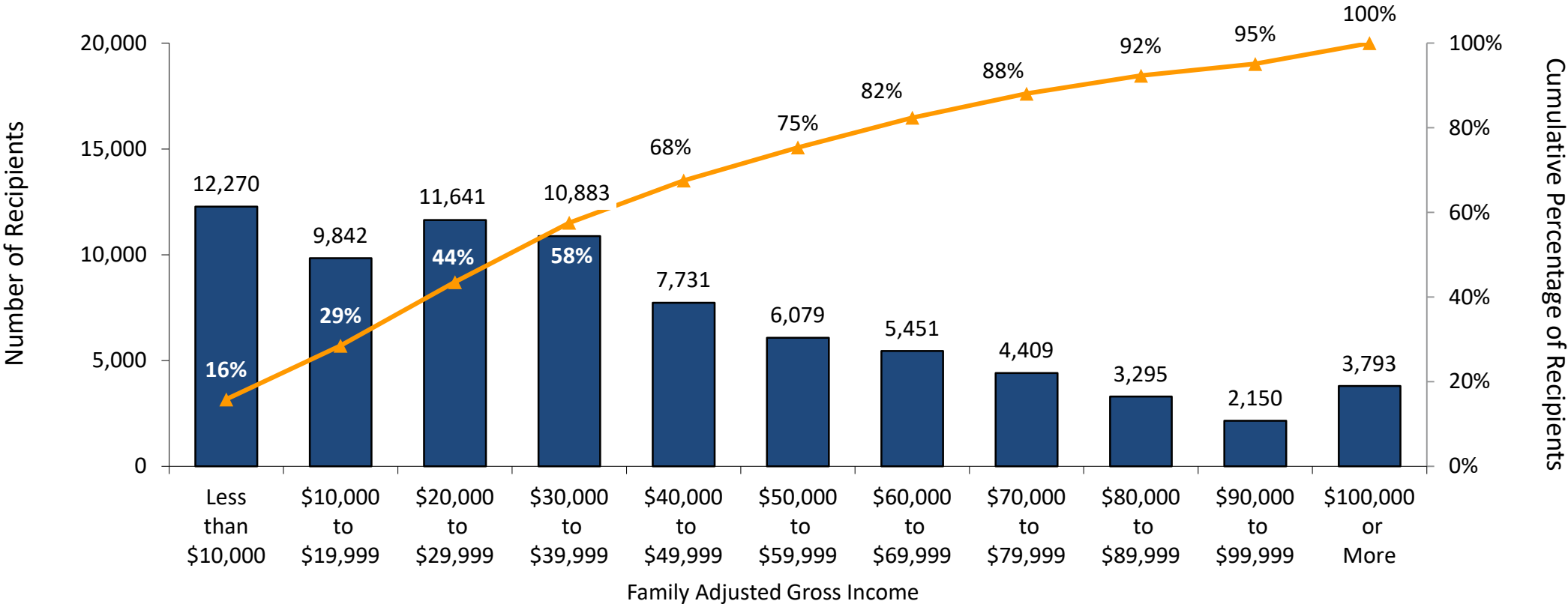
- Current Pell Grant awards -- \$639 to \$6,345
- Increased Pell Grant funds to Minnesota students allow the state flexibility in targeting Minnesota State Grant dollars to specified populations, to increase eligibility or to offset rising student costs

Minnesota Statute 136A.121

Subd. 5. (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

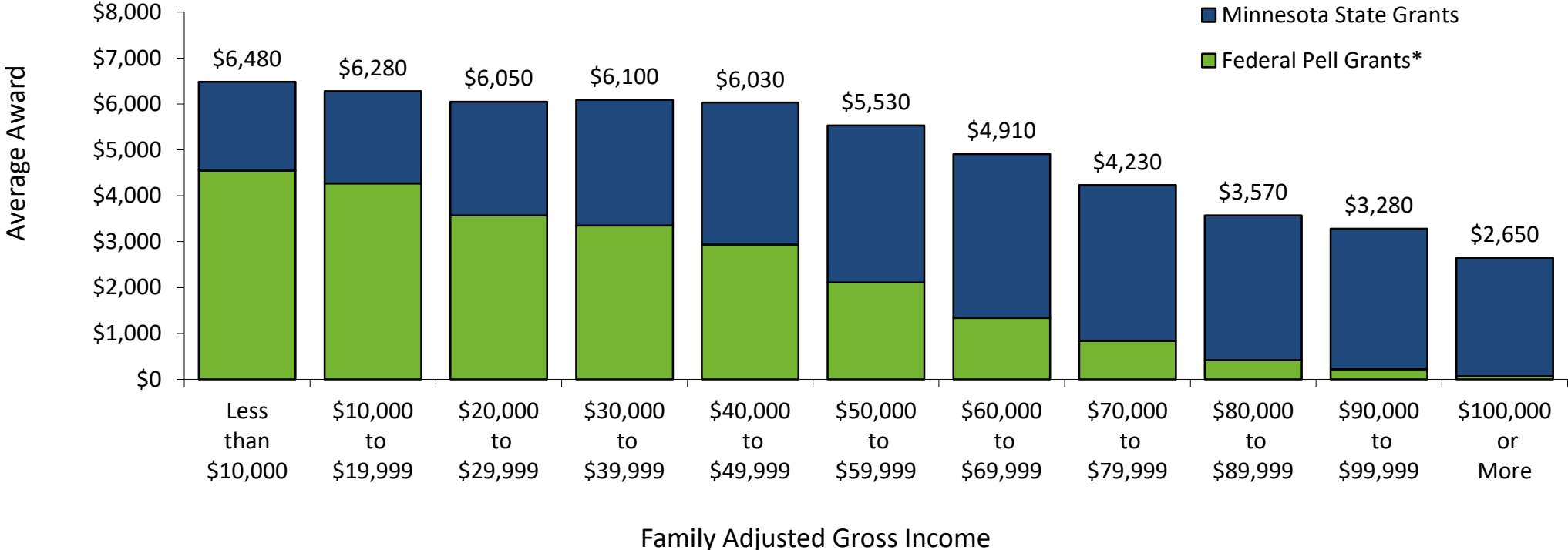
State Grant Recipients

Number and Cumulative Percentage of Minnesota State Grant Recipients, Fiscal Year 2020



State Grant Recipients

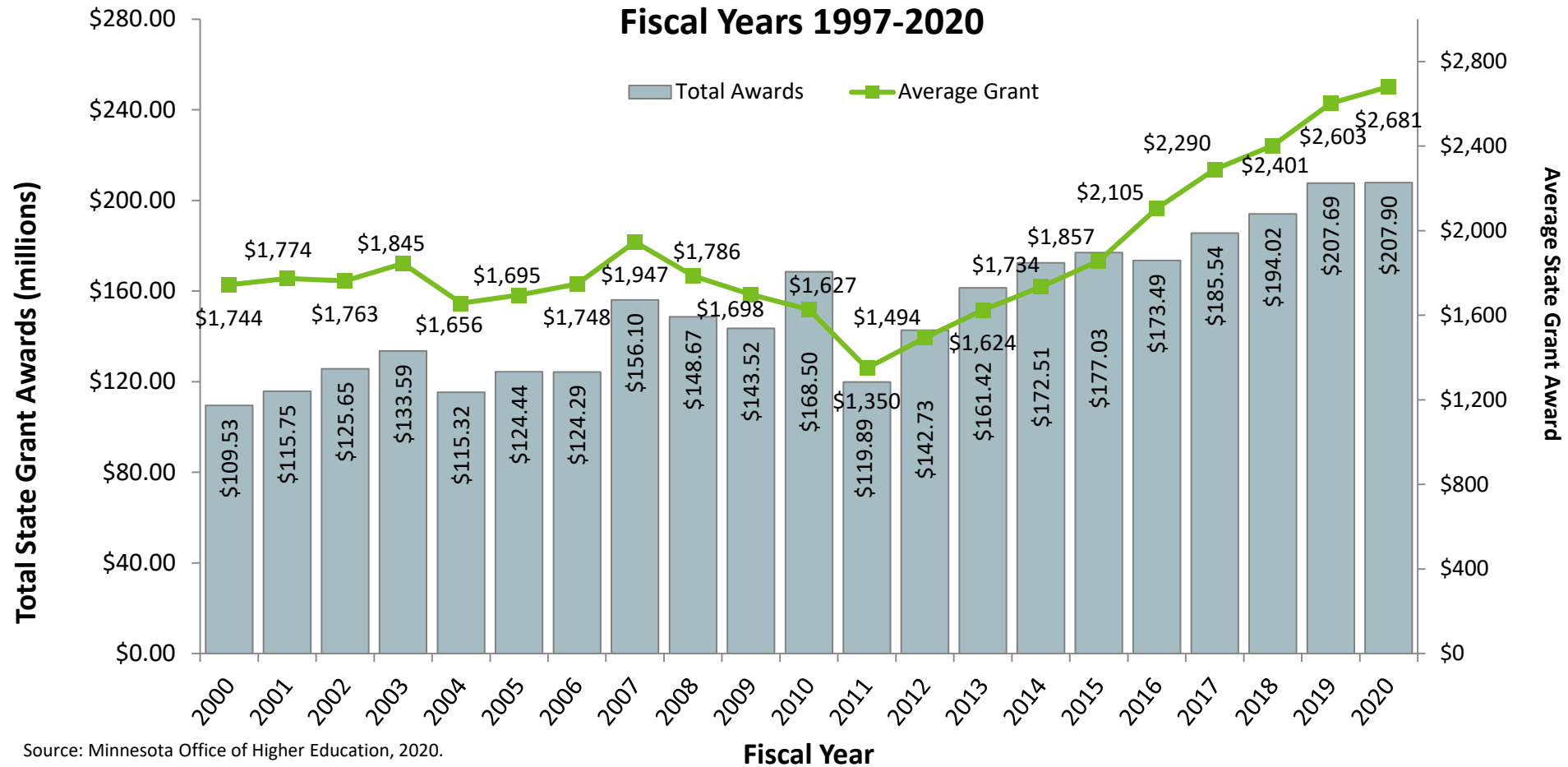
Average Combined Federal Pell and Minnesota State Grant Award Received, by Family Adjusted Gross Income, Fiscal Year 2020



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

Spending Over Time

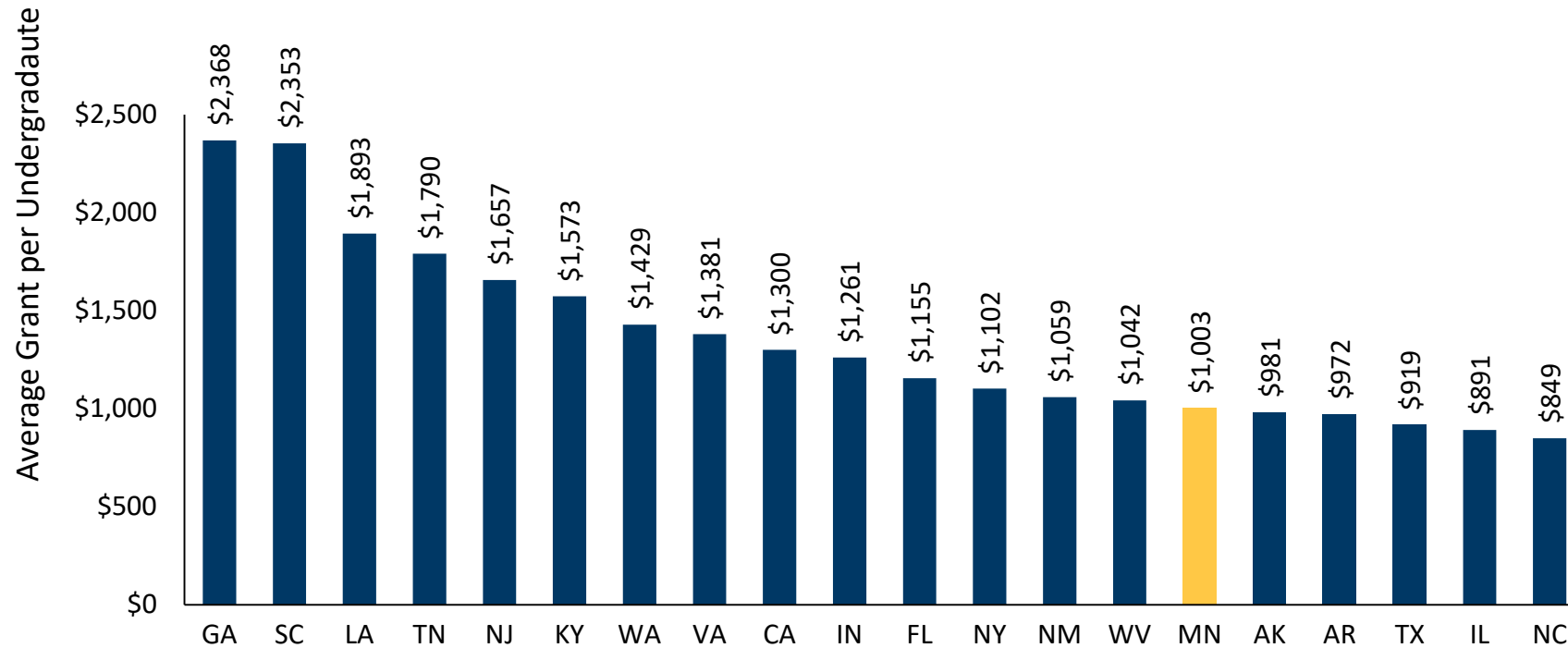
**Average Minnesota State Grant Awards and Total Awards Over Time,
Fiscal Years 1997-2020**



Source: Minnesota Office of Higher Education, 2020.

Comparisons with Other States

Minnesota spends \$1,003 per Full-time Equivalent Undergraduate Includes Need-Based and Non-Need-Based Grants, 2018-2019



Source: National Association of State Student Grant & Aid Programs (NASSGAP) annual survey, 2018-2019



Dual Training Grants

Megan Fitzgibbon
Financial Aid Manger

Dual Training Grants

- Supports dual-training programs offered by employers with annual grants for up to \$6,000 per trainee with annual max of \$150,000.
- Dual-training programs pair on-the-job training with related instruction for comprehensive learning.
- Administered in coordination with DLI Pipeline Program.
- Grants awarded for programs in Pipeline Program industries: Advanced Manufacturing, Agriculture, Health Care Services, and Information Technology
- Programs must result in trainee earning at least one industry-recognized credential, diploma, or degree.
- Proven to aid recruitment and increase worker retention among employers who received the grant.
- Since 2015, 210 grants have been awarded to 104 grantees, 1,800 dual trainees have participated in the program, and 60 different training providers.

Other Financial Aid Programs

Program	Students	Amount	General Description
Postsecondary Child Care Grant	1,517	\$6.694M	Need-based grants to student parents using child care services while attending college.
MN Work Study	9,144	\$14.502M	Funds allocated to MN colleges to pay 75% of wages for student employment on or off campus.
Public Safety Officer's Survivor Grant	8	\$100,000	Non-need-based grants to dependent children and the spouses of public safety officers killed in the line of duty.
MN Indian Scholarship Program	908	\$3.5 million	Need-based scholarships to MN resident students who have at least one-quarter American Indian ancestry.
Tribal College Supplemental Assistance Grants	3 Colleges	\$150,000	Direct financial support to tribal colleges in MN to support the cost of educating students who are not members of federally-recognized tribes.
MN Reconnect	9 Colleges 129 Students	\$1.005 million	Program supports adult learners at participating Minnesota State Colleges with scholarships and funds to resolve financial holds. Participating Minnesota State Colleges receive funds to provide navigator and other support services for adult learners.
Dual Training Grants	49 Grantees	\$2 million	Grants to employers for the related instruction costs of providing a dual training program for their employees in occupations from 4 legislatively specified industries to meet industry recognized competency standards. Dual training programs consist of structured on-the-job training and related instruction.

Other Financial Aid Programs

Program	Students	Amount	General Description
Teacher Candidate Grant	252	\$1.25 million	Grants to eligible students completing required student teaching experiences. Awards prioritized to teacher candidates who belong to racial or ethnic groups underrepresented in the MN teacher workforce.
Teacher Shortage Loan Repayment	735 borrowers	\$200,000	Student loan repayment awards to teachers providing classroom instruction and fulfilling an identified shortage area. Shortage areas include racial and/or ethnic groups underrepresented in the MN teacher workforce, license field, and economic development regions.
Large Animal Veterinarian Loan Repayment	26 borrowers	\$41,462	Federal grant funds used for student loan repayment assistance to public defenders and prosecutors.
Agricultural Educators Loan Repayment	4 borrowers	\$50,000	Student loan repayment awards to teachers in Agricultural Education.
Aviation Degree Loan Repayment	1 Borrower	\$25,000	Student loan repayment awards to pilots and aviation mechanics serving in Minnesota.
John R. Justice Student Loan Repayment	26 Borrowers	\$41,462	Federal grant funds used for student loan repayment assistance to public defenders and prosecutors.
Grants for Students with Intellectual and Developmental Disabilities (ID Grant)	34	\$200,000	Financial assistance to students with intellectual and development disabilities who attend Comprehensive Transition & Postsecondary (CTP) programs at eligible Minnesota postsecondary institutions.



SELF Loans and SELF Refi

Marilyn Kosir

Manager, SELF Loans and SELF Refi

SELF Loan and SELF Refi

SELF Loan started in 1984

- MN residents attending a participating MN or out-of-state school
- Non-residents attending participating MN schools
 - Interest rate not based on credit score
 - Variable rate - 2.20%
 - Fixed rate – 4.85%

SELF Refi launched January 2016

- MN residents
 - Graduated with credential
- 5, 10 and 15 year repayment options
- Variable and fixed rates

SELF Loan Eligibility

- At least half-time enrollment required for:
 - Minnesota residents attending one of 400 participating SELF institutions
 - Non-residents physically attending one of 93 participating Minnesota SELF institutions
- Requires FAFSA completion
- Requires completion of online counseling
- Satisfactory academic progress
- Credit worthy cosigner

SELF Loan Limits

- Amounts limited to cost of attendance less other financial aid (as certified by institutions)
- Annual Limits
 - \$20,000 per year for bachelor's and graduate programs
 - \$10,000 per year for programs of 1-3 years in length
 - \$ 3,500 for programs less than 1 year

SELF Refi Eligibility Criteria

Borrower requirements:

- Minnesota resident
- Earned a degree or certificate
- FICO score – 700 or higher with no cosigner
- FICO score – 650 with a qualifying cosigner
- Maximum debt-to-income ratio of 45% -60%

Cosigner requirements:

- Minimum FICO score 700
- Maximum debt-to-income 60%
- Release option

SELF Refi Loans

- Maximum refinancing program outstanding loan limit of \$100,000,000
- Minimum loan amount - \$10,000
- Maximum loan amount
 - Bachelors' and Graduate - \$70,000
 - Associate degree or certificate - \$25,000
- Refinance private, SELF and federal loans

SELF Refi Loan Terms

SELF Refi Repayment Terms and Current Rates

FIXED RATES

5 year	3.80%
10 year	4.55%
15 year	5.30%

VARIABLE RATES

5 year	2.50%
10 year	3.15%
15 year	3.85%

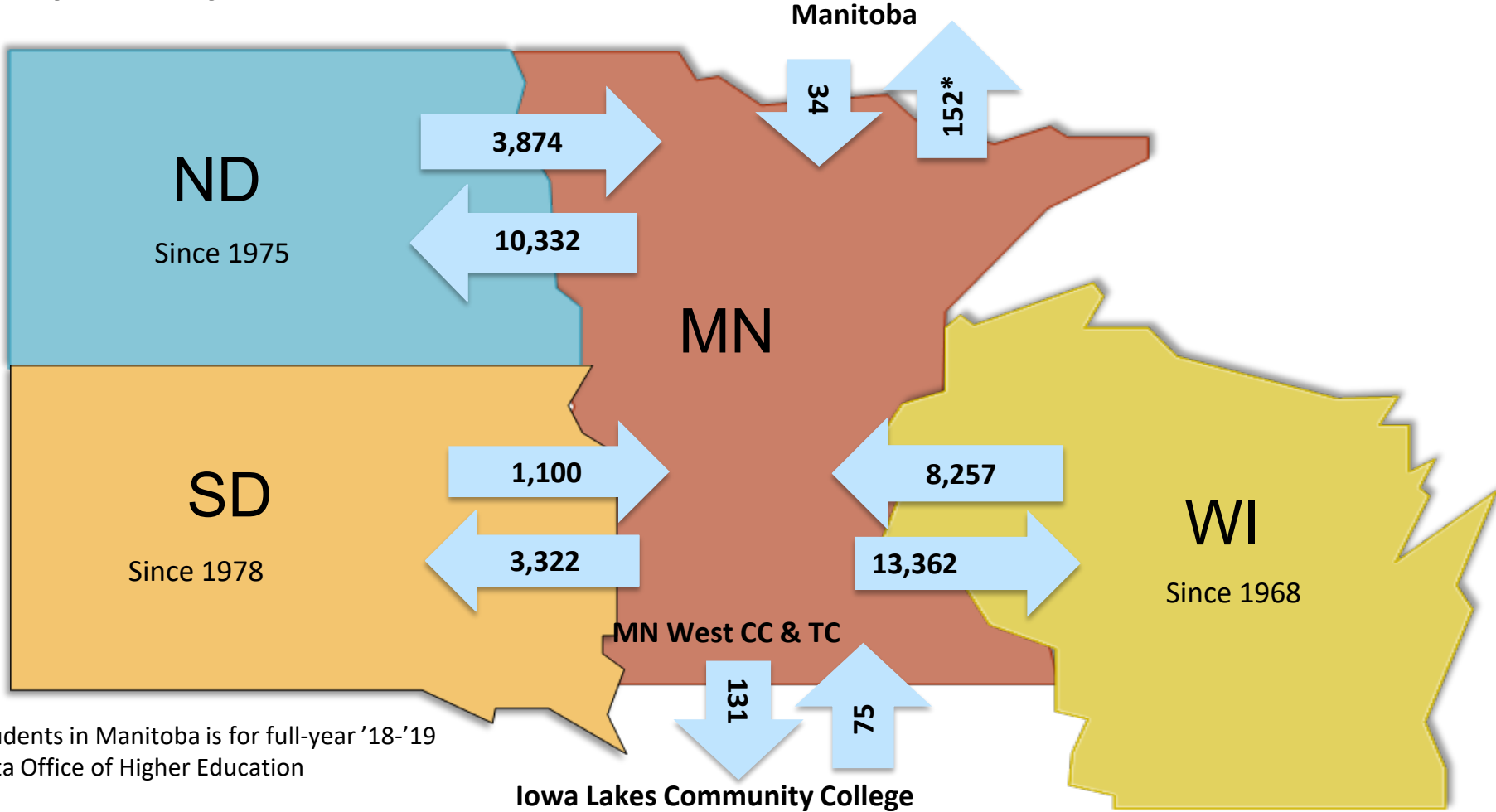
Reasons for Refinancing

Borrowers refinance their student loans for several reasons including:

- Change length of the loan repayment term
- Lower interest rate
- Consolidate multiple loans from different lenders
- Lower monthly payment – by utilizing one or all of the above options

Interstate Tuition Reciprocity

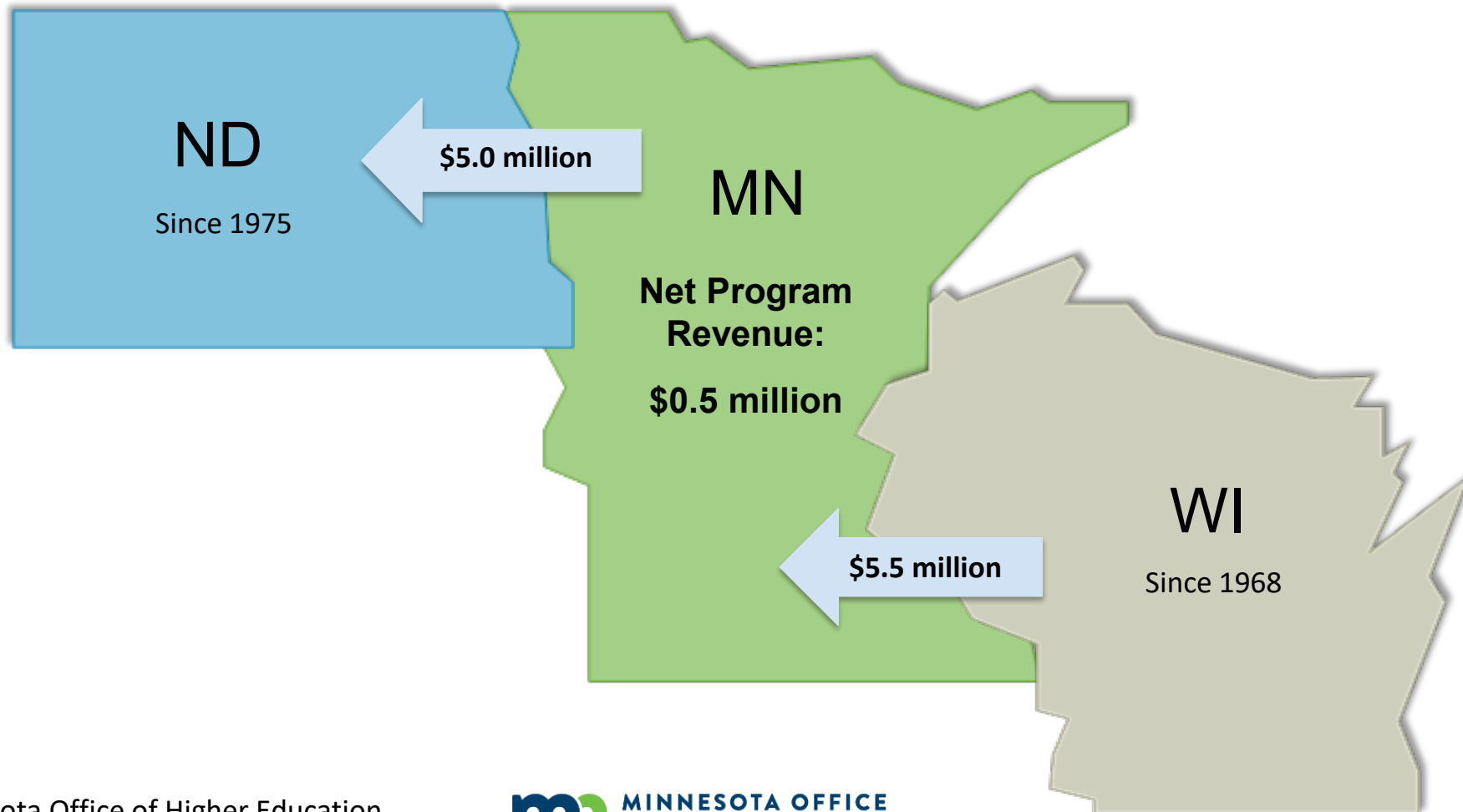
Reciprocity Participation by State, Fall 2018 Enrollment



*Count of MN students in Manitoba is for full-year '18-'19
Source: Minnesota Office of Higher Education

Interstate Tuition Reciprocity

Interstate Payments, 2018-2019 Academic Year



Source: Minnesota Office of Higher Education

Minnesota College Savings Plan



- A State-sponsored, tax-advantaged 529 college savings plan that's helping families and individuals plan for the cost of education.
- The Minnesota College Savings Plan was created by the State of Minnesota as a tax-advantaged way to help people save for the cost of higher education.
- Funds can be used for more than just tuition — including required fees, certain room and board costs, books, supplies, as well as computers and related technology costs..



SLEDS and ECLDS

Meredith Fergus

Research Director

SLEDS (Statewide Longitudinal Education Data System) & ECLDS (Early Childhood Longitudinal Data System)

SLEDS sleds.mn.gov

- SLEDS 2020 highlights include:
 - Expansion to all 9 education cooperatives ensuring full state coverage.
 - Concluded research projects on youth employment outcomes, employment outcomes for CTE students, and postsecondary trajectories for students who have experienced homelessness.
 - Completed a tracing pathways report which followed students from 9 grade to employment to identify educational barriers to education.

ECLDS eclds.mn.gov

- Strong collaboration across agencies provides better understanding of young children participating in public programs and services
 - 400+ website users each month
 - Launched map of support programs and resources in July 2019; added new COVID-19 resource layers in 2020
 - Census data tool is only online source of ACS tables about kids 0-5 yrs in smaller age bands on variety of topics

SLEDS (Statewide Longitudinal Education Data System) & ECLDS (Early Childhood Longitudinal Data System)

SLEDS

- Outlook for 2021 includes
 - Scaling up the MCIS pilot by adding 21 new schools with the purpose of evaluating student personal learning plans and their outcomes.
 - Focusing on equity by developing projects that use SLEDS data to highlight equity in education.
 - Developing new partnerships with regional based educational entities to facilitate SLEDS for local usage.

ECLDS

- Outlook for 2021 includes
 - New reports and data sources: early childhood screening, child support, family home visiting, secure Head Start reports, expanded public preschool data
 - Improved parent-child data linking to understand ways parental life changes impact child outcomes
 - Expanded user education and updated site navigation

Research and Data

- Produces over 30 reports
- Student Health and Safety Data:
 - Study Abroad Data Report <http://www.ohe.state.mn.us/sPages/SAHS.cfm> and Sexual Assault Data Report <http://www.ohe.state.mn.us/sPages/SADR.cfm>
- Provide support and partnership with, local and national higher education organizations
- Collect and analyze data.

Continued Support for Students, Institutions, and the State



Institutional Licensing and Registration & Student Advocacy

Betsy Talbot

Manager

Licensing and Registration

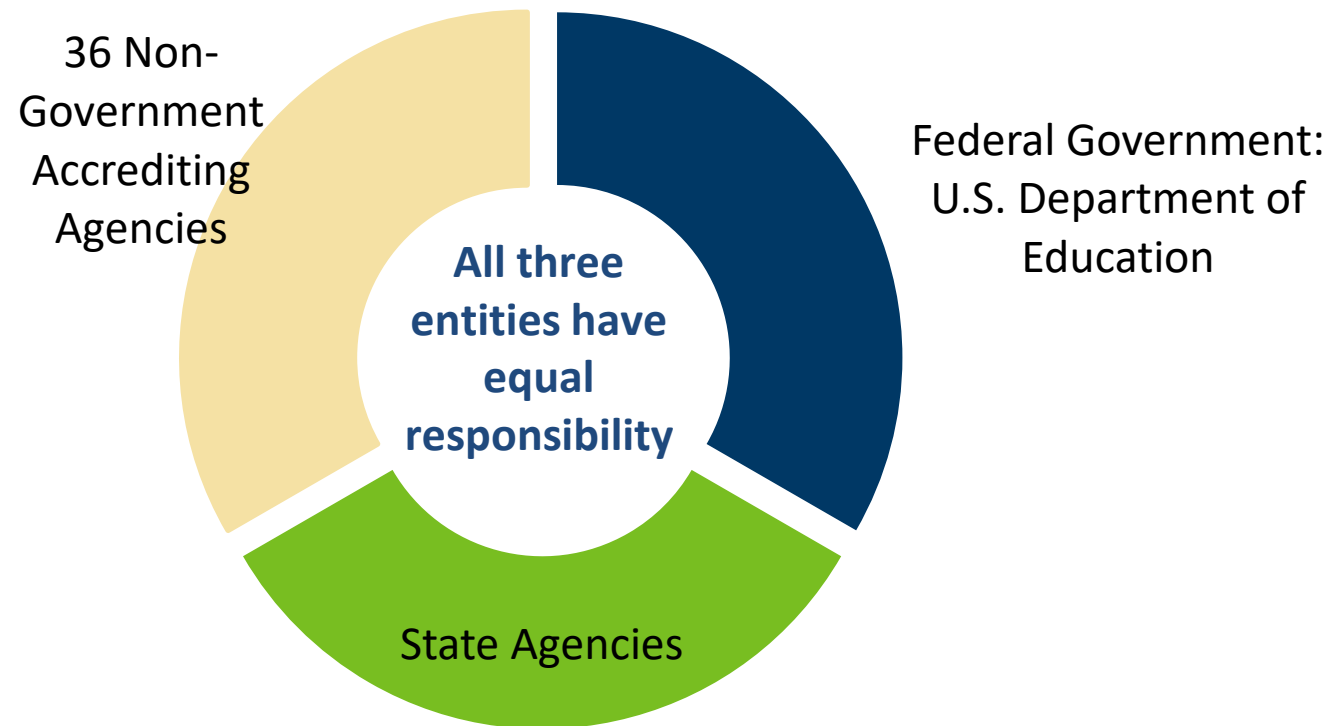
Licensure and Registration of private institutions eligible to operate in Minnesota

- Approve curriculum, monitor financial viability, monitor advertising and recruitment practices
- Provide information to institutions about higher education trends and issues
- Funded by fees paid by private institutions

Student Advocacy

- Work with students and institutions to resolve student complaints
- Develop transfer pathways for students to continue their education in the event of a school closure
- Provide consumer information about higher education trends and issues

Higher Education Institution Triad



Get Ready (GR)/GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs)

- Get Ready (GR) helps students from low-income backgrounds, indigenous communities, and communities of color realize their aspirations through education and career advancement
- \$4.3M Federal Funds
- The program operates in middle and high schools across multiple districts throughout the state of Minnesota

Forward Together

Forward Together is an OHE initiative to:

- Make the public aware of the state's educational attainment goal and current gaps in educational attainment.
- Engage active participation from communities to close attainment gaps.
- Conduct outreach to communities throughout the state.

In 2019 – 2020 OHE:

- Held Forward Together meetings in St. Cloud, Rochester, Moorhead, Mankato, and Cass Lake.
- Developed new communication materials that used non-deficit language.
- Established equity event advertising to promote educational attainment as a community-based initiative.

In 2021 Forward Together will:

- Conduct virtual Meetings throughout the state in cities such as Worthington, Crookston, Brainerd, the metro and more.
- Follow up with Phase 2 meetings to gather support from communities already visited.
- Develop a network of community representatives that actively support learners to increase educational attainment.

Outreach, Trainings, and Engagement

- Advisory Councils
- Provides trainings and assistance
- Publications
- Public Engagement Calls
- Presentations
- Cross-agency and Institution Partnerships
- Regional and National Representation (SHEEO, MHEC)

Outreach, Trainings, and Engagement

Publications – 2020

Print and digital booklets about choosing a college and financial aid

- Printed 113,600 publications in total

Outreach Presenters – 2020

Team of 6 contract financial aid and college access experts stationed around the state to give presentations to students and families

- 63 virtual presentations
- Reached approximately 2,000 parents and students
- Presentations in English and Spanish

Minnesota Goes to College – 2020

Combined initiative of College Knowledge Month, FAFSA/Dream Act Completion, and Decision Day

- 2,779 students and families served attended financial aid completion efforts to date
- 11,419 high school seniors received support and assistance through college application efforts
- 200 high school sites participated and received support

Outreach, Trainings, and Engagement (Continued)

Public Engagement Calls - 2020

Moderated webinars engage the public about higher education, equity, inclusion, and the impact of COVID-19

- Hosted 12 events
- 1,957 total attendees

Student Advisory Council-SAC

Facilitates legislatively established council of students representing each higher education sector.

OHE **offered trainings** on new federal regulations through a contractor specializing in higher education law and Title IX Campus Sexual Violence Prevention & Response office provides **technical assistance** on federal and state policies, and **guidance for implementation**

Sustained partnership with DHS staff to provide technical assistance and support during **policy and procedural review of SNAP and SNAP Employment & Training (E&T)** programs related to postsecondary students

Financial Aid Advisory Council

- Facilitate regular meetings with lead financial aid administrators from across the state.

Questions?

Nekey Oliver
Manager of Grants & Government Relations
Nekey.Oliver@state.mn.us
651-259-3964