

OVERVIEW OF MINNESOTA POST-SECONDARY EDUCATION



(www.mheso.state.mn.us)

Prepared for the

CITIZENS LEAGUE

Higher Education Study Committee

May 21, 2004

Overview of Minnesota Post-Secondary Education



CONTENTS

| | |
|--|----|
| BACKGROUND | 1 |
| History | 1 |
| <i>Map: Minnesota Post-Secondary Education Institutions</i> | 2 |
| Mission | 3 |
| Statewide Policy Objectives | 4 |
| Structure | 5 |
| CURRENT STATUS | 7 |
| Enrollment | 7 |
| <i>Graph: Students Attending Public Institutions, 2003</i> | 8 |
| <i>Graph: Total Fall Headcount Enrollment, 1993-2002</i> | 9 |
| <i>Graph: Students of Color Enrollment, 1993-2002</i> | 10 |
| <i>Graph: Students Participating in Minnesota's Interstate Tuition Reciprocity Agreements</i> .. | 12 |
| Participation | 13 |
| <i>Graph: Post-Secondary Participation Rates of New Minnesota High School Graduates</i> .. | 14 |
| Attainment | 15 |
| Funding | 16 |
| <i>Graph: Minnesota General Fund Appropriations for Higher Education, Fiscal Year 2003</i> .. | 17 |
| <i>Graph: General Fund Appropriations for Higher Education Allocated to UM-MnSCU, Fiscal Year 2003</i> | 18 |
| <i>Graph: HESO Appropriation Helps Students Pay to Attend Post-Secondary Institutions, Fiscal Year 2003</i> | 19 |
| Price to Students | 20 |
| <i>Graph: Tuition and Fees Increased Over the Past Decade</i> | 21 |
| Financial Aid | 22 |
| <i>Graph: Minnesota State Grants Along with Federal Pell Grants Increased to Help Students Pay Increasing Prices</i> | 23 |
| <i>Graph: Undergraduate Borrowing Quadrupled in 16 Years</i> | 24 |
| CURRENT AND FUTURE ISSUES | 25 |
| Demographics | 25 |
| Achievement Gap | 26 |
| K-12/Higher Education Alignment | 27 |
| Economic Changes | 28 |
| Technology Advances | 29 |
| Workforce Needs | 31 |
| New Knowledge | 31 |
| For-Profit Sector Growth | 32 |
| Access and Opportunity | 33 |
| Accountability | 34 |
| SOURCES AND RESOURCES | 35 |

Overview of Minnesota Post-Secondary Education

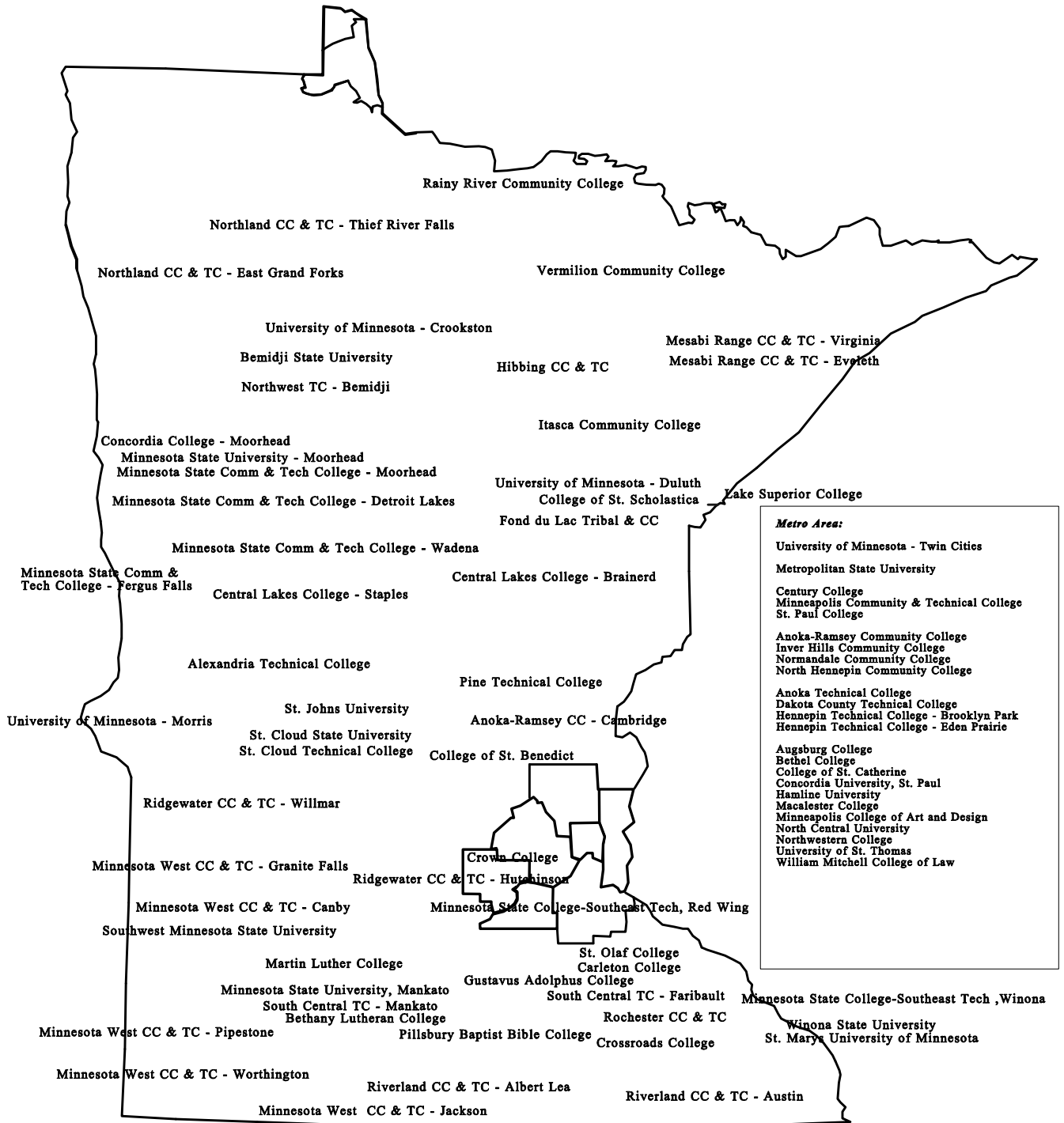


BACKGROUND: History

Minnesota has a rich tradition of higher education for its residents.

- Nearly 150 years ago, Methodist pioneers founded Hamline University as the **first institution** of higher education in Minnesota.
- The **University of Minnesota** was founded as a prep school in 1851, seven years before the territory of Minnesota became a state (*Laws 1851, Chapter 3*)
 - the school closed during the Civil War due to financial problems but reopened in 1867;
 - the school was established as the official recipient of public support from the Morrill Land-Grant Act, designating it as **Minnesota’s land-grant university**;
 - Article XIII, Section 3 of the Minnesota Constitution established **autonomy for the University**.
- The **Minnesota State Colleges and Universities System** was established by the 1991 Legislature; it merged the existing Community College System, Technical College System, and State University System; it became operational on July 1, 1995.

Minnesota Post-Secondary Education Institutions*



*Does not include locations of private career schools in Minnesota.

MHESO -- 11/6/03

Overview of Minnesota Post-Secondary Education



BACKGROUND: Mission

Minnesota Statutes 2002, 135A.052 articulates distinctive post-secondary missions. (www.leg.state.mn.us/leg/statutes.asp)

- **technical colleges** to offer vocational training and education to prepare students for skilled occupations not requiring a baccalaureate degree.
- **community colleges** to offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer in the same field of study and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees.
- **consolidated community and technical colleges** to offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer.
- the **state universities** to offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education.
- the **University of Minnesota** to offer undergraduate, graduate, and professional instruction through the doctoral degree, and to be the primary state supported academic agency for research and extension services.

Overview of Minnesota Post-Secondary Education



BACKGROUND: Statewide Policy Objectives

***Minnesota Statutes 2002, 135A.053* articulates statewide objectives for Minnesota's higher education investment.**

(www.leg.state.mn.us/leg/statutes.asp)

- **to ensure quality** — to provide a level of excellence that is competitive on a national and international level through high quality teaching, scholarship, and learning in a broad range of arts and sciences, technical education, and professional fields;
- **to foster student success** — to enable and encourage students to choose institutions and programs that are best suited for their talents and abilities, and to provide an educational climate that supports students in pursuing their goals and aspirations;
- **to promote democratic values** — to enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society;
- **to maintain access** —to provide an opportunity for all Minnesotans, regardless of personal circumstances, to participate in higher education; and
- **to enhance the economy** — to assist the state in being competitive in the world market and to prepare a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

Overview of Minnesota Post-Secondary Education



BACKGROUND: Structure

Minnesota has a decentralized system of public and private higher education systems and institutions.

- The **University of Minnesota** serves more than 60,000 students each fall throughout the state and offers degrees in more than 370 fields of study. Campuses are located in the Twin Cities, Duluth, Morris, and Crookston; in Rochester, the University partners with MnSCU to extend upper division undergraduate and postbaccalaureate degree programs to people in southeastern Minnesota. There are seven research and outreach centers and 18 regional University of Minnesota Extension offices. The University is governed by a 12-member, legislatively appointed Board of Regents. www.umn.edu
- The **Minnesota State Colleges and Universities System** serves approximately 130,000 full-year equivalent students with fall headcount of over 172,000 students. Programs are delivered at 53 campus locations statewide comprising 20 million square feet of space. The 32 state colleges and universities serve 46 communities, with over 3,600 educational programs. The system is governed by a 15-member Board of Trustees, appointed by the Governor. www.mnscu.edu
- **Private colleges and universities** serve more than 65,000 undergraduate and graduate students each fall. Four-year private colleges and universities emphasize liberal arts, or broad knowledge in the arts, sciences, social sciences, and humanities. Private graduate and first professional schools offer specialized programs. See Minnesota Private College Council, www.mnprivatecolleges.com
- **Private career colleges** serve over 20,000 students, according to fall headcount data. Programs of study range from computer science to medical support to technical training and cosmetology. The schools maintain strong relationships with local employers who look for skill-based workers. See Minnesota Career College Association, www.mncareercolleges.org

Overview of Minnesota Post-Secondary Education



BACKGROUND: Structure—continued

In all, there are more than 200 public and private institutions in Minnesota. Some institutions offer programs at more than one campus or site as well as through online instruction. About 125 institutions participate in state financial aid programs.

The number of institutions fluctuates frequently as new institutions, particularly in the for-profit sector, become licensed, and other institutions choose not to renew their licenses throughout the year.

- The **Higher Education Services Office** is a cabinet-level state agency with responsibilities that include administration of financial aid programs, negotiation and administration of interstate tuition reciprocity programs, regulation of private collegiate and career schools, student and parent information, collection and maintenance of data on enrollments and financial aid, library services (oversight of MnLINK and MINITEX), administration of the Minnesota Education Telecommunications Council, and administration of federal programs. The Director is appointed by the Governor with the advice and consent of the Senate. www.mheso.state.mn.us

The agency was created by the 1965 Legislature with a broad mandate to study and analyze higher education to meet present and future needs. Over 40 years, the nature and structure evolved and changed as did its responsibilities. The 1995 Legislature abolished the agency, then the Higher Education Coordinating Board, diminishing its policy planning and statewide coordination role, and created the Services Office. The 2003 Legislature changed the structure to cabinet-level status, with the Director serving as the Governor's chief advisor on higher education policies and issues. A strategic planning process to define the new role is underway.

- The **Higher Education Services Council** provides advice and review regarding the performance of the Office and communicates with and makes recommendations to the Governor and Legislature. The Council consists of eight citizens and one student appointed by the Governor.
- The **Higher Education Advisory Council** advises the Services Council. Membership includes the President of the University of Minnesota or designee, the MnSCU Chancellor or designee, the Commissioner of Education, the President of the Private College Council, a representative of the Minnesota Career College Association, and a member appointed by the Governor.
- The **Student Advisory Council** advises the Services Council. Membership includes representation of the state's post-secondary systems and sectors.

Overview of Minnesota Post-Secondary Education



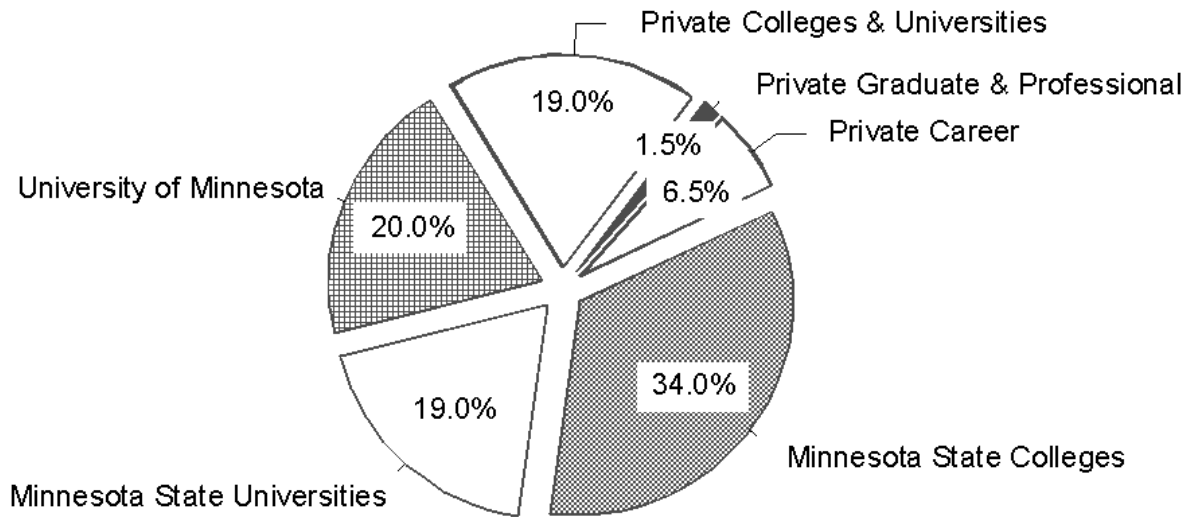
CURRENT STATUS: Enrollment

(see www.mheso.state.mn.us, click on Data on Enrollments and Financing)

Fall headcount enrollment in Minnesota post-secondary education increased 11 percent from 1993 to 2002, from 279,425 to 311,238, and continues to grow.

- **Fall 2003 preliminary headcount enrollment** was up 4.3 percent from 2002.
- The percentage of students **enrolled full time** has been increasing since the mid-1990s with a corresponding decrease in the **percentage of part-time students**.
 - In fall 1994, full-time students made up 60 percent of total headcount, and part-time students comprised 40 percent; in fall 2002, full-time students made up 66 percent and part-time students 34 percent.
 - The percentage distribution varies by type of institution; for example, more than half the enrollment at community and technical colleges is part time.
- **Women** continue to make up an increasing share of total enrollment.
 - Enrollments of female students have increased each year since 1982.
 - Women comprised 56 percent of total fall headcount in 2002, up one percent from 1994 while men made up 44 percent in 2002, down one percent from 1994.
- **Students of color** make up a growing proportion of post-secondary enrollments.
 - In fall 2002, 12 percent of total fall headcount enrollment was students of color compared to 7.1 percent in 1992.
 - Between fall 1993 and 2002, the number of students of color increased by 45 percent, from 19,734 to 28,559.

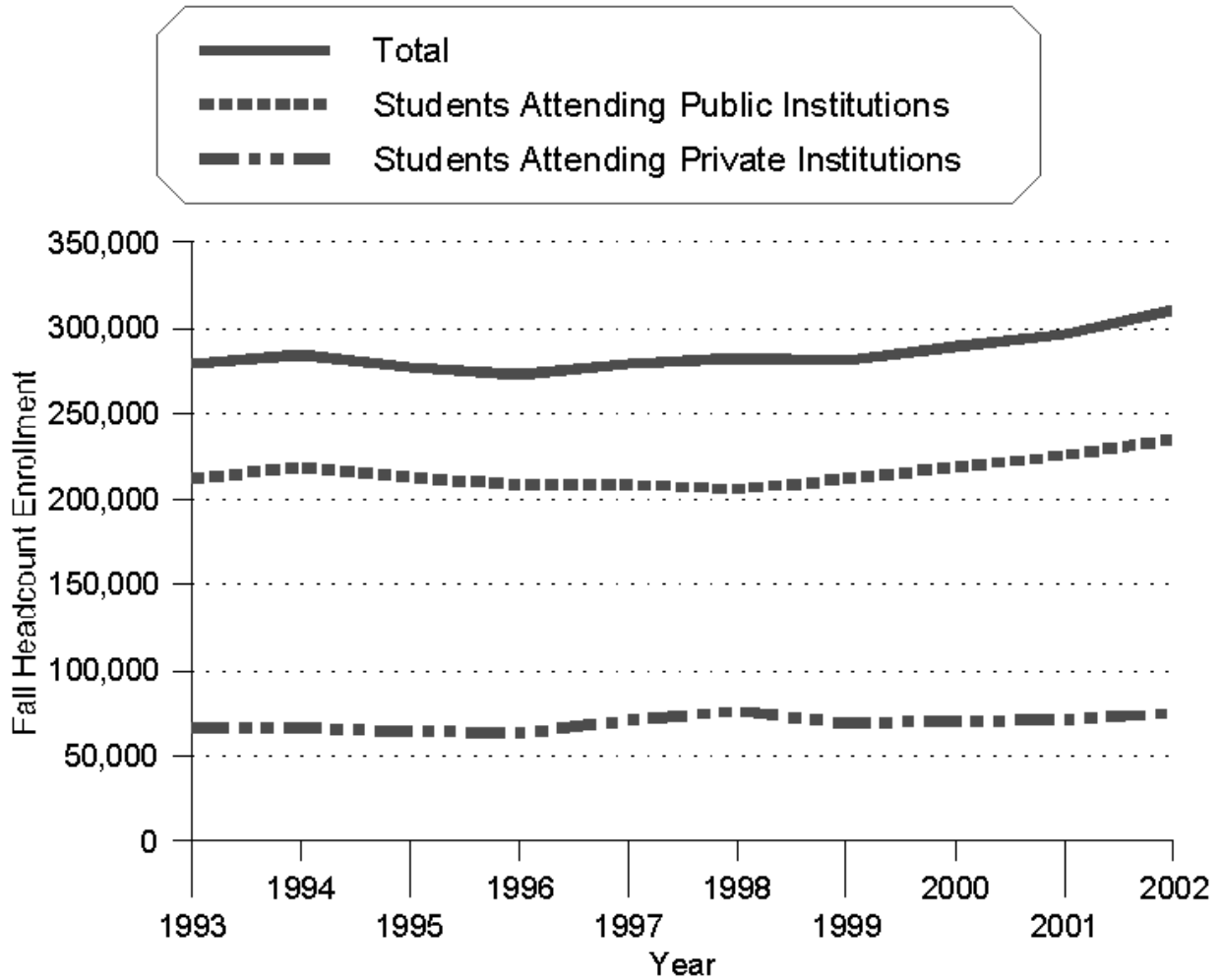
73% of Students Attend Public Institutions, 2003



Based on Fall Headcount

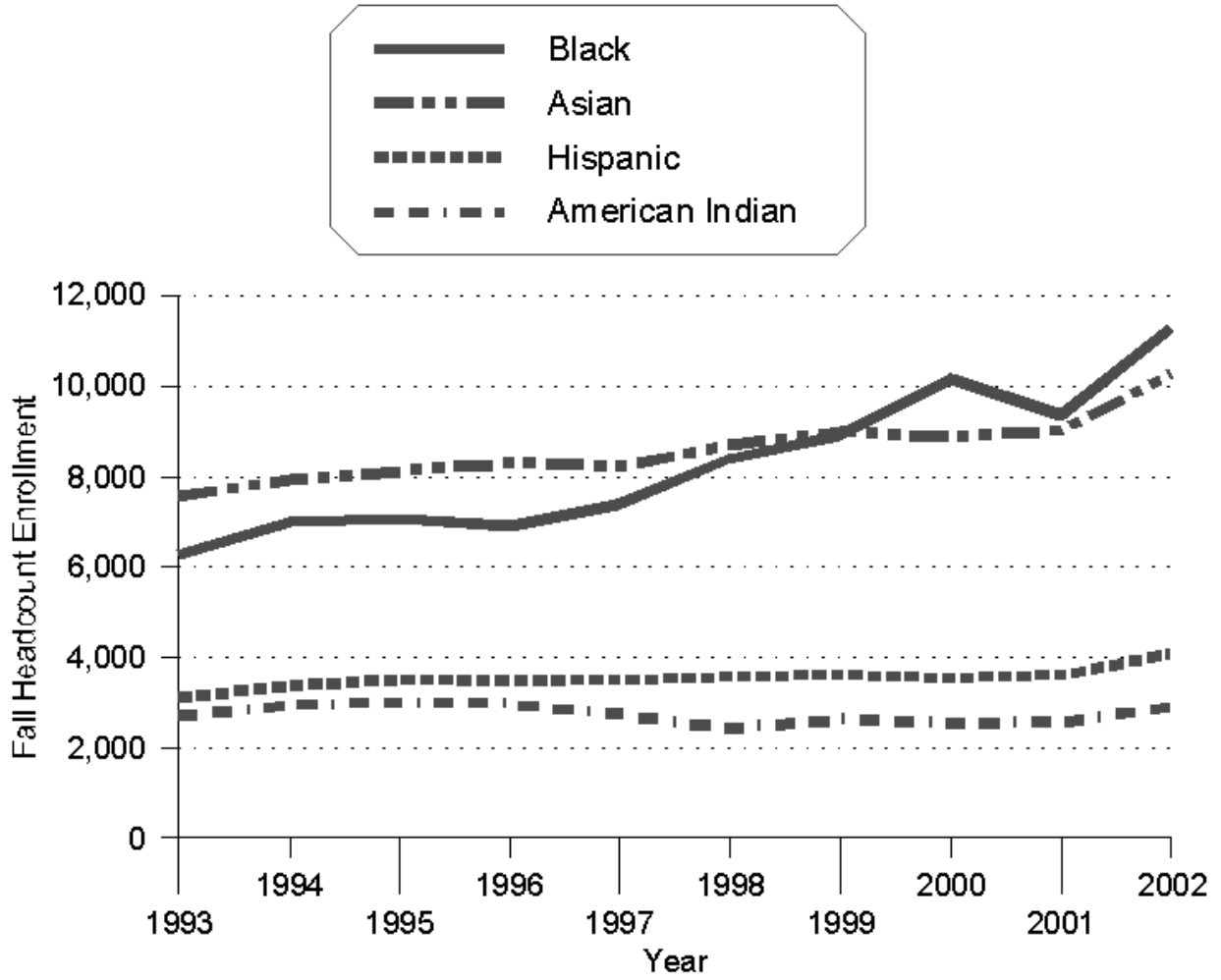
Source: Minnesota Higher Education Services Office

Total Fall Headcount Enrollment Increased 11% Between 1993 and 2002



Source: Minnesota Higher Education Services Office

Students of Color Enrollment Increased 45% Between 1993 and 2002



Source: Minnesota Higher Education Services Office

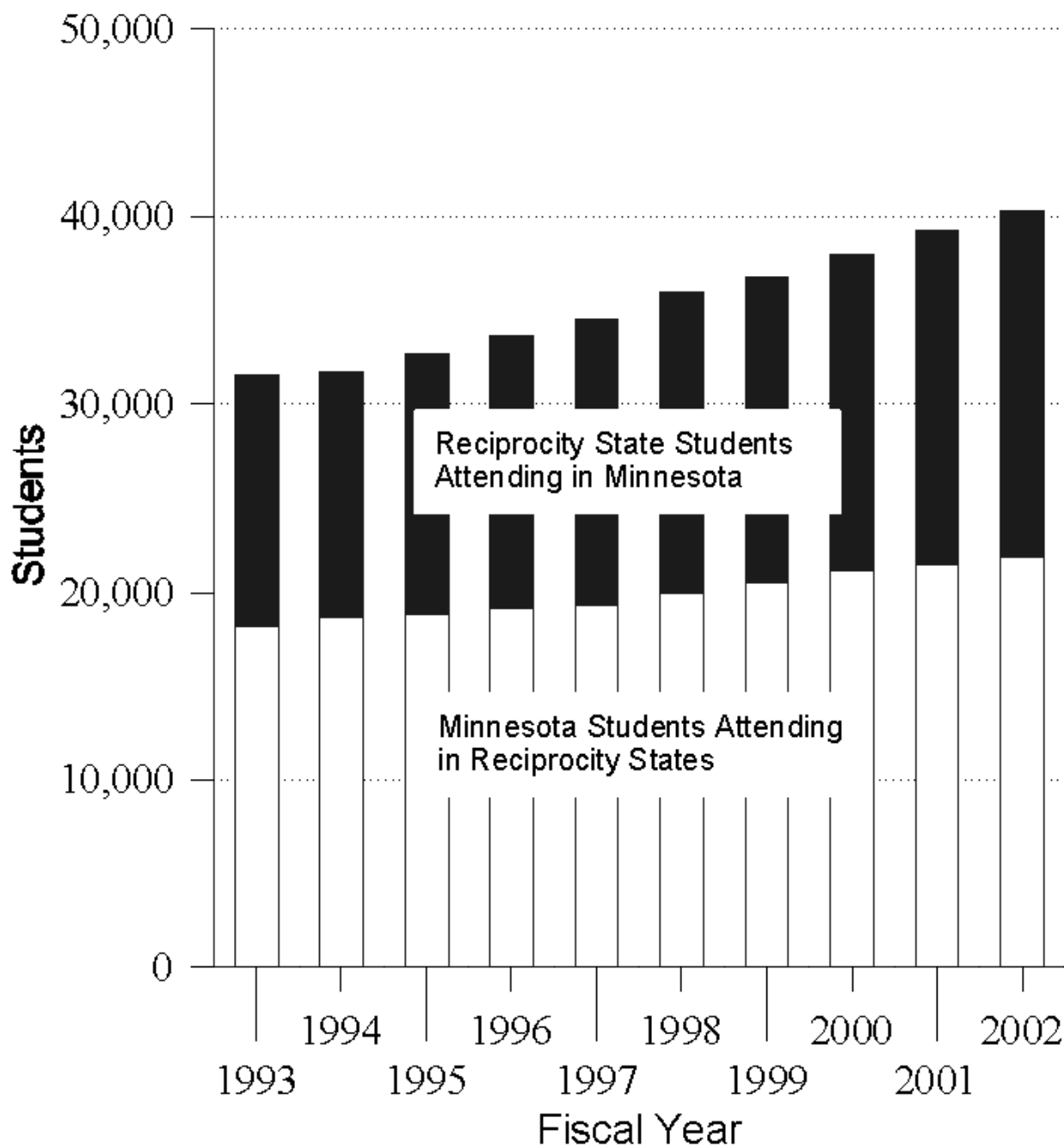
Overview of Minnesota Post-Secondary Education



CURRENT STATUS: Enrollment – continued

- Since the mid-1990s, the **numbers of older students** have been decreasing while those of younger students are increasing; however, in fall 2002, one-third of total headcount enrollment was age 25 or older.
 - In fall 2002, 62 percent of total headcount enrollment was age 24 and younger compared to 57.5 percent in fall 1992 (age was not known for 5 percent of total enrollment).
 - In fall 2002, the mean age of all students was 26 years, while the median was 22 years.
- **Minnesota residents** made up 82 percent of total headcount enrollment in fall 2002, and 85 percent of total undergraduate headcount.
- In 2002, 4 percent, or 11,053 of all students enrolled in Minnesota post-secondary institutions, were **foreign students**.
- More than 22,000 Minnesota students attend post-secondary institutions in Wisconsin, North Dakota, and South Dakota under **interstate reciprocity** agreements; over 18,000 students from neighboring states attend in Minnesota. For more information, see: www.mheso.state.mn.us, and <http://www.auditor.leg.state.mn.us/ped/2003/pe0308.htm>.
 - In fall 2002, 10,489 **Wisconsin residents** attended Minnesota public institutions, including 5,191 at the University of Minnesota-Twin Cities; 13,205 **Minnesota residents** attended Wisconsin public institutions, including 3,031 at Madison.
 - In fall 2003, 5,931 **North Dakota residents** attended Minnesota public institutions, including 2,647 at Minnesota State University Moorhead; 7,427 **Minnesota residents** attended North Dakota institutions, including 3,544 at North Dakota State University-Fargo and 3,211 at the University of North Dakota-Grand Forks.
 - In fall 2003, 2,209 **South Dakota residents** attended Minnesota institutions, including 645 at the University of Minnesota-Twin Cities; 1,779 **Minnesota residents** attended South Dakota institutions, including 1,382 at South Dakota State University-Brookings.

More than 40,000 Students Participate in Minnesota's Interstate Tuition Reciprocity Agreements



Based on students from North Dakota, South Dakota, and Wisconsin enrolled in Minnesota public institutions and Minnesota students enrolled in public institutions in North Dakota, South Dakota, and Wisconsin.

Source: Minnesota Higher Education Services Office

Overview of Minnesota Post-Secondary Education



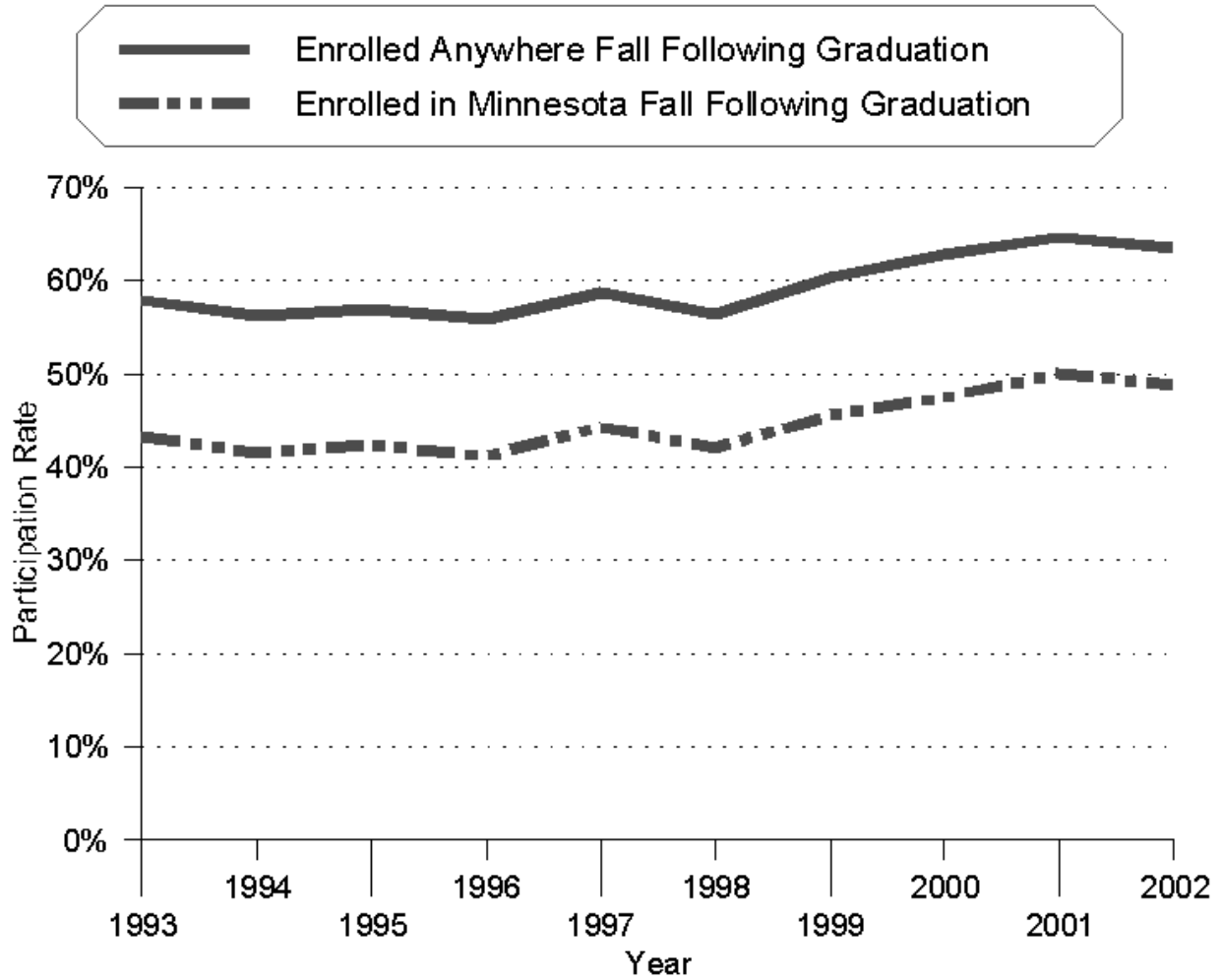
CURRENT STATUS: Participation

(see www.mheso.state.mn.us, click on Data on Enrollments and Financing)

Minnesota is a consistently high performing state in college participation.

- Fall 2002 enrollments included about 49 percent of Minnesota high school graduates from the previous 12 months; about 15 percent of Minnesota high school graduates each year attend post-secondary institutions outside Minnesota for a participation rate of 64 percent. The 2001 national rate was 62 percent.
- Following a dip in the mid-1990s, the **participation rate of all Minnesota high school graduates** increased from 56.5 percent in fall 1998 to 65 percent in fall 2001.
- The rate of participation by **students of color** increased for the sixth straight year in fall 2002. From 40 percent in fall 1996, the rate increased steadily to 48.4 percent in fall 2002.
- In fall 2002, the participation rate of high school graduates enrolled the next fall in a Minnesota post-secondary education institution was 48.9 percent for white, non-Hispanic students, and 48.4 percent for students of color.
- Minnesota ranks ninth nationally in **college going rates directly from high school**.
- Minnesota ranks second nationally in the **chance of 9th graders going to college by age 19**.

Post-Secondary Participation Rates of New Minnesota High School Graduates Increased



Source: Minnesota Higher Education Services Office

Overview of Minnesota Post-Secondary Education



CURRENT STATUS: Attainment

Minnesota ranks high in educational attainment and does relatively well in graduation and retention of post-secondary students.

- Minnesota ranked second nationally in 2000 in **high school graduation** with 88 percent of Minnesotans having earned a high school diploma or equivalent.
- In 2000, the number of Minnesotans 25 and over with a **bachelor's degree or higher** was 27 percent of the population, 10th highest nationally. Thirty-five percent of Minnesotans age 25 to 34 have a bachelor's degree or higher, fifth highest nationally.
- The number of **bachelor and first professional degrees** granted by Minnesota institutions over the last decade has remained stable.
 - **Women and students of color** are earning many more degrees than they were 10 years ago.
 - Except for Asian Americans, students of color graduate from higher education institutions at lower rates than the general population; and students of color are less likely to graduate with a four-year degree than white students.
- The percentage of students who **graduate from a Minnesota four-year institution** after six years is 52 percent, or 18th nationally.

Overview of Minnesota Post-Secondary Education

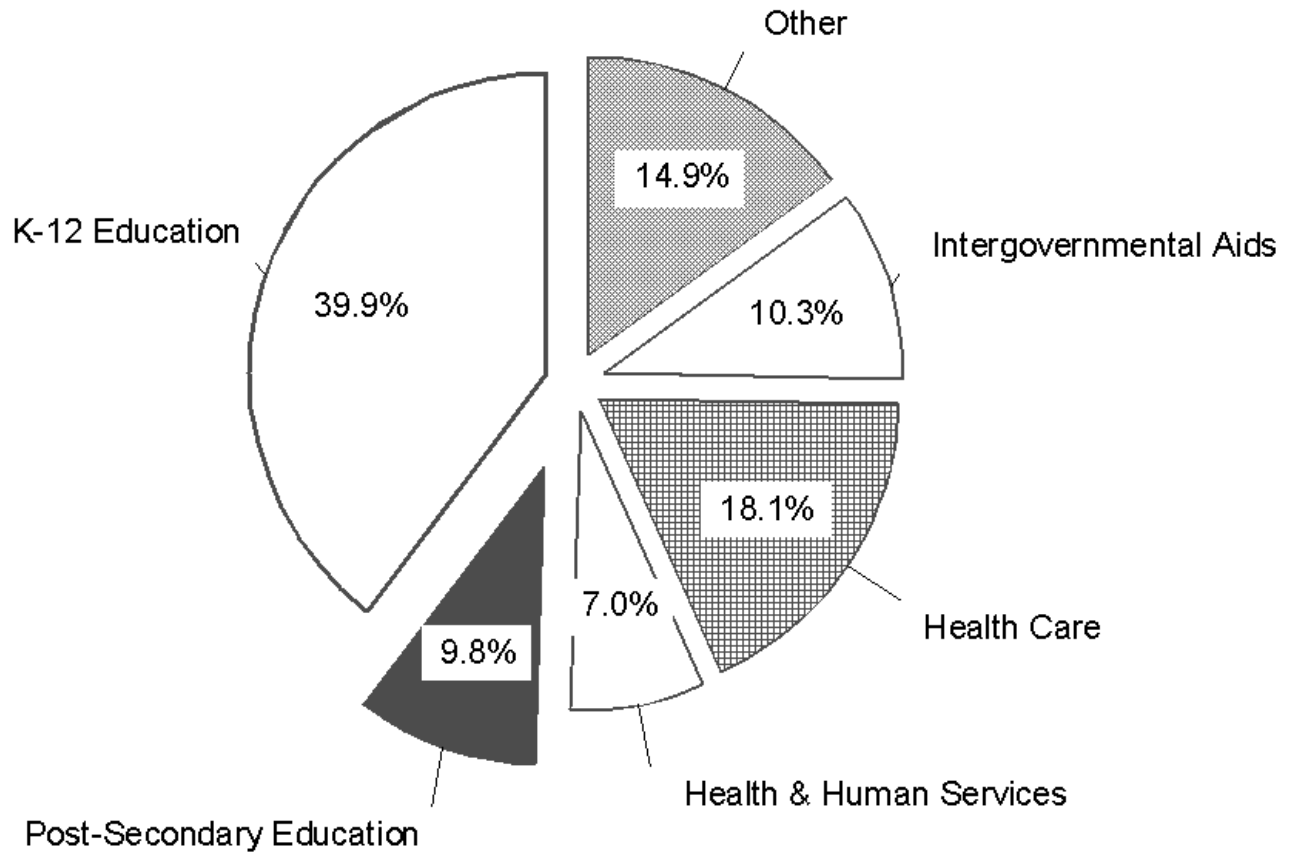


CURRENT STATUS: Funding

Higher education's share of the state budget has been decreasing for several years; students have faced significant price increases, but increased financial aid has helped many students pay the prices.

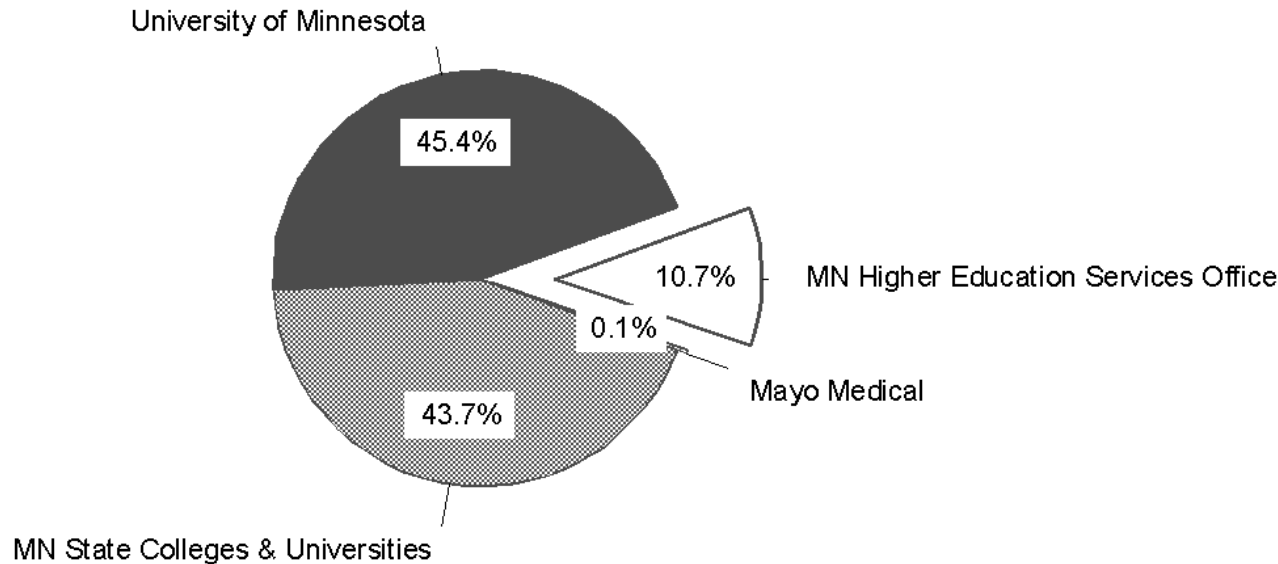
- 9.1 percent of the **state's General Fund dollars**, or \$2.6 billion, is projected to go to higher education in the 2004-2005 biennium. (www.finance.state.mn.us, and www.mheso.state.mn.us)
 - The **post-secondary education share of the General Fund balance** declined from 15.5 percent in Fiscal Year 1987 to 9.8 percent in Fiscal Year 2003.
 - Of the \$1.4 billion appropriated to higher education in Fiscal Year 2003, 89.1 percent went to the University of Minnesota and MnSCU; 10.7 percent went to the Services Office; and 0.1 percent went to Mayo Medical. Over 88 percent of the Services Office appropriation was for financial aid and tuition reciprocity.
 - For the 2004-2005 biennium, higher education received a 12 percent, or \$351 million, **reduction from the base funding level**; this reduction was preceded by reductions imposed by the 2002 Legislature for the previous biennium, and unallotments by the Governor.
 - Minnesota ranks 21st at \$7.56 in **state tax funded appropriations per \$1,000 of personal income** in Fiscal Year 2004, down from a peak of \$15.08 in 1978.

Under 10% (\$1.4 billion) of Minnesota General Fund Appropriations Were for Higher Education, Fiscal Year 2003



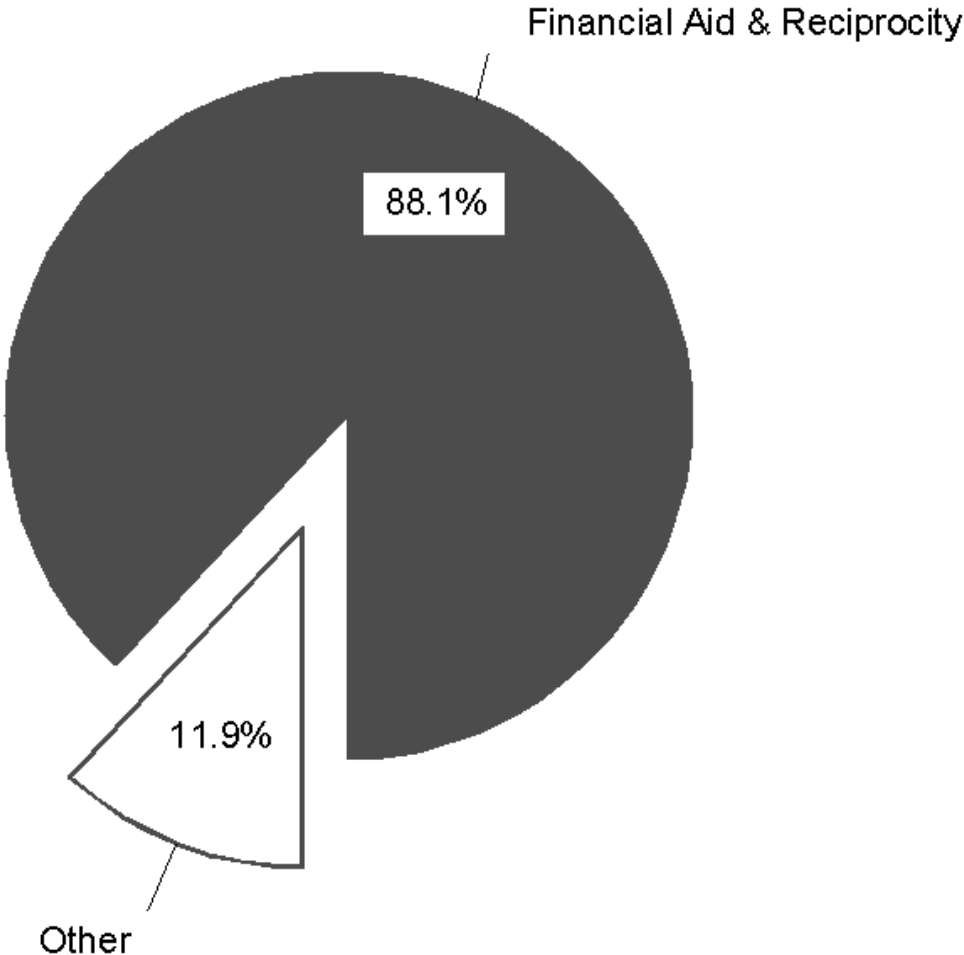
Source: Minnesota Department of Finance

89% of General Fund Appropriations for Higher Education Allocated to the University of Minnesota and Minnesota State Colleges and Universities, Fiscal Year 2003



Source: Minnesota Department of Finance

88% of the Higher Education Services Office Appropriations Helps Students Pay to Attend Post-Secondary Institutions, Fiscal Year 2003



Other includes Minitex, MnLink, Learning Network of Minnesota, other grants to institutions, and agency administration.

Source: Minnesota Higher Education Services Office

Overview of Minnesota Post-Secondary Education

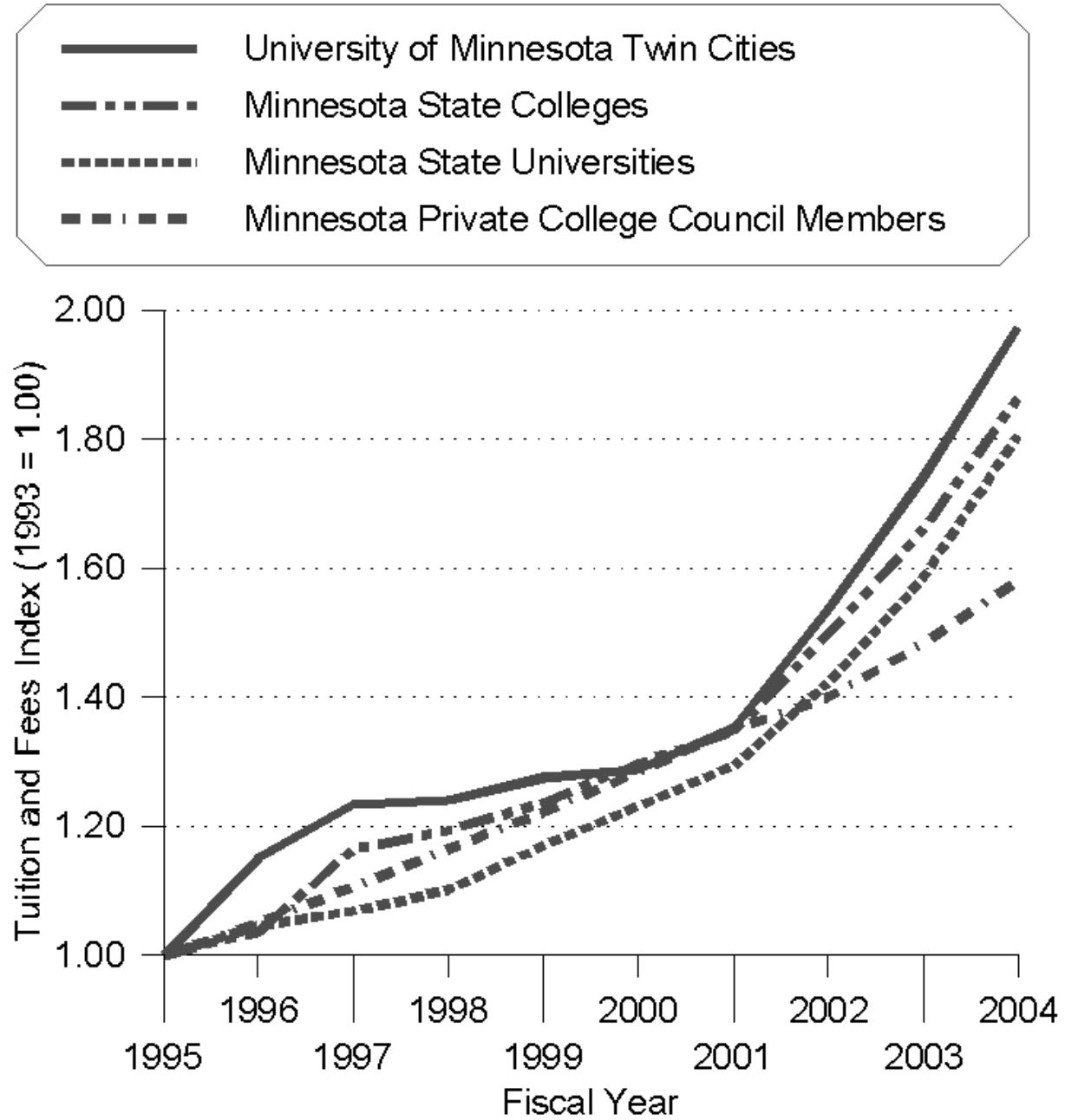


CURRENT STATUS: Price to Students

Students are facing significant price increases in Fiscal Year 2004, 13.3 percent at the University of Minnesota, 13.8 percent at MnSCU four-year colleges, 13.1 percent at MnSCU two-year colleges, and 6.6 percent at private four-year colleges.

- Double-digit price increases are expected in public institutions in Fiscal Year 2005.
- Minnesota ranks higher than the **national average in tuition and fees charged to students**, but the rankings differ by type of institution. <http://www.hecb.wa.gov/>
 - **Minnesota State University resident undergraduate tuition and required fees** have been at or near the national average for comparable institutions for the past 22 years; in 2003-2004, tuition and fees were 108 percent of the national average.
 - **Resident undergraduate tuition and required fees at the University of Minnesota-Twin Cities** have been above the national average for comparable institutions for the past 22 years; in 2003-2004, tuition and fees were 136 percent of the national average.
 - **Average resident undergraduate tuition and required fees at Minnesota Community Colleges** have been above the national average for comparable institutions for the past 22 years; in 2003-2004, tuition and fees were 159 percent of the national average.
- Tuition and fee prices have been increasing at a higher rate than other goods and services. Between academic years 1993-1994 and 2003-2004, resident undergraduate tuition and fees increased nearly 97 percent at the University of Minnesota-Twin Cities, 81 percent at Minnesota State Colleges and Universities four-year institutions, 86 percent at Minnesota State Colleges and Universities two-year institutions, and 58 percent at Minnesota Private College Council member institutions. The Consumer Price Index increased 25 percent over the past 10 years for which data are available. www.mheso.state.mn.us

Tuition and Fees Increased 58% to 97% Over the Past Decade



Source: Minnesota Higher Education Services Office

Overview of Minnesota Post-Secondary Education

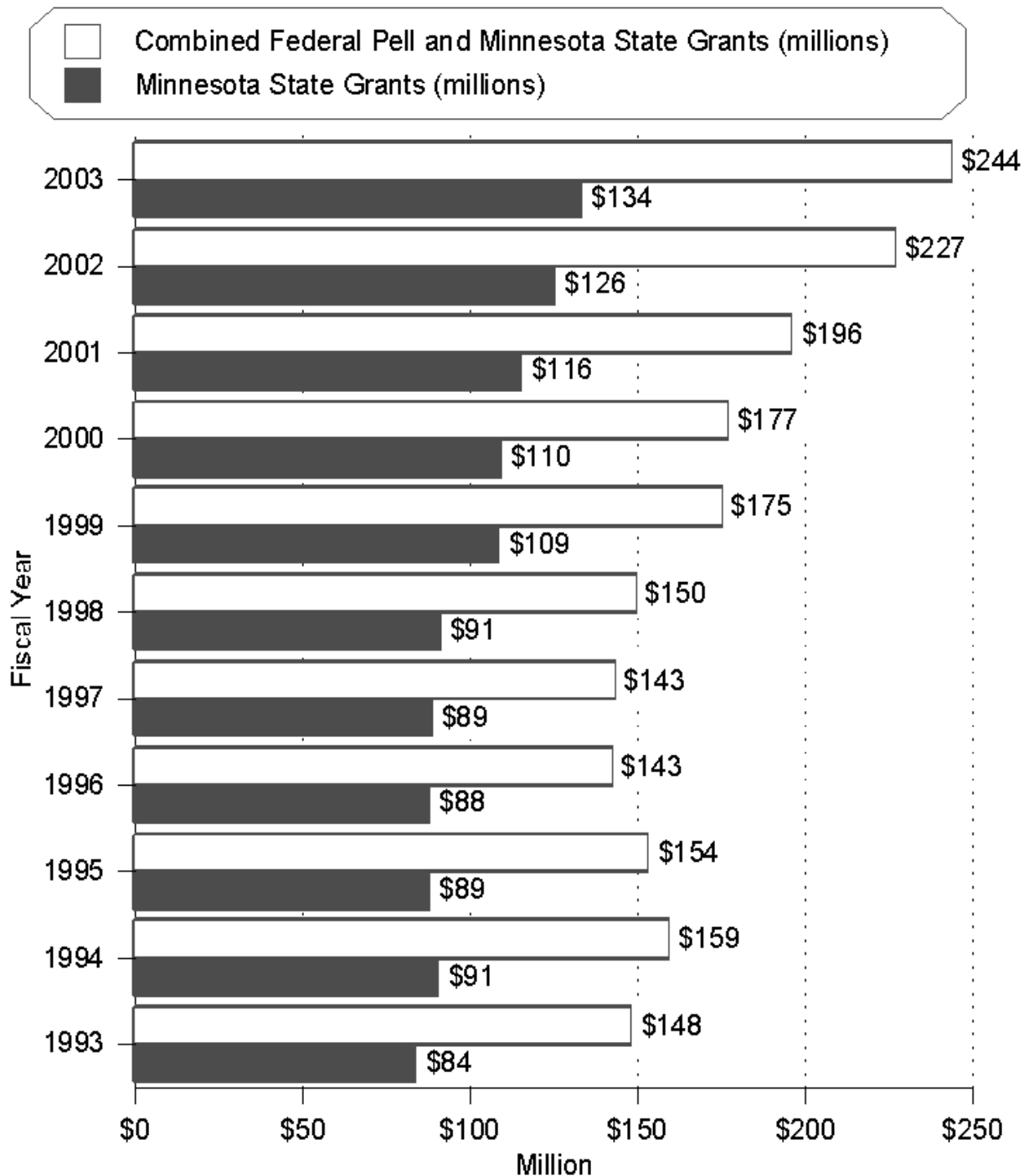


CURRENT STATUS: Financial Aid

Financial aid helps low and moderate income students pay for post-secondary education. Federal tax benefits also help families pay for post-secondary education.

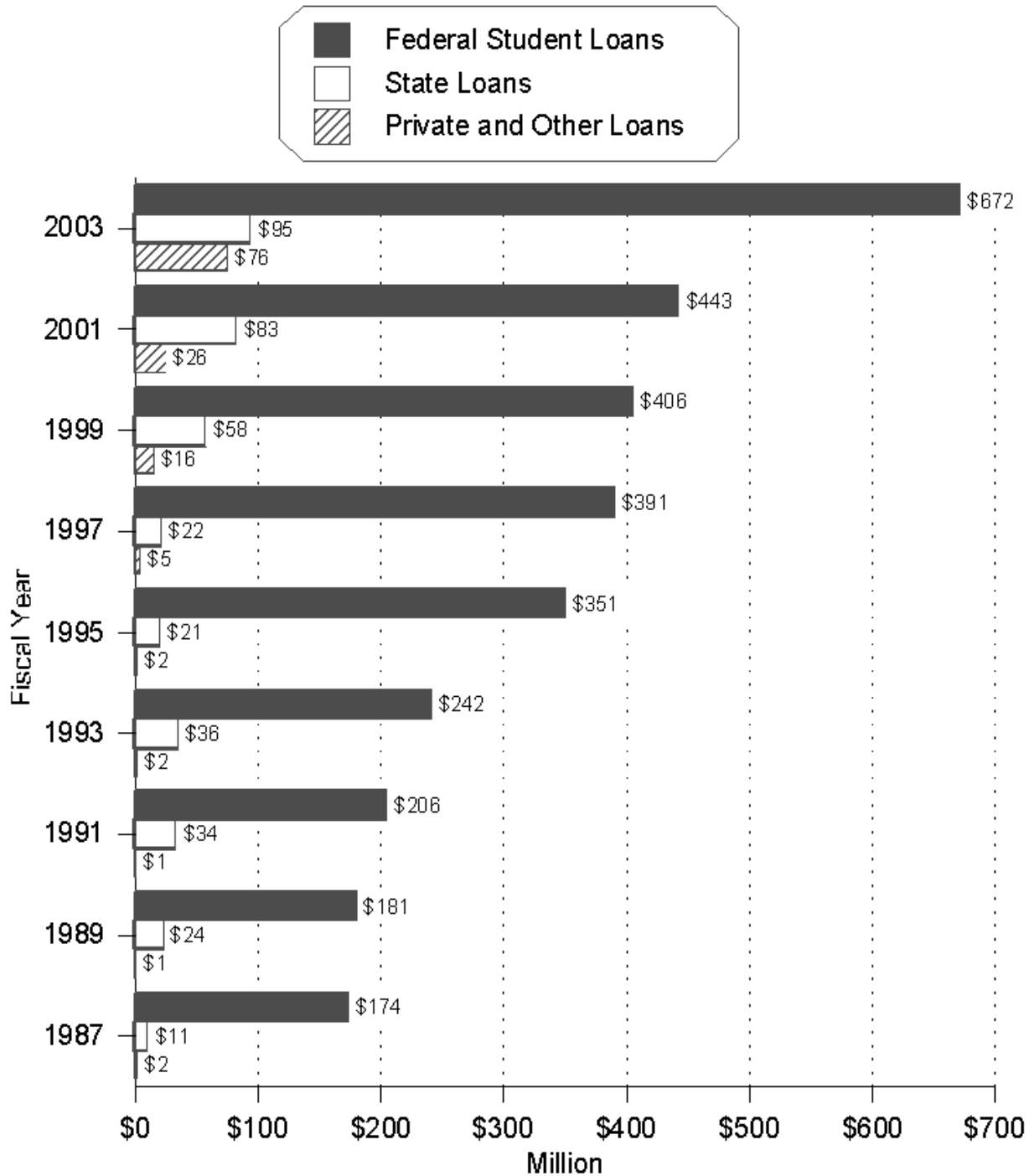
- In Fiscal Year 2003, over 70,000 Minnesota resident undergraduates received a record \$133 million in **State Grants**; for Fiscal Year 2004, \$140 million is available for State Grants, \$12.4 million in State Work Study, and \$4.7 million in Child Care Grants. The state's Student Educational Loan Fund (SELF) lends more than \$100 million annually. (www.mheso.state.mn.us)
- Of the 2003 State Grant awards, 20 percent went to recipients with **family incomes** under \$10,000, 19 percent to recipients between \$10,000 and \$20,000, 44 percent between \$20,000 and \$50,000, and 17 percent with incomes over \$50,000.
- Between Fiscal Years 1993 and 2003, **State Grant spending** increased by 58 percent, or \$49 million; the number of recipients increased by 17 percent, or 10,500 students; combined Federal Pell and Minnesota State Grants increased by 65 percent, or \$96 million.
- Overall, undergraduate students attending Minnesota post-secondary institutions in Fiscal Year 2003 used \$1.6 billion in grants, loans, and work-study earnings from federal, institutional, state, and private sources—up 33 percent over 2001.
- From 1987 to 2003 **borrowing by undergraduates** at Minnesota post-secondary institutions increased faster than tuition or inflation. Overall, student borrowing by undergraduates increased to \$777 million in 2003, a 40 percent increase from \$555 million in 2001.
 - Among the seniors, nationally, who received a bachelor's degree at any four-year institution in 1999-2000, 62 percent had taken out a federal student loan at some time and, for those students, the average cumulative federal amount borrowed was \$16,900.
 - Nationally, the average annual amount borrowed by undergraduates with loans was \$4,500 in Fiscal Year 2000. The cumulative amount borrowed that year or in a previous year was \$8,900.
- Minnesota ranks high nationally — in the top 10 — in its **support for need-based grant assistance to undergraduate students**; and the state ranks high on **affordability** in national “report cards” on higher education. (www.nassgap.org)
- In 2002-2003, **Hope and Lifetime Learning federal tax credits** accounted for almost 8 percent of the \$70 billion in student aid provided by the federal government. (www.collegeboard.com)

Minnesota State Grants Along with Federal Pell Grants Increased to Help Students Pay Increasing Prices



Source: Minnesota Higher Education Services Office

Undergraduate Borrowing Quadrupled in 16 Years



Based on all Undergraduates attending Minnesota Post-Secondary Institutions

Source: Minnesota Higher Education Services Office

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Demographics

Significant demographic changes will affect the future of higher education.

- The number of **public and nonpublic high school graduates** is expected to peak at about 63,000 in spring 2004 and then drop by 7 percent to about 59,000 in 2013.
 - The increase in graduating seniors has been due to two key factors: growth in children of baby boomers reaching high school in the late 1990s and increased immigration to Minnesota from both domestic and foreign locations.
- Minnesota will continue to see a noticeable **shift in the racial/ethnic makeup** of its public high school graduates over the next decade.
 - Current trends show that the **number of students of color** who enroll in Minnesota K-12 schools has and will continue to increase while the number of white students enrolling in K-12 education is declining. This is a statewide trend.
 - Minnesota's children are becoming increasingly diverse. The number of minority children doubled between 1990 and 2000; minority children made up 9.8 percent of Minnesota's children in 1990; in 2000, the percentage was 18 percent. (www.demography.state.mn.us)
- A significant decrease in **high school graduates** is expected in all **geographic regions** except the Twin Cities metropolitan area and St. Cloud area.
 - **Metropolitan area high school graduates** made up 47 percent of total graduates in 1991, 49 percent in 1992, and are projected to make up 55 percent in 2013.
- The **aging of the baby boom** will produce a large increase in the 45-to 64-year old population between 2000 and 2010; the median age will rise from 35.4 years in 2000 to 40.2 years in 2030.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Achievement Gap

Large gaps in academic achievement exist between students of different backgrounds. (see www.mmep.net)

- **Students of color** are not meeting **K-12 standards** in math, reading, and writing at the same rate as white students.
- Students of color are far less likely to **graduate from high school** in four years and are far more likely to drop out of high school before earning a high school diploma.
- Students of color are less likely to participate in **college preparation activities** such as Advanced Placement, and Postsecondary Enrollment Options, and ACT exams, than white students.
- Nationally, only 28 percent of low income students are enrolled in a college-prep curriculum, compared to 49 percent of middle-income students and 65 percent of high income students; yet a rigorous high school curriculum is the leading predictor of college success.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: K-12/Higher Education Alignment

Academic success will be tied to the ability of students to advance educationally from one level of school to the next.

- Many **gaps in educational alignment** exist, but **collaborative efforts** are being made to greater integrate the various levels of education, particularly in areas such as teacher preparation (including the quality and diversity of the teaching force), developmental education, and linking high school graduation and post-secondary admission standards.
 - 31 percent , or 7,201 of the 22,746 Minnesota public high school graduates in 2000 who attended a public post-secondary education institution, took one or more **developmental courses** in the 2000-2001 school year. (Data are not available for students at private institutions.)
 - Nearly three in 10 students starting college in fall 2000, nationally, had to take remedial courses—about the same proportion as five years earlier, according to U.S. Department of Education data released in December 2003.
 - The **Minnesota P-16 Education Partnership** is working on these issues.
- More and more states are moving toward adopting education policies that increase the number of students successfully progressing from ninth grade through high school graduation to a four-year degree. (www.sheeo.org)

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Economic Changes

Federal and state economic conditions affect the availability of financial resources for higher education.

- The U.S. economy was projected to have a good year in 2004; economic growth was projected to be the strongest in 20 years. Thirty-two states anticipate ending Fiscal Year 2004 with a surplus.
- Minnesota faces a **\$160 million budget deficit** for the 2004-2005 biennium, according to the February forecast; planning estimates for the 2006-2007 biennium show a budget gap of \$441 million. (www.finance.state.mn.us)
- Minnesota policymakers are considering a significant **capital investment** in Minnesota public higher education facilities this year (although the 2004 Legislature did not pass a bill).
- Some states are looking at **new ways to finance higher education**; Colorado recently adopted a plan to give some taxpayer money directly to college students instead of to colleges and universities.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Technology Advances

The use of technology in the delivery and support of higher education is growing dramatically and will greatly affect higher education in the future.

- In MnSCU, for example, systemwide **use of distance education** grew 435 percent, from 2,988 registrations in fall 2000 to 16,070 in 2003. As of spring 2003, 5.5 percent of total headcount students were enrolled in 41 online programs at 95 percent of MnSCU institutions.
- The availability and use of **technology-enhanced classes and services** has increased rapidly at the **University of Minnesota**. Information technology resources are being used by resources by the large majority of students in their classes. In fall 2002, 862 courses used Web CT, and the number of students involved increased to 59,256.
- The **Minnesota Virtual University** (MnVU, www.mnvu.org) is a gateway to distance learning courses, programs, and resources offered by Minnesota education and business providers.
- The **Minnesota Digital Learning Plan** is a collaborative effort to review the current status of Minnesota technology-enhanced education and to outline a direction that will best leverage resources and improve learning to serve the citizens of the state.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Technology Advances – continued

- The **Learning Network of Minnesota** is the education component of a statewide telecommunications infrastructure, the Integrated Statewide Network. The Learning Network began in 1993 and, in 1995, was followed by an initiative to connect post-secondary institutions electronically and later public school districts and libraries. In 2000, a Joint Powers Agreement formalized cooperation between the University of Minnesota, MnSCU, and the Minnesota Department of Administration.
 - The higher education portion of the Learning Network has two main components:
 - * **Campus Networks** developed and managed by the individual institutions with support from their respective systems.
 - * The **statewide network** developed and managed through a partnership of the University of Minnesota, MnSCU, private higher education institutions, the six higher education telecommunications regions, and the Minnesota Department of Administration.
 - The Learning Network provides many advantages for Minnesota’s students and campuses:
 - * More than 1,000 college courses are offered via **web-based instruction** and **interactive video** over the Network each year.
 - * The Network gives campuses access to **Internet2**, a consortium of 200 universities working in partnership with industry and government to develop and deploy advanced network applications and technologies.
 - * The Network serves as the infrastructure to support **administrative applications**, including registration, fiscal services, and e mail.
 - * The **higher education regions** provide value-added services such as faculty training, streamlining media storage, and distribution and voice over IP support — local and long distance telephone service via the Internet — that has resulted in significant cost savings for many campuses.
 - * Regions serve as places to introduce and implement **innovative applications**.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Workforce Needs and New Knowledge

Increasing demands will be placed on higher education to develop human capital that will ensure economic competitiveness for individuals and the state.

- Higher education will face a major challenge in preparing **an educated workforce** as the Baby Boom population ages and retirements accelerate. At the same time, significant growth is expected to occur in occupational areas requiring advanced degrees. Minnesota's public and private higher education institutions are key to providing the **education and training for both the new and incumbent workforce.**

New Knowledge

Higher education provides a critical role in the development of new knowledge to improve the economic and social well being of the state and nation.

- The University of Minnesota ranks high nationally in technology commercialization: inventions, patents, and licenses.
 - Among 190 institutions surveyed by the Association of University Technology Managers in 1999, the University of Minnesota ranked eighth in **new technology disclosures.**
 - The University of Minnesota ranked fourth in **start-ups** in 2000, up from a ranking of seventh in 1999.
 - In 2002, the University was ranked eighth among public research universities and 12th among all research universities based on **total research expenditures** in Fiscal Year 2001.
- Minnesota's higher education institutions are important partners in the **development of the biosciences.**

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: For-Profit Sector Growth

Growth in the for-profit sector nationally and in Minnesota is affecting the overall makeup of higher education.

- The private career school sector in Minnesota projects **annual enrollment growth** of 13 to 15 percent due in part to publicly-traded large schools becoming licensed and operating in Minnesota.
- An increasing number of investors and private equity companies are buying colleges and chains of schools that train students for careers.
- **Partnerships** are occurring between for profit and non-profit colleges to deliver educational programs.
- In recent years, private, for-profit colleges and universities have increased their **program offerings** and some are now offering bachelor and graduate degrees.
- The for-profit sector offers a significant amount of **online education**. Online training has been increasing at a 30 percent rate per year over the past several years.
- One of the largest for-profit universities in the country, the **University of Phoenix**, recently opened a classroom site in Minnesota; it has numerous programs and degrees available entirely online.
- The Higher Education Services Office administers two **regulatory laws** to provide consumer assistance and protection for students and prospective students of private post-secondary education.
- In Fiscal Year 2003, 10,338 students attending for-profit institutions received \$23.3 million in **State Grant assistance** — 14 percent of total recipients and 17 percent of total grant aid.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Access and Opportunity

Large gaps in access to post-secondary educational opportunity remain as students from low and moderate income families participate in post-secondary education at much lower rates than their counterparts from middle and higher income backgrounds. Barriers to post-secondary opportunity include lack of adequate financial resources, inadequate academic preparation, lack of college and career awareness, little or no parental college going, and language differences.

- 37 percent of students (1999 Minnesota high school graduates) from families that earned less than \$25,000 enrolled in a Minnesota or reciprocity state institution the next fall while more than 60 percent of students from families that earned over \$90,000 attended.
- Nationally, a child from a family in the **top income quartile** is five times more likely to earn a bachelor's degree by age 24 than is a child from the bottom income quartile; by their late 20s, more than one-third of whites have at least a bachelor's degree, but only 18 percent of African Americans and 10 percent of Hispanics have attained degrees.
- The **percentage of family income** required to pay for one year at a public four-year college doubled for low income families — from 13 to 25 percent — between 1980 and 2000; during the same time period, the proportion of income necessary for high income families to cover this expense remained steady at less than five percent.
- **Precollege early awareness programs** help thousands of low income students prepare for future educational opportunities.
 - In Minnesota in 2002, **federal TRIO programs** served over 15,000 participants with nearly \$16 million in grant dollars. (TRIO is the umbrella term given to the first three federal Educational Opportunity Programs — Upward Bound, Talent Search, and Student Support Services.)
 - The state of Minnesota supports two early awareness programs through the Services Office: Get Ready/GEAR UP and Intervention for College Attendance Program grants.
 - Additional early awareness programs are sponsored by colleges and schools, and community and nonprofit organizations.

Overview of Minnesota Post-Secondary Education



CURRENT AND FUTURE ISSUES: Accountability

Increased attention has been focused on accountability in higher education as a way to improve performance and justify the return on taxpayer investment.

- The State Higher Education Executive Officers (SHEEO), with support from the Ford Foundation, has launched a National Commission on Accountability in Higher Education to examine what has been learned about using accountability systems and to improve performance and make recommendations for future progress.
- The 2001 Minnesota Legislature directed MnSCU and the University of Minnesota to submit accountability reports to the Legislature; the systems have incorporated these reports as part of their accountability processes.

Overview of Minnesota Post-Secondary Education



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