

Agency Purpose

The purpose of the Minnesota Office of Higher Education is to:

- ◆ help students achieve financial access to postsecondary education;
- ◆ enable students to choose among postsecondary education options;
- ◆ protect and inform education consumers;
- ◆ produce independent, statewide information and data on postsecondary education; and
- ◆ facilitate interaction among and collaboration with organizations that share responsibility for K-12 and postsecondary education in Minnesota.

The Office of Higher Education became a cabinet-level agency following the 2003 Legislative session. The director serves as the governor's advisor on higher education.

Core Functions

Minnesota Statutes, Chapter 136A, gives the Minnesota Office of Higher Education core responsibilities to:

- ◆ administer state financial aid programs for students;
- ◆ publish and distribute to students and parents information about academic and financial preparation, including financial aid;
- ◆ approve, register, and license private colleges and career schools;
- ◆ oversee statewide library service programs that improve access to information and support cost-effective library operations;
- ◆ collect, maintain and report data and analysis on higher education including data on student enrollment, financial aid, and higher education accountability;
- ◆ administer federal programs that affect students and institutions on a statewide basis;
- ◆ prescribe policies, procedures, and rules necessary to administer the programs under the agency's supervision;
- ◆ negotiate and administer statewide interstate tuition reciprocity programs; and
- ◆ represent the executive branch positions and proposals on higher education in the legislative process.

Operations

Through delivery of its core programs, the Office of Higher Education serves several primary constituencies including:

- ◆ current college students;
- ◆ students and families who are preparing for postsecondary education;
- ◆ colleges and universities that participate in financial aid administration and library services for students;
- ◆ students and educators in the K-12 system;
- ◆ policymakers and researchers who evaluate programs and policies and use statewide postsecondary education data.

The Office of Higher Education provides programs and services through different means, including:

Student Financial Aid Programs. The Minnesota State Grant program provides more than \$150 million in need-based aid to Minnesota students annually. The agency's other core financial aid programs are the SELF loan program, the Minnesota College Savings Plan and interstate tuition reciprocity agreements. The agency also administers other student financial aid programs such as the Postsecondary Child Care Grant Program, State

At A Glance

Two-year State Budget:

\$384 million general fund
 \$335 million student loan fund
 \$ 11 million federal and agency funds

More than 90% of the agency's general fund appropriation is for grants to students.

Annual Business Processes:

\$163 million in grants to 80,000 students
 \$140 million in student loans to 28,000 students
 \$ 12 million in work study to 12,000 students

27,000 Minnesota students participate in interstate tuition reciprocity.

150 private institutions registered or licensed.

49,000 accountholders in the Minnesota College Savings Plan, with more than \$638 million in assets in March 2008.

Work Study Program, Public Safety Officers' Survivors Benefit Program, American Indian Scholarship, Achieve Scholarship and GI Bill. These programs enable thousands of Minnesota students to have financial access to, and choice of, postsecondary educational opportunities.

Research and Analysis. The agency collects and reports information on higher education enrollment, financial aid and postsecondary trends. In 2006, the Office of Higher Education produced the first higher education accountability report measuring the higher education sector's effectiveness in meeting state goals. The agency serves as a clearinghouse for public information on Minnesota higher education including issues like participation rates, degrees granted, and how students pay for college.

Outreach and Publications. The agency's publications, Web sites, interactive resources and direct contact with students and families enable it to provide outreach to current and prospective college students including communities of color, low-income families, and families with no previous higher education experience. The Get Ready program, working in tandem with the federally-sponsored GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Program) and the state-funded Intervention for College Attendance Program grants, provide a continuum of contact and service to low income students from 4th grade through high school as they prepare for college admission and attendance. The two programs enable the agency to expand its outreach effectiveness to K-12 students.

Library Resources. The MINITEX Library Information Network provides students, scholars and residents of Minnesota and contiguous states with cost effective access to a wide range of library resources and information, including delivery of interlibrary loan materials, cooperative licensing, and access to electronic resources. The Minnesota Library Information Network is a statewide virtual library that electronically links major Minnesota libraries. The Learning Network of Minnesota provides access to educational programs and library resources through Web-based learning interactive videos, and other telecommunications technology. The Learning Network enables students to have access to learning opportunities that otherwise would be unavailable at their college or in their geographic area.

Licensing and Registration. Through state laws that outline the registration and licensure requirements of private colleges, universities, and career schools, the Office of Higher Education protects students as consumers by ensuring that private postsecondary institutions meet state standards and operate legally in Minnesota.

Budget

The Office of Higher Education's budget for the 2008–09 biennium totals approximately \$732 million. Of this amount, \$384 million (52%) is state general fund dollars, \$335 million (46%) is the Student Loan Capital Fund, and the remaining \$13 million (2%) comprises special revenue, federal and agency funds.

The Office of Higher Education staff includes 70 full-time equivalent (FTE) employees, of which 26 are state funded.

Contact

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For further information, visit: www.ohe.state.mn.us

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	190,488	188,873	188,873	188,873	377,746
Forecast Base	190,488	188,873	192,908	192,927	385,835
Change		0	4,035	4,054	8,089
% Biennial Change from 2008-09					1.7%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	189,206	192,737	192,908	192,927	385,835
Miscellaneous Special Revenue	1,188	0	0	0	0
Statutory Appropriations					
General	83	0	0	0	0
Miscellaneous Special Revenue	657	671	554	562	1,116
Federal	5,126	5,475	5,475	4,740	10,215
Office Of Higher Education	157,680	168,388	168,388	168,388	336,776
Total	353,940	367,271	367,325	366,617	733,942
<u>Expenditures by Category</u>					
Total Compensation	4,772	5,518	5,491	5,481	10,972
Other Operating Expenses	18,820	20,415	20,101	19,384	39,485
Payments To Individuals	173,137	178,161	184,226	184,226	368,452
Local Assistance	16,622	13,149	13,079	13,098	26,177
Other Financial Transactions	140,589	150,028	150,028	150,028	300,056
Transfers	0	0	(5,600)	(5,600)	(11,200)
Total	353,940	367,271	367,325	366,617	733,942
<u>Expenditures by Program</u>					
Student Financial Aid-Outreach	179,586	183,151	183,477	182,742	366,219
State Student Loans	156,657	167,006	167,006	167,006	334,012
Fiscal Policy & Research	4,619	3,337	3,269	3,296	6,565
Libraries And Technology	10,828	10,834	10,831	10,831	21,662
Agency/Loan Administration	2,250	2,943	2,742	2,742	5,484
Total	353,940	367,271	367,325	366,617	733,942
Full-Time Equivalents (FTE)	70.3	70.3	70.3	70.3	

Program Description

To compete in today's global economy, most Minnesotans will enroll in some form of postsecondary education. As education has become more essential, Minnesota has enacted significant financial aid programs and other assistance to help students overcome barriers to postsecondary education. The activities supported by the Office of Higher Education's student financial aid services are part of the state's strategy to keep education affordable and accessible for all Minnesota residents. The goal of state financial aid programs is to support the ability of students to choose the postsecondary institution that best meets their educational needs, regardless of their financial circumstances.

Financial Aid Activity at a Glance

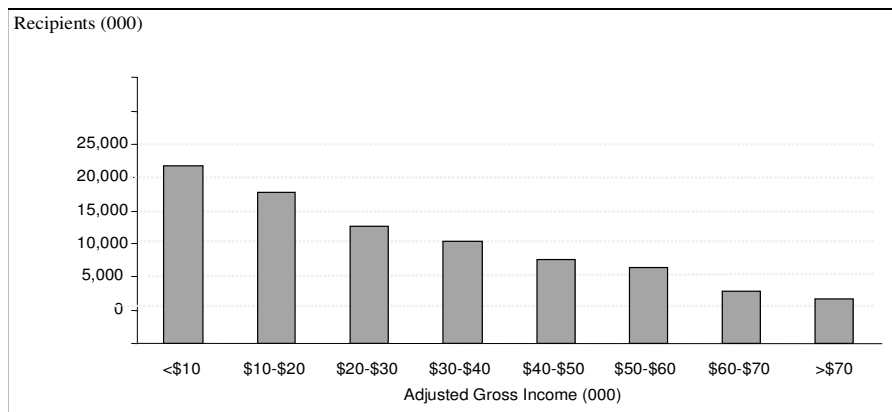
- ◆ State student financial aid programs served approximately 85,000 students and distribute \$175 million dollars of aid in FY 2008.
- ◆ There were more than 50,000 Minnesota College Savings Plan accounts with a total market value of more than \$600 million in 2008.

Financial Aid Activity

The **Minnesota State Grant** program is a need-based grant program for Minnesota undergraduate students designed to provide students with postsecondary opportunities. The program's framework assigns responsibility for paying for college to the student, the family and the taxpayer, if needed. The program expects a student to make an investment in his or her own education.

The State Grant program is among the largest need-based student aid programs in the country and is coordinated with the federal Pell Grant program. Students apply for the State Grant by completing the federal Free Application for Federal Student Aid (FAFSA). The State Grant program served 80,182 students and awarded \$156 million in fiscal year 2007. The average State Grant is about \$1,947. Eligible students are Minnesota residents attending a public or private college or university in Minnesota who demonstrate financial need.

Minnesota State Grant Recipients by Income Level, 2007



The **Minnesota Work Study** program provides students with part-time jobs so students can earn money to help meet their assigned payment responsibilities. Students demonstrate their need for Work Study by completing the Free Application for Federal Student Aid. State Work Study served 11,922 students in 2006-2007 who earned \$20 million, of which \$14.7 million were state funds.

The **Minnesota Achieve Scholarship** awards Minnesota high school graduates with a \$1,200 scholarship for completing rigorous college preparatory courses in high school. The program is new in 2008-2009 and is available to Minnesota residents from families with incomes below \$75,000 attending Minnesota colleges and universities.

The **Minnesota Postsecondary Child Care Program** provides students with dependent children with need-based child care grants to help offset the cost of childcare while they are in college. Students may receive up to \$2,600 per dependent child in fiscal year 2007. The program served 2,832 students in FY 2007 with an allocation of \$4.7 million.

The Safety Officers Survivor's Program provides grants to survivors of Minnesota public safety officers killed in the line of duty. In 2007, the program served 16 students and spent \$79,002.

The Minnesota SELF Loan Program is described in another section.

The **Minnesota College Savings Plan** a 529 Qualified Tuition Program, encourages individuals and families to save for postsecondary education. This "529 Plan" is defined and permitted under Section 529 of the United States Internal Revenue Code and Minnesota Statutes 136G. Earnings in the Minnesota College Savings Plan are tax deferred while invested and tax-free when distributed for qualified higher education expenses. Qualified expenses are defined in federal law and include tuition and fees plus room and board if the student attends at least half-time and books, supplies, and equipment required for enrollment.

Minnesota's Plan provides a state-funded matching grant to account beneficiaries from low- and middle-income Minnesota families. The matching grant is available to Minnesota resident account beneficiaries whose parent files a Minnesota individual income tax return with federal adjusted gross income of \$80,000 or less. If the beneficiary's family income is \$50,000 or less, 15% of the contribution can be matched, up to a total of \$400 annually. If the beneficiary's family income is between \$50,000 and \$80,000, 10% of the contribution can be matched up to a total of \$400 annually.

Account owners can contribute up to \$235,000 and funds can be used at campuses throughout the United States. The Office of Higher Education and the Minnesota State Board of Investment have contracted with TIAA-CREF Tuition Financing Inc. to administer the plan.

Tuition reciprocity agreements are negotiated and administered by the Minnesota Office of Higher Education. The agreements remove tuition and admissions barriers for Minnesota residents interested in attending public postsecondary institutions in Wisconsin, South Dakota, North Dakota and Manitoba. There were 27,000 Minnesota students attended colleges and universities in neighboring states at reduced prices in FY 2007. The agreements, each of which is structured differently, include a calculation that can result in interstate payments based upon enrollment and the cost of instruction. The interstate payment mechanism ensures that neither state bears a disproportionate share of the burden of educating the other state's residents. In December 2007 Wisconsin paid Minnesota \$10.0 million and there was no payment to North Dakota. In 2008 Wisconsin is projected to pay Minnesota \$10.0 million for 2007-2008 and Minnesota is projected to pay North Dakota \$1.6 million.

Outreach Activity

The **Get Ready/GEAR UP** program provides low-income and under-represented groups the opportunity to learn about and prepare for educational opportunities beyond high school. The Get Ready Program is an early awareness program operated by the agency and funded in part through a federal GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Program) grant that provides low income students at an early age (fourth grade through middle school) and their parents with college and career planning information and academic skill preparation to encourage and prepare them to successfully complete high school and pursue higher education. The two primary goals of the Get Ready/GEAR UP programs are for students to graduate from high school and successfully transition into college. The Get Ready program serves over 4,000 students annually in 11 Title I schools in Minneapolis and St. Paul. Through its outreach efforts, the program provides its resources and support to an additional 17,000 students across the state.

The agency provides **Student and Parent Information** to students and citizens of Minnesota by developing and distributing publications, maintaining several web sites, making presentations and participating in special events. Efforts are designed to encourage postsecondary participation by providing information about college and how to pay for it, especially to low-income families and families of color.

Minnesota's **Intervention for College Attendance Program** is a grant program administered by the Office of Higher Education. The program awards grants on a competitive basis to encourage and support efforts by postsecondary institutions and community agencies to enhance and/or expand pre-college awareness or intervention programs for low-income students. The Intervention for College Attendance Program (ICAP) provided \$660,145 to 23 early intervention programs serving 2,579 low income students in 2008.

The state **Postsecondary Service Learning Program** supports collaborative projects of at least one campus and one community-based organization. In some cases, the community organization manages the program. Each grant-funded project engages students in service activities in local communities. "Service-learning" enhances students' academic experience, promotes career exploration, and builds a commitment to life-long civic engagement and service.

The state **Advising and Counseling for College Program** is designed to provide innovative advising and counseling programs to increase enrollment and success in rigorous high school courses and subsequent attendance and success at postsecondary institutions by Minnesota students.

Federal **Improving Teacher Quality Grants** are awarded to partnerships to conduct professional development in mathematics, science, and social studies to ensure that teachers are highly qualified in their subject matter and appropriate teaching skills. Eligible partnerships must include a teacher preparation division, school of arts and sciences of a higher education institution and a high-need school district.

Populations Served

The Minnesota State Grant Program, the Post Secondary Child Care Program, the Safety Officers Survivors Program, and State Work Study serve Minnesota residents attending Minnesota post secondary institutions. Interstate Tuition Reciprocity serves Minnesota residents attending public institutions in Wisconsin, North Dakota, South Dakota, Iowa Lake Community College, and Manitoba. It also serves students from those states that attend Minnesota public institutions. The Minnesota College Savings program is available to residents and non-residents alike. Outreach Programs target Minnesota residents especially low income populations and those with little or no experience with higher education.

Key Measures

The Minnesota State Grant Program and Safety Officers Survivors Program reduce the cost of postsecondary education by awarding funds that do not have to be repaid. The State Work Study program pays part of the wages for low-income students while they work at an eligible job, thus making it easier for them to find a job while in college. Income from work study also is not counted when calculating the student contribution for Federal Financial Aid. The Post Secondary Child Care Program helps students pay for childcare while they attend college.

The College Savings Plan encourages saving by reducing tax barriers to saving for college. Interstate Tuition Reciprocity reduces cost barriers for students who want to attend a public college in a partner reciprocity state. The Outreach Programs and Activities help students plan both financially and academically for college.

Outreach Activity at a Glance

- ◆ Get Ready serves 4,000 students directly in 11 urban schools and reaches another 17,000 through its outreach services.
- ◆ For the 2008-09 biennium, 16 service-learning projects at colleges and community-based organizations have been awarded state grants ranging from \$8,500 to \$23,000.
- ◆ For the 2008-2009 biennium, the Advising and Counseling for College Program awarded \$1.8 million to 23 school sites to help primarily ninth graders plan and prepare for postsecondary education.
- ◆ A number of ICAP sites supported increased high school graduation rates for under-represented students.
- ◆ For FY 2008, the federal Improving Teacher Quality Program supported 24 projects with grants totaling \$977,518.

Key measures for financial aid:

- ◆ The financial aid division of the Office of Higher Education, handles State Grants, Work Study, Child Care Grants, Safety Officer Survivors' Scholarship, American Indian Scholarship, Achieve Scholarship and the Minnesota GI Bill, and receives an average of 500 phone calls and e-mail inquiries per week from students and parents.
- ◆ Fund requests by institutions are received, evaluated, processed, approved, and funds transferred within 48 hours.
- ◆ State administrative costs for the State Grant program represent 0.32 percent of the cost of the program.
- ◆ 27,000 Minnesota residents participate in tuition reciprocity with Wisconsin, North Dakota, South Dakota and Manitoba.

Key measures for outreach:

- ◆ In an end-of-year evaluation, 95% of Get Ready Program students agreed the program helped them learn ways to pay for college; 95% reported the program helped them learn how much it would cost to attend different types of postsecondary institutions; 98% of participants agreed the program has helped them learn more about potential careers and the educational requirements for those careers; and 85% of the Get Ready parents indicated they gained knowledge about various ways to finance a postsecondary education.
- ◆ The Intervention for College Attendance Program (ICAP) provided \$696,000 to 24 early intervention programs serving 2,933 low income students across the state in 2008.
- ◆ The agency's informational web sites received 1.8 million hits in 2007 and students, parents and educators requested approximately 320,000 publications from the agency on preparing, selecting and paying for college.
- ◆ Twenty-three Minnesota schools were awarded \$1.8 million in grants to enhance counseling in FY 2008.

Budget

The Minnesota State Grant program, State Work Study, the Intervention for College Attendance program, and other financial aid are all funded through the state's general fund. Interstate Tuition Reciprocity receives a general fund appropriation.

The Minnesota College Savings Plan is funded through fees on accounts and an allocation from the general fund for matching grants.

The Get Ready program leverages state funds with federal GEAR UP grant funds.

The student and parent information activities are funded through the general fund.

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OFFICE OF HIGHER EDUCATION

Program: STUDENT FINANCIAL AID-OUTREACH

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	176,601	175,301	175,301	175,301	350,602
Technical Adjustments					
Biennial Appropriations			400	400	800
Current Law Base Change			3,620	3,620	7,240
Forecast Base	176,601	175,301	179,321	179,321	358,642
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	175,178	178,550	178,956	178,956	357,912
Statutory Appropriations					
General	33	0	0	0	0
Miscellaneous Special Revenue	247	111	31	31	62
Federal	4,128	4,490	4,490	3,755	8,245
Total	179,586	183,151	183,477	182,742	366,219
<u>Expenditures by Category</u>					
Total Compensation	1,767	2,094	2,060	2,043	4,103
Other Operating Expenses	1,846	2,076	2,015	1,297	3,312
Payments To Individuals	173,133	178,161	184,226	184,226	368,452
Local Assistance	2,827	800	756	756	1,512
Other Financial Transactions	13	20	20	20	40
Transfers	0	0	(5,600)	(5,600)	(11,200)
Total	179,586	183,151	183,477	182,742	366,219
<u>Expenditures by Activity</u>					
State Grants	161,348	163,048	163,857	163,857	327,714
Mn College Savings Program	368	652	1,020	1,020	2,040
Interstate Tuition Reciprocity	1,325	2,425	1,750	1,750	3,500
State Work Study	12,397	12,491	12,444	12,444	24,888
Outreach Programs	3,710	4,065	3,936	3,201	7,137
Student Financial Aid Services	438	470	470	470	940
Total	179,586	183,151	183,477	182,742	366,219
Full-Time Equivalents (FTE)	29.5	30.1	30.1	30.1	

Program Description

The Office of Higher Education administers the SELF Loan program and the Graduated Repayment Income Protection program. These loan programs assist undergraduate and graduate students in financing their educational expenses.

The SELF Loan program provides an additional source of long-term, low interest funding to Minnesota residents attending postsecondary education institutions both in and outside Minnesota and non-residents attending Minnesota institutions. Minnesota Statute 136A.1701 authorizes the creation of such supplemental loan programs.

The SELF Loan program provides funding to students at a competitive interest rate and without charging origination and guarantee fees. The program requires a credit-worthy co-signer and payment of interest while the borrower is in school. The Office of Higher Education uses various collection tools to collect on defaulted SELF Loans.

The activities provided under this program ensure fiscal integrity, efficient and effective use of resources through the use of continued process improvement methodologies including measurements and analysis. Agency staff uses technology to provide enhanced services to the public.

Activities

The **SELF Loan** program serves undergraduate and graduate students. Minnesota residents attending in Minnesota institutions or at one of more than 220 out-of-state institutions that have contracts with the program are eligible to borrow. Also, non-resident students attending eligible Minnesota institutions are eligible to borrow from this program. The SELF Loan program serves an estimated 28,000 students with \$140 million in disbursements annually.

The **Graduated Repayment Income Protection** program no longer lends funds to students. GRIP participants are graduates of Minnesota schools in dentistry, medicine, pharmacy, veterinary medicine, public health, and chiropractic medicine and Minnesota residents graduating from osteopathy programs. The GRIP Loan was discontinued in 1995 for new participants. The only activity is managing repayments from borrowers. The GRIP program has 26 borrowers in repayment. GRIP repayment should be completed by 2015. Repayments to the GRIP are deposited in the Loan Capital Fund.

Populations Served

The SELF Loan program serves undergraduate and graduate students who are either attending an eligible postsecondary institution in Minnesota or are Minnesota residents attending an eligible school in another state.

Key Measures

- ◆ The agency will continue to monitor and oversee the repayment process for these loan programs in a cost effective manner.
- ◆ The average processing time for a SELF Loan is 1-3 days.
- ◆ The cumulative SELF default rate is less than 2%.

Program at a Glance

- ◆ SELF Loan program serves approximately 28,300 students and lends \$140 million dollars of aid each year.
- ◆ Since 1985, the Office of Higher Education has made more than 300,000 SELF loans totaling over \$1.2 billion to students.
- ◆ The Office of Higher Education collected over \$6.3 million from SELF defaulters in FY 2008.
- ◆ 107,000 SELF borrowers continue to be served until their outstanding loans, totaling \$691 million are paid off.
- ◆ The Graduated Repayment Income Protection (GRIP) Program has just 26 borrowers in repayment.

Budget

There are no general fund appropriations for the SELF Loan program. Operating expenses are financed from bonds, loan repayments and investment income.

The SELF Loan program is funded through repayments of existing SELF Loans and through \$265.9 million of tax exempt bonds and \$261.1 million of taxable bonds outstanding. These revenues finance additional SELF Loans, pay interest on the bonds, and cover program operating costs including loan servicing. The Office of Higher Education is limited to a maximum of \$950 million in outstanding bonds. Tax-exempt bonds can be issued for student loans under Section 144(b)(1)(B) of the Internal Revenue Code of 1986, as amended.

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OFFICE OF HIGHER EDUCATION
 Program: STATE STUDENT LOANS

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Office Of Higher Education	156,657	167,006	167,006	167,006	334,012
Total	156,657	167,006	167,006	167,006	334,012
<u>Expenditures by Category</u>					
Total Compensation	413	535	535	535	1,070
Other Operating Expenses	15,668	16,463	16,463	16,463	32,926
Other Financial Transactions	140,576	150,008	150,008	150,008	300,016
Total	156,657	167,006	167,006	167,006	334,012
<u>Expenditures by Activity</u>					
State Supplemental Loans	156,652	166,996	166,996	166,996	333,992
Other Loan Programs	5	10	10	10	20
Total	156,657	167,006	167,006	167,006	334,012
Full-Time Equivalentents (FTE)	8.3	8.7	8.7	8.7	

Program Description

The Office of Higher Education's fiscal policy and research services support student and state interests in high quality, well-managed and financially accessible higher education opportunities.

This program comprises:

- ◆ data collection and reporting on higher education
- ◆ analysis of state student financial aid programs and other student financing issues
- ◆ consumer protection services that require private and out-of-state institutions to meet state standards

Activity at a Glance

- ◆ About 73 private career training providers are licensed to operate in Minnesota.
- ◆ About 70 private degree granting institutions are registered to operate in Minnesota.
- ◆ Enrollment records of 397,000 students attending nearly 200 institutions were reported in fall 2007.
- ◆ Research and analyses are available on the agency web site.

Activities

Research Services. Research services enable the state to identify trends and conditions in postsecondary education. Individual institutions maintain information on their own activities while data collection and analyses at the agency cover both public and private institutions for a more complete statewide picture.

The agency publishes an accountability report annually on higher education in the state. The report presents measures for a number of indicators organized under five state goals. The five state goals are:

- ◆ Improve success of all students, particularly students from groups under-represented in higher education.
- ◆ Create a responsive system that produces graduates at all levels who meet the demands of the economy.
- ◆ Increase student learning and improve skill levels of students so they can compete effectively in the global market place.
- ◆ Contribute to the development of a state economy that is competitive in the global market through research, workforce training, and other appropriate means.
- ◆ Provide access, affordability, and choice for all students.

Student Data. Databases are maintained for enrollment, degrees and other awards conferred by Minnesota institutions. The agency publishes both standard enrollment reports and special financial aid analyses. Staff also use federal and other sources of information to provide answers to questions about Minnesota higher education. Most information of general interest is posted on the agency web site which is becoming the primary way many users first look for data. Topics include financial aid, student enrollment and demographics.

Financial Data. Research on student financing includes a biennial survey of undergraduate financial aid at Minnesota institutions, and reporting on state financial aid programs for budgetary and policy purposes.

Consumer Protection. Statutes require the agency to set minimum standards for private and out-of-state institutions that offer programs in Minnesota.

The Minnesota Private Institution Registration Act (Minnesota Statute 136A.61-136A.71) provides quality control and consumer protection for private and out-of-state postsecondary institutions offering associate degree and higher educational programs within the state. Licensing of private schools (Minnesota Statute Chapter 141) provides quality control and consumer protection for private, career training providers offering programs below the associate degree level.

Standards address the quality of faculty, facilities and other program resources, financial stability, advertising and promotion, and protection for students if an institution does not maintain the program as promised or ceases operations. State oversight protects prospective students from schools that collect tuition money fraudulently, "diploma mills" that sell degrees without offering legitimate programs, and schools that lack sufficient expertise or financial resources to develop and maintain adequate postsecondary programs.

Population Served

Fiscal Policy and Research serves students, institutions and policy makers seeking information on financial aid, enrollments and trends for use in policy-making and program improvement.

Consumer protection serves consumers of higher education and private institutions within the higher education sector.

Key Measures

- ◆ Regular reports are issued to policy-makers and the public on financial aid programs, college financing, participation and enrollment trends.
- ◆ Reports required in statute are produced and delivered on time.
- ◆ Projections reports are delivered on schedule.
- ◆ Public input is gathered regularly on the Office of Higher Education's programs and initiatives.
- ◆ About 50 private, nonprofit and out-of-state postsecondary institutions are approved to offer degree programs in Minnesota; 27 other postsecondary providers are registered to offer non-degree programs or to have their name approved.
- ◆ Higher education accountability report produced first in 2006 and updated annually.

Budget

Research services are funded through general agency appropriations. Consumer protection services are funded by licensing fees paid by non-public higher education institutions.

OFFICE OF HIGHER EDUCATION
 Program: FISCAL POLICY & RESEARCH

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,611	1,502	1,502	1,502	3,004
Technical Adjustments					
Current Law Base Change			17	36	53
Forecast Base	1,611	1,502	1,519	1,538	3,057
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,023	1,911	1,884	1,903	3,787
Miscellaneous Special Revenue	1,188	0	0	0	0
Statutory Appropriations					
Miscellaneous Special Revenue	317	345	304	312	616
Federal	998	985	985	985	1,970
Office Of Higher Education	93	96	96	96	192
Total	4,619	3,337	3,269	3,296	6,565
<u>Expenditures by Category</u>					
Total Compensation	1,084	1,134	1,141	1,148	2,289
Other Operating Expenses	376	488	436	437	873
Payments To Individuals	4	0	0	0	0
Local Assistance	3,155	1,715	1,692	1,711	3,403
Total	4,619	3,337	3,269	3,296	6,565
<u>Expenditures by Activity</u>					
Accountability	219	275	275	275	550
Fiscal Policy & Research	1,053	1,158	1,163	1,171	2,334
Miscellaneous Grant Programs	2,159	1,904	1,831	1,850	3,681
Rochester University	1,188	0	0	0	0
Total	4,619	3,337	3,269	3,296	6,565
Full-Time Equivalents (FTE)	13.0	13.0	13.0	13.0	

Program Description

The Minnesota Office of Higher Education's library and technology programs provide statewide support functions to assist libraries and postsecondary institutions in providing Minnesotans with efficient access to library materials, distance education, and other learning resources.

Activities

- ◆ MINITEX
- ◆ MnLINK Gateway
- ◆ Learning Network of Minnesota

MINITEX. The mission of the MINITEX library system is to enhance the effectiveness and efficiency of libraries by expanding their access to information resources for their users. MINITEX provides a statewide courier delivery system; the Electronic Library for Minnesota; group licenses for scholarly resources for Minnesota academic libraries; a database of serial titles (journals, magazines) held by libraries in the MINITEX region; and a common database of books held by libraries worldwide. MnLINK and the Minnesota Digital Library are also part of MINITEX's service program.

MnLINK. MnLINK is a statewide virtual library that provides Web-based access to Minnesota library catalogs and state-licensed electronic resources. MnLINK widens access to library resources for all Minnesota residents by drawing upon the combined collections of Minnesota libraries.

Through the MnLINK Gateway (www.mnlink.org), Minnesota residents can search catalogs of academic, government, public and school libraries and request materials for distribution through the MINITEX delivery system. MnLINK integrated library system is in place in the public academic libraries of the University of Minnesota and MnSCU, along with state government and private college libraries. The Integrated Library System increases the efficiency of library operations, training, and enhances support for statewide resource sharing.

Learning Network. The Learning Network of Minnesota provides Internet, data, video and voice services to support academic programs and administrative services at the state's higher education institutions and K-12 schools. The Learning Network is fully integrated with the University of Minnesota and the Minnesota State Colleges and Universities' wide area networks, and all are part of the statewide network operated by the Office of Enterprise Technology. This collaboration is guided by the policy document *Learning Network Blueprint for Higher Education* (www.ohe.state.mn.us/pdf/blueprint.pdf).

The higher education portion of the Learning Network is comprised of six regional networks, each of which serves its member institutions with a range of educational technologies to enhance the delivery of programs and services between members and with other postsecondary institutions in the state. Public higher education institutions rely on the Learning Network for academic programs and administrative services.

These services include:

- ◆ Infrastructure to access Internet2 (partnership of higher education, industry and government to develop and deploy advanced network applications and technologies). As a full Internet2 member, the University of Minnesota sponsors access by all other higher education institutions and interested K-12 schools.
- ◆ Network applications such as Web-based course support, desktop video, administrative support and voice services.
- ◆ Connections to private higher education institutions, school districts, libraries, business and industry sites, correctional institutions, courthouses and medical facilities.

MINITEX Activity at a Glance

- ◆ More than one million books, articles, and non-print materials delivered to Minnesota libraries for residents.
- ◆ Over 1,600 Minnesota libraries of all types participate.

MnLINK Activity at a Glance

- ◆ The MnLINK Gateway allows library patrons to search multiple library catalogs with over 33 million volumes owned by 485 libraries; plus it provides access to on-line electronic resources.
- ◆ Patrons and library staff placed over 517,000 interlibrary loan requests via the MnLINK Gateway.

Learning Network Activity at a Glance

- ◆ The higher education portion of the Learning Network is fully integrated with the University of Minnesota and MnSCU's wide area networks.

- ◆ Value-added services such as faculty training, web conferencing, streaming media storage and distribution, and voice over IP support that have resulted in significant cost savings for many campuses.
- ◆ Network cost savings for the state and higher education institutions. The Learning Network aggregates purchases to take advantage of economies of scale.
- ◆ Support for joint degree programs between University of Minnesota and MnSCU campuses.
- ◆ Instructional cost savings. Community and technical college campuses, for example, can use video to share faculty and pool students in common sections.
- ◆ Technology to help institutions meet staffing needs. Colleges are hiring adjunct faculty who teach from their home communities via video.

Populations Served

Library and Technology programs serve Minnesota K-12 schools and public and private colleges and universities' students, libraries and their patrons across Minnesota and in North and South Dakota.

Key Measures

MINITEX:

- ◆ More than 11 million uses of licensed electronic resources through the Electronic Library for Minnesota. The cost for licensing ELM resources in FY 2008 was \$0.37 per Minnesota resident.
- ◆ More than 397,000 requests processed by MINITEX in FY 2007 with over 284,000 items filled.
- ◆ Minnesota Digital Library had 180,585 visitors viewing 1,864,300 pages in FY 2008.

MnLINK:

- ◆ Over 349,000 loans and copies were delivered to library patrons in FY 2008.

Learning Network of Minnesota:

- ◆ Demand for bandwidth at public postsecondary institutions in Minnesota grows significantly each year.

Budget

The entire MINITEX appropriation is for contracted services provided by MINITEX at the University of Minnesota. Additional revenue is generated from contracts for collaboration with the Minnesota Department of Education, the North Dakota State Library, and the South Dakota State Library. These funds are passed directly to MINITEX at the University of Minnesota. In Minnesota, MINITEX collaborates with academic, public, school, and state government libraries in order to share resources.

State funds are provided in an annual appropriation for the ongoing coordination and operation of the MnLINK gateway.

The Learning Network receives a biennial state appropriation to the Office of Higher Education. The agency disburses the funding to the six regional networks through a grant process.

OFFICE OF HIGHER EDUCATION

Program: LIBRARIES AND TECHNOLOGY

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	10,831	10,831	10,831	10,831	21,662
Forecast Base	10,831	10,831	10,831	10,831	21,662
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	10,828	10,834	10,831	10,831	21,662
Total	10,828	10,834	10,831	10,831	21,662
<u>Expenditures by Category</u>					
Other Operating Expenses	188	200	200	200	400
Local Assistance	10,640	10,634	10,631	10,631	21,262
Total	10,828	10,834	10,831	10,831	21,662
<u>Expenditures by Activity</u>					
Minitex Library System	5,631	5,631	5,631	5,631	11,262
Mn Link Implementation	397	403	400	400	800
Learning Network Of Minn	4,800	4,800	4,800	4,800	9,600
Total	10,828	10,834	10,831	10,831	21,662

Program Description

The Minnesota Office of Higher Education administrative services provide overall management, leadership and administrative support for the Office of Higher Education. Areas include the director's office, financial management and fiscal services, communications and outreach, legislative relations, information management, human resources and auditing.

Services Provided

This area provides administrative support of information and technology, financial management, internal office services, communications and human resources to assist all agency managers and staff in the effective implementation and efficient administration of their programs and activities. General responsibilities include:

- ◆ Provide overall higher education leadership for the state of Minnesota
- ◆ Provide overall leadership, direction, and supervision to approximately 70 full time equivalent staff
- ◆ Guide, support and facilitate the work of the Office of Higher Education
- ◆ Advocate and communicate the agency's services, programs, information and resources to constituents.

Activities

Distinct work units provide key services pertaining to agency administration:

Director's Office The agency director serves as a member of the governor's cabinet and advises the governor on higher education policy. The director's office oversees all the programs offered by the agency and presents statewide data collected by the agency. The director also represents the agency in a variety of policy forums with lawmakers, national organizations and state leaders relating to education.

Financial Services provides services including: accounting, auditing, budgeting, management of agency biennial budget narratives, fiscal oversight for agency contracts, financial analysis and reporting, agency administrative policies and procedures, purchasing, travel management, disbursement, receipt of funds and repayment processes for several programs and provision of agency receptionist services.

Human Resources provides all aspects of human resource management such as hiring, retention, termination, compensation, training, affirmative action, Americans with Disabilities Act compliance, insurance and workers compensation processing; creation/oversight of contracting process to ensure compliance with all state contract regulations and requirements; and application of continuous quality improvement to all agency services.

Information and Technology provides services including: analysis, design, programming, and maintenance of computer applications for student financial aid programs and administrative support; database administration; agency web site and intranet; minicomputer system management; agency network infrastructure; technical support and maintenance for personal computers and servers.

Communications, Outreach and Legislative Relations identifies, develops, maintains and distributes information, data and resources to groups most likely to need information about the agency's programs.

Key Measures

- ◆ Financial activities of the agency comply with the Department of Finance policies and procedures and generally accepted accounting principles.
- ◆ Payroll is completed accurately and within the scheduled time allotments.
- ◆ Audits are conducted for postsecondary institutions licensed or registered by the Minnesota Office of Higher Education.
- ◆ Computer systems meet agency and Minnesota resident needs.
- ◆ Publications and Web site meet Minnesota resident needs.

Population Served

Postsecondary institutions (both in-state and out-of-state), postsecondary students, agency staff and programs, contracted vendors, media, legislators, the Minnesota Management and Budget, and the Governor's Office.

Budget

Revenue Sources: The Office of Higher Education administration services are funded by dedicated revenue, general fund appropriations, federal revenue and SELF Loan revenue.

OFFICE OF HIGHER EDUCATION

Program: AGENCY/LOAN ADMINISTRATION

Program Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,445	1,239	1,239	1,239	2,478
Technical Adjustments					
Pt Contract Base Reduction			(2)	(2)	(4)
Forecast Base	1,445	1,239	1,237	1,237	2,474
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,177	1,442	1,237	1,237	2,474
Statutory Appropriations					
General	50	0	0	0	0
Miscellaneous Special Revenue	93	215	219	219	438
Office Of Higher Education	930	1,286	1,286	1,286	2,572
Total	2,250	2,943	2,742	2,742	5,484
<u>Expenditures by Category</u>					
Total Compensation	1,508	1,755	1,755	1,755	3,510
Other Operating Expenses	742	1,188	987	987	1,974
Total	2,250	2,943	2,742	2,742	5,484
<u>Expenditures by Activity</u>					
Agency Management	611	671	671	671	1,342
Agency Admin Services	1,639	2,272	2,071	2,071	4,142
Total	2,250	2,943	2,742	2,742	5,484
Full-Time Equivalent (FTE)	19.5	18.5	18.5	18.5	

OFFICE OF HIGHER EDUCATION

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Current Law		Biennium 2010-11
			FY2010	FY2011	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	10,818	10,377	8,490	7,390	15,880
Total Non-Dedicated Receipts	10,818	10,377	8,490	7,390	15,880
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	213	225	225	225	450
Grants:					
Miscellaneous Special Revenue	289	91	51	31	82
Federal	5,113	5,455	5,455	4,720	10,175
Other Revenues:					
Miscellaneous Special Revenue	255	226	227	227	454
Federal	2	10	10	10	20
Office Of Higher Education	126,911	74,696	148,458	148,458	296,916
Other Sources:					
Federal	11	10	10	10	20
Office Of Higher Education	15,300	20,100	20,100	20,100	40,200
Total Dedicated Receipts	148,094	100,813	174,536	173,781	348,317
Agency Total Revenue	158,912	111,190	183,026	181,171	364,197