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<http://www.ohe.state.mn.us/>

### AT A GLANCE

- Minnesota State Grant program, the largest of OHE's student financial aid programs, served 95,324 students and awarded \$177M in FY15.
- Student Loan Program provided \$67M in low interest loans to 8,587 low income students
- Consumer Protection – Register and license 350 postsecondary institutions in the state of Minnesota. Oversee approximately 225 schools that disburse MN state aid and loan funds.
- MN GI bill: \$1.5M to 1037 students
- Research performs and publishes on postsecondary education, state student financial aid programs, student financing issues and retention and completion.
- Get Ready program: college readiness program, funded by a federal grant of \$3.1M/year, and targeted to low-income students.
- Minnesota 529 College Savings Plan- 63,330 accounts, 35,744 account owners, and \$1.22B in assets.

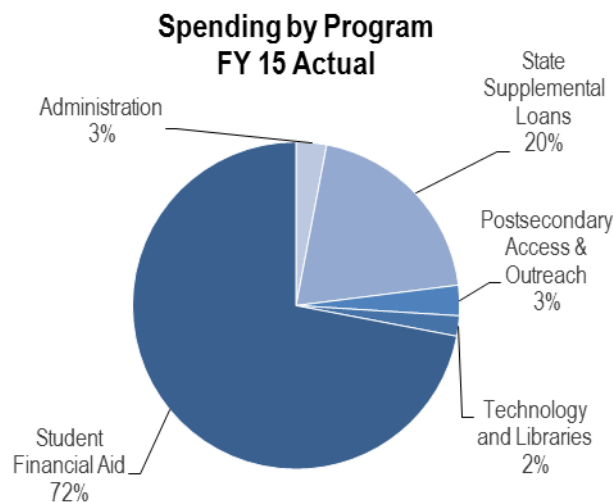
### PURPOSE

The mission of the Minnesota Office of Higher Education (OHE) is to advance the promise of higher education to all Minnesotans, and provide critical information to guide higher education decisions by families and policymakers. Our goals are to make postsecondary education accessible and affordable to all Minnesotans, and foster best practices to ensure completion. Our financial aid programs serve low to moderate income people. Our outreach programs target populations that are historically underrepresented in postsecondary education. We work closely with the legislature, postsecondary institutions, foundations and the federal government.

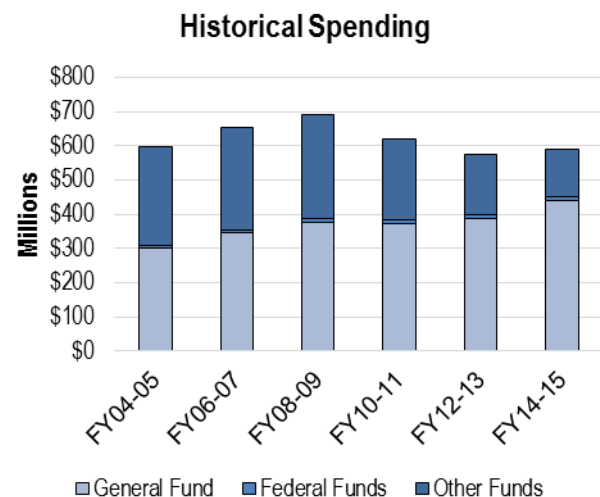
OHE contributes to these statewide outcomes:

- Minnesotans have the education and skills needed to achieve their goals; and
- A thriving economy that encourages business growth and employment opportunities

### BUDGET



Source: BPAS



Source: Consolidated Fund Statement

## STRATEGIES

- **Financial aid administration:** OHE administers several financial aid programs, including the State Grant, Child Care Grants, Work Study, American Indian Scholarships, Occupational Scholarships, Dual Training, the GI bill, and the SELF Loan Program. We work closely with approved postsecondary institutions to manage and disburse funds to students, which allow them to enroll, persist and complete postsecondary education.
- **Policy and research activities:** We conduct original, independent research to provide lawmakers, educators and other policy leaders with objective information about postsecondary enrollment and attainment, finance, accountability and trends. We are the lead agency for the State Longitudinal Education Data System (SLEDs), which uses early childhood through postsecondary and workforce data to identify the most viable pathways for individuals to achieve successful outcomes in education and work. SLEDs data informs education and workforce policy and practice in Minnesota.
- **Consumer protection:** We register or license approximately 350 private non-profit and for-profit postsecondary institutions and oversee 225 of those schools that disburse MN state aid and loan funds. In 2014, we added a Student Consumer Advocate position, created to provide support and information to students who have a dispute with their postsecondary institution and to identify best practices in postsecondary education.
- **Minnesota 529 College Savings Plan:** We work closely with TIAA to administer a program allowing families to save tax free for future postsecondary education expenses.
- **Get Ready:** Get Ready is a college readiness program, funded by a federal GEAR UP grant of \$3.1M. The state of Minnesota continues to experience racial inequities in the areas of postsecondary enrollment, retention, and completion. While college aspirations are high (over 90% across grade levels) amongst students of color, program data shows that in addition to academic preparedness, college knowledge, college-going identity, college efficacy and a perceived lack of affordability act as significant barriers to postsecondary enrollment and completion. Through evidence-based college and career readiness interventions, Get Ready is working to eliminate these inequities by equipping students and families with the necessary information, skills, tools and strategies for overcoming these barriers. Get Ready is also committed to forming strong partnerships with postsecondary institutions to ensure that they offer the necessary student support services to retain students of color post-enrollment.

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M.S. 141.21 – 37 (<https://www.revisor.mn.gov/statutes/?id=141.21>) provides legal authority for OHE's licensing and registration services.

M.S.136A (<https://www.revisor.mn.gov/statutes/?id=136A>) provides legal authority for OHE's student financial aid services.

M.S. 136G.01-136G.14 (<https://www.revisor.mn.gov/statutes/?id=136G>) provides legal authority for the Minnesota College Savings Plan.

(Dollars in Thousands)

**Expenditures By Fund**

|                                      | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecasted Base |                | Governor's<br>Recommendation |                |
|--------------------------------------|----------------|----------------|----------------|------------------|-----------------|----------------|------------------------------|----------------|
|                                      |                |                |                |                  | FY18            | FY19           | FY18                         | FY19           |
| 1000 - General                       | 215,378        | 228,229        | 228,872        | 242,901          | 234,312         | 230,621        | 270,657                      | 265,916        |
| 2000 - Restrict Misc Special Revenue | 693            | 682            | 892            | 1,263            | 1,258           | 1,268          | 1,258                        | 1,268          |
| 2001 - Other Misc Special Revenue    | 0              | 0              | 63             | 5,814            | 2,686           | 2,686          | 2,686                        | 2,686          |
| 2403 - Gift                          | 0              | 0              | 0              | 15               | 0               | 0              | 0                            | 0              |
| 3000 - Federal                       | 5,450          | 4,466          | 3,921          | 3,971            | 3,671           | 3,450          | 3,671                        | 3,450          |
| 8300 - Office Of Higher Education    | 72,681         | 66,194         | 104,644        | 104,277          | 109,271         | 114,281        | 109,271                      | 114,281        |
| <b>Total</b>                         | <b>294,202</b> | <b>299,571</b> | <b>338,392</b> | <b>358,241</b>   | <b>351,198</b>  | <b>352,306</b> | <b>387,543</b>               | <b>387,601</b> |
| <i>Biennial Change</i>               |                |                |                | 102,861          |                 | 6,871          |                              | 78,511         |
| <i>Biennial % Change</i>             |                |                |                | 17               |                 | 1              |                              | 11             |
| <i>Governor's Change from Base</i>   |                |                |                |                  |                 |                |                              | 71,640         |
| <i>Governor's % Change from Base</i> |                |                |                |                  |                 |                |                              | 10             |

**Expenditures by Program**

|  |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Program: Student Financial Aid             | 206,427        | 215,868        | 218,113        | 232,033        | 222,812        | 219,331        | 256,312        | 252,831        |
| Program: State Supplemental Loans          | 65,704         | 59,296         | 97,916         | 95,040         | 100,040        | 105,040        | 100,040        | 105,040        |
| Program: Research Policy and Analysis      | 264            | 544            | 1,106          | 2,870          | 2,003          | 1,793          | 2,153          | 1,943          |
| Program: Postsecondary Access and Outreach | 12,027         | 13,838         | 11,664         | 14,962         | 13,375         | 13,159         | 13,525         | 13,309         |
| Program: OHE Administration                | 9,780          | 10,026         | 9,592          | 13,337         | 12,969         | 12,984         | 15,514         | 14,479         |
| <b>Total</b>                               | <b>294,202</b> | <b>299,571</b> | <b>338,392</b> | <b>358,241</b> | <b>351,198</b> | <b>352,306</b> | <b>387,543</b> | <b>387,601</b> |

**Expenditures by Category**

|   |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation                              | 5,083          | 4,905          | 5,343          | 7,294          | 6,969          | 6,888          | 7,374          | 7,418          |
| Operating Expenses                        | 16,147         | 15,948         | 14,797         | 19,906         | 18,479         | 17,830         | 20,894         | 19,070         |
| Other Financial Transactions              | 59,349         | 54,402         | 93,710         | 90,020         | 95,020         | 100,020        | 126,045        | 131,045        |
| Grants, Aids and Subsidies                | 213,623        | 224,317        | 224,542        | 241,021        | 230,731        | 227,568        | 233,231        | 230,068        |
| <b>Total</b>                              | <b>294,202</b> | <b>299,571</b> | <b>338,392</b> | <b>358,241</b> | <b>351,198</b> | <b>352,306</b> | <b>387,543</b> | <b>387,601</b> |
| Total Agency Expenditures                 | 294,202        | 299,571        | 338,392        | 358,241        | 351,198        | 352,306        | 387,543        | 387,601        |
| Internal Billing Expenditures             | 324            | 240            | 193            | 318            | 333            | 330            | 333            | 330            |
| <b>Expenditures Less Internal Billing</b> | <b>293,878</b> | <b>299,331</b> | <b>338,200</b> | <b>357,923</b> | <b>350,865</b> | <b>351,976</b> | <b>387,210</b> | <b>387,271</b> |

**Full-Time Equivalents**

|      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|
| 63.5 | 60.2 | 61.7 | 65.7 | 67.6 | 66.7 | 70.6 | 70.1 |
|------|------|------|------|------|------|------|------|

**1000 - General**

|  | Actual         | Actual         | Actual         | Estimate       | Forecast Base  |                | Governor's Recommendation |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|----------------|
|  | FY14           | FY15           | FY16           | FY17           | FY18           | FY19           | FY18                      | FY19           |
| Balance Forward In                       | 0              | 12,081         | 0              | 2,684          | 0              | 0              | 0                         | 0              |
| Direct Appropriation                     | 226,281        | 224,572        | 231,068        | 241,615        | 235,576        | 231,885        | 271,721                   | 266,980        |
| Net Transfers                            | 1,177          | 443            | 488            | (1,396)        | (1,263)        | (1,263)        | (1,063)                   | (1,063)        |
| Cancellations                            | 0              | 8,867          | 0              | 0              | 0              | 0              | 0                         | 0              |
| <b>Expenditures</b>                      | <b>215,378</b> | <b>228,229</b> | <b>228,872</b> | <b>242,901</b> | <b>234,312</b> | <b>230,621</b> | <b>270,657</b>            | <b>265,916</b> |
| Balance Forward Out                      | 12,081         | 0              | 2,684          | 0              | 0              | 0              | 0                         | 0              |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 28,167         |                | (6,840)        |                           | 64,800         |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 6              |                | (1)            |                           | 14             |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                |                |                |                           | 71,640         |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                |                |                |                           | 15             |
| Full-Time Equivalents                    | 21.8           | 22.3           | 22.3           | 21.5           | 21.5           | 21.0           | 24.5                      | 24.4           |

**2000 - Restrict Misc Special Revenue**

|  | Actual     | Actual     | Actual     | Estimate     | Forecast Base |              | Governor's Recommendation |              |
|--|------------|------------|------------|--------------|---------------|--------------|---------------------------|--------------|
|  | FY14       | FY15       | FY16       | FY17         | FY18          | FY19         | FY18                      | FY19         |
| Balance Forward In                       | 2,067      | 2,599      | 3,029      | 3,061        | 2,747         | 2,509        | 2,747                     | 2,509        |
| Receipts                                 | 1,221      | 1,112      | 925        | 949          | 1,020         | 1,020        | 1,020                     | 1,020        |
| Internal Billing Receipts                | 324        | 240        | 193        | 300          | 300           | 300          | 300                       | 300          |
| Net Transfers                            | 0          | 0          | 0          | 0            | 0             | 0            | 0                         | 0            |
| <b>Expenditures</b>                      | <b>693</b> | <b>682</b> | <b>892</b> | <b>1,263</b> | <b>1,258</b>  | <b>1,268</b> | <b>1,258</b>              | <b>1,268</b> |
| Balance Forward Out                      | 2,596      | 3,029      | 3,061      | 2,747        | 2,509         | 2,261        | 2,509                     | 2,261        |
| <i>Biennial Change in Expenditures</i>   |            |            |            | 781          |               | 371          |                           | 371          |
| <i>Biennial % Change in Expenditures</i> |            |            |            | 57           |               | 17           |                           | 17           |
| <i>Gov's Exp Change from Base</i>        |            |            |            |              |               |              |                           | 0            |
| <i>Gov's Exp % Change from Base</i>      |            |            |            |              |               |              |                           | 0            |
| Full-Time Equivalents                    | 4.6        | 5.0        | 5.8        | 6.8          | 7.8           | 7.8          | 7.8                       | 7.8          |

**2001 - Other Misc Special Revenue**

|                     | Actual   | Actual   | Actual    | Estimate     | Forecast Base |              | Governor's Recommendation |              |
|---------------------|----------|----------|-----------|--------------|---------------|--------------|---------------------------|--------------|
|                     | FY14     | FY15     | FY16      | FY17         | FY18          | FY19         | FY18                      | FY19         |
| Balance Forward In  | 92       | 92       | 92        | 258          | 44            | 24           | 44                        | 24           |
| Receipts            | 0        | 0        | 35        | 466          | 466           | 466          | 466                       | 466          |
| Net Transfers       | 0        | 0        | 194       | 5,134        | 2,200         | 2,200        | 2,200                     | 2,200        |
| <b>Expenditures</b> | <b>0</b> | <b>0</b> | <b>63</b> | <b>5,814</b> | <b>2,686</b>  | <b>2,686</b> | <b>2,686</b>              | <b>2,686</b> |

**2001 - Other Misc Special Revenue**

|  |    |    |     |       |     |       |     |       |
|--|----|----|-----|-------|-----|-------|-----|-------|
| Balance Forward Out                      | 92 | 92 | 258 | 44    | 24  | 4     | 24  | 4     |
| <i>Biennial Change in Expenditures</i>   |    |    |     | 5,877 |     | (505) |     | (505) |
| <i>Biennial % Change in Expenditures</i> |    |    |     |       |     | (9)   |     | (9)   |
| <i>Gov's Exp Change from Base</i>        |    |    |     |       |     |       |     | 0     |
| <i>Gov's Exp % Change from Base</i>      |    |    |     |       |     |       |     | 0     |
| Full-Time Equivalents                    | 0  |    | 0.6 | 1.1   | 1.6 | 1.6   | 1.6 | 1.6   |

**2403 - Gift**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |       | Governor's<br>Recommendation |       |
|--|----------------|----------------|----------------|------------------|---------------|-------|------------------------------|-------|
|  |                |                |                |                  | FY18          | FY19  | FY18                         | FY19  |
| Balance Forward In                       | 0              | 0              | 0              | 15               | 0             | 0     | 0                            | 0     |
| Receipts                                 | 0              | 0              | 15             | 0                | 0             | 0     | 0                            | 0     |
| <b>Expenditures</b>                      | 0              | 0              | 0              | <b>15</b>        | 0             | 0     | 0                            | 0     |
| Balance Forward Out                      | 0              | 0              | 15             | 0                | 0             | 0     | 0                            | 0     |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 15               |               | (15)  |                              | (15)  |
| <i>Biennial % Change in Expenditures</i> |                |                |                |                  |               | (100) |                              | (100) |

**3000 - Federal**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 0              | 1,734          | 0              | 0                | 0             | 0            | 0                            | 0            |
| Receipts                                 | 5,450          | 2,732          | 3,920          | 3,971            | 3,671         | 3,450        | 3,671                        | 3,450        |
| <b>Expenditures</b>                      | <b>5,450</b>   | <b>4,466</b>   | <b>3,921</b>   | <b>3,971</b>     | <b>3,671</b>  | <b>3,450</b> | <b>3,671</b>                 | <b>3,450</b> |
| <i>Biennial Change in Expenditures</i>   |                |                |                | (2,024)          |               | (771)        |                              | (771)        |
| <i>Biennial % Change in Expenditures</i> |                |                |                | (20)             |               | (10)         |                              | (10)         |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 0            |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 0            |
| Full-Time Equivalents                    | 23.9           | 21.0           | 21.1           | 21.9             | 21.9          | 21.5         | 21.9                         | 21.5         |

**8300 - Office Of Higher Education**

|                     | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base  |                | Governor's<br>Recommendation |                |
|---------------------|----------------|----------------|----------------|------------------|----------------|----------------|------------------------------|----------------|
|                     |                |                |                |                  | FY18           | FY19           | FY18                         | FY19           |
| Balance Forward In  | 102,405        | 109,973        | 155,941        | 131,734          | 137,439        | 138,152        | 137,439                      | 138,152        |
| Receipts            | 80,262         | 112,157        | 80,583         | 110,000          | 110,000        | 110,000        | 110,000                      | 110,000        |
| Net Transfers       | (12)           | (16)           | (147)          | (19)             | (16)           | (16)           | (16)                         | (16)           |
| <b>Expenditures</b> | <b>72,681</b>  | <b>66,194</b>  | <b>104,644</b> | <b>104,277</b>   | <b>109,271</b> | <b>114,281</b> | <b>109,271</b>               | <b>114,281</b> |

**8300 - Office Of Higher Education**

|  |         |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Balance Forward Out                      | 109,973 | 155,920 | 131,734 | 137,439 | 138,152 | 133,855 | 138,152 | 133,855 |
| <i>Biennial Change in Expenditures</i>   |         |         |         | 70,046  |         | 14,631  |         | 14,631  |
| <i>Biennial % Change in Expenditures</i> |         |         |         | 50      |         | 7       |         | 7       |
| <i>Gov's Exp Change from Base</i>        |         |         |         |         |         |         |         | 0       |
| <i>Gov's Exp % Change from Base</i>      |         |         |         |         |         |         |         | 0       |
| Full-Time Equivalents                    | 13.1    | 11.9    | 11.9    | 14.4    | 14.8    | 14.8    | 14.8    | 14.8    |

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: Minnesota State Grant

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 31,000  | 31,000  | 31,000  | 31,000  |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 31,000  | 31,000  | 31,000  | 31,000  |
| FTEs   | 0       | 0       | 0       | 0       |

#### Recommendation:

The Governor recommends investing an additional \$31 million per year beginning in FY2018 in the State Grant program to provide all Minnesotans with upward economic mobility through postsecondary attainment. This recommendation is designed to enhance access to postsecondary education for underserved students, particularly low wage working adults and middle income families. Strategies for reaching the state's attainment goal by ensuring affordability and enhancing access include:

1. Increasing the living and miscellaneous expense allowance by moving to 106% of the federal poverty level (+\$550);
2. Lowering the assigned family responsibility for all students by \$500; and
3. Allowing the State Grant to fill in for unawarded Pell Grants within the State Grant program so that critical, under-served students receive necessary assistance for postsecondary education.

The changes made in this recommendation use the projected balance in the State Grant program in the 2018-19 biennium as well as a \$62 million increase in the appropriation.

#### Rationale/Background:

The failure to provide adequate federal or state financial assistance for postsecondary attendance disadvantages underserved lower- and middle-income students in regard to access and completion. Proposed changes will help students access their "best fit" postsecondary institution by improving affordability and reducing the need to borrow.

Increased funding for the Minnesota State Grant program will improve economic equity and maximize the State Grant's effectiveness. The recommendation focuses specifically on areas of affordability and enhanced access for underserved students, particularly low wage working adults and middle income families. Affordability for Minnesota students focuses on making payment responsibilities for students reasonable and help overcome unintended financial barriers. Enhancing access for underserved populations focuses on increasing the effectiveness of State Grants for targeted populations. Retention and completion efforts aim to help underserved student populations complete their postsecondary education.

Investment by the state in the Minnesota State Grant program has facilitated financial access for lower-income students by stabilizing the net price of higher education and cumulative debt levels.

#### Proposal:

This recommendation includes strategies for reaching the state's attainment goal by ensuring affordability and enhancing access:

1. **Increase the LME by moving to 106% of poverty (+\$550):** Living and miscellaneous expenses (LME) for state grant recipients are currently set at the federal poverty level (\$8,828 in FY2017). Actual expenditure data from the Bureau of Labor Statistics (BLS) estimates that students spend \$12,727 for a 9-month period, or approximately 150% of the



federal poverty level. The failure to recognize the full living costs students face when enrolled has placed a greater burden on all lower- and middle-income students. In order to maintain adequate coverage of living expenses for students and maximize the program's effectiveness, this recommendation would move the LME closer to the level of actual spending. A 5% supplement (\$450) to the LME formula in law would accommodate these expenses for, and increase awards to, all students. Estimated cost for the biennium: \$35,100,000.

2. **Lower the assigned family responsibility for all students:** Lowering the assigned family responsibility for all students will help low-wage working adults and middle-income families receive assistance in paying for education and depend less on borrowing. Higher education is key to economic security for families and upward economic and social mobility for lower- and middle-income families. The current reality is that higher education costs have risen faster than income. As a result, an increasing percent of family income is required to pay for college, pricing lower- and middle-income families out of higher education. These families often must choose between letting their students borrow or having the parents borrow to pay the costs of college. By further reducing the family contribution for parents of dependent students, the state can expand eligibility for State Grants to middle-income families and reduce potential debt levels. Few lower-income independent students qualify for Federal Pell Grants as the need calculation requires them to contribute one-quarter to one-half of their already low incomes towards college costs. Given the need to have more working adults receive additional education and training for changing workforce job skills, this policy creates a barrier to Minnesota's success. This recommendation impacts for low-wage working adults and to students from middle-income families by increasing awards to current recipients and increasing grant eligibility. Estimated cost for the biennium: \$38,000,000.
3. **Allow the State Grant to fill in for unawarded Pell Grants** within the State Grant program so that critical under-served students receive necessary assistance for postsecondary education. Federal funding policies create a situation in which targeted groups (e.g. students without a high school credential) and Minnesota Dreamers are ineligible for federal Pell Grants. Since the State Grant formula uses the Pell Grant in determining State Grant awards, these students must make up for the Pell Grant they do not receive by working more or borrowing. By allowing the State Grant to fill in for the missing Pell Grant, the state can increase awards to students from there underserved and under attaining population. Increasing the State Grant award amount for these students to "fill-in" for the Pell Grant will improve their ability to access and persist in postsecondary education. This recommendation would amend the State Grant award calculation statute to discontinue subtraction of the Federal Pell Grant for students who financially qualify for a Pell Grant but are not receiving one because they don't meet certain program eligibility requirements. Estimated cost for the biennium: \$2,000,000.

### Equity and Inclusion:

This recommendation will address inequity in postsecondary access and completion by providing additional State Grant dollars to students underrepresented in higher education.

### Results:

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>Previous</i>             | <i>Current</i>              | <i>Trends</i>  |
|------------------------|---|-----------------------------|-----------------------------|--|
| Quantity               | Students Served - Applications Received<br>Students Served – Number of Recipients   | FY2015<br>160,257<br>95,324 | FY2016<br>153,442<br>82,416 | As the economy improves, the number of applicants and recipients declines which presents an opportunity for Minnesota to reinvest in larger grants to lower income students. |
| Quality                | Net Price (Tuition & Fees plus other expenses less grants) – First-time, full-time undergraduate receiving Title IV Financial Aid<br><br>Incomes \$0-\$30,000 | 2008-09<br>\$14,000         | 2013-14<br>\$13,700         | Minnesota's commitment to funding the State Grant program and its other financial aid programs has reduced the out-of-pocket cost for college for the                        |

| <i>Type of Measure</i> | <i>Name of Measure</i>               | <i>Previous</i>                      | <i>Current</i>                       | <i>Trends</i>   |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
|                        | Incomes \$30,001-\$48,000            | \$14,600                             | \$14,200                             | lowest income students for the most recent 5 years.<br>(new data available in Dec 2016)   |
|                        | Incomes \$48,001-\$75,000            | \$17,500                             | \$17,100                             |   |
| Results                | Cumulative Debt - Certificates       | <b>2011-12 Graduates</b><br>\$11,158 | <b>2013-14 Graduates</b><br>\$11,435 | Minnesota's commitment to funding the State Grant program and its other financial aid programs has kept cumulative debt levels stable over the most recent 3 years. |
|                        | Cumulative Debt – Associate Degrees  | \$18,601                             | \$19,069                             |   |
|                        | Cumulative Debt – Bachelor's Degrees | \$27,926                             | \$27,506                             |   |

**Statutory Change(s):**

Minn. Stat. 136A.101 Subd. 5a. Assigned family responsibility.

Minn. Stat. 136A.121 Subd. 6. Cost of attendance.

Minn. Stat. 136A.121 Subd. 5. Grant stipends.

**Change Item Title: Statewide Attainment Initiatives**

| Fiscal Impact (\$000s)                           | FY 2018  | FY 2019  | FY 2020  | FY 2021  |
|--|----------|----------|----------|----------|
| General Fund                                     |          |          |          |          |
| Expenditures                                     | 150      | 150      | 150      | 150      |
| Revenues   | 0        | 0        | 0        | 0        |
| Other Funds                                      |          |          |          |          |
| Expenditures                                     | 0        | 0        | 0        | 0        |
| Revenues   | 0        | 0        | 0        | 0        |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 150      | 150      | 150      | 150      |
| <b>FTEs</b>                                      | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**Recommendation:**

The Governor recommends an additional \$300,000 in FY18-19 to provide emergency grants for homeless students and summer academic enrichment program stipends to low-income students. Of the total amount recommended, \$250,000 would fund matching grants to postsecondary institutions for issuing emergency funding to students who are experiencing food and housing insecurities. \$50,000 would fund stipends to low income students to attend summer academic enrichment programs to increase access and success by strengthening their preparation and aptitude for postsecondary success.

**Rationale/Background:**

Despite being the second most educated state in the nation, Minnesota continues to experience some of the largest racial disparities in educational attainment. As the state's demographics continue to shift, and communities of color continue to grow, it is necessary to address the educational attainment gap. If these patterns are allowed to go uninterrupted, Minnesota's economy will be stifled due to shortage of a qualified workforce.

A large proportion of students from lower income families lack the financial support, or family resources to meet unexpected expenses while attending school. Student financial aid assumes a family contribution, which is not possible for the very poor. In addition, older students with dependent children or supporting other family members, while working twenty or more hours/week while going to school, often can use emergency support to avoid dropping out of school.

According to a 2015 survey of students at 17 MN institutions:

- 15.8% experienced a food shortage and lacked money to buy food.
- An estimate at one MN institution is that approximately 10% of their verified students experienced at least temporary homelessness.
- Temporary food & housing insecurity pose barriers to persistence & completion.
- Support could be provided to students through emergency aid for housing or food – “just-in-time funds” to overcome a personal financial crisis

In 2015, the Legislature enacted legislation setting a target that 70 percent of Minnesota adults age 25 to 44 will have attained a postsecondary certificate or degree by 2025. An indicator of this would be the increase of post-secondary enrollment and completion rates for traditional and non-traditional students of color. Summer academic enrichment programs help to increase academic preparation, which is one of the strongest determinants of postsecondary success. While graduating from high school is the key to future educational attainment, data from the 2015 Minnesota Comprehensive Assessment show that only 36% of free/reduced price eligible 10th grade students were proficient in reading, and only 27% of the same population were proficient in grade 11 mathematics.

**Proposal:**

The Statewide Attainment Initiatives as a whole directly supports the state's attainment goal, resulting in more students earning college degrees, gaining access to critical career pathways, and thus, actively contributing to Minnesota's continued economic growth and stability. The recommendation includes:

- Emergency Student Homelessness Funding
  - This is a pilot initiative in which the Office of Higher Education would allocate grant funds, on a matching basis, to schools with a demonstrable homeless student population. Funds would be used to meet immediate needs, such as emergency housing, food, and transportation, or other financial crises that could result in a student dropping out of school. Criteria will be established to limit the amount and use of awards at each institution to meet the particular needs of their student population. OHE estimates that approximately 400-500 students would be impacted.
  - Emergency funds through this initiative would impact low-income postsecondary students, largely represented by students of color, first-generation and immigrant students; groups that are underrepresented in attaining a postsecondary credential. This funding would leverage the investments already made by the state through the state grant to meet living expenses, which can be as much as 70% of the cost of education at a community college. By providing help in emergency situations, the legislatively mandated attainment goal for undergraduate students, which states that 70% of all Minnesotans, regardless of ethnic or income group, between the ages of 25 and 44 will complete some type of postsecondary credential by 2025, will be impacted. It will also help to meet the state goals to prevent and end homelessness.
  - OHE will partner with interested postsecondary institutions, other state agencies, and student groups to establish the programming. The effective implementation date will be January 1, 2018.
- Summer Academic Enrichment Program stipends
  - This is an increase in funding for an existing program.
  - Based on eligibility for free or reduced price lunch, 3rd-11th grade students may receive a stipend for up to \$1,000 to cover the fee for attendance at a summer academic enrichment program offered by Minnesota postsecondary institutions and nonprofit organizations that provide rigorous education programs.
  - With an increase in funding, participation would be expanded to include more low-income students statewide. The appropriated amount, \$100,000, serves approximately 120 low-income students. Increasing the amount available for grants to \$125,000 would allow more low-income students to participate in academically rigorous summer programming.
  - This part of the recommendation complements work done in the agency by the federal GEAR Up/Get Ready program and compliments work done by the agency's Intervention for College Attendance Program.
  - Ongoing funding will be needed to sustain efforts to enroll low-income students in summer academic programs. Successful changes include increasing the number of low-income students who enroll in summer academic enrichment programs, experience and recognize the value of rigorous academic work, continue their education beyond high school, and pursue their ideal education/career profile.

**Equity and Inclusion:**

It is estimated that by the year 2035, Minnesota's minority population will grow from 14 percent of the total population to 25 percent. This population historically enrolls in college at lower levels and graduate from college at lower rates. These are the students and families that would be most directly impacted by increased outreach efforts.

Groups impacted include students of color, first generation and immigrant students, low-income students and families, veterans returning to school, and students who have aged out of foster care. The measured impact of these funds will be the number of students who persist to graduation and attain a postsecondary credential. OHE has been working with a number of community groups, MDE, and Minneapolis Community and Technical College over the past three years to draw attention to the issue of food and housing insecure students in postsecondary education.

**Results:**

Positive impacts would be an increased number of low-income students who complete a postsecondary credential. No negative impacts.

Institutions will gain by keeping their students and the flow of income for tuition and fees, making it possible for them to sustain the program over time. Students will complete their education and realize gainful employment, impacting the economic vitality of the state.

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: Agency Operating, Structural Shortage, and Continuity of Effort

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 375     | 500     | 500     | 500     |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 375     | 500     | 500     | 500     |
| FTEs   | 1.0     | 1.4     | 1.4     | 1.4     |

#### Recommendation:

The Governor recommends additional funding of \$875,000 for the FY18-19 biennium in order to maintain the current level of service delivery at the Office of Higher Education.

#### Rationale/Background:

Over the years the Agency has been able to effectively manage its available resources to deliver core services. Because of inflationary pressures, the Agency is reaching a point where it will have to choose which services it may not be able to deliver in the future if additional funds are not received. The Agency student outreach services and the delivery of financial aid could be compromised. These services affect thousands of students throughout the state.

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the Office of Higher Education, an erosion of services includes: outreach efforts, research and reports, and grant administration.

#### Proposal:

This recommendation will maintain core services, continue administration of general fund competitive grants, and maintain the current level of student and parent outreach efforts.

- **Basic Operations (\$525,000 FY18-19):** Due to economic and inflationary pressures over the years, recommended funds will support the continued delivery of core services related to the Agency's mission. This funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs. This recommendation includes funds to be utilized in succession planning and to pay severance costs in the next biennium.
- **Continuity of Effort (\$300,000 FY18-19):** Over the past several years the Agency has used one-time resources to increase its outreach effort to students and parents via social media, publications, and the Agency website to inform them of higher education benefits. This recommendation will continue this service in the next biennium.
- **Structural (\$50,000 FY18-19):** Maintains competitive grant programs administration for the Agency, in the face of the impending loss of a federal funding source, which has been used to partially cover the cost.

**Equity and Inclusion:**

The mission of the Office is “to advance the promise of higher education to all Minnesotans and provide the critical information that guides higher education decisions.” This agency is statutorily responsible for disbursing state and federal financial aid funds. This aid assists low income and economically disadvantaged populations, in Minnesota, afford and acquire access to a postsecondary education.

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: IT Cybersecurity/Risk Mitigation

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 1,910   | 735     | 185     | 185     |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 1,910   | 735     | 185     | 185     |
| FTEs   | 0       | 0       | 0       | 0       |

#### Recommendation:

The Governor recommends investing \$2.6 million in FY18-19 to upgrade several critical IT systems at the Minnesota Office of Higher Education. These updates would address needs in the areas of Cybersecurity/Risk mitigation, Management of Programs/Operations, and ADA compliance.

#### Rationale/Background:

Upgrading these IT systems will improve security and efficiency of the state's financial aid systems and agency data infrastructure:

- **Upgrading the INGRES database:** A critical need for OHE is the upgrade of the INGRES Database to a MS SQL server platform to maximize data integrity and data security. Ingres currently serves virtually all of the financial aid programs, including, but not limited to the MN State Grant Program, MN GI Bill, MISAP, SELF Defaulters, and the MN Dream Act. The current INGRES Database was deployed in 1987 and requires significant staff maintenance and costly license fees. The platform is considered obsolete and finding suitable staff skill sets in the marketplace is becoming very difficult as current staff retire. Continued use of INGRES introduces significant risk to the long term viability of critical business functions of OHE.
- **Developing and implementing State Grant Calculator Software for colleges:** In order to administer the State Grant program and report their activity to the agency each month, participating campuses are required to have software for this purpose. Currently two-thirds of participating campuses have adequate IT staff and have developed their own software. The remaining one-third of campuses do not have sufficient IT resources and rely on a sole proprietor to provide State Grant software at an annual cost of \$500-\$600 per campus. This reliance has been identified as in the top risk in a recent risk management analysis of the State Grant Program. Should the proprietor retire, or be unable to maintain the software, it would impact 55 postsecondary schools, 8,600 students and \$17.1 million in state grant aid to these students as campuses using the software are not set up to handle centralized administration of the program. The U.S. Department of Education provides free software to campuses to administer federal financial aid programs, as do many other states with state financial aid programs.
- **Upgrading web infrastructure:** The agency's website runs on Cobol/Visual Basic code drawing from the current Ingres database. In updating the INGRES database, the agency will need to make subsequent web infrastructure changes. These changes will allow the agency to create user friendly web applications and enhance security.

#### Proposal:

The Governor recommends upgrades to three areas of IT infrastructure in order to increase security of financial aid applications and data, and maximize efficiency in program operations:

- **Upgrading the INGRES database:** This recommendation would upgrade the INGRES database to a MS SQL Server. This change will increase data security, including bringing database systems in line with MN.IT Enterprise security



recommendations, providing the agency with detailed security audits, and allowing for enhanced data backup and recovery. This change will also decrease costs. MS SQL server will lower annual license costs by more than \$40,000 per year (INGRES commercial license costs \$47,000 annually; SQL Server license costs \$6,000). Estimated cost for the biennium: \$1,750,000.

- **Developing and implementing State Grant Calculator Software for colleges:** This recommendation will develop and maintain software that can be used by participating campuses that administer the State Grant program. This software will allow campuses to report their activity to the agency on a monthly basis. Estimated cost for the biennium: \$175,000.
- **Upgrading web infrastructure:** This recommendation will maximize session security and reduce hacking potential. This change has the added benefit of bringing the agency's database systems in line with MN.IT's Enterprise solution/recommendations, will work with State Data Center supported systems, and adds redundancy to reduce downtime. Webpages will load faster and allow the agency to scale up web reporting should they require a larger system. Staff will have more options for displaying interactive web applications and web-based reports. Estimated cost for the biennium: \$720,000.

#### IT Related Proposals:

IT purpose is specified above.

#### Results:

| <i>Type of Measure</i> | <i>Name of Measure</i>                                   | <i>Previous</i>    | <i>Current</i>     | <i>Dates</i>      |
|------------------------|--|--------------------|--------------------|-------------------|
| Quantity               | Number of Financial Aid Applications                     | 571,806<br>FY 2015 | 548,300<br>FY 2016 | FY2015-<br>FY2016 |
| Quantity               | Number of Minnesota Colleges Served by OHE Financial Aid |                    | 153                | FY2017            |
| Quantity               | Number of Non-Minnesota Colleges Served by SELF Loans    |                    | 355                | FY2017            |
| Quantity               | Number of OHE webpages                                   |                    | 1100               | FY2017            |

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: IT Infrastructure

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 260     | 260     | 160     | 160     |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 260     | 260     | 160     | 160     |
| FTEs   | 0       | 0       | 0       | 0       |

#### Recommendation:

The Governor recommends investing \$520,000 in FY18-19 to two areas of IT infrastructure at the Minnesota Office of Higher Education. These upgrades will maximize efficiency in program operations and data, addressing Management of Programs/Operations needs.

#### Rationale/Background:

The two areas of IT infrastructure needing upgrades include:

- **SIMON Database analyst:** SIMON is a database that contains relevant data from all of OHE's systems and programs for all years in a manner that facilitates longitudinal research used to inform program planning and evaluation. A Database Administrator/Developer is needed to incorporate the final phase of data sources and continue to build out and refine reporting using SIMON. Currently, this position is paid out of Minnesota Statewide Longitudinal Education Data Systems (SLEDs) funding and available administrative funds from FY2017. This position needs ongoing funding in order for these services to continue.
- **ADA compliance:** OHE needs to make their reports and websites ADA compliant as quickly as possible. Given the number of reports and publications on the web, it may take up to two years to fully convert them.

#### Proposal:

The Governor recommends upgrades to two areas of IT infrastructure in order to maximize efficiency in program operations and data:

- **SIMON Database analyst:** This recommendation would create ongoing funding for a database Administrator/Developer (1 FTE) to incorporate the final phase of data sources and continue to build out and refine reporting. Estimated cost for the biennium: \$320,000.
- **ADA compliance:** This recommendation would provide funding to hire a temporary contractor to develop and implement an ADA conversion plan. Funding for this contractor would be provided for two years. Estimated cost for the biennium: \$200,000.

#### IT Related Proposals:

IT purpose is specified above.

**Results:**

| <i>Type of Measure</i> | <i>Name of Measure</i>                                      | <i>Previous</i>    | <i>Current</i>     | <i>Dates</i>      |
|------------------------|---|--------------------|--------------------|-------------------|
| Quantity               | Number of Financial Aid Applications                        | 571,806<br>FY 2015 | 548,300<br>FY 2016 | FY2015-<br>FY2016 |
| Quantity               | Number of Minnesota Colleges Served<br>by OHE Financial Aid |                    | 153                | FY2017            |
| Quantity               | Number of Non-Minnesota Colleges<br>Served by SELF Loans    |                    | 355                | FY2017            |
| Quantity               | Number of OHE webpages                                      |                    | 1100               | FY2017            |

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: Campus Sexual Violence Prevention & Response Coordinator

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 150     | 150     | 150     | 150     |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 150     | 150     | 150     | 150     |
| FTEs   | 1       | 1       | 1       | 1       |

#### Recommendation:

The Governor recommends an ongoing appropriation of \$100,000 per fiscal year for a Campus Sexual Violence Prevention & Response Coordinator, which will serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions on campus sexual violence prevention and response, and \$50,000 per fiscal year to host an annual conference, conduct offsite trainings, and provide related materials.

#### Rationale/Background:

Though statistics vary, the problem of campus sexual assault is real. According to some studies, one in 5 women and one in 16 men are sexually assaulted while in college.<sup>1</sup> Additionally, it is projected that 90% of sexual assault victims on college campuses do not report the assault.<sup>2</sup> While there were 294 reports of sexual assault to colleges in Minnesota in 2015, there were likely many more that went unreported.<sup>3</sup>

Higher education institutions in Minnesota are seeking additional guidance about sexual assault prevention and response, including the requirements of [Minn. Stat. § 135A.15](#). State law requires institutions to implement a wide range of sexual violence policies, provide training for students and staff, provide access to an online reporting system, and requires cooperation between institutions and local law enforcement. Institutions must also maintain compliance with Title IX, the Violence Against Women Act, the Campus SaVE amendment to the Clery Act, and other federal guidance on sexual violence prevention and response. There is a significant need for guidance on best practices and professional development opportunities for institutions across the state, and these needs are particularly acute at smaller institutions with limited resources and/or limited Title IX staff.

It is expected that over time, Minnesota institutions will see a decrease in number of incidents of sexual violence through effective student and staff training, improved reporting of campus sexual violence when incidents do occur, and effective institutional responses to incidents of sexual violence.

#### Proposal: Create a state-wide resource for Campus Sexual Violence Prevention & Response

This proposal would support 1 FTE (\$100,000) and resources for professional development, outreach, and programming (\$50,000) dedicated to helping higher education institutions with campus sexual violence prevention and response by, but not limited to:

- Coordinate an annual conference for campus teams on campus sexual violence prevention and response
- Develop and provide sexual violence prevention and response materials and training to campus Title IX staff, campus safety officers, and student groups/leaders including trauma-informed investigation and adjudication practices

<sup>1</sup> Krebs, C. P., Lindquist, C., Warner, T., Fisher, B., & Martin, S. (2007). The campus sexual assault (CSA) study: Final report. Retrieved from the National Criminal Justice Reference Service: <http://www.ncjrs.gov/pdffiles1/nij/grants/221153.pdf>

<sup>2</sup> Fisher, B., Cullen, F., & Turner, M. (2000). The sexual victimization of college women (NCJ 182369). Retrieved from the National Criminal Justice Reference Service: <https://www.ncjrs.gov/pdffiles1/nij/182369.pdf>

<sup>3</sup> Minnesota Office of Higher Education. (2016). Sexual Assault Data Report. <http://www.ohe.state.mn.us/sPages/SADR.cfm>

- Consult with campuses on policy implementation issues to improve student trust in campus-based investigations and adjudications and increase support to victim/survivors during these processes
- Coordinate professional working groups of Title IX coordinators and others to develop a toolbox of sexual assault prevention and response best practices
- Partner with MNCASA, sexual violence prevention at MN Department of Health, and others to address broader issues around sexual violence including access to sexual assault forensic exams and protections for student medical privacy

These resources would help meet the institutional demand for guidance on best practices, ensure more effective and consistent implementation of [Minn. Stat. § 135A.15](#), and ultimately create a safer learning environment for all students in Minnesota.

### **Equity and Inclusion:**

Programming lead by the Campus Sexual Violence Prevention & Response Coordinator will help to create safer learning environments particularly for women and LGBTQ populations as they are most often the victims of sexual harassment and sexual violence.

### **Results:**

As this is a new program, current performance measures are not available.

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: Teacher Workforce

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | 2,500   | 2,500   | 2,500   | 2,500   |
| Revenues   | 0       | 0       | 0       | 0       |
| Other Funds                                      |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | 2,500   | 2,500   | 2,500   | 2,500   |
| FTEs   | 1       | 1       | 1       | 1       |

#### Recommendation:

The Governor recommends investing \$5 million in FY18-19 towards a competitive grant program to postsecondary institutions to diversify and increase the state's E-12 teacher workforce. Funds would be used to identify, recruit, counsel, and financially support students who enroll and complete programs leading to teaching licensure, particularly in shortage licensure areas. The program will also provide financial assistance to eligible students attending these institutions.

#### Rationale/Background:

The 2015 Teacher Supply and Demand Report to the Legislature found the following trends:

- Districts had to hire 3,504 teachers who lacked the necessary licenses for the subjects and grade levels taught. That is about 6 percent of the workforce.
- The percentage of students of color in Minnesota continues to increase each year but the percentage of teachers of color has been stagnant, the last report shows that only 3.8 percent of the teacher workforce are nonwhite. The report anticipates that by 2024, 38 percent of the student population will be non-white.
- There are fewer graduates from teacher preparation programs.
- Greater Minnesota is reporting that it is difficult to fill "core" subject area positions; thus, creating teacher shortage areas in particular economic development regions within the state.

#### Proposal:

This recommendation will create a grant program to postsecondary institutions to identify, recruit, counsel, and financially support students to enroll in and to complete programs leading to teaching licensure including undergraduate and graduate programs. A majority of grant funds will be used to provide financial assistance to students with a maximum annual award of up to \$10,000 per student. Approximately 175-213 students could receive awards each year assuming postsecondary institutions utilized 10-25 percent of total grant funds to identify, recruit, and counsel students.

Proposals from postsecondary institutions with diverse student populations and which have specific programs geared towards developing teacher candidates of color and American Indian teacher candidates will be prioritized in the award selection process.

In order to receive funds, a student must annually agree to complete activities that inform them of a career in education such as completing a certain number of volunteer hours at a school or shadowing a current teacher for a certain number of hours. Students must also annually sign an agreement stating they intend to teach in a license field or economic development region shortage area after earning their teacher licensure. Postsecondary institutions must prioritize identifying, recruiting, counseling and providing financial assistance to students from low income families and populations that are underrepresented in the teaching field. Priority must also be given to students enrolled in programs preparing candidates in teacher shortage areas.

The goals of program are to increase and diversify the overall teacher talent pool and address the state's teacher workforce needs.

Up to 5 percent of the appropriation could be used for administration of the program which will include management of the grant including technical assistance to postsecondary institutions and monitoring the usage of grant funds. Administrative funds will also be used to collect student-level recipient data and report program results.

### Equity and Inclusion:

Postsecondary institutions will prioritize students from low-income families and populations that are underrepresented in the teaching profession, which includes most communities of color and American Indian candidates.

### Results:

| <i>Type of Measure</i> | <i>Name of Measure</i>               | <i>Previous</i>              | <i>Current</i>                 | <i>Trends</i> |
|------------------------|--------------------------------------|------------------------------|--------------------------------|---------------|
| Results                |                                      | <b>2011-12<br/>Graduates</b> | <b>2014-15<br/>Graduates\$</b> |               |
|                        | Cumulative Debt – Associate Degrees  | \$18,601                     | 18,233                         |               |
|                        | Cumulative Debt – Bachelor's Degrees | \$27,506                     | \$26,822                       |               |
|                        | Cumulative Debt – Master's Degrees   | \$33,230                     | \$34,522                       |               |
|                        | Cumulative Debt – Doctoral Degrees   | \$56,813                     | \$63,237                       |               |

## Higher Education, Office of

### FY18-19 Biennial Budget Change Item

#### Change Item Title: Move DLI PIPELINE Project Base to DLI

| Fiscal Impact (\$000s)                           | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--|---------|---------|---------|---------|
| General Fund                                     |         |         |         |         |
| Expenditures                                     | (200)   | (200)   | (200)   | (200)   |
| Revenues   | 0       | 0       | 0       | 0       |
| Workforce Development Fund                       |         |         |         |         |
| Expenditures                                     | 0       | 0       | 0       | 0       |
| Revenues   | 0       | 0       | 0       | 0       |
| Net Fiscal Impact =<br>(Expenditures – Revenues) | (200)   | (200)   | (200)   | (200)   |
| FTEs   | 0       | 0       | 0       | 0       |

#### Recommendation:

The Governor recommends the ongoing appropriation of \$200,000 per fiscal year to the Minnesota Office of Higher Education for the PIPELINE project be directly appropriated to the Department of Labor and Industry.

#### Rationale/Background:

Currently, funding for Minnesota PIPELINE Project is appropriated to OHE, and transferred to DLI. Directly appropriating these funds to DLI is consistent with DLI Apprenticeship Division funding.

Winner of a 2016 State Government Innovation Award, the Minnesota PIPELINE Project brings together more than 400 industry leaders to develop industry-led, employer-driven, employment-based training programs throughout the state.

The PIPELINE Project was started in FY 2015 to develop industry-led employment-based training programs by leveraging Minnesota's success with registered apprenticeship. PIPELINE currently targets four high-growth industry sectors for the expansion of dual-training and registered apprenticeship programs: advanced manufacturing, agriculture, health care services, and information technology.

#### Proposal:

This recommendation changes the appropriation from a pass-through from OHE, to a direct appropriation to DLI.

#### Equity and Inclusion:

- Dual-training and registered apprenticeship programs are earn-while-you-learn programs that help to address economic disparities. When employers identify qualified applicants based on industry validated occupational competencies, it standardizes and creates more equity in hiring processes.
- The PIPELINE Project is focused on serving underrepresented populations including women, people of color, veterans and disabled. The number of underrepresented populations will be one of several accountability measures.
- On-going funding for the PIPELINE Project will assist in providing technical assistance for developing and implementing dual-training programs for Minnesota employers, employees, and future employees.
- By leveraging Minnesota's success in registered apprenticeship, and focusing on four high-demand, high-growth industries the PIPELINE Project is helping employers change the question from "how do we get workers with the skills we need?" to "how do we provide workers the skills we need?"



**Results:**

| <i><b>Type of Measure</b></i> | <i><b>Name of Measure</b></i>                        | <i><b>Previous*</b></i> | <i><b>Current</b></i> | <i><b>Dates</b></i> |
|-------------------------------|--|-------------------------|-----------------------|---------------------|
| Quantity                      | Industry Council Participants                        | 0                       | 417                   | 7/1/14 – 9/1/16     |
| Quantity                      | PIPELINE Project Validated Occupational Competencies | 0                       | 22                    | 1/15/15 – 9/1/16    |
| Quantity                      | Employers Served                                     | 0                       | 37                    | 9/1/15 – 9/1/16     |
| Quantity                      | Employees Served                                     | 0                       | 274                   | 9/1/15 – 9/1/16     |
| Quantity                      | Employer requesting Dual-Training Assistance         | 0                       | 63                    | 9/1/15 – 9/1/16     |

\* There are no previous measures delineated yet because this program started in FY 2015.

## Program: Student Financial Aid Services

<http://www.ohe.state.mn.us/>

## AT A GLANCE

- Provided a total of \$186.3 million in need-based financial assistance to 99,000 Minnesota students in FY2015
- Administered state financial aid programs with a total of 5.0 full-time employees.

## PURPOSE &amp; CONTEXT

The Office of Higher Education's Student Financial Aid Services support the state's strategy to keep education affordable and accessible for all Minnesota residents. These programs support the Minnesota Dashboard's goals of:

- A thriving economy that encourages business growth and employment opportunities
- Minnesotans have the education and skills needed to achieve their goals.

State financial aid programs enable students to access and choose the postsecondary institution that best meets their educational needs, regardless of their financial circumstances.

## SERVICES PROVIDED

The Student Financial Aid Services division administers several state-funded college financial aid programs that support students pursuing postsecondary education.

| Program   | Year   | Students | Expenditures    | Description   |
|---|--------|----------|-----------------|---|
| MN State Grant  | FY2015 | 95,300   | \$177 million   | Need-based grant to MN residents attending MN colleges.   |
| Interstate Tuition Reciprocity                          | FY2015 | 27,700   | \$ 6.9 million  | Waives non-resident tuition rates for MN residents attending public colleges in reciprocity states.   |
| State Work Study  | FY2015 | 10,828   | \$ 15.2 million | Funds allocated to MN colleges to pay 75% of wages for student employment on or off campus.   |
| Postsecondary Child Care Grant                          | FY2015 | 2,182    | \$ 5.8 million  | Need-based grants to student parents using child care services while attending college.   |
| MN Indian Scholarship                                   | FY2015 | 1,087    | \$ 3.5 million  | Need-based scholarships to MN resident students who have at least one-quarter American Indian ancestry.   |
| MN GI Bill  | FY2015 | 1,037    | \$ 1.5 million  | Financial assistance to eligible MN veterans and service members (including spouses/dependents of disable/deceased veterans) to attend college in MN. |
| United Family Practice & Hennepin County Medical Center | FY2016 |          | \$ 1.0 million  | Financial support for family practice training programs.  |
| Tribal College Grants                                   | FY2016 |          | \$ 139,920      | Direct financial support to tribal colleges in MN to support the cost of educating non-tribal members.  |
| Safety Officers Survivor's Grant                        | FY2015 | 6        | \$ 51,506       | Non-need-based college grants to survivors of MN public safety officers killed in the line of duty.   |
| John R. Justice Student Loan Repayment                  | FY2016 |          | \$ 31,208       | Federal grant funds used for student loan repayment assistance to public defenders and prosecutors.   |

| Program                                   | Year   | Students | Expenditures            | Description   |
|---|--------|----------|-------------------------|---|
| MnSCU 2-year Occupational Grant Program   | FY2016 |          | \$ 0                    | Pilot program providing grants and mentoring to 2016 high school graduates enrolled in qualifying high-demand occupational programs during FY2017 and FY2018. |
| Teacher Shortage Loan Repayment           | FY2016 |          | \$ 0                    | Student loan repayment assistance to teachers in shortage areas   |
| Student Teachers in Shortage Areas Grants | FY2016 |          | \$ 0                    | Grants to student teachers in shortage areas  |
| Dual Training Grants                      | FY2016 |          | \$ 54,294               | Grants to employers for employee dual training programs   |
| Greater MN Internship Tax Credit          | TY2015 | 18       | \$ 36,000 (tax credits) | Tax credits for employers who provide eligible paid internships to students   |

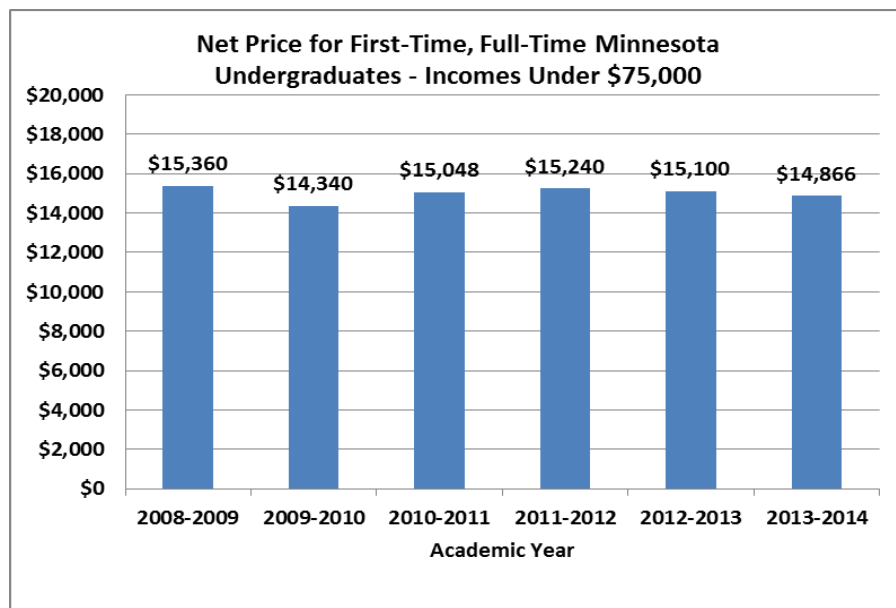
## RESULTS

Student Financial Aid Services evaluates the outcomes of its strategies and services by determining their impact on student access to and choice of higher education institutions by:

1. Assessing the average net price students and families pay for postsecondary attendance and its relation to family income
2. Monitoring the median cumulative student loan debt of bachelor's degree completers at Minnesota four-year public and private campuses to determine if cumulative debt amounts are stable and monthly loan payments are reasonable
3. Tracking the percentage of students who take out student loans to attend college
4. Comparing the percentage of Minnesota State Grant recipients who attend the various sectors in Minnesota with nationwide averages to determine if the program continues to support student choice

### 1. Average Net Price in Minnesota

The State Grant program and the Federal Pell Grant program are important drivers of net price (gross price minus grants and scholarships) because they are the major form of grants for college students in Minnesota. Over the past six years, average net price has been relatively stable in Minnesota which is some indication that grants and scholarships are keeping pace with increasing college costs. For first-time, full-time undergraduates with family incomes below \$75,000 at Minnesota postsecondary institutions, the average net price decreased to \$14,866 during the 2013-2014 academic year.



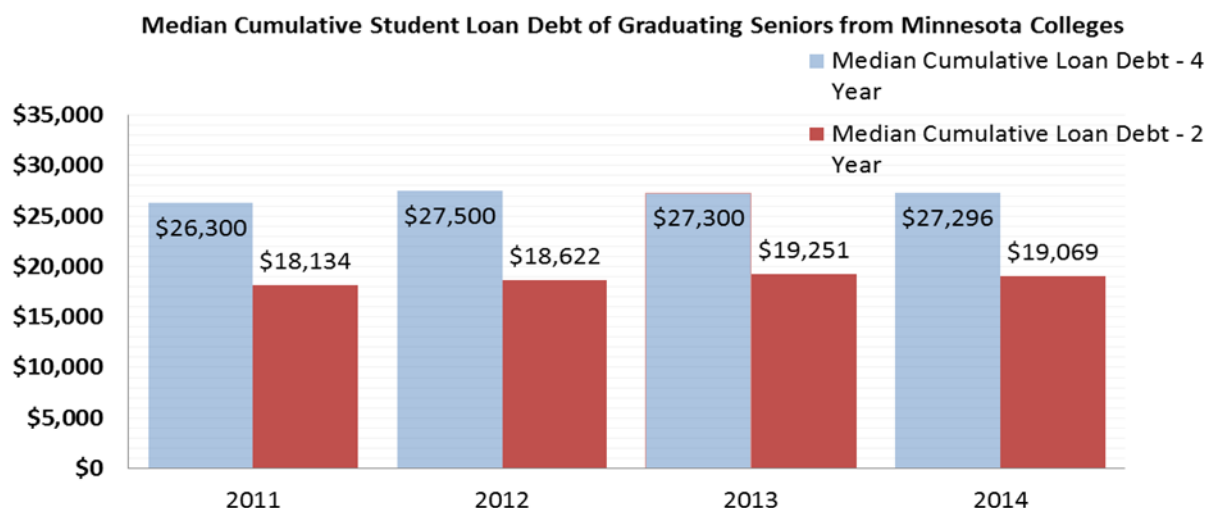
## 2. Median Cumulative Student Debt &

### 3. Percentage of Students Borrowing in Minnesota

State financial aid programs help reduce the cumulative amount students must borrow to cover educational costs. Median student loan debt in Minnesota has been stable over the past five years. Students who graduated from Minnesota four-year public and private institutions had median student loan debt of \$27,296 in 2014 and associate degree recipients had a median student loan debt of \$19,069.

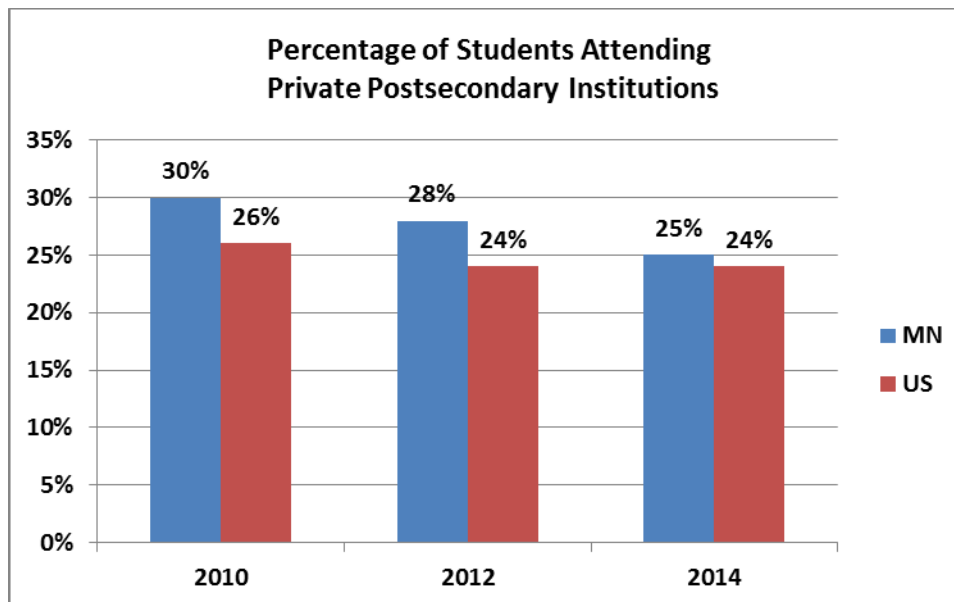
Reasonableness of future student loan payments is also an important measure, since some students may opt out of postsecondary education or attend less expensive institutions to avoid an unmanageable debt load. Monthly payments on Minnesota's median cumulative loan debt of \$27,296 for four-year degree completers would be approximately \$269. The corresponding payment amount for associate degree completers would be \$189. Neither amount exceeds eight percent of gross monthly salaries for degree-completers in Minnesota, which is the Consumer Financial Protection Bureau's measure of an affordable loan payment.

The percentage of Minnesota four-year college graduates with student loans has also been relatively stable over the past four years, at 72 percent of four-year graduates borrowing during 2014, and 71 percent for associate degree recipients.



## 4. Enrollment at Private Postsecondary Education Institutions in Minnesota

Minnesota's undergraduate students continue to attend private institutions at a higher rate (25 percent) than the national average (24 percent) even though Minnesota has a slightly lower proportion of private degree-granting postsecondary institutions (59 percent) participating in the State Grant program than the percentage of private postsecondary institutions in the U.S. (62.4 percent). This may indicate that state financial aid programs, which are available at both private and public institutions in the state, help reduce the financial barriers of enrolling in higher-priced institutions. The percentage of students enrolled at private institutions in Minnesota has decreased over the past four years, primarily due to school closures and lower enrollment in the for-profit sector.



#### Results Notes:

##### Measure 1

The data used to calculate this measure is gathered from the Student Financial Aid (Net Price) Survey by the US Department of Education's Integrated Postsecondary Education Data System (IPEDS). Data on average net price by type of educational institution is available at: <http://www.ohe.state.mn.us/mPg.cfm?pageID=2115>.

##### Measures 2 and 3

Source: Office of Higher Education, Cumulative Student Loan Debt in Minnesota. Median starting salary for 2010 graduates with bachelor's degrees in their fourth year of employment was provided by the MN Department of Employment and Economic Security.

##### Measure 4

National data were from the National Center for Education Statistics (NCES), Total Undergraduate Fall Enrollment in Degree-Granting Institutions 1970-2025. Minnesota data were from the Office of Higher Education's student enrollment database. For this measure, private postsecondary institutions included both non-profit and for-profit institutions.

The following links are to statutes providing legal authority to the Office of Higher Education to administer state financial aid programs:

<https://www.revisor.mn.gov/statutes/?id=136A.121> - Minnesota State Grant Program  
<https://www.revisor.mn.gov/statutes/?id=136A.08> - Interstate Tuition Reciprocity Program  
<https://www.revisor.mn.gov/statutes/?id=136A.233> - Minnesota State Work Study Program  
<https://www.revisor.mn.gov/statutes/?id=136A.125> - Postsecondary Child Care Grant Program  
<https://www.revisor.mn.gov/statutes/?id=136A.126> - Minnesota Indian Scholarship Program  
<https://www.revisor.mn.gov/statutes/?id=197.791> - MN GI Bill Program  
<https://www.revisor.mn.gov/statutes/?id=136A.1796> - Tribal College Grant Program  
<https://www.revisor.mn.gov/statutes/?id=299A.45> - Safety Officers Survivor's Grant Program.

(Dollars in Thousands)

**Expenditures By Fund**

|                                      | Actual         | Actual         | Actual         | Estimate       | Forecast Base  |                | Governor's Recommendation |                |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|----------------|
|                                      | FY14           | FY15           | FY16           | FY17           | FY18           | FY19           | FY18                      | FY19           |
| 1000 - General                       | 206,358        | 215,828        | 218,071        | 229,589        | 222,562        | 219,081        | 256,062                   | 252,581        |
| 2001 - Other Misc Special Revenue    | 0              | 0              | 0              | 2,394          | 200            | 200            | 200                       | 200            |
| 3000 - Federal                       | 69             | 40             | 42             | 50             | 50             | 50             | 50                        | 50             |
| <b>Total</b>                         | <b>206,427</b> | <b>215,868</b> | <b>218,113</b> | <b>232,033</b> | <b>222,812</b> | <b>219,331</b> | <b>256,312</b>            | <b>252,831</b> |
| <i>Biennial Change</i>               |                |                |                | 27,851         |                | (8,003)        |                           | 58,997         |
| <i>Biennial % Change</i>             |                |                |                | 7              |                | (2)            |                           | 13             |
| <i>Governor's Change from Base</i>   |                |                |                |                |                |                |                           | 67,000         |
| <i>Governor's % Change from Base</i> |                |                |                |                |                |                |                           | 15             |

**Expenditures by Budget Activity**

|  |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Budget Activity: Student Financial Aid           | 15,006         | 16,116         | 15,131         | 15,180         | 15,157         | 15,157         | 15,157         | 15,157         |
| Budget Activity: State Grants                    | 183,480        | 194,053        | 193,047        | 199,952        | 196,437        | 192,956        | 227,437        | 223,956        |
| Budget Activity: Loan Forgiveness and Counseling | 0              | 0              | 44             | 5,456          | 200            | 200            | 2,700          | 2,700          |
| Budget Activity: Interstate Tuition Reciprocity  | 7,941          | 5,700          | 9,891          | 11,445         | 11,018         | 11,018         | 11,018         | 11,018         |
| <b>Total</b>                                     | <b>206,427</b> | <b>215,868</b> | <b>218,113</b> | <b>232,033</b> | <b>222,812</b> | <b>219,331</b> | <b>256,312</b> | <b>252,831</b> |

**Expenditures by Category**

|   |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Compensation                              | 96             | 87             | 159            | 234            | 185            | 129            | 265            | 209            |
| Operating Expenses                        | 79             | 71             | 121            | 943            | 726            | 81             | 771            | 126            |
| Other Financial Transactions              | 403            | 758            | 1,504          | 10             | 10             | 10             | 31,010         | 31,010         |
| Grants, Aids and Subsidies                | 205,849        | 214,952        | 216,329        | 230,846        | 221,891        | 219,111        | 224,266        | 221,486        |
| <b>Total</b>                              | <b>206,427</b> | <b>215,868</b> | <b>218,113</b> | <b>232,033</b> | <b>222,812</b> | <b>219,331</b> | <b>256,312</b> | <b>252,831</b> |
| Total Agency Expenditures                 | 206,427        | 215,868        | 218,113        | 232,033        | 222,812        | 219,331        | 256,312        | 252,831        |
| Internal Billing Expenditures             | 0              | 0              | 0              | 0              | 0              | 0              | 0              | 0              |
| <b>Expenditures Less Internal Billing</b> | <b>206,427</b> | <b>215,868</b> | <b>218,113</b> | <b>232,033</b> | <b>222,812</b> | <b>219,331</b> | <b>256,312</b> | <b>252,831</b> |

**Full-Time Equivalents**

|     |     |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.5 | 1.3 | 1.3 | 1.7 | 1.7 | 1.2 | 2.7 | 2.2 |
|-----|-----|-----|-----|-----|-----|-----|-----|

**1000 - General**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base  |                | Governor's<br>Recommendation |                |
|--|----------------|----------------|----------------|------------------|----------------|----------------|------------------------------|----------------|
|  |                |                |                |                  | FY18           | FY19           | FY18                         | FY19           |
| Balance Forward In                       | 0              | 11,077         | 0              | 784              | 0              | 0              | 0                            | 0              |
| Direct Appropriation                     | 215,790        | 213,431        | 218,206        | 226,506          | 221,062        | 217,581        | 254,562                      | 251,081        |
| Net Transfers                            | 1,645          | 21             | 649            | 2,300            | 1,500          | 1,500          | 1,500                        | 1,500          |
| Cancellations                            | 0              | 8,701          | 0              | 0                | 0              | 0              | 0                            | 0              |
| <b>Expenditures</b>                      | <b>206,358</b> | <b>215,828</b> | <b>218,071</b> | <b>229,589</b>   | <b>222,562</b> | <b>219,081</b> | <b>256,062</b>               | <b>252,581</b> |
| Balance Forward Out                      | 11,077         | 0              | 784            | 0                | 0              | 0              | 0                            | 0              |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 25,474           |                | (6,017)        |                              | 60,983         |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 6                |                | (1)            |                              | 14             |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |                |                |                              | 67,000         |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |                |                |                              | 15             |
| Full-Time Equivalents                    | 1.4            | 1.3            | 1.3            | 1.7              | 1.7            | 1.2            | 2.7                          | 2.2            |

**2001 - Other Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |            | Governor's<br>Recommendation |            |
|--|----------------|----------------|----------------|------------------|---------------|------------|------------------------------|------------|
|  |                |                |                |                  | FY18          | FY19       | FY18                         | FY19       |
| Balance Forward In                       | 0              | 0              | 0              | 194              | 0             | 0          | 0                            | 0          |
| Net Transfers                            | 0              | 0              | 194            | 2,200            | 200           | 200        | 200                          | 200        |
| <b>Expenditures</b>                      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>2,394</b>     | <b>200</b>    | <b>200</b> | <b>200</b>                   | <b>200</b> |
| Balance Forward Out                      | 0              | 0              | 194            | 0                | 0             | 0          | 0                            | 0          |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 2,394            |               | (1,994)    |                              | (1,994)    |
| <i>Biennial % Change in Expenditures</i> |                |                |                |                  |               | (83)       |                              | (83)       |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |            |                              | 0          |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |            |                              | 0          |

**3000 - Federal**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |           | Governor's<br>Recommendation |           |
|--|----------------|----------------|----------------|------------------|---------------|-----------|------------------------------|-----------|
|  |                |                |                |                  | FY18          | FY19      | FY18                         | FY19      |
| Balance Forward In                       | 0              | 4              | 0              | 0                | 0             | 0         | 0                            | 0         |
| Receipts                                 | 69             | 36             | 42             | 50               | 50            | 50        | 50                           | 50        |
| <b>Expenditures</b>                      | <b>69</b>      | <b>40</b>      | <b>42</b>      | <b>50</b>        | <b>50</b>     | <b>50</b> | <b>50</b>                    | <b>50</b> |
| <i>Biennial Change in Expenditures</i>   |                |                |                | (17)             |               | 8         |                              | 8         |
| <i>Biennial % Change in Expenditures</i> |                |                |                | (15)             |               | 8         |                              | 8         |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |           |                              | 0         |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |           |                              | 0         |
| Full-Time Equivalents                    | 0.1            | 0.0            | 0.0            | 0.0              | 0.0           | 0.0       | 0.0                          | 0.0       |



## Program: State Supplemental Loans

<http://www.selfloan.state.mn.us/> and [www.selfrefi.state.mn.us](http://www.selfrefi.state.mn.us)

### AT A GLANCE

- Over 66,000 borrowers currently have loans through the SELF program and owe \$560 million.
- The SELF Refi program began in January 2016 and over \$25 million has been lent out to more than 700 Minnesota residents to refinance their student loans.
- There is a \$100 million cap on the SELF Refi program.
- 6 Full Time Employees work on the SELF and SELF Refi programs

### PURPOSE & CONTEXT

The Office of Higher Education offers the Student Educational Loan Fund (SELF) program to help finance postsecondary education with low-interest loans. The SELF program contributes to the agency's mission by providing money for students to get a college education. SELF Loans are not limited to people with certain income levels. A wide variety of people are able to use the loan as long as they meet minimum program requirements and have a co-signer.

The SELF Refi program is available to help Minnesota residents refinance their student loans by offering low

interest rates and more favorable repayment terms. A wide variety of people are able to use the loan as long as they meet program eligibility requirements.

### SERVICES PROVIDED

#### SELF Program

The SELF program provides loans to students and families to help pay for college. The SELF Loan is available to Minnesota residents attending a participating college nationwide, or a Minnesota resident or nonresident attending a college in Minnesota. The program provides money to students to cover the cost of attending college beyond what is available through scholarship and grant money. Students can choose either a fixed or variable rate. SELF interest rates as of August 1, 2016 are: 3.4% variable and 6.0% fixed.

Current activities of the SELF program:

- We facilitate a group of 17 state-based student loan lenders working to change the preferred lender restrictions. Under the preferred lender restrictions, postsecondary institutions cannot tell students about the SELF Loan without going through a process to identify and evaluate other loan programs. As a result, many institutions only recommend federal loans to students because they are exempt from the preferred lender requirements.
  - a. Communicating with the various Congressional delegations about how students are being harmed by unintended consequences of the law.
  - b. Working to create an exemption for state programs that would allow students to hear about the benefits of state operated student loan programs from financial aid representatives at their college.
- In 2016, we hired an in-house attorney with delegated authority to assist with the collection of defaulted loans. This action is intended to improve collection on defaulted loans and to ultimately eliminate the need to utilize private collection agencies.
- The SELF Loan limits increased in July 2015 from \$10,000 to \$20,000 per year for students enrolled in four-year or graduate programs. In May 2016 the loan limits decreased from \$7,500 to \$3,500 for programs that are less than an academic year in length.

#### SELF Refi

The SELF Refi program provides loans to help Minnesota residents refinance their postsecondary education debt. The SELF Refi Loan is available to Minnesota residents who have earned a credential, are currently employed, meet credit and debt-to-income requirements and have at least \$10,000 in qualified education loans to refinance. There is also an option for a co-signed

loan if the borrower meets minimum credit and debt-to-income requirements. The maximum SELF Refi loan is \$70,000. There are six different loan options based on loan term and type of interest rate. The debt-to-income ratio of the borrower and co-signer (if needed) determine which of the six options the borrower can select from.

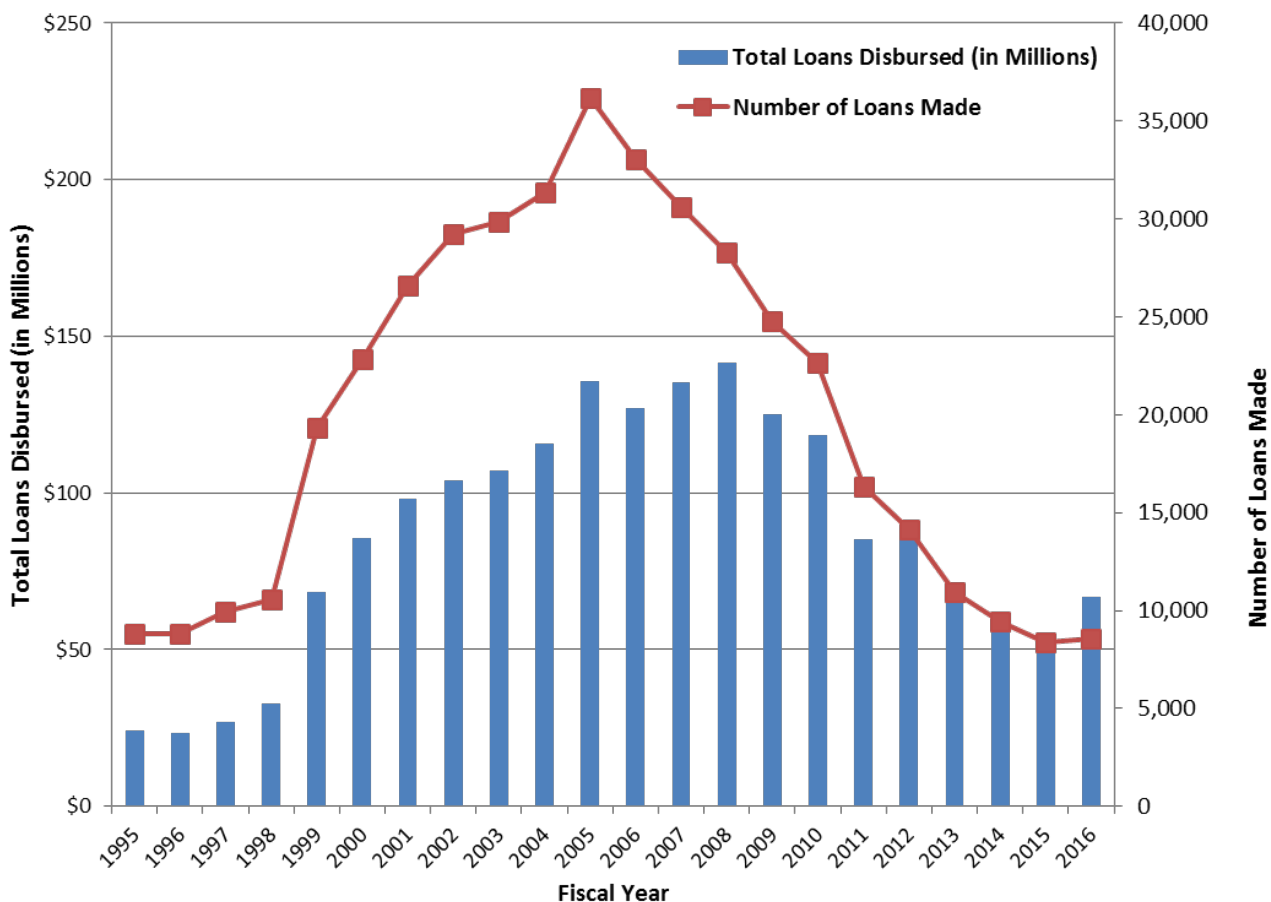
Current activities of the SELF Refi program:

- The program is relatively new and will continue to be evaluated for its effectiveness and future enhancements. Loan volume will be evaluated annually. However, it can take years to see trends in defaulted loans.

## RESULTS

SELF Program

### SELF Loans Awarded (Fiscal Years 1995 - 2016)



Source: Office of Higher Education

#### Quantity:

The number of SELF Loans and total dollars given to students was decreasing between 2009 and 2016. There are two primary reasons for the decrease:

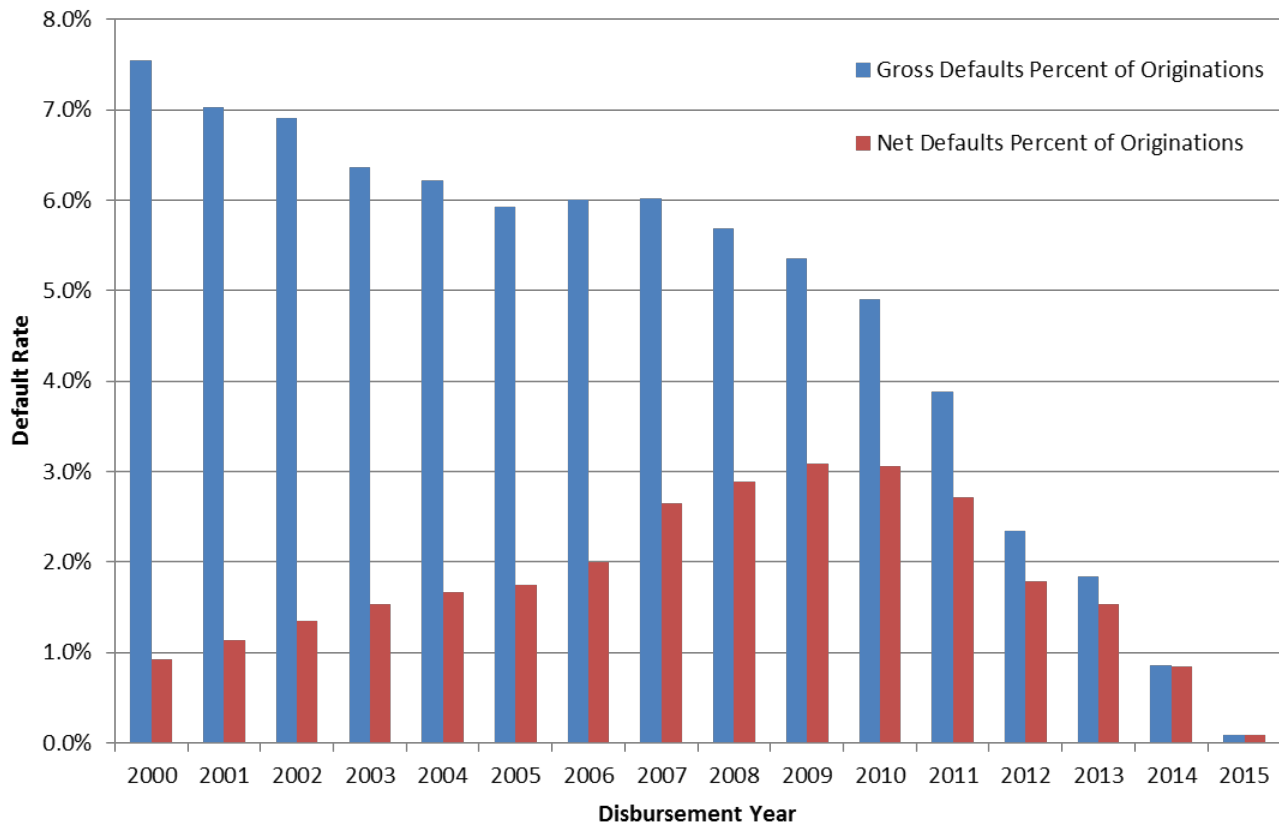
- The federal government passed a law in 2008, which greatly restricts the ability of colleges to give students information about non-federal loans. Before this law was in place, colleges could give students information about the SELF Loan and the low interest rates available.

- The amount students could borrow through the SELF program was not keeping up with the cost of going to college. This means students borrow from private banks or other financial sources in order to get all the money they need from one place, even though it may cost them more in interest and fees.
- Loan volume increased in 2016 as a result of changing the loan limit from \$10,000 to \$20,000 for students enrolled in 4-year or graduate programs.

#### Quality:

Gross defaults represent the loan balance at the time of default. The amount owed after payments have been made on the defaulted loans is the net default. Both the gross and net default rates for SELF loans are fairly low.

### SELF Loan Program Default Rates as of 2015



Source: Minnesota Office of Higher Education

#### Result:

We effectively collect money owed on defaulted loans resulting in net default rates of less than 3 percent. Low default rates help keep interest rates low for students, since people not repaying their loans is a program expense.

M.S. 136A.1701 (<https://www.revisor.mn.gov/statutes/?id=136A.1701>) provides the legal authority for the SELF program.

## SELF Refi

### Quantity:

The legislature limited the SELF Refi program to a maximum amount of \$100 million in loans outstanding. In seven months the program has already expended \$25 million or 25% of the maximum limit.

### Quality:

The SELF Refi program provides a low-cost option to Minnesota residents who are looking to refinance their student loans to better manage their student debt by changing the interest rate, the interest rate type and/or the repayment term.

SELF Refi is available with fixed and variable rate loans, and three repayment term options. Rates as of October 1, 2016 are:

- 5 year 3.20% variable, 4.25% fixed
- 10 year 3.85% variable 5.50% fixed
- 15 year 4.55% variable, 6.75% fixed

Consumers can compare the SELF Refi rates to other refinancing products available through the federal government, other states or private lenders to determine whether the SELF Refi Loan is beneficial for them.

### Result:

The program is relatively new and will continue to be evaluated for its effectiveness and future enhancements. Loan volume will be evaluated annually.

M.S. 136A.1704 (<https://www.revisor.mn.gov/statutes/?id=136A.1704>) provides the legal authority for the SELF program.

(Dollars in Thousands)

**Expenditures By Fund**

|                                   | Actual        | Actual        | Actual        | Estimate      | Forecast Base  |                | Governor's Recommendation |                |
|-----------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------------------|----------------|
|                                   | FY14          | FY15          | FY16          | FY17          | FY18           | FY19           | FY18                      | FY19           |
| 8300 - Office Of Higher Education | 65,704        | 59,296        | 97,916        | 95,040        | 100,040        | 105,040        | 100,040                   | 105,040        |
| <b>Total</b>                      | <b>65,704</b> | <b>59,296</b> | <b>97,916</b> | <b>95,040</b> | <b>100,040</b> | <b>105,040</b> | <b>100,040</b>            | <b>105,040</b> |
| Biennial Change                   |               |               |               | 67,956        |                | 12,124         |                           | 12,124         |
| Biennial % Change                 |               |               |               | 54            |                | 6              |                           | 6              |
| Governor's Change from Base       |               |               |               |               |                |                |                           | 0              |
| Governor's % Change from Base     |               |               |               |               |                |                |                           | 0              |

**Expenditures by Budget Activity**

|   |               |               |               |               |                |                |                |                |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Budget Activity: State Supplemental Loans | 65,704        | 59,296        | 97,916        | 95,040        | 100,040        | 105,040        | 100,040        | 105,040        |
| <b>Total</b>                              | <b>65,704</b> | <b>59,296</b> | <b>97,916</b> | <b>95,040</b> | <b>100,040</b> | <b>105,040</b> | <b>100,040</b> | <b>105,040</b> |

**Expenditures by Category**

|                              |               |               |               |               |                |                |                |                |
|------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Compensation                 | 25            | 26            | 28            | 31            | 31             | 31             | 31             | 31             |
| Operating Expenses           | 6,779         | 5,631         | 5,689         | 5,009         | 5,009          | 5,009          | 5,009          | 5,009          |
| Other Financial Transactions | 58,900        | 53,638        | 92,200        | 90,000        | 95,000         | 100,000        | 95,000         | 100,000        |
| <b>Total</b>                 | <b>65,704</b> | <b>59,296</b> | <b>97,916</b> | <b>95,040</b> | <b>100,040</b> | <b>105,040</b> | <b>100,040</b> | <b>105,040</b> |

**Full-Time Equivalents**

|            |            |            |            |            |            |            |            |            |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> | <b>0.4</b> |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|

**8300 - Office Of Higher Education**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base  |                | Governor's<br>Recommendation |                |
|--|----------------|----------------|----------------|------------------|----------------|----------------|------------------------------|----------------|
|  |                |                |                |                  | FY18           | FY19           | FY18                         | FY19           |
| Balance Forward In                       | 97,701         | 103,464        | 148,473        | 128,634          | 133,595        | 133,555        | 133,595                      | 133,555        |
| Receipts                                 | 71,467         | 104,305        | 78,078         | 100,000          | 100,000        | 100,000        | 100,000                      | 100,000        |
| <b>Expenditures</b>                      | <b>65,704</b>  | <b>59,296</b>  | <b>97,916</b>  | <b>95,040</b>    | <b>100,040</b> | <b>105,040</b> | <b>100,040</b>               | <b>105,040</b> |
| Balance Forward Out                      | 103,464        | 148,473        | 128,634        | 133,595          | 133,555        | 128,515        | 133,555                      | 128,515        |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 67,956           |                | 12,124         |                              | 12,124         |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 54               |                | 6              |                              | 6              |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |                |                |                              | 0              |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |                |                |                              | 0              |
| Full-Time Equivalents                    | 0.4            | 0.4            | 0.4            | 0.4              | 0.4            | 0.4            | 0.4                          | 0.4            |

## Program: Research, Policy, and Analysis

[www.ohe.mn.us](http://www.ohe.mn.us)
**AT A GLANCE**

- Provides research and analysis on postsecondary education for the Governor, the Minnesota Legislature, and the people of the State of Minnesota.
- Awarded \$73,000 in external grant funds in FY2015 for cross-agency collaborative research projects.
- Managed 3 grant programs and \$1.9 million in grant funds during 2016.

**PURPOSE & CONTEXT**

The Research, Policy and Analysis Division provides credible, politically neutral, research-based data, information and analysis on higher education. Research products are used to operate programs, develop and inform policies, and provide assistance to individuals, colleges, communities, and the state

**SERVICES PROVIDED**

- Credible and timely analysis of state higher education enrollment, completions, and funding, including: college preparation and access, financing of higher education (student & state), student outcomes (credentials, debt, employment), and system/institutional performance.
- Annual and monthly comparisons of projected expenditures with actual enrollments and financial aid disbursements (Minnesota State Grant, tuition reciprocity) to guide planning, administering and budgeting.
- Clear and timely information about the state's higher education system, including analysis of programs and policies to advise the Governor and legislators.
- Serve as the lead agency for the State Longitudinal Education Data System (SLEDs), which uses early childhood through postsecondary and workforce data to identify the most viable pathways for individuals to achieve successful outcomes in education and work. SLEDs data informs education and workforce policy and practice in Minnesota.
- Cross-agency, philanthropic and non-profit collaboration to broaden data and information available to Minnesotans.
- Developed and ran three new grant programs created by the Minnesota Legislature (Dual Training Grants, Student Loan Debt Counseling, and Occupational Scholarship Program – mentoring component)
- Annually collects enrollment and degree records from over 100 postsecondary education institutions operating in Minnesota.

**CALENDAR YEAR RESULTS**

| <i>Type of Measure</i> | <i>Name of Measure</i>  | <i>2013</i> | <i>2014</i>     | <i>2015</i> | <i>2016<br/>(as of July 31, 2016)</i> |
|------------------------|---|-------------|-----------------|-------------|---------------------------------------|
| Quantity               | Number of reports/products-published                            | 36          | 29              | 105         | 132                                   |
| Quality                | Number of presentations/panels/testimonies                      | N/A         | 48              | 84          | 69                                    |
| Quality                | Number of external uses, citations, or quotes on Google Scholar | 20          | 20              | 20          | 13                                    |
| Results                | Number of collaborative projects, grant dollars awarded         | 2,<br>\$0   | 4,<br>\$100,000 | 2,<br>\$0   | 3,<br>\$73,000                        |
| Quantity               | Number of fiscal notes completed                                | 19          | 26              | 43          | 26                                    |
| Quantity               | Number of grant programs, dollars managed                       | 0           | 0               | 0           | 3,<br>\$1,932,000                     |

Minnesota Statute 136A.01 provides the legal authority for OHE's Research, Policy & Analysis Services

<https://www.revisor.mn.gov/statutes/?id=136A.01>

(Dollars in Thousands)

**Expenditures By Fund**

|                                      | Actual     | Actual     | Actual       | Estimate     | Forecast Base |              | Governor's Recommendation |              |
|--------------------------------------|------------|------------|--------------|--------------|---------------|--------------|---------------------------|--------------|
|                                      | FY14       | FY15       | FY16         | FY17         | FY18          | FY19         | FY18                      | FY19         |
| 1000 - General                       | 244        | 544        | 1,016        | 2,308        | 1,517         | 1,307        | 1,667                     | 1,457        |
| 2000 - Restrict Misc Special Revenue | 20         | 0          | 27           | 61           | 0             | 0            | 0                         | 0            |
| 2001 - Other Misc Special Revenue    | 0          | 0          | 63           | 486          | 486           | 486          | 486                       | 486          |
| 2403 - Gift                          | 0          | 0          | 0            | 15           | 0             | 0            | 0                         | 0            |
| <b>Total</b>                         | <b>264</b> | <b>544</b> | <b>1,106</b> | <b>2,870</b> | <b>2,003</b>  | <b>1,793</b> | <b>2,153</b>              | <b>1,943</b> |
| Biennial Change                      |            |            |              | 3,168        |               | (180)        |                           | 120          |
| Biennial % Change                    |            |            |              | 392          |               | (5)          |                           | 3            |
| Governor's Change from Base          |            |            |              |              |               |              |                           | 300          |
| Governor's % Change from Base        |            |            |              |              |               |              |                           | 8            |

**Expenditures by Budget Activity**

|   |            |            |              |              |              |              |              |              |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Budget Activity: Research Policy and Analysis | 264        | 544        | 538          | 1,033        | 953          | 953          | 1,103        | 1,103        |
| Budget Activity: Miscellaneous Grant Programs | 0          | 0          | 568          | 1,837        | 1,050        | 840          | 1,050        | 840          |
| <b>Total</b>                                  | <b>264</b> | <b>544</b> | <b>1,106</b> | <b>2,870</b> | <b>2,003</b> | <b>1,793</b> | <b>2,153</b> | <b>1,943</b> |

**Expenditures by Category**

|   |            |            |              |              |              |              |              |              |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Compensation                              | 2          | 107        | 323          | 690          | 646          | 646          | 746          | 746          |
| Operating Expenses                        | 242        | 424        | 223          | 336          | 312          | 312          | 362          | 362          |
| Other Financial Transactions              | 0          | 1          | 0            | 0            | 0            | 0            | 0            | 0            |
| Grants, Aids and Subsidies                | 20         | 12         | 560          | 1,844        | 1,045        | 835          | 1,045        | 835          |
| <b>Total</b>                              | <b>264</b> | <b>544</b> | <b>1,106</b> | <b>2,870</b> | <b>2,003</b> | <b>1,793</b> | <b>2,153</b> | <b>1,943</b> |
| Total Agency Expenditures                 | 264        | 544        | 1,106        | 2,870        | 2,003        | 1,793        | 2,153        | 1,943        |
| Internal Billing Expenditures             | 0          | 0          | 2            | 32           | 32           | 32           | 32           | 32           |
| <b>Expenditures Less Internal Billing</b> | <b>264</b> | <b>544</b> | <b>1,104</b> | <b>2,838</b> | <b>1,971</b> | <b>1,761</b> | <b>2,121</b> | <b>1,911</b> |

**Full-Time Equivalents**

|  |     |     |     |     |     |     |     |     |
|--|-----|-----|-----|-----|-----|-----|-----|-----|
|  | 1.0 | 1.5 | 3.6 | 1.9 | 1.9 | 1.9 | 2.9 | 2.9 |
|--|-----|-----|-----|-----|-----|-----|-----|-----|



**1000 - General**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 0              | 284            | 0              | 291              | 0             | 0            | 0                            | 0            |
| Direct Appropriation                     | 977            | 977            | 1,862          | 2,572            | 2,072         | 1,862        | 2,222                        | 2,012        |
| Net Transfers                            | (449)          | (717)          | (555)          | (555)            | (555)         | (555)        | (555)                        | (555)        |
| Cancellations                            | 0              | 0              | 0              | 0                | 0             | 0            | 0                            | 0            |
| <b>Expenditures</b>                      | <b>244</b>     | <b>544</b>     | <b>1,016</b>   | <b>2,308</b>     | <b>1,517</b>  | <b>1,307</b> | <b>1,667</b>                 | <b>1,457</b> |
| Balance Forward Out                      | 284            | 0              | 291            | 0                | 0             | 0            | 0                            | 0            |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 2,536            |               | (500)        |                              | (200)        |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 322              |               | (15)         |                              | (6)          |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 300          |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 11           |
| Full-Time Equivalents                    | 1.0            | 1.5            | 2.8            | 1.3              | 1.3           | 1.3          | 2.3                          | 2.3          |

**2000 - Restrict Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |          | Governor's<br>Recommendation |          |
|--|----------------|----------------|----------------|------------------|---------------|----------|------------------------------|----------|
|  |                |                |                |                  | FY18          | FY19     | FY18                         | FY19     |
| Balance Forward In                       | 0              | 0              | 0              | 62               | 0             | 0        | 0                            | 0        |
| Receipts                                 | 20             | 0              | 88             | 0                | 0             | 0        | 0                            | 0        |
| <b>Expenditures</b>                      | <b>20</b>      | <b>0</b>       | <b>27</b>      | <b>61</b>        | <b>0</b>      | <b>0</b> | <b>0</b>                     | <b>0</b> |
| Balance Forward Out                      | 0              | 0              | 62             | 0                | 0             | 0        | 0                            | 0        |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 68               |               | (88)     |                              | (88)     |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 340              |               | (100)    |                              | (100)    |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |          |                              | 0        |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |          |                              | 0        |
| Full-Time Equivalents                    |                |                | 0.3            | 0.0              | 0.0           | 0.0      | 0.0                          | 0.0      |

**2001 - Other Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |            | Governor's<br>Recommendation |            |
|--|----------------|----------------|----------------|------------------|---------------|------------|------------------------------|------------|
|  |                |                |                |                  | FY18          | FY19       | FY18                         | FY19       |
| Balance Forward In                       | 92             | 92             | 92             | 64               | 44            | 24         | 44                           | 24         |
| Receipts                                 | 0              | 0              | 35             | 466              | 466           | 466        | 466                          | 466        |
| <b>Expenditures</b>                      | <b>0</b>       | <b>0</b>       | <b>63</b>      | <b>486</b>       | <b>486</b>    | <b>486</b> | <b>486</b>                   | <b>486</b> |
| Balance Forward Out                      | 92             | 92             | 64             | 44               | 24            | 4          | 24                           | 4          |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 549              |               | 423        |                              | 423        |
| <i>Biennial % Change in Expenditures</i> |                |                |                |                  |               | 77         |                              | 77         |

**2001 - Other Misc Special Revenue**

|                              |     |     |     |     |     |
|------------------------------|-----|-----|-----|-----|-----|
| Gov's Exp Change from Base   |     |     |     |     | 0   |
| Gov's Exp % Change from Base |     |     |     |     | 0   |
| Full-Time Equivalents        | 0.0 | 0.6 | 0.6 | 0.6 | 0.6 |

**2403 - Gift**

|                                   | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base<br>FY18 | Forecast Base<br>FY19 | Governor's<br>Recommendation<br>FY18 | Governor's<br>Recommendation<br>FY19 |
|-----------------------------------|----------------|----------------|----------------|------------------|-----------------------|-----------------------|--------------------------------------|--------------------------------------|
| Balance Forward In                | 0              | 0              | 0              | 15               | 0                     | 0                     | 0                                    | 0                                    |
| Receipts                          | 0              | 0              | 15             | 0                | 0                     | 0                     | 0                                    | 0                                    |
| <b>Expenditures</b>               | 0              | 0              | 0              | <b>15</b>        | 0                     | 0                     | 0                                    | 0                                    |
| Balance Forward Out               | 0              | 0              | 15             | 0                | 0                     | 0                     | 0                                    | 0                                    |
| Biennial Change in Expenditures   |                |                |                | 15               |                       | (15)                  |                                      | (15)                                 |
| Biennial % Change in Expenditures |                |                |                |                  |                       | (100)                 |                                      | (100)                                |

## Program: Postsecondary Access and Outreach

<http://www.minitex.umn.edu/> & [www.getready.state.mn.us](http://www.getready.state.mn.us)

### AT A GLANCE

- **Get Ready Program** – \$3.1M/yr. Federal grant, 28 FTEs. 4,314 low income students received services by Get Ready staff in nine (9) Title 1 schools. 6,800 additional low income students throughout Minnesota used the Get Ready early college awareness curriculum.
- **Intervention for College Attendance Program (ICAP)** - \$621,000/year in funding serving 3,500 students.
- 51 million searches in the Electronic Library for Minnesota (ELM) in FY2015
- **Minitex Resource Sharing** processed almost 550,000 requests. 6,953 library staff and patrons trained at workshops, webinars, and conferences.
- Over 171,000 unique visitors used **Minnesota Reflections** to find digital objects related to MN history and culture

### PURPOSE & CONTEXT

The agency is charged in statute with reaching students in grades K-12 through adulthood with information about preparing and paying for college. OHE programs include Get Ready and the Intervention for College Awareness Program.

The Get Ready program, funded by a federal grant and an annual state appropriation of \$180,000, provides low income and under-represented students and their families with the opportunity to learn about and prepare for postsecondary education. Students directly served by Get Ready attend schools where 80 to 90% of students qualify for free or reduced lunch. The goals of the Get Ready program are graduation from high school and successful transition and completion of a postsecondary degree.

The Intervention for College Attendance Program provides competitive grants to postsecondary institutions, professional organizations, community-based organizations, or other service providers to strengthen student preparation and aptitude for postsecondary success.

The mission of Minitex services, including MNLINK and the ELM (Electronic Library for Minnesota), is to provide statewide support functions to assist academic, public, state government, school and special libraries.

Minitex is an information and resource sharing program of the Minnesota Office of Higher Education and the University of Minnesota Libraries. It leverages the resources of over 2,200 participating institutions to provide direct benefits to students, educators, library staff, and the general public. It reduces costs for local libraries and reaches residents in every community in the state, providing access to information, educational resources, and ebooks throughout Greater Minnesota, leveling the playing field for those with less access to quality resources.

### SERVICES PROVIDED

**Get Ready** – Students from 6th to 12th grade receive curriculum on topics such as: goal setting, methods of funding a postsecondary education, types of careers and academic requirements to pursue such careers, the different types of postsecondary institutions, and what it means to be “college ready”. Other key services include: one-on-one advising around academics and personal motivation skills, group instruction to increase student motivation and self-regulation, tutoring in the areas of math or reading, career speakers and experiences, informational events for students and families on financial aid, assistance with Free Application for Financial Student Aid (FAFSA) completion and submission, and summer academic camp opportunities.

**Intervention for College Attendance Program (ICAP)** - grants provide secondary and college students with the following services:

- Academic counseling, and mentoring
- Fostering and improving parental involvement in planning for and facilitating a college education
- Services for students with English as a second language

- Academic enrichment activities and tutoring
- Career awareness and exploration
- Assistance with high school course selection
- Information about college admission requirements, financial aid counseling, and orientation to college life

Funding for the **Minnesota Minority Education Equity Partnership (MnEEP)** - We act as the fiscal agent for an annual pass-through state appropriation of \$45,000 to help fund MnEEP operations and activities. MnEEP was founded to increase the success of students of color and American Indian students in Minnesota schools, colleges and universities by researching race equity in Minnesota education and fostering collaborative efforts between students, parents and educators to better align the Minnesota education system with communities of color.

Funding for **College Possible Twin Cities**: We acted as the fiscal agent for a one-time appropriation of \$750,000 during FY2015, and base funding of \$250,000 in FY2016 and beyond. College Possible's mission is to help capable low-income students become college graduates.

**MNLINK**, the online discovery and interlibrary loan portal for libraries, provides access to materials across the region. MNLINK provides 24/7 access to request books, articles, media and other physical or online resources.

- ELM, the Electronic Library for Minnesota, is an electronic collection of research and information databases that Minnesotans can access 24/7. Schools and libraries can directly link to ELM at no charge.

Minitex provides overnight delivery of physical materials to libraries, including delivery to the state's residents from the University of Minnesota's library collections.

- Through Resource Sharing, 350,000 interlibrary loan requests were processed, 75,000 articles were delivered directly to patrons online, and filled approximately 121,650 physical and electronic delivery requests from the University of Minnesota's library.
- Over 265,000 items from Minnesota's history and culture are findable and preserved through the Minnesota Digital Library's primary service, Minnesota Reflections. We have helped 180 libraries, museums, historical societies, and other Minnesota organizations digitize their collections and host them online and share the objects with the Digital Public Library of America.
- The newest service is Ebooks Minnesota, a collection of ebooks for academic, public, and school libraries. The collection launched with over 2,500 titles in February 2016, and since then, had 27,000 state residents have read 36,000 titles.
- Through AskMN, online reference librarians answer students and professors questions and help them locate educational materials.
- Group discounts are negotiated for online databases, information resources, library supplies, and training opportunities.
- Professional education opportunities are provided for library staff, K12 school students, and the general public.
- Minnesota Library Access Center (MLAC) is a long-term, underground storage facility and makes 1.5 million volumes from 21 libraries available upon request. To date it has circulated 16,942 volumes.

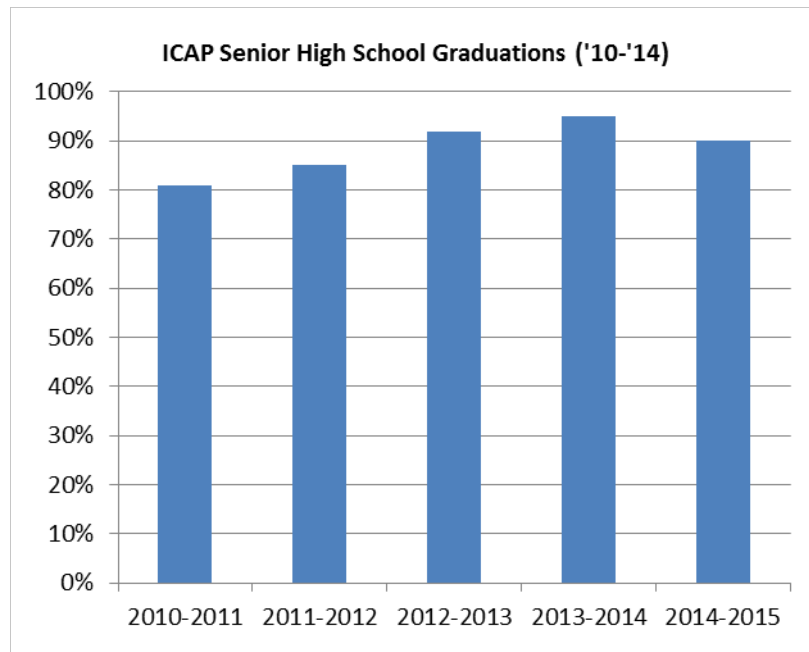
## RESULTS

### GET READY Direct Service 2013-15 Indicators

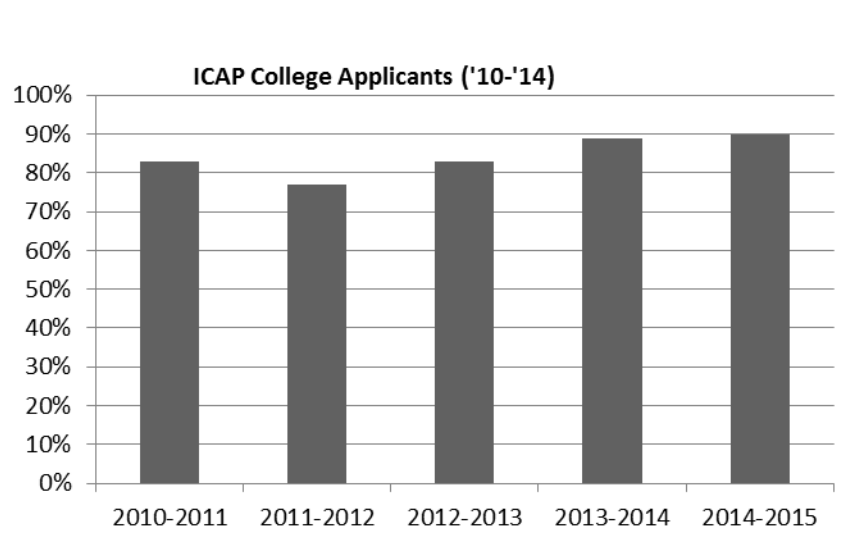
| <i>12th Grade</i>                     | <i>2013-14 Program Participants</i> |
|---------------------------------------|-------------------------------------|
| College Enrollment (Total)            | 82%                                 |
| College Enrollment (4 year College)   | 37%                                 |
| College Enrollment (2 year College)   | 45%                                 |
| 12th Grade FAFSA/Dream Act Completion | 89%                                 |

| <i>11th Grade</i>   | <i>2014-2015 Program Participants</i>             |
|---------------------|---|
| College Knowledge   | 71% met or exceeded the benchmark for proficiency |
| ACT Participation   | 85%   |
| College Aspirations | 91%   |

### Results - Intervention for College Attendance Program



**Outcomes:** High school graduation rates are higher than the states average.



**Quantity:** ICAP participants are applying for college at an increasing rate.

| <b><i>Type of Measure</i></b> | <b><i>Name of Measure</i></b>  | <b><i>Previous</i></b> | <b><i>Current</i></b> | <b><i>Dates</i></b> |
|-------------------------------|--|------------------------|-----------------------|---------------------|
| Quantity                      | Requests created by MN residents using the MNLINK  | 488,129                | 495,464               | 2015 & 2016         |
| Quantity                      | Delivery items shipped   | 879,913                | 910,382               | 2015 & 2016         |
| Quantity                      | Reference questions answered online through AskMN  | 32,231                 | 37,352                | 2013 & 2016         |
| Quantity                      | ELM searches by MN resident for articles, references sources, and full text documents        | 32,800,000             | 51,037,343            | 2012 & 2016         |
| Quantity                      | Number of unique digital object representing Minnesota's history & culture in MN Reflections | 120,000                |                       |                     |

All numbers are from data tracking systems including Online Computer Library Center (OCLC). In the case of electronic delivery the data comes from vendor system statistics. Resource Sharing numbers come from software programs including Ex Libris Aleph, Agent ILL, OCLC Worldshare, and VDX.

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Minnesota Statute 136A.01 provides the legal authority for OHE's Postsecondary and Outreach Services (<https://www.revisor.mn.gov/statutes/?id=136A.01>)

(Dollars in Thousands)

**Expenditures By Fund**

|                                      | Actual        | Actual        | Actual        | Estimate      | Forecast Base |               | Governor's Recommendation |               |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|
|                                      | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY18                      | FY19          |
| 1000 - General                       | 6,592         | 9,358         | 7,731         | 7,982         | 7,678         | 7,678         | 7,828                     | 7,828         |
| 2000 - Restrict Misc Special Revenue | 54            | 54            | 55            | 125           | 76            | 81            | 76                        | 81            |
| 2001 - Other Misc Special Revenue    | 0             | 0             | 0             | 2,934         | 2,000         | 2,000         | 2,000                     | 2,000         |
| 3000 - Federal                       | 5,381         | 4,426         | 3,878         | 3,921         | 3,621         | 3,400         | 3,621                     | 3,400         |
| <b>Total</b>                         | <b>12,027</b> | <b>13,838</b> | <b>11,664</b> | <b>14,962</b> | <b>13,375</b> | <b>13,159</b> | <b>13,525</b>             | <b>13,309</b> |
| Biennial Change                      |               |               |               | 761           |               | (92)          |                           | 208           |
| Biennial % Change                    |               |               |               | 3             |               | 0             |                           | 1             |
| Governor's Change from Base          |               |               |               |               |               |               |                           | 300           |
| Governor's % Change from Base        |               |               |               |               |               |               |                           | 1             |

**Expenditures by Budget Activity**

|   |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Budget Activity: Mn College Savings Program | 54            | 54            | 55            | 76            | 76            | 81            | 76            | 81            |
| Budget Activity: Access Programs            | 11,286        | 11,081        | 10,133        | 10,176        | 9,876         | 9,655         | 9,901         | 9,680         |
| Budget Activity: Outreach Programs-Prior    | 687           | 2,703         | 1,410         | 1,776         | 1,423         | 1,423         | 1,548         | 1,548         |
| Budget Activity: Training                   | 0             | 0             | 66            | 2,934         | 2,000         | 2,000         | 2,000         | 2,000         |
| <b>Total</b>                                | <b>12,027</b> | <b>13,838</b> | <b>11,664</b> | <b>14,962</b> | <b>13,375</b> | <b>13,159</b> | <b>13,525</b> | <b>13,309</b> |

**Expenditures by Category**

|   |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Compensation                              | 1,865         | 1,753         | 1,905         | 2,197         | 2,174         | 2,135         | 2,174         | 2,135         |
| Operating Expenses                        | 2,559         | 2,864         | 2,121         | 4,425         | 3,396         | 3,393         | 3,396         | 3,393         |
| Other Financial Transactions              | 0             | 1             | 0             | 10            | 10            | 10            | 35            | 35            |
| Grants, Aids and Subsidies                | 7,602         | 9,220         | 7,637         | 8,331         | 7,795         | 7,622         | 7,920         | 7,747         |
| <b>Total</b>                              | <b>12,027</b> | <b>13,838</b> | <b>11,664</b> | <b>14,962</b> | <b>13,375</b> | <b>13,159</b> | <b>13,525</b> | <b>13,309</b> |
| Total Agency Expenditures                 | 12,027        | 13,838        | 11,664        | 14,962        | 13,375        | 13,159        | 13,525        | 13,309        |
| Internal Billing Expenditures             | 323           | 208           | 159           | 248           | 248           | 245           | 248           | 245           |
| <b>Expenditures Less Internal Billing</b> | <b>11,703</b> | <b>13,630</b> | <b>11,505</b> | <b>14,714</b> | <b>13,127</b> | <b>12,914</b> | <b>13,277</b> | <b>13,064</b> |

**Full-Time Equivalents**

|  |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|
|  | 27.3 | 24.2 | 24.3 | 25.6 | 26.1 | 25.7 | 26.1 | 25.7 |
|--|------|------|------|------|------|------|------|------|

**1000 - General**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 0              | 331            | 0              | 1,142            | 0             | 0            | 0                            | 0            |
| Direct Appropriation                     | 6,923          | 7,673          | 8,473          | 9,973            | 9,878         | 9,878        | 9,828                        | 9,828        |
| Net Transfers                            | 0              | 1,517          | 400            | (3,134)          | (2,200)       | (2,200)      | (2,000)                      | (2,000)      |
| Cancellations                            | 0              | 163            | 0              | 0                | 0             | 0            | 0                            | 0            |
| <b>Expenditures</b>                      | <b>6,592</b>   | <b>9,358</b>   | <b>7,731</b>   | <b>7,982</b>     | <b>7,678</b>  | <b>7,678</b> | <b>7,828</b>                 | <b>7,828</b> |
| Balance Forward Out                      | 331            | 0              | 1,142          | 0                | 0             | 0            | 0                            | 0            |
| <i>Biennial Change in Expenditures</i>   |                |                |                | (238)            |               | (357)        |                              | (57)         |
| <i>Biennial % Change in Expenditures</i> |                |                |                | (1)              |               | (2)          |                              | 0            |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 300          |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 2            |
| Full-Time Equivalents                    | 3.0            | 2.8            | 2.8            | 2.7              | 2.7           | 2.7          | 2.7                          | 2.7          |

**2000 - Restrict Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |           | Governor's<br>Recommendation |           |
|--|----------------|----------------|----------------|------------------|---------------|-----------|------------------------------|-----------|
|  |                |                |                |                  | FY18          | FY19      | FY18                         | FY19      |
| Balance Forward In                       | 139            | 176            | 202            | 228              | 173           | 167       | 173                          | 167       |
| Receipts                                 | 90             | 80             | 81             | 70               | 70            | 70        | 70                           | 70        |
| Net Transfers                            | 0              | 0              | 0              | 0                | 0             | 0         | 0                            | 0         |
| <b>Expenditures</b>                      | <b>54</b>      | <b>54</b>      | <b>55</b>      | <b>125</b>       | <b>76</b>     | <b>81</b> | <b>76</b>                    | <b>81</b> |
| Balance Forward Out                      | 176            | 202            | 228            | 173              | 167           | 156       | 167                          | 156       |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 73               |               | (23)      |                              | (23)      |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 67               |               | (13)      |                              | (13)      |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |           |                              | 0         |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |           |                              | 0         |
| Full-Time Equivalents                    | 0.4            | 0.4            | 0.4            | 0.5              | 0.5           | 0.5       | 0.5                          | 0.5       |

**2001 - Other Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Net Transfers                            | 0              | 0              | 0              | 2,934            | 2,000         | 2,000        | 2,000                        | 2,000        |
| <b>Expenditures</b>                      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>2,934</b>     | <b>2,000</b>  | <b>2,000</b> | <b>2,000</b>                 | <b>2,000</b> |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 2,934            |               | 1,066        |                              | 1,066        |
| <i>Biennial % Change in Expenditures</i> |                |                |                |                  |               | 36           |                              | 36           |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 0            |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 0            |



**2001 - Other Misc Special Revenue**

|                       |     |     |     |     |     |
|-----------------------|-----|-----|-----|-----|-----|
| Full-Time Equivalents | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
|-----------------------|-----|-----|-----|-----|-----|

**3000 - Federal**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 0              | 1,730          | 0              | 0                | 0             | 0            | 0                            | 0            |
| Receipts                                 | 5,381          | 2,696          | 3,878          | 3,921            | 3,621         | 3,400        | 3,621                        | 3,400        |
| <b>Expenditures</b>                      | <b>5,381</b>   | <b>4,426</b>   | <b>3,878</b>   | <b>3,921</b>     | <b>3,621</b>  | <b>3,400</b> | <b>3,621</b>                 | <b>3,400</b> |
| <i>Biennial Change in Expenditures</i>   |                |                |                | (2,008)          |               | (778)        |                              | (778)        |
| <i>Biennial % Change in Expenditures</i> |                |                |                | (20)             |               | (10)         |                              | (10)         |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 0            |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 0            |
| Full-Time Equivalents                    | 23.9           | 20.9           | 21.1           | 21.9             | 21.9          | 21.5         | 21.9                         | 21.5         |

**Program: OHE Administration**

School Licensure & Registration [www.ohe.state.mn.us/mPg.cfm?pageID=197](http://www.ohe.state.mn.us/mPg.cfm?pageID=197)

Financial Reports [www.ohe.state.mn.us/investors/financialStatements.cfm](http://www.ohe.state.mn.us/investors/financialStatements.cfm)

Publications [www.ohe.state.mn.us/sPages/pubsGR.cfm](http://www.ohe.state.mn.us/sPages/pubsGR.cfm)

**AT A GLANCE**

- Support the operation of seven financial aid programs
- Provide leadership, supervision and support functions for 65 staff.
- Provide information through websites and publications on higher education and college planning.
- Registers higher education providers in MN. 308 higher education providers are currently registered or licensed to operate in Minnesota.

**PURPOSE & CONTEXT**

Administrative services provide management, leadership and administrative support to support the agency's mission to advance the promise of higher education to all Minnesotans and provide critical information to make higher education decisions.

Primary customers include: students, postsecondary institutions, the Governor's Office, legislators, Minnesota Management and Budget, vendors, media and our internal staff.

**SERVICES PROVIDED**

- The Commissioner advises the Governor on higher education policy and works closely with the legislature to develop postsecondary education policies. The Deputy Commissioner oversees our day-to-day operations.
- Financial Services provides accounting, auditing, budgeting, and purchasing services as well as revenue bond management.
- Regulatory Services protects consumers by licensing and registering private degree and non-degree institutions to:
  - Ensure that schools operating in MN, or providing education to Minnesotans, meet quality standards.
  - Monitor school compliance to MN statutes and degree standards.
  - Provide information and assist students to resolve disputes with schools.
  - Consumer complaints are accepted, reviewed and investigated by the Student Consumer Advocate.
  - When necessary our office will assist a school with revision of programs, or the closing of an entire school.
- Human Resources ensures that we have qualified staff to operate programs and provide services.
- Communications and Outreach convey information about preparing, choosing and paying for college to thousands of students each year, through web sites, publications, presentations and social media. The Summer Nudging program, which helps first-year college students prepare for their freshmen year, has nearly quadrupled since last year, and new collaborative efforts between OHE and the Get Ready grant program are maximizing federal funds to reach more students. Communications handles proactive and reactive media relations and serves as the public relations arm of the agency.
- The Midwest Higher Education Compact (MHEC) is a statutorily-created interstate compact whose core functions are cost savings, student access and success, policy research and analysis. They operate the State Authorization Reciprocity Agreement (SARA) for institutions offering online instruction. OHE receives an annual appropriation of \$115,000 for payment of membership dues to the MHEC.

## RESULTS

| <b>Type of Measure</b> | <b>Name of Measure</b>  | <b>Previous</b> | <b>Current</b> | <b>Dates</b> |
|------------------------|---|-----------------|----------------|--------------|
| Results                | No material findings in Certified Audited Financial Statements –Meeting accounting standards        | 100%            | 100%           | 2011 & 2015  |
| Quantity               | Summer Nudging participants   | 275             | 1200           | 2015 & 2016  |
| Quantity               | Total number of Private and Out-of-State Public Postsecondary Education Schools Registered Annually | 222             | 174            | 2014 & 2016  |
| Quantity               | Total Number of Private Career Schools Licensed   | 137             | 134            | 2014 & 2016  |

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Minnesota Statute 136A.01 provides the legal authority for OHE's Administration Services  
<https://www.revisor.mn.gov/statutes/?id=136A.01>

Minnesota Statutes Chapter 141 – Minnesota Private Career School Act provides the legal authority for the Licensure of non-degree- granting private career schools in Minnesota.

Minnesota Statutes 136A.61 to 136A.71 – Minnesota Private and Out-of-State Public Postsecondary Education Act provides the legal authority for the registration of private degree granting institutions in Minnesota, out-of-state private institutions and out-of-state public institutions that provide classes, programs or degrees to Minnesota residents. This includes programs offered by distance education/online institutions.

Minnesota Statutes 136A.171 to 136A.187 provides the legal authority for the issuance of student loan revenue bonds

**Expenditures By Fund**

|                                      | Actual       | Actual        | Actual       | Estimate      | Forecast Base |               | Governor's Recommendation |               |
|--------------------------------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------------------|---------------|
|                                      | FY14         | FY15          | FY16         | FY17          | FY18          | FY19          | FY18                      | FY19          |
| 1000 - General                       | 2,184        | 2,499         | 2,055        | 3,023         | 2,556         | 2,556         | 5,101                     | 4,051         |
| 2000 - Restrict Misc Special Revenue | 619          | 628           | 810          | 1,077         | 1,182         | 1,187         | 1,182                     | 1,187         |
| 8300 - Office Of Higher Education    | 6,977        | 6,899         | 6,728        | 9,237         | 9,231         | 9,241         | 9,231                     | 9,241         |
| <b>Total</b>                         | <b>9,780</b> | <b>10,026</b> | <b>9,592</b> | <b>13,337</b> | <b>12,969</b> | <b>12,984</b> | <b>15,514</b>             | <b>14,479</b> |
| Biennial Change                      |              |               |              | 3,124         |               | 3,023         |                           | 7,063         |
| Biennial % Change                    |              |               |              | 16            |               | 13            |                           | 31            |
| Governor's Change from Base          |              |               |              |               |               |               |                           | 4,040         |
| Governor's % Change from Base        |              |               |              |               |               |               |                           | 16            |

**Expenditures by Budget Activity**

|  |              |               |              |               |               |               |               |               |
|--|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Budget Activity: PIR/PCS Licensure             | 381          | 432           | 528          | 722           | 817           | 817           | 817           | 817           |
| Budget Activity: OHE Administration Activities | 9,398        | 9,594         | 9,064        | 12,615        | 12,152        | 12,167        | 14,697        | 13,662        |
| <b>Total</b>                                   | <b>9,780</b> | <b>10,026</b> | <b>9,592</b> | <b>13,337</b> | <b>12,969</b> | <b>12,984</b> | <b>15,514</b> | <b>14,479</b> |

**Expenditures by Category**

|   |              |               |              |               |               |               |               |               |
|---|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Compensation                              | 3,095        | 2,932         | 2,928        | 4,143         | 3,933         | 3,948         | 4,158         | 4,298         |
| Operating Expenses                        | 6,487        | 6,957         | 6,643        | 9,194         | 9,036         | 9,036         | 11,356        | 10,181        |
| Other Financial Transactions              | 46           | 4             | 7            | 0             | 0             | 0             | 0             | 0             |
| Grants, Aids and Subsidies                | 151          | 133           | 15           | 0             | 0             | 0             | 0             | 0             |
| <b>Total</b>                              | <b>9,780</b> | <b>10,026</b> | <b>9,592</b> | <b>13,337</b> | <b>12,969</b> | <b>12,984</b> | <b>15,514</b> | <b>14,479</b> |
| Total Agency Expenditures                 | 9,780        | 10,026        | 9,592        | 13,337        | 12,969        | 12,984        | 15,514        | 14,479        |
| Internal Billing Expenditures             | 0            | 32            | 31           | 38            | 53            | 53            | 53            | 53            |
| <b>Expenditures Less Internal Billing</b> | <b>9,780</b> | <b>9,994</b>  | <b>9,561</b> | <b>13,299</b> | <b>12,916</b> | <b>12,931</b> | <b>15,461</b> | <b>14,426</b> |

**Full-Time Equivalents**

|  |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|
|  | 33.3 | 32.9 | 32.1 | 36.1 | 37.5 | 37.5 | 38.5 | 38.9 |
|--|------|------|------|------|------|------|------|------|

**1000 - General**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 0              | 388            | 0              | 466              | 0             | 0            | 0                            | 0            |
| Direct Appropriation                     | 2,591          | 2,491          | 2,527          | 2,564            | 2,564         | 2,564        | 5,109                        | 4,059        |
| Net Transfers                            | (19)           | (378)          | (6)            | (7)              | (8)           | (8)          | (8)                          | (8)          |
| Cancellations                            | 0              | 2              | 0              | 0                | 0             | 0            | 0                            | 0            |
| <b>Expenditures</b>                      | <b>2,184</b>   | <b>2,499</b>   | <b>2,055</b>   | <b>3,023</b>     | <b>2,556</b>  | <b>2,556</b> | <b>5,101</b>                 | <b>4,051</b> |
| Balance Forward Out                      | 388            | 0              | 466            | 0                | 0             | 0            | 0                            | 0            |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 395              |               | 34           |                              | 4,074        |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 8                |               | 1            |                              | 80           |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 4,040        |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 79           |
| Full-Time Equivalents                    | 16.4           | 16.7           | 15.5           | 15.8             | 15.8          | 15.8         | 16.8                         | 17.2         |

**2000 - Restrict Misc Special Revenue**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                       | 1,928          | 2,423          | 2,827          | 2,772            | 2,574         | 2,342        | 2,574                        | 2,342        |
| Receipts                                 | 1,111          | 1,032          | 755            | 879              | 950           | 950          | 950                          | 950          |
| Internal Billing Receipts                | 324            | 240            | 193            | 300              | 300           | 300          | 300                          | 300          |
| <b>Expenditures</b>                      | <b>619</b>     | <b>628</b>     | <b>810</b>     | <b>1,077</b>     | <b>1,182</b>  | <b>1,187</b> | <b>1,182</b>                 | <b>1,187</b> |
| Balance Forward Out                      | 2,420          | 2,827          | 2,772          | 2,574            | 2,342         | 2,105        | 2,342                        | 2,105        |
| <i>Biennial Change in Expenditures</i>   |                |                |                | 640              |               | 482          |                              | 482          |
| <i>Biennial % Change in Expenditures</i> |                |                |                | 51               |               | 26           |                              | 26           |
| <i>Gov's Exp Change from Base</i>        |                |                |                |                  |               |              |                              | 0            |
| <i>Gov's Exp % Change from Base</i>      |                |                |                |                  |               |              |                              | 0            |
| Full-Time Equivalents                    | 4.2            | 4.6            | 5.1            | 6.3              | 7.3           | 7.3          | 7.3                          | 7.3          |

**8300 - Office Of Higher Education**

|  | Actual<br>FY14 | Actual<br>FY15 | Actual<br>FY16 | Estimate<br>FY17 | Forecast Base |              | Governor's<br>Recommendation |              |
|--|----------------|----------------|----------------|------------------|---------------|--------------|------------------------------|--------------|
|  |                |                |                |                  | FY18          | FY19         | FY18                         | FY19         |
| Balance Forward In                     | 4,703          | 6,509          | 7,468          | 3,100            | 3,844         | 4,597        | 3,844                        | 4,597        |
| Receipts                               | 8,795          | 7,852          | 2,506          | 10,000           | 10,000        | 10,000       | 10,000                       | 10,000       |
| Net Transfers                          | (12)           | (16)           | (147)          | (19)             | (16)          | (16)         | (16)                         | (16)         |
| <b>Expenditures</b>                    | <b>6,977</b>   | <b>6,899</b>   | <b>6,728</b>   | <b>9,237</b>     | <b>9,231</b>  | <b>9,241</b> | <b>9,231</b>                 | <b>9,241</b> |
| Balance Forward Out                    | 6,509          | 7,446          | 3,100          | 3,844            | 4,597         | 5,340        | 4,597                        | 5,340        |
| <i>Biennial Change in Expenditures</i> |                |                |                | 2,089            |               | 2,507        |                              | 2,507        |

**8300 - Office Of Higher Education**

|  |      |      |      |      |      |      |
|--|------|------|------|------|------|------|
| <i>Biennial % Change in Expenditures</i> |      |      |      | 15   | 16   | 16   |
| <i>Gov's Exp Change from Base</i>        |      |      |      |      |      | 0    |
| <i>Gov's Exp % Change from Base</i>      |      |      |      |      |      | 0    |
| Full-Time Equivalents                    | 12.7 | 11.5 | 11.5 | 14.0 | 14.4 | 14.4 |

# FY 2018-19 Federal Funds Summary

(Dollars in Thousands)

| Federal Agency and CFDA #                   | Federal Award Name and Brief Purpose  | New Grant | FY2016 Actuals | FY2017 Budget | FY2018 Base | FY2019 Base | Required State Match or MOE? | FTEs  |
|---|---|-----------|----------------|---------------|-------------|-------------|------------------------------|-------|
| US Department of Justice<br>CFDA#16.816     | Budget Activity Total- State Grants<br><br>John R Justice Awards to Public Prosecutors and Public Defenders |           | \$35           | \$40          | \$40        | \$40        |                              | .03   |
|   | Program Total- Student Financial Aid  |           | \$35           | \$40          | \$40        | \$40        |                              | .03   |
| US Department of Education<br>CFDA#84.334 S | GEAR UP Grant   |           | \$3,021        | \$3,100       | \$3,100     | \$3,100     |                              | 21.5  |
| US Department of Education<br>CFDA#84.367 B | Teacher Quality Grants  |           | \$857          | \$821         | \$521       | \$300       |                              | .4    |
|   | Program Total: Postsecondary Access and Outreach  |           | \$3,878        | \$3,921       | \$3,621     | \$3,400     |                              | 21.9  |
|   | Federal Fund – Agency Total   |           | \$3,913        | \$3,961       | \$3,661     | \$3,440     |                              | 21.93 |

## Narrative:

John R. Justice (JRJ) Grant Program provides loan repayment assistance for public defenders and prosecutors who commit to continued employment as public defenders and prosecutors. The program intends to encourage lawyers to pursue public service careers and retain them as prosecutors and public defenders. Minnesota received its first JRJ award in Federal Fiscal Year 2010. At that time, 649 prosecutors and 493 state and federal public defenders were employed in the state. As of April 2016, 833 prosecutors and 529 state and federal public defenders are employed (Source: Minnesota County Attorney Association and Minnesota Board of Public Defense).

GEAR UP is a discretionary grant program that is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The program achieves this by delivering college and career readiness programming directly to students and families, engaging in targeted community outreach, and creating systemic change within its partner schools. Minnesota received its third 6-year GEAR UP grant in 2011, and has served an average of 9,000 students each year. The state will apply for a fourth GEAR UP grant in 2017.

The Improving Teacher Quality Program, Title II, Part A of the No Child Left Behind Act, supports competitive grants to postsecondary institutions to increase K-12 student academic achievement through improving the effectiveness of classroom instruction. Grants support sustained high-quality professional development for teachers in mathematics, science, history, geography, civics/government, and economics. The program was not a part of the reauthorization of the Elementary and Secondary Education act and funding ends September 30, 2018.