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## AT A GLANCE

- **Minnesota State Grant** program served 99,440 students and awarded \$161.42M in FY13.
- **Student Loan Program** provided \$60M in low interest loans to 9,416 students.
- **Work study** provided \$13.3M to 10,633 students
- **Child care grants** provided \$12.2M to 2,666 students
- **Indian Scholarships:** \$4.6M to 1290 students
- **MN GI bill:** \$1.6M to 1166 veterans pursuing higher education
- **Research** on postsecondary education, state student financial aid programs, and student financing issues.
- **Get Ready program:** college readiness program targeted primarily at low-income students, their families and those underrepresented in post-secondary education. Over 4,000 students served annually. Federal grant of \$3.1M/year.
- **Minnesota 529 College Savings Plan-** 60,715 accounts, \$1.16 billion in assets.
- **Consumer Protection** – Regulate 350 degree and non-degree granting institutions. Financial aid audits conducted on 160 private postsecondary institutions.

## PURPOSE

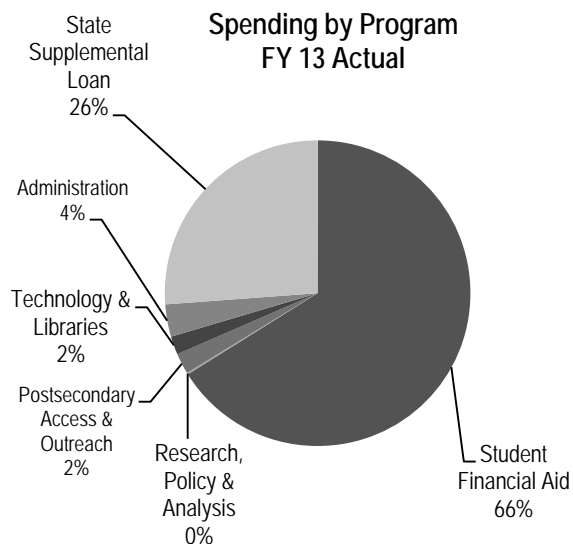
The mission of the Minnesota Office of Higher Education (OHE) is to advance the promise of higher education to all Minnesotans; and provide critical information to guide higher education decisions by families and policymakers. Our goals are to make postsecondary education accessible and affordable to all Minnesotans. Primary customers include students and their families. 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:

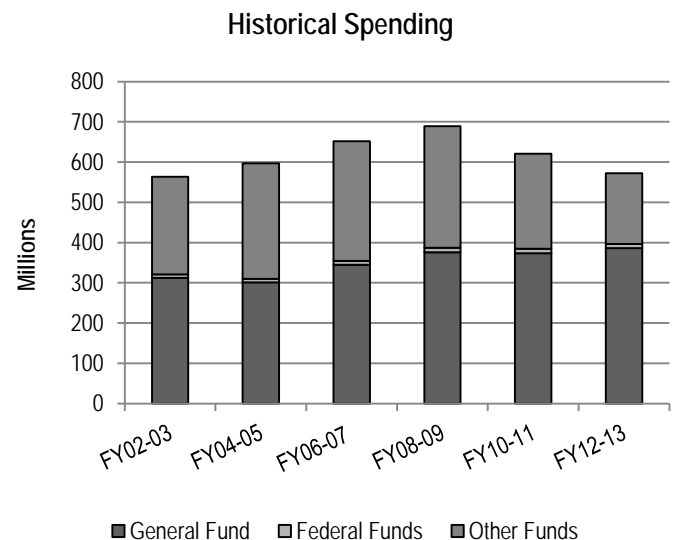
Minnesotans have the education and skills needed to achieve their goals; and

A thriving economy that encourages business growth and employment opportunities.

## BUDGET



Source: Consolidated Fund Statement



Source: SWIFT

## STRATEGIES

- **Financial aid administration:** OHE administers several financial aid programs, including the State Grant, Child Care Grants, Work Study, American Indian Scholarships, 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, 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. 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 financial services firm TIAA-CREF to administer a program allowing families to save for future postsecondary education expenses tax free.
- **Get Ready:** OHE operates a college readiness program funded by a \$3.1 M/yr. federal grant. Get Ready staff work in nine (9) school districts where more than 50% of students qualify for free or reduced lunches. The program targets low-income, first generation, and underrepresented populations in postsecondary education. Get Ready provides academic tutoring and advising, goal setting, and financial literacy information.

External factors affect OHE programs and work. Demands on the State Grant program can change from year to year based on tuition costs, enrollment, student choices, and the economy and job market. Minnesota's financial aid programs are designed to complement federal programs, so funding and policy at the federal level impact our programs. We work to maintain low administrative and overhead costs by partnering with postsecondary institutions to operate programs, and by contracting to manage the Minnesota College Savings Plan.

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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.

**Expenditures By Fund**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	183,370	202,460	215,378	237,803	225,656	225,707	262,139	264,067
2000 - Restricted Misc Special Rev	548	574	693	878	882	887	882	887
2001 - Other Misc Special Rev	55	47		92	0	0	0	0
3000 - Federal	5,150	5,467	5,450	4,642	3,968	3,968	3,968	3,968
8300 - Office Of Higher Education	91,660	83,491	72,681	79,085	79,069	79,069	79,069	79,069
<b>Total</b>	<b>280,783</b>	<b>292,039</b>	<b>294,202</b>	<b>322,499</b>	<b>309,575</b>	<b>309,631</b>	<b>346,058</b>	<b>347,991</b>
<i>Biennial Change</i>				43,879		2,505		77,348
<i>Biennial % Change</i>				8		0		13
<i>Governor's Change from Base</i>								74,843
<i>Governor's % Change from Base</i>								12

**Expenditures by Program**

Program: Student Financial Aid	174,541	193,329	206,337	226,179	215,214	215,265	251,216	253,055
Program: State Supplemental Loans	84,295	75,949	65,704	70,035	70,035	70,035	70,035	70,035
Program: Research Policy and Analysis	75	54	169	676	882	882	882	882
Program: Postsecondary Access and Outreach	6,352	6,645	6,122	6,769	5,014	5,014	5,014	5,014
Program: Technology and Libraries	5,603	5,607	5,905	5,905	5,905	5,905	5,905	5,905
Program: OHE Administration	9,916	10,455	9,964	12,936	12,525	12,530	13,006	13,100
<b>Total</b>	<b>280,783</b>	<b>292,039</b>	<b>294,202</b>	<b>322,499</b>	<b>309,575</b>	<b>309,631</b>	<b>346,058</b>	<b>347,991</b>

**Expenditures by Category**

Compensation	4,549	5,059	5,083	5,562	5,580	5,614	5,816	5,887
Operating Expenses	18,598	17,157	16,147	22,308	21,451	21,422	21,696	21,719
Other Financial Transactions	75,787	68,741	59,349	60,010	60,010	60,010	60,010	60,010
Grants, Aids and Subsidies	181,848	201,056	213,623	234,620	222,534	222,585	258,536	260,375
Capital Outlay-Real Property	0	27						
<b>Total</b>	<b>280,783</b>	<b>292,039</b>	<b>294,202</b>	<b>322,499</b>	<b>309,575</b>	<b>309,631</b>	<b>346,058</b>	<b>347,991</b>
Total Agency Expenditures	280,783	292,039	294,202	322,499	309,575	309,631	346,058	347,991
Internal Billing Expenditures	200	282	324	273	232	232	232	232
<b>Expenditures Less Internal Billing</b>	<b>280,582</b>	<b>291,757</b>	<b>293,878</b>	<b>322,227</b>	<b>309,343</b>	<b>309,399</b>	<b>345,826</b>	<b>347,759</b>

**Full-Time Equivalents**

	<b>66.1</b>	<b>67.6</b>	<b>63.5</b>	<b>63.0</b>	<b>63.0</b>	<b>63.0</b>	<b>65.0</b>	<b>65.0</b>
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(Dollars in Thousands)

**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		9,972	0	12,081				
Direct Appropriation	190,823	190,571	226,281	224,572	223,822	223,822	248,478	250,315
Receipts		0						
Net Transfers	1,379	1,917	1,177	1,150	1,834	1,885	13,661	13,752
Cancellations		0						
<b>Expenditures</b>	<b>183,370</b>	<b>202,460</b>	<b>215,378</b>	<b>237,803</b>	<b>225,656</b>	<b>225,707</b>	<b>262,139</b>	<b>264,067</b>
Balance Forward Out	8,832		12,081					
<i>Biennial Change in Expenditures</i>				67,350		(1,817)		73,026
<i>Biennial % Change in Expenditures</i>				17		0		16
<i>Gov's Exp Change from Base</i>								74,843
<i>Gov's Exp % Change from Base</i>								17
FTEs	22.0	23.4	21.8	21.5	21.5	21.5	23.5	23.5

**2000 - Restricted Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	1,006	1,491	2,067	2,596	2,695	2,750	2,695	2,750
Receipts	1,031	1,151	1,221	978	937	937	937	937
Internal Billing Receipts	200	282	324	273	232	232	232	232
Net Transfers	0							
<b>Expenditures</b>	<b>548</b>	<b>574</b>	<b>693</b>	<b>878</b>	<b>882</b>	<b>887</b>	<b>882</b>	<b>887</b>
Balance Forward Out	1,489	2,067	2,596	2,695	2,750	2,800	2,750	2,800
<i>Biennial Change in Expenditures</i>				448		198		198
<i>Biennial % Change in Expenditures</i>				40		13		13
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	4.5	4.6	4.6	6.1	6.1	6.1	6.1	6.1

**2001 - Other Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		92	92	92				
Receipts	147	47						
<b>Expenditures</b>	<b>55</b>	<b>47</b>		<b>92</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance Forward Out	92	92	92					
<i>Biennial Change in Expenditures</i>				(10)		(92)		(92)

(Dollars in Thousands)

**2001 - Other Misc Special Rev**

Biennial % Change in Expenditures			(9)		(100)	(100)
Gov's Exp Change from Base						0
Gov's Exp % Change from Base						0
FTEs	0.1	0	0	0	0	0

**3000 - Federal**

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Balance Forward In		67						
Receipts	5,151	5,400	5,450	4,642	3,968	3,968	3,968	3,968
<b>Expenditures</b>	<b>5,150</b>	<b>5,467</b>	<b>5,450</b>	<b>4,642</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>
Biennial Change in Expenditures				(524)		(2,156)		(2,156)
Biennial % Change in Expenditures				(5)		(21)		(21)
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	26.2	25.7	23.9	21.8	21.8	21.8	21.8	21.8

**8300 - Office Of Higher Education**

	Actual FY12	FY 13	Actual FY 14	Estimate FY15	Forecast Base FY16	FY17	Governor's Recommendation FY16	FY17
Balance Forward In	36,529	86,644	102,405	109,973	115,906	97,356	115,906	97,356
Receipts	141,687	99,262	80,262	85,035	60,535	60,535	60,535	60,535
Net Transfers	(10)	(10)	(12)	(16)	(16)	(16)	(16)	(16)
<b>Expenditures</b>	<b>91,660</b>	<b>83,491</b>	<b>72,681</b>	<b>79,085</b>	<b>79,069</b>	<b>79,069</b>	<b>79,069</b>	<b>79,069</b>
Balance Forward Out	86,546	102,405	109,973	115,906	97,356	78,806	97,356	78,806
Biennial Change in Expenditures				(23,385)		6,372		6,372
Biennial % Change in Expenditures				(13)		4		4
Gov's Exp Change from Base								0
Gov's Exp % Change from Base								0
FTEs	13.3	13.9	13.1	13.6	13.6	13.6	13.6	13.6

# Minnesota Office of Higher Education

## FY16-17 Biennial Budget Change Item

### Change Item: Minnesota State Grant: Lower AFR, Increase LME, Increase T&F Maximums

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	22,500	22,500	22,500	22,500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	22,500	22,500	22,500	22,500
FTEs	0	0	0	0

### Recommendation:

The Governor recommends increasing funding for the State Grant program to provide Minnesotans with economic mobility through postsecondary attainment. This recommendation is designed to enhance access to postsecondary education for underserved populations, maintain affordability of postsecondary education for lower- and middle-income students, and to reduce the need for targeted populations to take out student loans. The proposal focuses specifically on areas of basic maintenance and enhanced access for low wage working adults and middle income families. The changes made in this proposal utilize the projected balance in the State Grant program in the 2016-17 biennium as well as a \$45 million increase in the appropriation.

Basic maintenance focuses on maintaining the purchasing power of State Grants and providing adequate support for students in the work/study tradeoff. Strategies for basic maintenance include:

1. Increase the tuition and fee maximums to the highest resident tuition charged at two- and four-year public institutions.
2. Increase the living and miscellaneous expense allowance to the federal poverty level.

Enhancing access for underserved populations focuses on increasing the effectiveness of State Grants for targeted populations. Strategies for enhancing access include:

3. Lower the assigned family responsibility for independent students to ensure that low-wage working adults receive assistance in paying for additional education and training.
4. Lower the assigned family responsibility for parents of dependent students so that middle income families receive assistance in paying for additional education and have less need to borrow.
5. Allow the State Grant to fill in for unawarded Pell Grants within the State Grant program so that under-served students receive necessary assistance for postsecondary education.

Compared to the FY 2014-2015 appropriation for State Grant, the percentage increase in funding is 13%.

### Rationale/Background:

Evidence shows that students who attend the institution that best meets their educational needs and who receive adequate need-based aid are more likely to graduate in a timely fashion and to take on less debt. The failure to provide adequate federal or state financial assistance for postsecondary attendance disadvantages underserved lower-income students in regard to access and completion. The recommended changes will make postsecondary education more affordable and reduce the need for taking on debt.

### Proposal:

The Minnesota State Grant program is well-positioned to meet demand and remove financial barriers to access for Minnesota's lower- and middle-income students. In order to maintain stability in educational costs for students and keep debt from increasing for lower- and middle-income families, Minnesota should fully recognize the costs students face at all levels. The State Grant program will be improved by recalibrating award parameters in five areas.

#### Basic maintenance:

1. **Increase the Tuition and Fee Maximums:** Increase the tuition and fee maximums to the highest resident tuition charged at two- and four-year public institutions. The maximum recognized tuition and fees should be based on current costs charged to students. For example, for students seeking a degree from the University of Minnesota, the program continues to underfund tuition by choosing to fund only \$13,000 of their \$13,620 in tuition. The result is that the state expects more financially from students seeking University of Minnesota degrees than those seeking degrees from Winona State University or St. Cloud State University, which creates an unintentional barrier for those students able to succeed academically, but not financially at the University of Minnesota. In recent years, State Grant awards have increased when tuition at MnSCU institutions increased, but State Grant awards have not increased when tuition at the University of Minnesota increased, because the University of Minnesota tuition was greater than the tuition maximum. The proposal will increase awards to students at the University of Minnesota and private colleges. Estimated Cost: \$11,377,000 for the biennium.
2. **Increase the Living and Miscellaneous Expense (LME) Allowance:** Increase the living and miscellaneous expense allowance within the Minnesota State Grant program to the poverty level. The failure to recognize a poverty level living standard is a barrier to student success. The inability to cover expenses beyond tuition (rent, transportation, books, and food) can derail a student. State law continues to expect that students live on \$7,900 for a nine month period—\$878 per month. The result is that students work more hours while enrolled in order to afford basic living needs, which limits their study and classroom time and negatively impacts their probability of college completion. There is a difference between expecting students to maintain a frugal standard of living and expecting students to live at a level below basic poverty standards. The proposal will increase awards to all students. Estimated Cost: \$60,040,000 for the biennium.

#### Enhancing access for underserved populations:

3. **Reduce Assigned Family Responsibility for Independent Students:** Lowering the assigned family responsibility for independent students without children will help low-wage working adults (age 24 or older) receive assistance in paying for additional education and training. A disparity exists in that low-income independent students without children receive little in Pell Grants and State Grants, while parents of dependent students with the same income receive more in both programs. 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. Students age 24 or older do not have the same financial obligations as teenagers straight out of high school. Under current federal law, for every dollar these students earn, federal policy expects them to designate one-quarter to one-half for college costs. By lowering the family responsibility of independent students, the state can expand eligibility and increase grant funds for lower-income independent students. The proposal will increase awards to low-wage working adults, age 24 or older. Estimated Cost: \$18,080,000 for the biennium.
4. **Reduce Assigned Family Responsibility for Parents of Dependent Students:** Lowering the assigned family responsibility for parents of dependent students within the Minnesota State Grant program helps middle income families receive assistance in paying for additional education so they depend less on borrowing. Middle income families face increasing pressure from college costs as they receive little from state and federal need-based grant programs. These families often must choose between letting their students borrow or having the parents borrow to pay the costs of college. By lowering the family contribution for parents of dependent students, the state can expand eligibility for State Grants to middle-income families and reduce debt levels. The proposal will increase awards to students from middle income families. Estimated Cost: \$24,564 for the biennium.
5. **Pell Grant Fill-In:** Allowing the State Grant to fill in for unawarded Pell Grants within the Minnesota State Grant program helps critically underserved students receive assistance in paying for education. Federal funding policies create a situation in which targeted groups (e.g. Minnesota Prosperity/DREAM Act students and students without a high school credential) 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 funding to these targeted groups. The proposal will increase awards to students from underserved populations. Estimated Cost: \$5,200,000 for the biennium.

#### IT Related Proposals: not applicable



**Results:**

Student Financial Aid evaluates the outcomes of its strategies by:

- Assessing the price students and families pay for postsecondary education
- Evaluating how students and families pay for postsecondary education (using current income or debt)

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Net Price for First-Time, Full-Time Minnesota Undergraduates with Incomes under \$75,000	\$14,340	\$15,170	2009-2010 2012-2013
Result	Median Cumulative Student Loan Debt of Graduating Seniors from MN 4-Year Colleges	\$26,300	\$27,300	FY2011 FY2013
Quantity	MN State Grant – number of students served	88,823	99,501	FY2011 FY2014

**Statutory Change(s):**

136A.101, Subd. 5a Assigned family responsibility

# Minnesota Office of Higher Education

## FY16-17 Biennial Budget Change Item

### Change Item: Increase in Interstate Tuition Reciprocity Appropriation for North Dakota Reciprocity Payment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,700	3,500	3,500	3,500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,700	3,500	3,500	3,500
FTEs	0	0	0	0

#### Recommendation:

The Governor recommends an increase to the Interstate Tuition Reciprocity program appropriation to cover the projected payments from Minnesota to North Dakota for FY2016 and FY2017.

#### Rationale/Background:

The Minnesota-North Dakota tuition reciprocity agreement allows students from both states to attend public institutions in the neighboring state without having to pay the higher non-resident tuition rate. Minnesota has historically had more students attending in North Dakota than North Dakota has had students attending in Minnesota. Though the reciprocity payment from Minnesota to North Dakota has been increasing, the payment is still less expensive than the cost of educating additional Minnesota residents in Minnesota, since students from Minnesota are not eligible for Minnesota's state financial aid programs while studying in North Dakota, which provides cost savings to those programs.

Projected tuition reciprocity payments to North Dakota for the coming biennium total \$27.2 million. The current appropriation base for the coming biennium is \$22 million, which leaves a projected shortfall of \$5.2 million.

#### Proposal:

The Office of Higher Education estimates additional funding of \$5.2 million will be needed to fully fund the Interstate Tuition Reciprocity program.

#### IT Related Proposals:

None

#### Results:

Continued choice of postsecondary education institutions for Minnesota residents.

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Number of MN residents attending in ND	10,325	11,447	2010 & 2012
Quantity	Number of ND residents attending in MN	5,386	5,067	2010 & 2012

#### Statutory Change(s):

None required

# Minnesota Office of Higher Education

## FY16-17 Biennial Budget Change Item

### Change Item: American Indian Scholarship Program Increase

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	400	400	400	400
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	400	400	400	400
FTEs	0	0	0	0

### Recommendation:

The Governor recommends increased funding for the American Indian Scholarship Program to prevent a waiting list of eligible applicants. The \$400,000 increase to the American Indian Scholarship Program appropriation represents a 13% increase to base funding.

### Rationale/Background:

- The Minnesota Indian Scholarship Program provides postsecondary financial assistance to eligible Minnesota resident students who are of one-fourth or more American Indian ancestry, attending eligible Minnesota postsecondary institutions and who demonstrate financial need for an award.
- American Indian high school graduates in Minnesota are less likely to immediately enroll in a Minnesota college or university, and graduate from college than other population groups. Additionally, American Indians age 25 and over in Minnesota are less likely to have attained a college degree.
- An increase in the number of students awarded through this program is likely to increase the number of American Indian college students who complete their postsecondary programs.
- During the 2013 legislative session the state appropriation for the program was increased by \$1.5 million each fiscal year (\$3 million for the biennium). This historic increase significantly reduced the number of otherwise eligible students on the waiting list each year from over 600 in fiscal year 2012 to less than 100 in fiscal year 2014.
- In fiscal year 2015, the Office was able to use one-time excess funds from other programs in order to support students who would have been placed on a waiting list.
- This request ensures the current demand for scholarships will be met and that most, if not all, eligible applicants will be awarded.

### Proposal:

Funding to cover the increasing demand for the program of \$400,000 per fiscal year.

### IT Related Proposals:

N/A

### Statutory Change(s):

None required.

# Minnesota Office of Higher Education

## FY16-17 Biennial Budget Change Item

### Change Item: Midwestern Higher Education Compact Fees

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	20	20	20	20
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20	20	20	20
FTEs	0	0	0	0

### Recommendation:

The Governor recommends additional funding to support increased membership fees to the Midwestern Higher Education Compact (MHEC). MHEC has increased its membership fees by \$20,000, from \$95,000 to \$115,000 annually. The Office of Higher Education covers costs for all institutions in the state.

### Rationale/Background:

The Midwest Higher Education Compact (MHEC) is a nonprofit organization that assists Midwestern states in advancing higher education through interstate cooperation and resource sharing. MHEC also provides research and recommendations on higher education related issues.

- It is one of four statutorily-created interstate compacts, serving Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.
- MHEC serves approximately 1,000 public and private nonprofit institutions educating more than four million students.
- The Midwestern State Authorization Reciprocity Agreement (M-SARA) is under the purview of MHEC. SARA will streamline the process of regulation for institutions who offer online courses and degrees in other participating states.
- Current membership fee of \$95,000 will increase to \$115,000 for FY2016 and FY2017. The last fee increase was in FY2009.

### Proposal:

Funding for the annual commitment increase of \$20,000 per fiscal year.

### IT Related Proposals:

N/A

### Results:

Any results in terms of costs saved for institutions and how that might impact students from participation in SARA are yet to be known.

### Statutory Change(s):

None required.

## Higher Education, Office of

### FY16-17 Biennial Budget Change Item

#### Change Item: Operating Adjustment

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	36	73	73	73
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	36	73	73	73
FTEs	0	0	0	0

#### Recommendation:

The Governor recommends additional funding for compensation related costs associated with the delivery of agency services. This amount represents an annual increase of 1.8% for General Fund compensation costs.

#### Rationale/Background:

Each year, compensation costs rise due to labor contract settlements, and changes in employer-paid contributions for insurance, FICA, Medicare, retirement, and other factors. Absorbing this increase in compensation costs within existing agency base appropriations results in reduced staffing and/or reduced non-compensation spending.

#### Proposal:

The Governor recommends increasing agencies' general fund budgets for employee wage and benefit costs by 1.8% per year for FY 2016-17. Agencies were instructed to include a 1.8% increase to total compensation each year in their base budgets, based upon the compound annual compensation spending rate increase per FTE over the last ten years for executive branch employees. This recommendation is intended to allow agencies to maintain their current level of agency operations.

#### Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

#### Statutory Change(s):

N.A.

## Office of Higher Education

### FY16-17 Biennial Budget Change Item

#### Change Item: Teaching Workforce Support

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	12,090	12,090	12,090	12,090
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12,090	12,090	12,090	12,090
<b>FTEs</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Education	1	1	1	1
Office of Higher Education	2	2	2	2

#### Request:

The Governor recommends assisting schools and districts in closing gaps in teacher talent pools. This proposal focuses on creating pathways for paraprofessionals, and providing tuition assistance and a loan forgiveness program to teaching candidates. The Governor also recommends additional funding for expanding the Minnesota American Indian Teacher Training scholarship program and eliminating the loan portion of the program.

#### Rationale/Background:

In the FY2013 Teacher Supply and Demand Report (TSDR) to the Legislature, two trends continue to be of concern. First, there has been a 6 percent increase in the enrollments of students with special needs and an 8.7 percent increase in the number of students with limited English proficiency, whereas there are fewer program completers in the relevant teaching fields and fewer licenses being issued for some of these areas. These data taken together suggest potential increases in shortages in these two fields within the near future. Second, the population of students enrolled in Minnesota's public schools is becoming more diverse, yet the diversity of the teaching workforce remains constant. Research suggests that being exposed to teachers of color can have positive impacts on students of color and Caucasian students alike.

The Minnesota American Indian Teacher Training program currently offers a scholarship component and a loan component. Currently, MDE does not have a process in place to monitor and manage the loan repayment, loan forgiveness, and revolving fund components of the program. This proposal recommends eliminating the loan portion of the program.

#### Proposal:

The Commissioner of the Education, with assistance from the Commissioner of the Office of Higher Education, would create a "Stepping-Up for Kids" program which would assist paraprofessionals with financial assistance when they enroll in a program in Minnesota leading to a teacher licensure. A 'TeachMN' program would be created to provide loans and subsequent loan forgiveness to teacher candidates and in-service teachers who go into high needs areas. The goal of these proposals is to increase and diversify overall teacher talent pool in order to close gaps. Hard to staff areas and areas of teacher shortage would be the main focus. Up to 6% of the appropriation can be used for administration of the two programs. An interagency agreement and transfer of funds between MDE and OHE will support this work as well as IT or other costs associated. The "Stepping-Up for Kids" and "TeachMN" programs will be funded by the General Fund and payments from student borrowers who do not fulfill their teaching obligation.

The TSDR, which defines shortage areas and high demand areas would be a data point used to identify schools in shortage or highest need areas. TSDR is an existing report that will continue to be produced by MDE.

The current Minnesota Indian Teacher Training program provides grants to four joint grantees (public school districts partnered with higher education institutions) in high need geographic areas. This proposal increases funding to three of the four current joint grantees of the program to diversify the overall teacher talent pool in order to close gaps. The proposal also makes technical changes including updating language to clearly define who is eligible to receive scholarships and clarify MDE's role in administering the grant.

**Results:**

MDE will measure success in the following ways:

Measure 1: We will measure the shortage areas and high demand areas included on the Teacher Supply and Demand Report with a goal of decreasing the number of areas.

Measure 2: Success will be measured by increasing the number of American Indian students that complete teacher preparation programs in higher education institutions, resulting in a larger pool of American Indian teacher candidates.

**Statutory Change(s):**

This proposal intends to make technical and policy changes to the Minnesota American Indian Teacher Training Program (M.S. 122A.63).

**Program: Student Financial Aid Services**[www.oh.e.state.mn.us](http://www.oh.e.state.mn.us)**AT A GLANCE**

- Provided a total of \$185.7 million in need-based financial assistance to 114,000 Minnesota students in FY2013
- Administered state financial aid programs with a total of 5.0 full-time employees.

**PURPOSE & CONTEXT**

Most Minnesotans need some form of postsecondary education. 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.

<i>Program</i>	<i>Year</i>	<i>Students</i>	<i>Expenditures</i>	<i>Description</i>
MN State Grant	FY2013	99,440	\$ 161 million	Need-based grant to MN residents attending MN colleges.
Interstate Tuition Reciprocity	FY2013	29,000	\$ 7.1 million	Waives non-resident tuition rates for MN residents attending public colleges in reciprocity states.
State Work Study	FY2013	10,633	\$ 14.5 million	Funds allocated to MN colleges to pay 75% of wages for student employment on or off campus.
Postsecondary Child Care Grant	FY2013	2,666	\$ 5.6 million	Need-based grants to student parents using child care services while attending college.
MN Indian Scholarship	FY2014	876	\$ 2.8 million	Need-based scholarships to MN resident students who have at least one-quarter American Indian ancestry.
MN GI Bill	FY2013	602	\$ 820,000	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	FY2014		\$ 1.0 million	Financial support for family practice training programs.
Tribal College Grants	FY2014		\$ 128,260	Direct financial support to tribal colleges in MN to support the cost of educating non-tribal members.
High School-to-College Developmental Transition Grant	FY2014		\$ 94,000	Matching grants to MN colleges offering summer bridge programs with developmental math and English.
Safety Officers Survivor's Grant	FY2013	8	\$ 63,000	Non-need-based college grants to survivors of MN public safety officers killed in the line of duty.
John R. Justice Student Loan Repayment	FY2014		\$ 55,000	Federal grant funds used for student loan repayment assistance to public defenders and prosecutors.

**RESULTS**

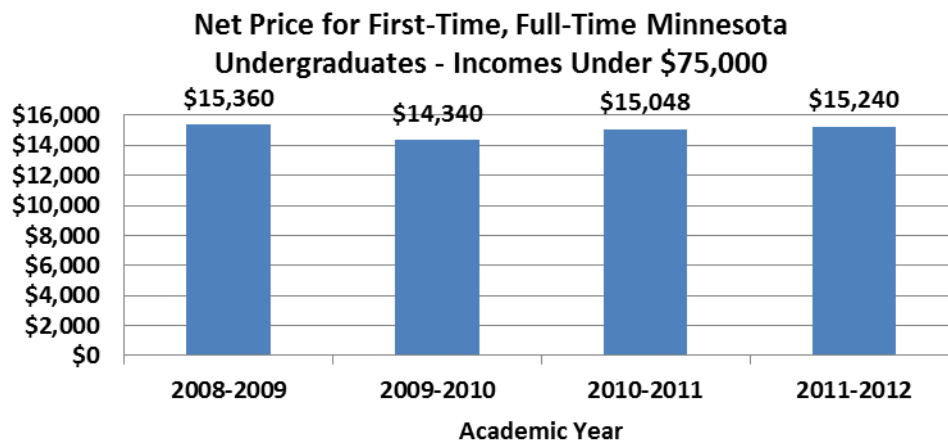
Student Financial Aid Services evaluates the outcomes of its strategies and services by determining their impact on student access to and choice of higher education institutions by:



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 four 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, a full-time undergraduate with family incomes below \$75,000 at Minnesota postsecondary institutions, the average net price was \$15,420 during the 2011-2012 academic years.

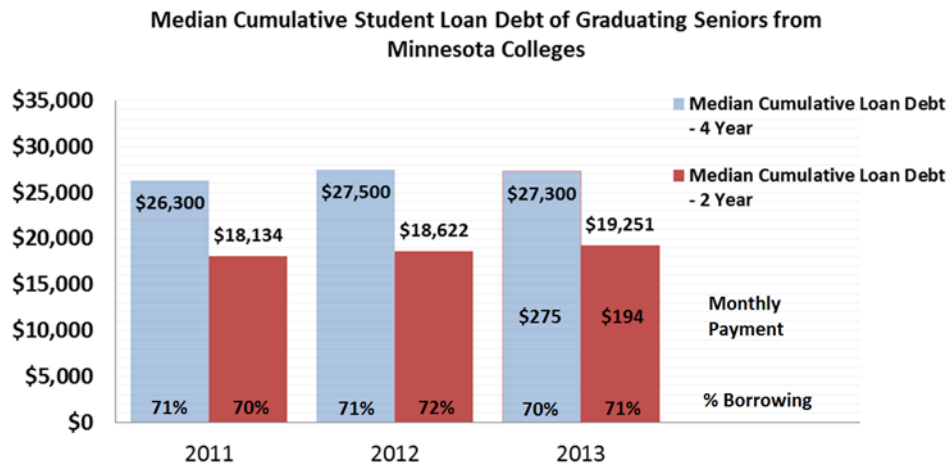


2. Median Cumulative Student Debt &
3. Percentage of Students Borrowing in Minnesota

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 four years. Students who graduated from Minnesota four-year public and private institutions had median student loan debt of \$27,300 in 2013 and associate degree recipients had a median student loan debt of \$19,251.

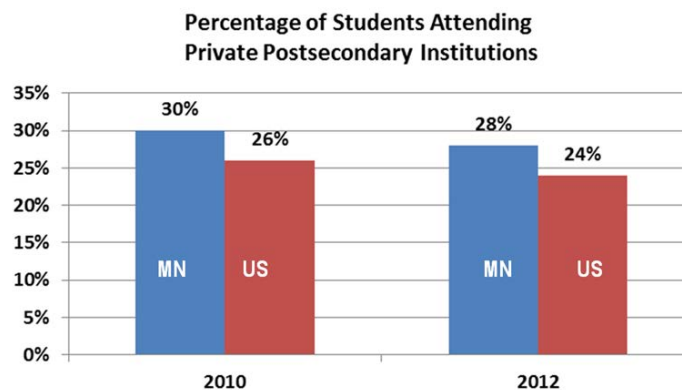
Reasonableness of future student loan payments is also an important measure, since some students may opt out of postsecondary education or attend less expensive institutions to avoid an unmanageable debt load. Monthly payments on Minnesota's median cumulative loan debt of \$27,300 for four-year degree completers would be approximately \$275. The corresponding payment amount for associate degree completers would be \$194. Neither amount exceeds the eight percent of gross starting salary, 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 stable over the past four years, with 70 percent of four-year graduates borrowing during 2013, and 71 percent of 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 than the national average even though Minnesota has a slightly lower proportion of private postsecondary institutions (63.8 percent) than the nation (65 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.



#### 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 2011 graduates with bachelor's degrees in their second 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), Fall Enrollment at Postsecondary Institutions for 2010 and 2012. 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  
<https://www.revisor.mn.gov/statutes/?id=135A.61> – High School to College Developmental Transition Program

**Expenditures By Fund**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	174,391	193,258	206,268	226,135	215,170	215,221	251,172	253,011
3000 - Federal	150	71	69	44	44	44	44	44
<b>Total</b>	<b>174,541</b>	<b>193,329</b>	<b>206,337</b>	<b>226,179</b>	<b>215,214</b>	<b>215,265</b>	<b>251,216</b>	<b>253,055</b>
<i>Biennial Change</i>				64,646		(2,038)		71,754
<i>Biennial % Change</i>				18		0		17
<i>Governor's Change from Base</i>								73,792
<i>Governor's % Change from Base</i>								17

**Expenditures by Category**

Compensation	33	22	27	39	39	39	39	39
Operating Expenses	51	49	59	68	68	68	68	68
Other Financial Transactions	-9	-2	403	10	10	10	10	10
Grants, Aids and Subsidies	174,466	193,260	205,849	226,062	215,097	215,148	251,099	252,938
<b>Total</b>	<b>174,541</b>	<b>193,329</b>	<b>206,337</b>	<b>226,179</b>	<b>215,214</b>	<b>215,265</b>	<b>251,216</b>	<b>253,055</b>
Total Agency Expenditures	174,541	193,329	206,337	226,179	215,214	215,265	251,216	253,055
Internal Billing Expenditures	1	0	0					
<b>Expenditures Less Internal Billing</b>	<b>174,540</b>	<b>193,329</b>	<b>206,337</b>	<b>226,179</b>	<b>215,214</b>	<b>215,265</b>	<b>251,216</b>	<b>253,055</b>
<b><u>Full-Time Equivalents</u></b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>

Program: Student Financial Aid

Budget Activity Financing by Fund

(Dollars in Thousands)

**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		9,100		11,067				
Direct Appropriation	181,261	181,362	215,790	213,431	213,431	213,431	238,031	239,831
Net Transfers	1,294	2,795	1,545	1,637	1,739	1,790	13,141	13,180
<b>Expenditures</b>	<b>174,391</b>	<b>193,258</b>	<b>206,268</b>	<b>226,135</b>	<b>215,170</b>	<b>215,221</b>	<b>251,172</b>	<b>253,011</b>
Balance Forward Out	8,164		11,067					
<i>Biennial Change in Expenditures</i>				64,754		(2,012)		71,780
<i>Biennial % Change in Expenditures</i>				18		0		17
<i>Gov's Exp Change from Base</i>								73,792
<i>Gov's Exp % Change from Base</i>								17
FTEs	0.2	0.3	0.4	0.3	0.3	0.3	0.3	0.3

**3000 - Federal**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Receipts	150	71	69	44	44	44	44	44
<b>Expenditures</b>	<b>150</b>	<b>71</b>	<b>69</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>
<i>Biennial Change in Expenditures</i>				(108)		(26)		(26)
<i>Biennial % Change in Expenditures</i>				(49)		(23)		(23)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.3	0.1	0.1	0	0	0	0	0

**Program: Student Educational Loan Fund (SELF)**[www.selfloan.state.mn.us](http://www.selfloan.state.mn.us)**AT A GLANCE**

- Since the program began in 1984 over \$2 billion has been lent out to students in no-fee, low-interest loans
- Over 80,000 SELF borrowers currently have loans through the program and owe \$625 million.
- Current interest rates:  
3.2% variable  
6.9% fixed
- 5 Full Time Employees

**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 Loan is a source of long-term, low interest money to help students and families pay for college. 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.

**SERVICES PROVIDED**

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.

Current activities of the SELF program:

- In 2014, we expanded marketing of the program to promote the use of SELF loans over high interest private loans.
- We use various collection methods that result in the loans being repaid.

**RESULTS**

Quantity: Number of SELF Loans Awarded and total dollars disbursed

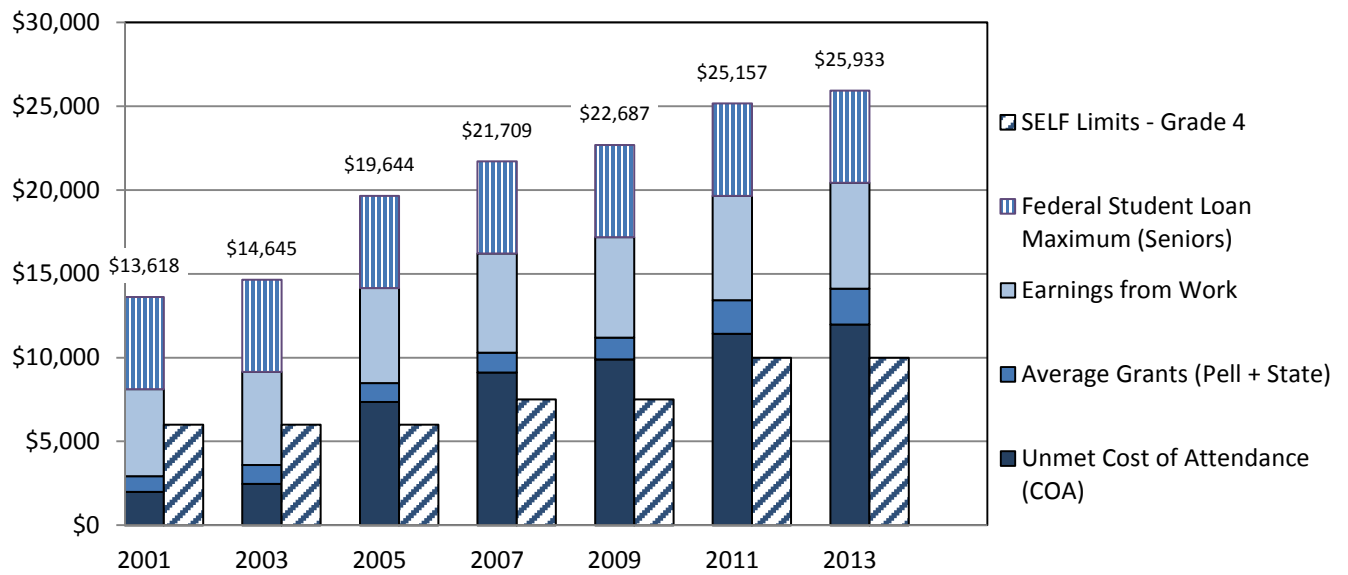
Source: Office of Higher Education

The number of loans and total dollars given to students has been decreasing since 2009. 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.
- The amount students can borrow through the SELF program is 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.

Quality: The percentage of the cost of attendance eligible to be covered by SELF Loans

## SELF Loan Limits Compared to Cost of Attendance



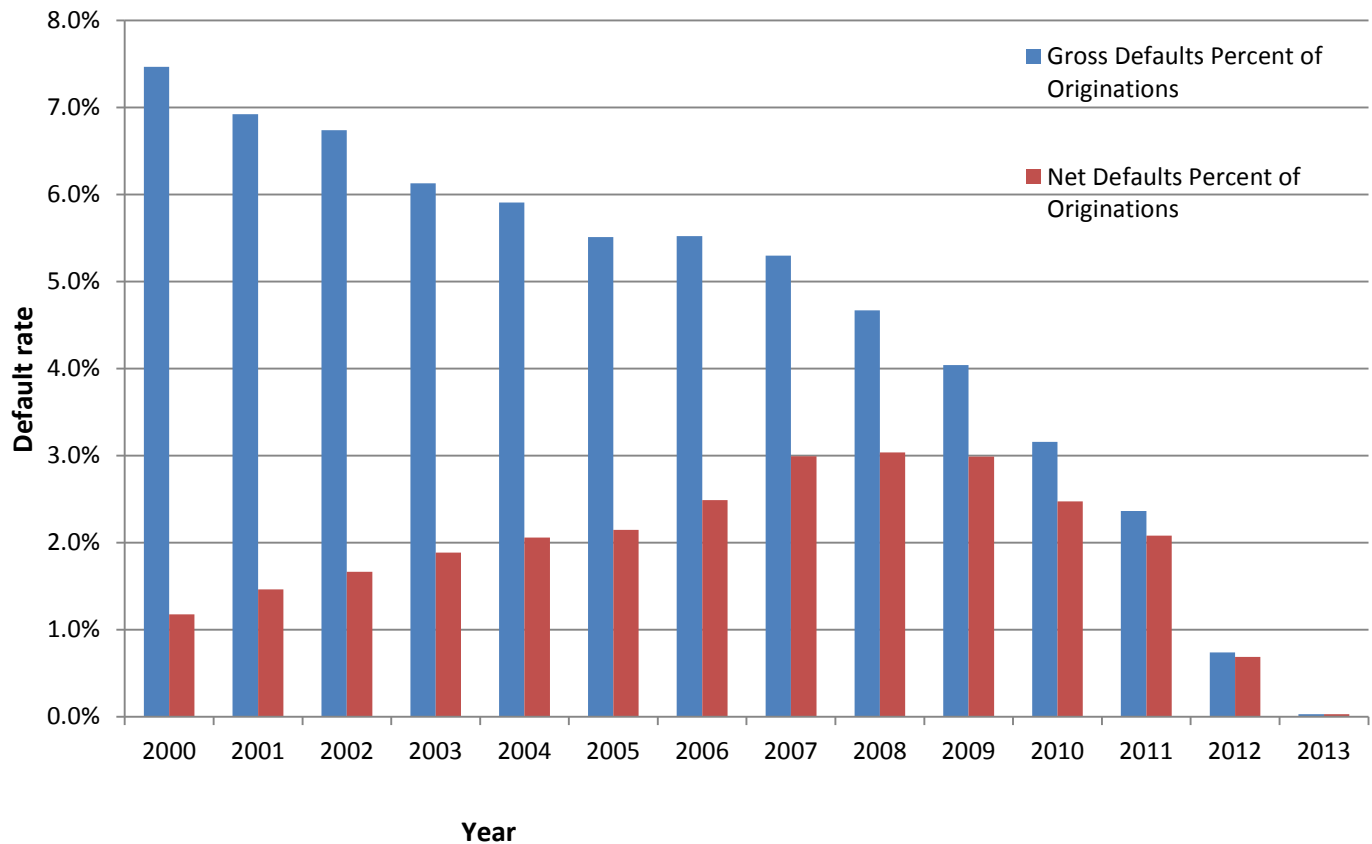
Source: Office of Higher Education and [finaid.org](http://finaid.org)

The amount the student can borrow through the SELF Loan program - \$10,000 per year for 4 year and graduate programs, and \$7,500 for all other programs – has not met the average cost of attendance since 2003.

Footnotes: We used the University of Minnesota as an example because it represents the mid-point in terms of cost between MnSCU and private colleges. For students attending MnSCU, the cost will likely be lower; for those attending privates, the cost will likely be higher Earnings from work were based on students working 10 hours per week during the school year and 30 hours during the summer at \$10 per hour.

The chart above shows what the SELF Limits are for Grade Level 4, which is considered a senior in a 4-year program. There is a large gap between SELF loan limits and the actual cost of education.

## SELF Loan Program Default Rates as of 2013



Net default rates: The gross loan default amounts less post-default amounts recovered.

Source: Office of Higher Education

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



**Expenditures By Fund**

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
8300 - Office Of Higher Education	84,295	75,949	65,704	70,035	70,035	70,035	70,035	70,035
<b>Total</b>	<b>84,295</b>	<b>75,949</b>	<b>65,704</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>
<i>Biennial Change</i>				(24,505)		4,331		4,331
<i>Biennial % Change</i>				(15)		3		3
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

**Expenditures by Category**

Compensation	6	21	25	27	27	27	27	27
Operating Expenses	8,721	7,313	6,779	10,008	10,008	10,008	10,008	10,008
Other Financial Transactions	75,569	68,615	58,900	60,000	60,000	60,000	60,000	60,000
<b>Total</b>	<b>84,295</b>	<b>75,949</b>	<b>65,704</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>

**Full-Time Equivalents**

<b>0.1</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>
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**8300 - Office Of Higher Education**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	10,254	80,294	97,701	103,464	108,464	88,964	108,464	88,964
Receipts	129,335	93,357	71,467	75,035	50,535	50,535	50,535	50,535
Net Transfers	25,000							
<b>Expenditures</b>	<b>84,295</b>	<b>75,949</b>	<b>65,704</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>	<b>70,035</b>
Balance Forward Out	80,294	97,701	103,464	108,464	88,964	69,464	88,964	69,464
<i>Biennial Change in Expenditures</i>				(24,505)		4,331		4,331
<i>Biennial % Change in Expenditures</i>				(15)		3		3
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.1	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.
- 6 employees - 5 full-time permanent and 2 temporary half-time interns.

**PURPOSE & CONTEXT**

We provide credible, politically neutral, research based data, information and analysis on higher education.

**SERVICES PROVIDED**

1. We collect and analyze data about Minnesota higher education related to preparing for college, financing postsecondary education and student outcomes. We publish reports on the following four topics:

**System/market/institutional performance**

- Minnesota Measures is an annual survey of the status of postsecondary education in Minnesota. The report is used by policy makers, institutional leaders, as well as students and parents.
- We determine the outcomes we should use to gauge if institutional performance is at an acceptable level to participate in state financial aid programs.

**Financing of higher education (student & state)**

- Amount of financial aid awarded to postsecondary students.
- Data collected by the US Department of Education regarding educational cost and student loans.
- Net price of attending postsecondary education.
- Cumulative debt incurred while attending postsecondary education.

**Student outcomes:** OHE researches statewide outcomes related to postsecondary education including the percentage of Minnesotans with postsecondary degrees, students retained year to year at their school, transfers, graduation rates, types of degrees earned, cumulative student loan debt/student loan default rates and graduate employment.

**College preparation and access:** OHE analyzes the transition to higher education, including high school academic preparation, the number of students who need remedial education, the percentage of students who enroll in college, the cost of tuition and fees, Free Application for Financial Student Aid (FAFSA) completion rates and financial aid application rates.

2. We collaborate with other entities and agencies to broaden the data and information available to Minnesotans.

**Statewide Longitudinal Education Data System (SLEDS)** is a tool to connect existing data from pre-kindergarten through completion of postsecondary education and into the workforce. OHE is the lead agency on SLEDS. It is a partnership between the Office of Higher Education (OHE) and the Departments of Education (MDE) and Employment and Economic Development (DEED). By bridging existing data with other incoming data, a range of education programmatic and delivery questions can be answered to gauge the effectiveness of current programs and design targeted strategies to help students.

3. We conduct policy analyses to inform the planning and administration of Minnesota higher education programs (financial aid, outreach and institutional/student).
  - OHE projects Minnesota State Grant costs to guide planning, administering and budgeting for state financial aid.
  - OHE analyzes tuition reciprocity agreements between Minnesota and its neighboring states.
  - OHE analyzes programs and policies, and advises the Governor and legislators on policy options.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of reports/products published annually	36	29	7/1/2013-6/30/2014
Quantity	Number of completed data requests	N/A*	21	7/1/2013-6/30/2014
Quality	Number of presentations/panels/testimonies provided by OHE staff	N/A*	48	7/1/2013-6/30/2014
Quantity	Number of web page hits/report downloads	N/A*	30,754	7/1/2013-6/30/2014
Quality	Number of external uses, citations, or quotes	38	22	7/1/2013-6/30/2014
Results	Number of collaborative projects, grant dollars brought in	2, \$0	4, \$100,000	7/1/2013-6/30/2014
Quantity	Number of fiscal notes completed	19	26	7/1/2013-6/30/2014

\*2014 is the first year these measures were collected

**Expenditures By Fund**

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	0	0	149	584	882	882	882	882
2000 - Restricted Misc Special Rev	20	8	20	0	0	0	0	0
2001 - Other Misc Special Rev	55	47		92	0	0	0	0
<b>Total</b>	<b>75</b>	<b>54</b>	<b>169</b>	<b>676</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>882</b>
<i>Biennial Change</i>				715		919		919
<i>Biennial % Change</i>				553		109		109
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

**Expenditures by Category**

Compensation	8		2	100	100	100	100	100
Operating Expenses	47	47	147	576	782	782	782	782
Grants, Aids and Subsidies	20	8	20	0	0	0	0	0
<b>Total</b>	<b>75</b>	<b>54</b>	<b>169</b>	<b>676</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>882</b>

**Full-Time Equivalents**

<b>0.1</b>	<b>0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
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Program: Research Policy and  
Analysis

Budget Activity Financing by Fund

(Dollars in Thousands)

**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In				284				
Direct Appropriation			882	882	882	882	882	882
Net Transfers			(449)	(582)				
<b>Expenditures</b>	0	0	<b>149</b>	<b>584</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>882</b>
Balance Forward Out			284					
<i>Biennial Change in Expenditures</i>				733		1,031		1,031
<i>Biennial % Change in Expenditures</i>						141		141
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0	0	1.0	1.2	1.2	1.2	1.2	1.2

**2000 - Restricted Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	446	8						
Receipts	20		20					
Net Transfers	(438)							
<b>Expenditures</b>	<b>20</b>	<b>8</b>	<b>20</b>	0	0	0	0	0
Balance Forward Out	8							
<i>Biennial Change in Expenditures</i>				(8)		(20)		(20)
<i>Biennial % Change in Expenditures</i>				(28)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

**2001 - Other Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		92	92	92				
Receipts	147	47						
<b>Expenditures</b>	<b>55</b>	<b>47</b>		<b>92</b>	0	0	0	0
Balance Forward Out	92	92	92					
<i>Biennial Change in Expenditures</i>				(10)		(92)		(92)
<i>Biennial % Change in Expenditures</i>				(9)		(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.1	0	0	0	0	0	0	0

**2001 - Other Misc Special Rev**

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**Program:** Access and Outreach[www.getready.state.mn.us](http://www.getready.state.mn.us)**AT A GLANCE**

- **Get Ready Funding** – \$3.1M/yr. Federal grant, 28 FTEs
- **Get Ready college awareness services** - 5,400 low income students received services by Get Ready staff in nine Title 1 schools.
- **Get Ready Curriculum** - 6,800 additional low income students throughout Minnesota used the Get Ready early college awareness curriculum.
- **Improving Teacher Quality Program (ITQP)** funded 15 projects at 40 school districts where 50% of students qualify for free or reduced lunch prices. ITQP provides competitive grants to accredited postsecondary schools and to non-profits for the purpose of professional developments for teachers.
- **Intervention for College Attendance Program (ICAP)** – 3,477 students served.

**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, the Improving Teacher Quality Program, and the Intervention for College Awareness Program.

The Get Ready/GEAR UP 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/GEAR UP attend schools with 80 to 90% free or reduced lunch. The goals of the Get Ready/GEAR UP program are graduation from high school and successful transition and completion of a postsecondary degree. : We are acting as the fiscal agent for a one-time appropriation of \$750,000 during FY2015. College Possible's missi.

**SERVICES PROVIDED**

**Get Ready** – Students from 6<sup>th</sup> to 12<sup>th</sup> 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 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.

**Improving Teacher Quality Program (ITQP)** - ITQP provides competitive grants to accredited postsecondary schools and to non-profits for the purpose of professional development for teachers.

**Intervention for College Attendance Program (ICAP)** - grants are provided for pre-college and college services for:

- academic counseling, 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
- orientation to college life
- assistance with high school course selection
- information about college admission requirements and financial aid counseling

**Minnesota Minority Education Partnership (MMEP)** - We act as the fiscal agent for an annual pass-through state appropriation of \$45,000 to help fund MMEP operations and activities. MMEP was founded to increase the success of students of color and American Indian students in Minnesota schools, colleges and universities.

**College Possible Twin Cities** on is to help capable low-income students become college graduates.



## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2010 -2011</i>	<i>2011-2012</i>	<i>2012-2013</i>
Result	Improving Teacher Quality Program: Average increase in participating teachers' learning from pre- to post- test.	Not available	16.8%	27%
Result	Intervention for College Attendance Program: Senior High School Graduation rate for participants	81% n=521	86% n=485	82% n=576
Result	Intervention for College Attendance Program: Percent of participants applying for college	83% n=422	75% n=417	92% n=472
Result	GET READY 12 <sup>th</sup> grade College Enrollment (4 year College)			36%*
Result	GET READY 12 <sup>th</sup> grade College Enrollment (2 year College)			24.5%*
Quantity	GET READY 12 <sup>th</sup> grade 12 <sup>th</sup> Grade FAFSA/Dream Act Completion			80% (n=297)*

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\*Above figures reflect only the 2012-13 numbers because of a major change in data collection that is part of a more rigorous and comprehensive data analysis system. As a result of these changes at the Federal level, prior data collected is not comparable to the current data.

**Expenditures By Fund**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	1,247	1,169	687	2,099	1,018	1,018	1,018	1,018
2000 - Restricted Misc Special Rev	106	80	54	72	72	72	72	72
3000 - Federal	5,000	5,396	5,381	4,598	3,924	3,924	3,924	3,924
<b>Total</b>	<b>6,352</b>	<b>6,645</b>	<b>6,122</b>	<b>6,769</b>	<b>5,014</b>	<b>5,014</b>	<b>5,014</b>	<b>5,014</b>
<i>Biennial Change</i>				(106)		(2,862)		(2,862)
<i>Biennial % Change</i>				(1)		(22)		(22)
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

**Expenditures by Category**

Compensation	1,623	1,834	1,865	1,923	1,910	1,910	1,910	1,910
Operating Expenses	2,954	2,607	2,559	2,194	1,572	1,572	1,572	1,572
Other Financial Transactions	17	28	0					
Grants, Aids and Subsidies	1,758	2,175	1,697	2,653	1,532	1,532	1,532	1,532
<b>Total</b>	<b>6,352</b>	<b>6,645</b>	<b>6,122</b>	<b>6,769</b>	<b>5,014</b>	<b>5,014</b>	<b>5,014</b>	<b>5,014</b>
Total Agency Expenditures	6,352	6,645	6,122	6,769	5,014	5,014	5,014	5,014
Internal Billing Expenditures	199	282	323	265	224	224	224	224
<b>Expenditures Less Internal Billing</b>	<b>6,154</b>	<b>6,363</b>	<b>5,798</b>	<b>6,504</b>	<b>4,791</b>	<b>4,791</b>	<b>4,791</b>	<b>4,791</b>

<b><u>Full-Time Equivalents</u></b>	<b>28.9</b>	<b>28.9</b>	<b>27.3</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>	<b>24.8</b>
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Program: Postsecondary Access and Outreach

Budget Activity Financing by Fund

(Dollars in Thousands)

**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		229		331				
Direct Appropriation	1,368	1,018	1,018	1,768	1,018	1,018	1,018	1,018
Net Transfers		(79)						
Cancellations		0						
<b>Expenditures</b>	<b>1,247</b>	<b>1,169</b>	<b>687</b>	<b>2,099</b>	<b>1,018</b>	<b>1,018</b>	<b>1,018</b>	<b>1,018</b>
Balance Forward Out	121		331					
<i>Biennial Change in Expenditures</i>				371		(750)		(750)
<i>Biennial % Change in Expenditures</i>				15		(27)		(27)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	2.4	2.8	3.0	2.6	2.6	2.6	2.6	2.6

**2000 - Restricted Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	36	120	139	176	175	175	175	175
Receipts	133	100	90	72	72	72	72	72
Net Transfers	56							
<b>Expenditures</b>	<b>106</b>	<b>80</b>	<b>54</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>72</b>
Balance Forward Out	119	139	176	175	175	175	175	175
<i>Biennial Change in Expenditures</i>				(61)		18		18
<i>Biennial % Change in Expenditures</i>				(32)		15		15
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	0.6	0.6	0.4	0.4	0.4	0.4	0.4	0.4

**3000 - Federal**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		67						
Receipts	5,001	5,329	5,381	4,598	3,924	3,924	3,924	3,924
<b>Expenditures</b>	<b>5,000</b>	<b>5,396</b>	<b>5,381</b>	<b>4,598</b>	<b>3,924</b>	<b>3,924</b>	<b>3,924</b>	<b>3,924</b>
<i>Biennial Change in Expenditures</i>				(417)		(2,131)		(2,131)
<i>Biennial % Change in Expenditures</i>				(4)		(21)		(21)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Program: Postsecondary Access and Outreach

Budget Activity Financing by Fund

(Dollars in Thousands)

**3000 - Federal**

FTEs	25.9	25.6	23.9	21.8	21.8	21.8	21.8	21.8
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**Program: Technology & Libraries**

<http://www.minitex.umn.edu/>

**AT A GLANCE**

- Resource Sharing: 357,000 interlibrary loan requests for library patrons; filled 256,668 incoming requests; filled over 98,000 from U of MN collections; and electronic delivery of 78,000 articles.
- Over 647,000 unique visitors used *Minnesota Reflections* to find digital objects related to MN history and culture
- Minnesota Library Access Center (MLAC) circulates 18,500 volumes a year
- 7,000 library staff and patrons trained at workshops, webinars, and conferences

**PURPOSE & CONTEXT**

The mission of Minitex, MnLINK Gateway, and Electronic Library of Minnesota (ELM) 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 (OHE) and the University of Minnesota Twin Cities Libraries (UMN). We leverage the resources of over 900 participating institutions to provide direct benefits to students, educators, library staff, and the general public. We reduce costs for local libraries.

We provide access to information and educational resources throughout Greater Minnesota leveling the playing field for those without access to libraries.

The Minnesota Office of Higher Education (OHE) receives an annual pass-through appropriation of \$5,905,000 for Minitex, which is managed by the University of Minnesota.

**SERVICES PROVIDED**

- The Electronic Library for Minnesota (ELM) 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 additional charge.
- MnLINK Gateway, the online interlibrary loan portal for libraries across the region, provides 24/7 access to request books, articles, media and other resources (physical and electronic). MnLINK provides overnight delivery of physical materials to libraries, including physical and electronic delivery to the University of Minnesota's library collections
- Over 200,000 items from Minnesota's history and culture are findable and preserved through *Minnesota Reflections*. We help 160 libraries, museums, historical societies, and other Minnesota organizations digitize their collections and host them online through *Minnesota Reflection*, and through the Digital Public Library of America (DPLA).
- [MnKnows.org](http://MnKnows.org) is the portal Minnesotans can use to access multiple, high quality, online information services.
- Online references help students and professors to locate educational materials through AskMN.
- We negotiate group discounts for online databases, information resources, library supplies, and training opportunities.
- We provide professional education opportunities for library staff and public users, including help with Minnesota History Day and Science, Technology, Engineering and Mathematics (STEM) projects.
- Minnesota Library Access Center (MLAC), long-term underground storage facility, makes 1.5 million volumes from 21 libraries available upon request
- Contract cataloging service to help libraries create bibliographic information for local holdings of books and other library materials. Our staff consults on a wide range of standards and best practices. We also have a reciprocity agreement to share library materials with Wisconsin.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Requests created by MN residents using the MnLINK Gateway	501,878	507,387	2013 & 2014
Quantity	Overall Resource Sharing requests between libraries	255,174	256,668	2013 & 2014
Quantity	Reference questions answered online	4,729	27,500	2009 & 2014
Quantity	MN resident searches of ELM	17,700,000	50,800,000	2010 & 2014
Quantity	MN resident downloads of full-text information from ELM	8,800,000	20,100,000	2011 & 2014

\*\*All numbers are from data tracking systems that the U contracts for, including Online Computer Library Center (MnLINK Gateway numbers). In the case of electronic delivery the data comes from internal logs. For overall Resource Sharing numbers: Software programs including Ex Libris Aleph, Agent ILL, OCLC WorldShare and VDX.

**Expenditures By Fund**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	5,603	5,607	5,905	5,905	5,905	5,905	5,905	5,905
<b>Total</b>	<b>5,603</b>	<b>5,607</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>
<i>Biennial Change</i>				600		0		0
<i>Biennial % Change</i>				5		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

**Expenditures by Category**

Grants, Aids and Subsidies	5,603	5,607	5,905	5,905	5,905	5,905	5,905	5,905
<b>Total</b>	<b>5,603</b>	<b>5,607</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>

Program: Technology and Libraries

Budget Activity Financing by Fund

(Dollars in Thousands)

**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		2		0				
Direct Appropriation	5,605	5,605	5,905	5,905	5,905	5,905	5,905	5,905
Cancellations		0						
<b>Expenditures</b>	<b>5,603</b>	<b>5,607</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>	<b>5,905</b>
Balance Forward Out	2		0					
<i>Biennial Change in Expenditures</i>				600		0		0
<i>Biennial % Change in Expenditures</i>				5		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0



**Program: OHE Administration**

School Licensure & Registration [www.ohe.state.mn.us/mPg.cfm?pagelD=197](http://www.ohe.state.mn.us/mPg.cfm?pagelD=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.
- 359 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, colleges, the Governor's Office, legislators, other state agencies, vendors, media and our internal staff.

**STRATEGIES**

- 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.
  - Our Student Consumer Advocate responds to consumer complaints. Complaints are accepted, reviewed and investigated.
  - 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 conveys information through web sites, publications, presentations, social media, and responds to media requests.
- 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. We receive an annual appropriation of \$95,000 for payment of membership dues to the MHEC.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	No material findings in Certified Audited Financial Statements –Meeting accounting standards	100%	100%	2009 & 2013
Result	Number of paper publications printed instead of utilized online.	304,500	185,000	2011 & 2014
Quantity	Total audits and reviews of postsecondary institutions	64	71	2011 & 2014
Quantity	Total number of Private and Out-of-State Public Postsecondary Education Schools Registered Annually	110	222	2012 & 2014
Quantity	Total Number of Private Career Schools Licensed	115	137	2012 & 2014

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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.

**Expenditures By Fund**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY13	FY14	FY15	FY16	FY17	FY16	FY17
1000 - General	2,129	2,426	2,369	3,080	2,681	2,681	3,162	3,251
2000 - Restricted Misc Special Rev	422	486	619	806	810	815	810	815
8300 - Office Of Higher Education	7,365	7,542	6,977	9,050	9,034	9,034	9,034	9,034
<b>Total</b>	<b>9,916</b>	<b>10,455</b>	<b>9,964</b>	<b>12,936</b>	<b>12,525</b>	<b>12,530</b>	<b>13,006</b>	<b>13,100</b>
<i>Biennial Change</i>				2,529		2,155		3,206
<i>Biennial % Change</i>				12		9		14
<i>Governor's Change from Base</i>								1,051
<i>Governor's % Change from Base</i>								4

**Expenditures by Category**

Compensation	2,880	3,182	3,165	3,473	3,504	3,538	3,740	3,811
Operating Expenses	6,825	7,141	6,602	9,462	9,021	8,992	9,266	9,289
Other Financial Transactions	211	100	46					
Grants, Aids and Subsidies	0	6	151					
Capital Outlay-Real Property	0	27						
<b>Total</b>	<b>9,916</b>	<b>10,455</b>	<b>9,964</b>	<b>12,936</b>	<b>12,525</b>	<b>12,530</b>	<b>13,006</b>	<b>13,100</b>
Total Agency Expenditures	9,916	10,455	9,964	12,936	12,525	12,530	13,006	13,100
Internal Billing Expenditures	0	0		8	8	8	8	8
<b>Expenditures Less Internal Billing</b>	<b>9,916</b>	<b>10,455</b>	<b>9,964</b>	<b>12,928</b>	<b>12,517</b>	<b>12,522</b>	<b>12,998</b>	<b>13,092</b>

<b><u>Full-Time Equivalents</u></b>	<b>36.4</b>	<b>37.9</b>	<b>34.3</b>	<b>36.3</b>	<b>36.3</b>	<b>36.3</b>	<b>38.3</b>	<b>38.3</b>
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**1000 - General**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In		640	0	399				
Direct Appropriation	2,589	2,586	2,686	2,586	2,586	2,586	2,642	2,679
Receipts		0						
Net Transfers	85	(800)	81	95	95	95	520	572
<b>Expenditures</b>	<b>2,129</b>	<b>2,426</b>	<b>2,369</b>	<b>3,080</b>	<b>2,681</b>	<b>2,681</b>	<b>3,162</b>	<b>3,251</b>
Balance Forward Out	545		399					
<i>Biennial Change in Expenditures</i>				893		(86)		965
<i>Biennial % Change in Expenditures</i>				20		(2)		18
<i>Gov's Exp Change from Base</i>								1,051
<i>Gov's Exp % Change from Base</i>								20
FTEs	19.3	20.3	17.4	17.4	17.4	17.4	19.4	19.4

**2000 - Restricted Misc Special Rev**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	524	1,363	1,928	2,420	2,520	2,575	2,520	2,575
Receipts	878	1,051	1,111	906	865	865	865	865
Internal Billing Receipts	200	282	324	273	232	232	232	232
Net Transfers	382							
<b>Expenditures</b>	<b>422</b>	<b>486</b>	<b>619</b>	<b>806</b>	<b>810</b>	<b>815</b>	<b>810</b>	<b>815</b>
Balance Forward Out	1,362	1,928	2,420	2,520	2,575	2,625	2,575	2,625
<i>Biennial Change in Expenditures</i>				516		200		200
<i>Biennial % Change in Expenditures</i>				57		14		14
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
FTEs	3.9	4.1	4.2	5.7	5.7	5.7	5.7	5.7

**8300 - Office Of Higher Education**

	Actual		Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY12	FY 13	FY 14	FY15	FY16	FY17	FY16	FY17
Balance Forward In	26,275	6,350	4,703	6,509	7,442	8,392	7,442	8,392
Receipts	12,352	5,905	8,795	10,000	10,000	10,000	10,000	10,000
Net Transfers	(25,010)	(10)	(12)	(16)	(16)	(16)	(16)	(16)
<b>Expenditures</b>	<b>7,365</b>	<b>7,542</b>	<b>6,977</b>	<b>9,050</b>	<b>9,034</b>	<b>9,034</b>	<b>9,034</b>	<b>9,034</b>
Balance Forward Out	6,253	4,703	6,509	7,442	8,392	9,342	8,392	9,342
<i>Biennial Change in Expenditures</i>				1,120		2,041		2,041

(Dollars in Thousands)

**8300 - Office Of Higher Education**

<i>Biennial % Change in Expenditures</i>				8	13	13
<i>Gov's Exp Change from Base</i>						0
<i>Gov's Exp % Change from Base</i>						0
FTEs	13.2	13.5	12.7	13.2	13.2	13.2

# FY16-17 Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actual	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
US Department Of Education Cfda# 84.334	GEAR UP is an intervention program that works with low income students and those under-represented in postsecondary education to prepare them for education after high school. The program serves about 4,700 students (5th through 12th grade) annually. The program has a dollar for dollar matching requirement, in cash or in-kind.	On-going	3,172	3,100	3,100	3,100	Match -Yes MOE - No	21.4
US Department Of Education Cfda# 84.378	College Access Challenge Grant Program: An annual award of \$1.5M fosters activities to increase the number of low-income students prepared for postsecondary success. The program has a maintenance of effort requirement allowing states to show their commitment to providing an affordable college education. This grant award is not available after the fiscal year ending June 30th, 2015.		1,360	674	0	0	Match - Yes MOE - Yes	0.0
US DEPARTMENT OF EDUCATION CFDA# 84.367	Improving Teacher Quality State Grant Program: An annual award for state administered grants allowing institutions of higher education to conduct K-12 teacher professional development in core academic areas. The amount budgeted for fiscal year 2015 is \$824,000. Continued funding is uncertain because this state level grant program is not included in drafts for reauthorization of the No Child Left Behind Act.	On-going	849	824	824	824	NO	NO
US Department Of Justice Cfda# 16.816	John R. Justice Student Loan Repayment Grant Program provides awards to 32 public prosecutors and defenders each year. In FY2012, Minnesota received approximately \$140,000. The grant award was reduced to \$63,000 for FY2013 due to federal budget cuts.	On-going	61	34	34	34		0.0

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	2014 Actual	2015 Budget	2016 Base	2017 Base	State Match or MOE Required?	FTEs
	Program Total- Student Financial Aid		61	34	34	34		
	Program Total- Postsecondary Access and Outreach		5,381	4,598	3,924	3,924		
	<b>Federal Fund - Agency Total</b>		5,442	4,632	3,958	3,958		21.4

**Narrative:**

The federal GEAR UP grant is in the third year of a five year grant award. The grant cycle ends September 26<sup>th</sup>, 2017. The teacher quality grants and the John R Justices grants have been awarded annually.