

# Higher Education Committee Jurisdiction

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Nathan Hopkins, Minnesota House Research Department

Presentation to House Higher Education Committee Members

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# What does this committee do?

# What does the state of Minnesota do regarding higher education?

# State's Role in Higher Ed

## Office of Higher Education (OHE)

- Administer financial aid programs, including the SELF loan & refinancing programs
- Consumer protection: license and regulate postsecondary institutions
- Collect information/data, perform research (e.g. SLEDs data system)
- Provide consumer-facing navigational resources/services
- Administer the state's 529 college savings plan
- Negotiate interstate tuition reciprocity agreements

## University of Minnesota (U of M) System

- Educate students
- Conduct research

## Minnesota State Colleges and Universities (Minn. State)

- Educate students
- Train workforce



# OHE: Structure

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- Creature of statute – § 136A.01
- Commissioner (Dennis Olson), appointed by Governor with A&C of Senate
  - 84 full-time employees
- Student Advisory Council (SAC) provides input and feedback
  - Includes student reps from various institution types
- Organizes itself into eight main program areas:

**Student Financial  
Aid Services**

**Grants and Loan  
Repayment  
Programs**

**SELF Loans and  
SELF ReFi**

**Research, Policy,  
and Analysis**

**MN College  
Savings Program  
(529 plan)  
administration**

**Postsecondary  
Access and  
Outreach**

**Agency  
Administration**

**Institution  
Licensing and  
Registration**

# OHE: State Attainment Goal 2025

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- Enacted in 2015
- Updated in 2023 (to add industry credentials)

## **135A.012 HIGHER EDUCATION ATTAINMENT GOAL.**

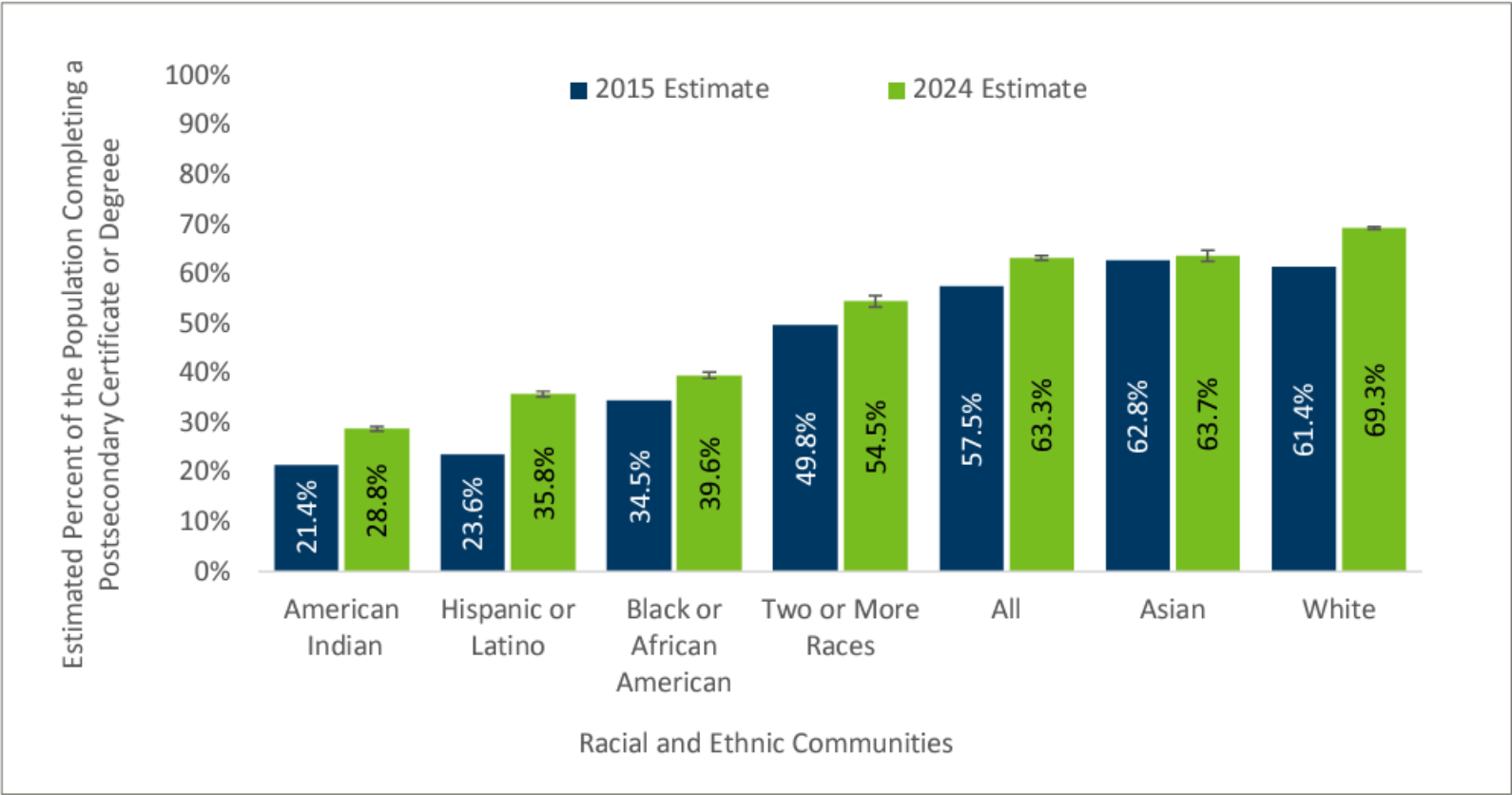
Subdivision 1. **Purpose.** This section sets a goal for postsecondary education and workforce training credential attainment for Minnesota residents.

Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages 25 to 44 years who hold postsecondary or industry-recognized credentials should be increased to at least 70 percent by 2025.

(b) Meeting and maintaining the goal of 70 percent of Minnesota residents ages 25 to 44 years holding a postsecondary or industry-recognized credential will likely be difficult without achieving attainment rates that are comparable across all race and ethnicity groups. The Office of Higher Education shall utilize benchmarks of 30 percent or higher and 50 percent or higher to report progress by race and ethnicity groups toward meeting the educational attainment rate goal of 70 percent.


# OHE: State Attainment Goal

**Figure 1: Percentage of the Population Age 25-44 with a Certificate or Higher Credential Minnesota, 2015 and 2024 Estimates by Basic Race Community**





# OHE: Financial Aid Programs (1/7)

1. **State grant program** ← Biggest program
  2. **North Star Promise program** ← New. Also pretty big.
  3. State work study
  4. Interstate tuition reciprocity
  5. Safety officers survivor's grants
  6. Minnesota Indian scholarship
  7. Underrepresented student teacher grants
  8. Student teacher grants in shortage areas
  9. Grants for students with intellectual and developmental disabilities
  10. Fostering independence higher education grants
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- This list only includes ongoing programs

# OHE: Financial Aid Programs (2/7)

## State Grant Program: Basics

- Largest financial aid program
- Established in 1969
- Need-based – uses FAFSA
- “Design for Shared Responsibility”: student + family + taxpayer

# OHE: Financial Aid Programs (3/7)

## State Grant Program: Eligibility

- MN resident
- Undergraduate
- Full-time or part-time (award will be prorated)
- Up to eight semesters of full-time enrollment (or equivalent)
- Attends an eligible institution
  - All public postsecondary institutions
  - Private institutions that:
    - are licensed or registered with OHE;
    - maintain academic standards; and
    - participate in federal Pell Grant program

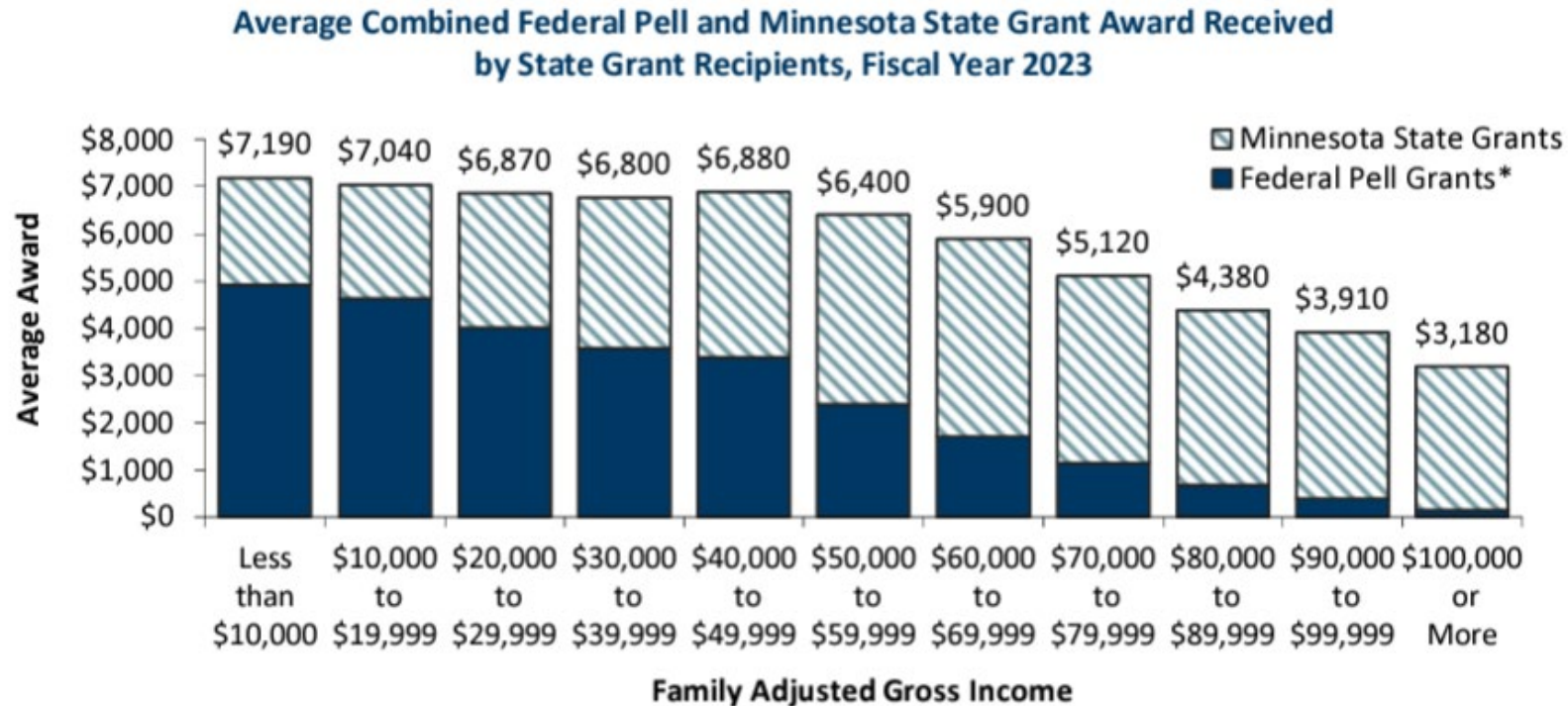
# OHE: Financial Aid Programs (4/7)

## State Grant Program: FY23 Figures

- 67,854 students
- \$215M total awards
- \$3,168 average award
  - Larger average awards for lower-income students
- 54% of recipients had family incomes <\$40K

# OHE: Financial Aid Programs (5/7)

## State Grant Program: FY23 Figures



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

# State Grant Program: Award Formula

$$\text{Grant Amount} = \text{COA} - \text{ASR} - \text{AFR} - \text{Pell}$$

- Cost of Attendance (COA)
  - Tuition + fees + “living and miscellaneous expenses” (LME)
  - LME default: 115% of fed. poverty for a one-person household in Minnesota for nine months
  - Tuition and fees default capped at highest equivalent public institution (two-year/four-year)
  - Prorated for less than full time (i.e. 15 credit) enrollment
- Assigned Student Responsibility (ASR): 50% of COA
- Assigned Family Responsibility (AFR): FAFSA-determined family contribution (“SAI”) multiplied by:
  - 35% if the student is independent without children;
  - 71% if the student is independent with children; or
  - 79% if the student is a dependent.
  - *NEW*: ...unless family contribution <\$0; then just use the negative number
- Pell Grant: amount of federal Pell Grant for which applicant is eligible
- OHE can reduce/increase awards to accommodate an insufficient/surplus appropriation

# OHE: Financial Aid Programs (6/7)

## State Grant Program: FY26/FY27 Projections

Table 3: Projected versus Resources FY2026-2027 (in millions)

	FY2026	FY2027	Biennium
Base resources	\$225.066	\$225.066	\$450.132
Spending projection	<u>+(316.430)</u>	<u>+(344.211)</u>	<u>+(660.641)</u>
Difference between resources and spending	\$(91.364)	\$(119.145)	\$(210.509) 47% above available resources

Large projected deficit due to:

- Enrollment increases, especially from high-need students
- More impactful FAFSA changes (i.e. negative SAI) than expected (\$30-40M/year cost to the program)

# OHE: Financial Aid Programs (7/7)

## North Star Promise Program: Basics

- Created in 2023
- First scholarships awarded in the 2024-2025 academic year
- Minnesota public institutions and Tribal colleges only
- \$80,000 family AGI income cap
- “Last dollar” scholarship
  - No maximum amount
  - Covers remaining **tuition and fees** (not full cost of attendance) after factoring in all other gift aid (i.e. grants, scholarships, etc.; loans aren’t gift aid)
- Additional “North Star Promise+” scholarships
  - Up to 50% of amount of federal Pell grant
  - Only for academic years 24-25 / 25-26 / 26-27



# OHE: State Supplemental Loans

## Student Education Loan Fund (SELF) Loans

- Self-sustaining program (no appropriation)
- Low-interest loans for postsecondary education
- 2023: \$57.3M in loans to 5,728 students
- Total: Over 27,000 borrowers owing \$415M

## SELF Refi Program

- Allows students to refinance existing educational loans at a lower interest rate
- Self-sustaining (no appropriation)
- Over 350 borrowers (\$6M in outstanding loans)
- Currently paused for new applications due to change in loan servicer; expected to be available in late 2025

# OHE: Grants and Loan Repayment Programs

## Competitive grants

- Some to postsecondary institutions (Emergency Assistance (EAPS) grants; hunger-free campus grants; concurrent enrollment programs; etc.)
- Some for research (spinal cord injury and TBI; Tomassoni ALS)

## “Pass-through” grants

- Tribal colleges; MNLINK and Minitex (library systems); inclusive higher education technical assistance center; Foster Care Grant; medical fellowships

## Student loan repayment programs

- Agricultural educator; aviation degree; public service attorneys; teachers; rural veterinarians

# OHE: Licensing & Regulating Institutions

## Private and Out-of-State Public Postsecondary Education Act

- Degree-granting programs, public or private, for-profit or nonprofit

## Private Career School Act

- Less than associate degree level programs

## Consumer Protection

- Licensure/Registration
- Set minimum requirements (e.g. student records retention)
- Investigate student complaints
- Assess financial viability
- Help with school closures



# UNIVERSITY OF MINNESOTA

# U of M: Five Campuses

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Twin Cities	Duluth	Morris	Rochester	Crookston
<ul style="list-style-type: none"><li>• Flagship campus</li><li>• 31,855 undergrads</li><li>• 15,141 more grad/professional</li><li>• 23-24 Tuition: <b>\$14,496</b></li></ul>	<ul style="list-style-type: none"><li>• Est. 1947</li><li>• 7,336 undergrads</li><li>• 23-24 Tuition: <b>\$12,766</b></li></ul>	<ul style="list-style-type: none"><li>• Est. 1960</li><li>• Liberal arts college</li><li>• 936 students</li><li>• Free tuition for AI students</li><li>• 23-24 Tuition: <b>\$12,932</b></li></ul>	<ul style="list-style-type: none"><li>• Est. 2006</li><li>• Undergraduate health sciences</li><li>• 568 students</li><li>• 23-24 Tuition: <b>\$13,256</b></li></ul>	<ul style="list-style-type: none"><li>• Est. 1966</li><li>• 1,729 students (majority online)</li><li>• Focus on online learning</li><li>• 23-24 Tuition: <b>\$11,478</b></li></ul>

# U of M: Research

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- Received \$1.06B in research awards in FY24
  - \$628M is federal support
  - \$135M is state support
- Technology commercialization
  - Transfer research to licensee companies
  - 2024:
    - Launch 25 new startups (22 of which are in MN)
    - 375 new invention disclosures / 126 first patent filings
    - 226 licensing deals
    - Licensing revenue of over \$20 million

# U of M: Extension Service

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- Work:
  - Runs 4-H programs for youth
  - Food and agriculture
  - Lawn and garden
  - Public health
  - Natural resources
  - Community development
- In every county, with several regional offices
- 65% of staff in greater MN



# U of M: History and Autonomy

1851, Founding  
Territorial Laws, Ch. 3  
U of M Charter

1858, MN Statehood  
Constitution incorporates the  
charter

**SEC. 9. The Regents shall have power, and it shall be their duty to enact laws for the government of the University; to elect**

**SEC. 4. The government of this University shall be vested in a Board of twelve Regents, who shall be elected by the Legislature as hereinafter provided.**

## ARTICLE XIII MISCELLANEOUS SUBJECTS

**Section 1. Uniform system of public schools.** The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.

**Sec. 2. Prohibition as to aiding sectarian school.** In no case shall any public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds or tenets of any particular Christian or other religious sect are promulgated or taught.

**Sec. 3. University of Minnesota.** All the rights, immunities, franchises and endowments heretofore granted or conferred upon the University of Minnesota are perpetuated unto the university.



# U of M: Constitutional Autonomy

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1. Internal management of the University is committed to the Regents
2. The Legislature may condition University appropriations if:
  - a. The conditions promote the general welfare; and
  - b. They make limited intrusion on Regents' powers
3. The University is a state system and is subject to Legislature's general lawmaking power

# U of M: Board of Regents

## University Charter / Constitution

Territorial Laws 1851, c 3;  
incorporated into the  
Constitution at Article XIII, § 3

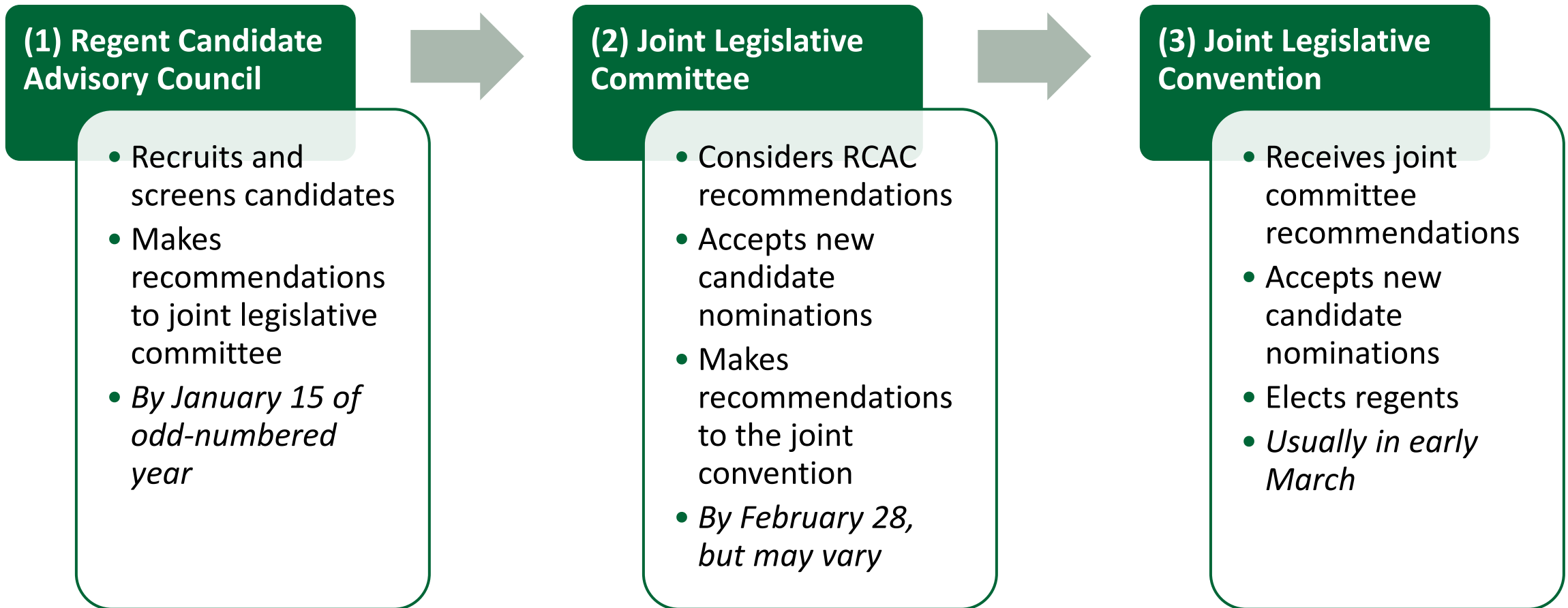
- 12 regents
- Elected by a joint convention of the Legislature (House and Senate)
- Six-year terms (no term limit)
- Staggered into three “classes,” so four regents typically up for election every biennium
- Irregular vacancies filled by the governor until next election

## Statute

1976 Laws c 120 §§ 1–2;  
Minn. Stat. §§ 137.023–024

- One member from each congressional district
  - Eight designated seats; four at-large seats
- One at-large seat must be a current university student

# U of M: Regent Election



# U of M: Regent Election

## JOINT LEGISLATIVE COMMITTEE

### Composed of House and Senate higher ed. committees

- Co-chaired

### Meets by February 28

- or other date set by concurrent resolution

### Interviews candidates recommended by RCAC

### May accept new candidate nominations

- Only committee members can nominate
- New nominations require three House members, two Senate members

### Recommends candidates to joint convention

- No more than one candidate for each vacancy (if possible)
- Requires majority of House members; majority of Senate members
- Must “consider” gender, racial, ethnic balance of board

Minn. Stat. § 137.0246;  
Joint Rule 4.01

# 2025 Regent Elections



**Janie S. Mayeron** >

Chair of the Board

**District:** Congressional District 5

**Elected:** 2019

**Term Expires:** 2025

**Residence:** Minneapolis



**Mike O. Kenya** >

Co-Vice Chair

**District:** At-Large, Student Seat

**Elected:** 2019

**Term Expires:** 2025

**Residence:** Maple Grove



**Mary A. Davenport** >

**District:** At-Large

**Elected:** 2019

**Term Expires:** 2025

**Residence:** Mankato



**Bo Thao-Urabe** >

**District:** At-Large

**Elected:** 2021

**Term Expires:** 2025\*

**Residence:** Eagan



# Minn. State: Seven State Universities

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## **Bemidji State**

- 3,204 undergrad students (Fall 23)

## **Metro State — St. Paul**

- 5,190 undergrad students

## **Moorhead**

- 3,349 undergrad students

## **Mankato**

- 11,567 undergrad students

## **Southwest — Marshall**

- 2,163 undergrad students

## **St. Cloud**

- 5,350 undergrad students

## **Winona**

- 5,143 undergrad students



24-25 average annual in-  
state full-time tuition &  
fees:  
**\$10,034**

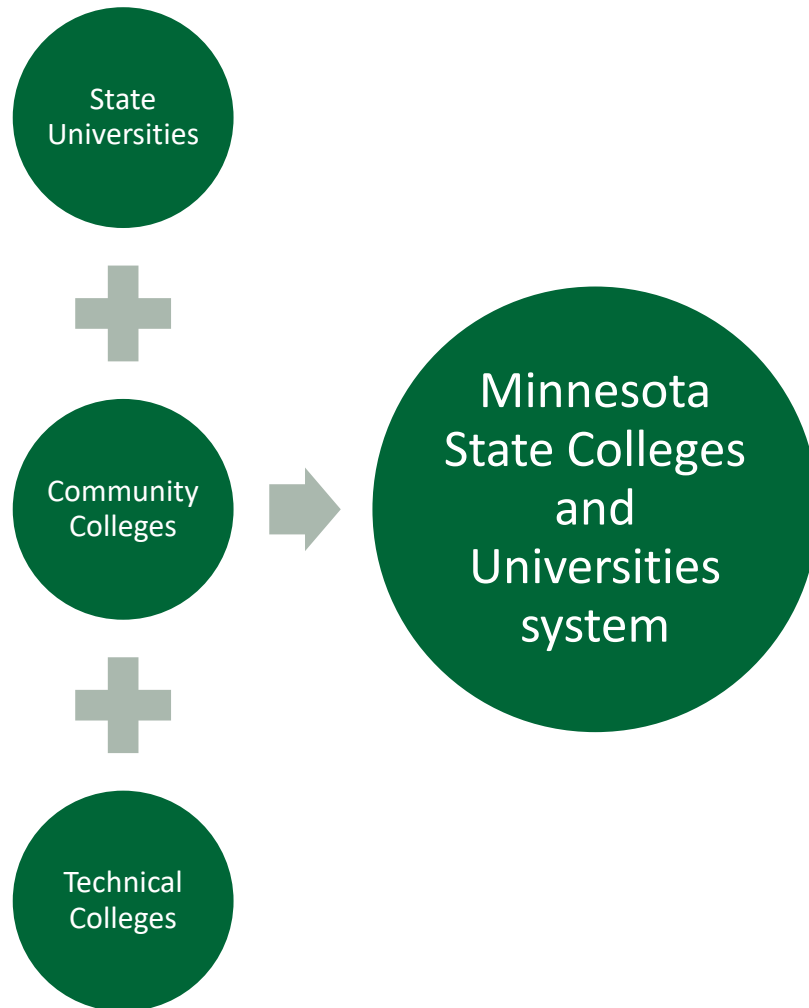
# Minn. State: 26 State Colleges

- Alexandria T&CC
- Anoka Tech
- Anoka-Ramsey CC — Coon Rapids
- Central Lakes CC — Brainerd
- Century CC — White Bear Lake
- Dakota County Tech — Rosemount
- Fond du Lac Tribal & CC — Cloquet
- Hennepin Tech — Brooklyn Park
- Inver Hills CC — Inver Grove Heights
- Lake Superior CC — Duluth
- Minneapolis T&CC
- Minnesota North CC
  - Hibbing; Itasca; Virginia; Eveleth; Rainy River; Vermillion
- Southeast CC — Winona, Red Wing
- Minnesota State T&CC — Fergus Falls
- Minnesota West T&CC — Worthington
- Normandale CC — Bloomington
- North Hennepin CC — Brooklyn Park
- Northland T&CC — Thief River Falls
- Northwest TC — Bemidji
- Pine T&CC — Pine City
- Ridgewater CC — Willmar
- Riverland CC — Austin
- Rochester T&CC
- Saint Paul T&CC
- South Central CC — North Mankato / Faribault
- St. Cloud T&CC

24-25 average annual  
full-time tuition & fees:  
**\$6,189**



# Minn. State: 1991 Merger



- 1991 merger (effective 1995)
- Goals:
  - Remove duplicative academic programming
  - Eliminate duplicative administration and student services
  - Centralize governance/admin/services for more efficiency
  - Allow for easier credit transfers among institutions
  - Centralize funding to avoid favoritism serve broader statewide interests
- Previously:
  - Technical colleges (vocational/occupational education)
    - Governance shared by state board and school districts
    - Faculty employed by school districts
  - Community colleges (two-year academic and occupational)
    - Governed by State Board for Community Colleges
  - State Universities (4-year baccalaureate and graduate programs)
    - Governed by State University Board

# Minn. State: Governance

## Board of Trustees

- 15 members
- Staggered six-year terms
- Appointed by Governor (with Senate A&C)
- Each of the eight congressional districts represented
- Three student members
  - Two-year terms
  - Student associations recommend — nonbinding
- One labor member
  - AFL-CIO recruits and recommends — nonbinding



# Minn. State: Workforce Development

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## Customized Training:

- Over 7,000 employer partnerships across Minnesota
- Over 9,950 customized and specialized training, occupational, and professional classes

## Workforce Development Scholarships

- \$2,500/year
- Applicable fields:
  - Advanced Manufacturing; Agriculture; Early Childhood Ed; Healthcare; Information Technology; Transportation; Construction; Education; Public Safety; Energy; +1 regionally in-demand field

# Questions?



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