

Minnesota Education Equity Partnership (MnEEP)
Underinvestment in POCI students: A case study of the Minnesota State Grant
Big Bold Goal (BBG) 5 Case Study from the State of Student of Color and American
Indian Report
MnEEP Research Collaborative Table (RCT)
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1.31.23

The main challenge we are addressing is the invalid assumption that students can afford to cover fifty percent of their college costs

Themes:

- Outdated modes of thinking about college access and success;
- Moving past deficit-based thinking about People of Color and Indigenous (POCI) students;
- A program designed when college costs were lower and the majority of college students were white and came from middle class backgrounds, when college enrollment of low-income students was lower, and it is an impediment to equity in college completion as a disproportionate share of Minnesota students of color and American Indian students are low-income;
- The State of Minnesota focusing on equality of college cost reduction regardless of student need and impact on students outcomes instead of equitable policies that work to increase equality of outcomes with POCI students.

Consciousness

The following case study of the Minnesota State Grant program utilizes the CLEAR Solutions Framework developed by Dr. Rev Hillstrom in order to assess and dissect the current model and make recommendations for policy change. This case study first walks through the 3 Cs of Change Dr. Hillstrom developed--Consciousness, Conviction and Commitment and closes by outlining how the policy changes suggested to address the failures of our current mental models and policies create a culturally validating policy to advance opportunity and college completion in higher education for students of color and American Indian students in Minnesota.

Events:

The Minnesota State Grant program was first funded by the legislature in 1984, growing out of the Minnesota Scholarship program of prior years. The Minnesota State Grant program is the state's primary need-based program to help low- and middle-income students cover college costs. When the program was designed the legislature established the program based on the following principles:

- 1) The student's responsibility to invest in his or her own future;
- 2) Reduce the disproportionate cost burden on low- and middle-income families; and
- 3) Provide students with a choice among the postsecondary institutions and programs that best meet their education goals and needs through providing financial support to enroll in certificate, two- or four-year programs at public or private institutions

Central to the Minnesota State Grant is the *Design for Shared Responsibility*, which apportions costs to the student (Assigned Student Responsibility), the student's family (Assigned Family Responsibility), and taxpayers--first through the Federal Pell Grant and then the Minnesota State Grant. MnEEP's analysis of Minnesota's financial aid systems in the 2020 policy brief [*Reducing Racial Disparities in College Completion: The Case for an Equitable Higher Education Financial Aid System in Minnesota*](#) found that the current design of the Minnesota State Grant program is outdated, and needs to be modernized to meet the needs of today's students. In particular, the Minnesota State Grant program is not meeting the needs of students of color and American Indian students, and the formula must be updated in order to create an equitable financial aid system and increase college access and completion in order for the state to meet workforce needs and the state's 2025 educational attainment goal set by the Minnesota State Legislature in 2015 (Dueñas and Soria, 2020).

Minnesota's 2025 educational attainment goal states that Minnesotans of all races and ethnicities will have a post-secondary degree or certificate by 2025. Since the legislation was enacted in 2015, gains have been made for Minnesotans of all races and ethnicities. But all races and ethnicities are still falling short of the 70% goal, and there continue to be large differences in educational attainment by race and ethnicity (Minnesota Office of Higher Education, 2021) and without significant changes and investments, it will be difficult for Minnesota to reach this goal in the coming decades, let alone in 2025.

Table 1: Share of population ages 25-44 with a post-secondary certificate or higher by race/ethnicity

	2015	2021	Pct pt change	% change
American Indian & Alaskan Native	21%	29%	7	34%
Asian	63%	65%	2	3%
Black or African American	35%	38%	3.7	11%
Hispanic/Latino	24%	29%	5.6	24%
Native Hawaiian and Other Pacific Islanders*				
White	61%	68%	6.9	11%
Multiracial	50%	55%	5.5	11%
*not reported by OHE				

Source: Minnesota Office of Higher Education 2025 Attainment Goal, 2021.

Throughout the nearly 40 year history of the Minnesota State Grant, the Minnesota Legislature has made investments into the program to better recognize the college tuition and living costs students face bringing them closer to the true costs students must deal with to earn a degree and/or a credential. Since 2002 the legislature has lowered the Assigned Family Responsibility, which is calculated using data Free Application for Federal Student Aid (FAFSA) eight times. These reductions show that the legislature recognized that the Minnesota State Grant was asking families to pay more than they could afford (Minnesota Office of Higher Education, 2021). But the State has not adjusted the Assigned Student Responsibility. Students today are still expected to cover 50% of their college tuition and living costs, the same share as in 1984, when college tuition and living costs were much lower than today and overall debt burden to students was lower.

After adjusting for inflation, tuition and fees have increased significantly in every higher education sector in the state between the 1989-90 and 2021-22 academic years: 201% at the University of Minnesota-Twin Cities, 199% at Minnesota State Universities, 134% at private non-profit colleges, and 72% at Minnesota State Community and Technical Colleges (MOHE, 2021). And between 1990 and 2020 the average rent for a two-bedroom apartment in Minnesota has increased by 22% (iProperty Management).

It is important to note that college and universities award significant institutional scholarships and need-based grants to students that reduce what students actually pay for college and the amount has increased over time. In fact, the increase in the average institutional grants and scholarships for first-time, full-time students has increased at a faster pace than the average Minnesota State Grant in all sectors with the exception of the Minnesota State Colleges (IPEDS, 2009-10 and 2019-20, Minnesota Office of Higher Education) .¹

Table 2: Inflation Adjusted Average Institutional Grant and Average State Grant Aid by Sector, 2009-10 and 2019-20.

Sector	Avg Institutional Grant			Avg State Grant		
	2009-10*	2019-20	% change	2009-10*	2019-20	% change
Minnesota State Colleges	\$76	\$89	18%	\$860	\$1,195	39%
MN State Universities	\$608	\$1,180	94%	\$2,109	\$2,553	21%
University of Minnesota (system)	\$2,191	\$3,690	68%	\$4,098	\$5,090	24%
Minnesota private colleges	\$16,201	\$24,447	51%	\$4,619	\$5,242	13%

*In inflation adjusted 2019 dollars

Source: IPEDS first-time full-time student aid data and Minnesota Office of Higher Education State Grant data

Minnesota’s higher education institutions need the partnership of a State Grant program based on the reality of what students can afford to pay in order to build the most robust financial aid packages possible. Especially now, as students and families have been dealing with increasing costs for everything from rent, to gas, to food, with inflation hitting a 40-year high of 9.1% in June 2022 over the previous year and staying high since then (Bureau of Labor Statistics, 2022).

System:

The Minnesota State Grant requiring students to cover 50% of their college costs restricts the college choice and career options of POCI students while increasing the likelihood of attending part-time, stopping out from college, taking longer to earn a degree, and increasing student loan debt.

As POCI students have become an increasing share of the Minnesota college student population, the buying power of the Minnesota State Grant has fallen. When the buying power of the maximum Minnesota State Grant² relative to tuition and fees peaked in

¹ Data was not available for all sectors prior to 2009-10.

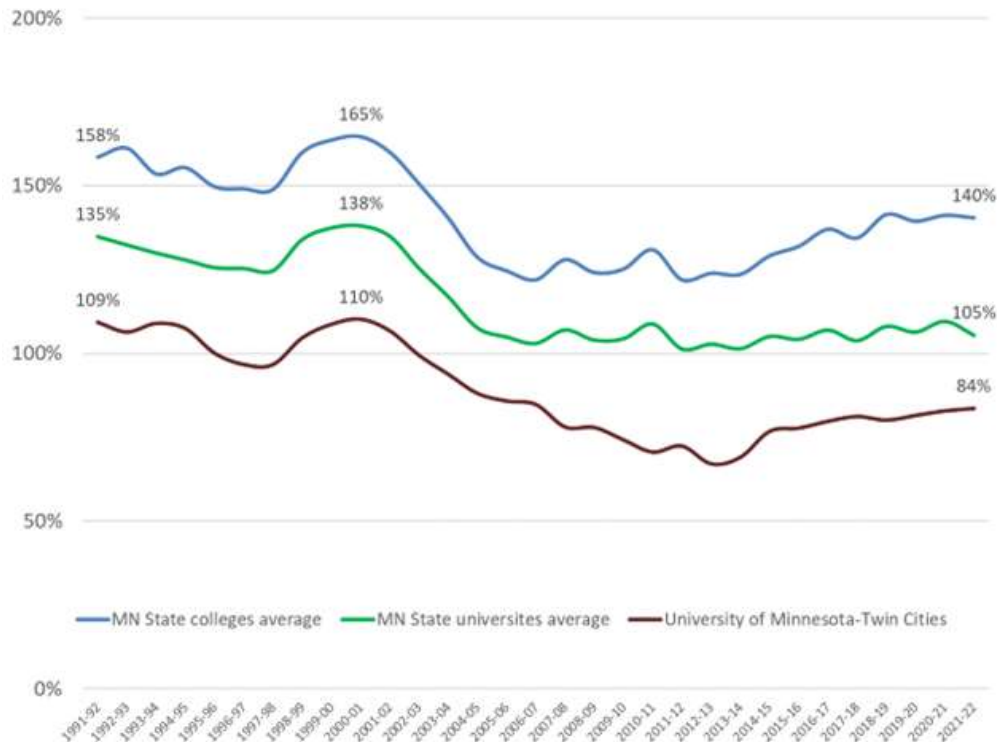
² It is important to note that the taxpayer component of the Minnesota State Grant calculator first subtracts the Pell Grant if the student receives one and then awards a Minnesota State Grant if recognized college tuition and living costs remain. That means that the Pell Grant is not awarded in addition to the Minnesota State Grant.

2000-01, the Assigned Student Responsibility was set at 46%, recognizing that students could not afford to cover 50% of their college tuition and living costs (Minnesota Office of Higher Education, 2021). When the value of the maximum Minnesota State Grant is below 100% it means that it does not fully cover tuition costs. When the value of the Minnesota State Grant exceeds 100%, students have their tuition and fees fully covered and the remainder can be used to pay for living expenses such as room and board and books (see Chart 1). In 2000-01, only 11% of Minnesota high school graduates were students of color and American Indian students (Western Interstate Commission for Higher Education, 2020).

Over the past 20 years, the share of Minnesota high school graduates who are POCI students has increased, to 32% in 2021-22 (Western Interstate Commission for Higher Education, 2020), while the value of the maximum Minnesota State Grant against tuition and living costs has declined. And, the share of high school graduates who are POCI students is projected to keep growing for the next 20 years. As a result, MnEEP believes the state of Minnesota needs to make a strong commitment to reinvesting in the Minnesota State Grant program to offset prior disinvestment and the rising costs associated with tuition and living and miscellaneous increases. This investment will help to eliminate racial and ethnic disparities in college completion in Minnesota.

In the aftermath of the Great Recession, when State Grants appropriations were not high enough to give full awards to all students who qualified, the value of the State Grant against tuition and fees and living costs hit a low. Then, in 2013-14 the Assigned Student Responsibility was moved back up to 50% by the legislature (Minnesota Office of Higher Education, 2021), which increased it during the state budget crises of the Great Recession even though the legislature had lowered the Assigned Student Responsibility previously in recognition that the Minnesota State Grant was expected by college students to contribute an unrealistic amount to their college costs.

Chart 1: Share of tuition and fees covered by the maximum Minnesota State Grant and Pell Grant by Sector



Source: Minnesota Office of Higher Education State Grant Parameters, Minnesota Office of Higher Education System Level Tuition & Fee Trends

As college tuition and living costs have increased and Minnesota’s college student demographics have shifted over the past 40 years, the Minnesota State Grant program has not shifted its expectations to meet the financial need of students and has thus fallen short in reducing the cost burden on low- and middle income students and their families which has prevented many students from truly having the choice to enroll in the post-secondary program that best aligns with their education and career needs goals and interests (Dueñes and Soria, 2020).

The Minnesota State Grant has the potential to be a powerful equity tool that will increase educational attainment and thus economic security by directly investing in low- and middle-income students, many of whom are People of Color and Indigenous (POCI) students.

Patterns:

People of Color and Indigenous (POCI) students are more likely to come from low- and middle-income backgrounds and qualify for the Minnesota State Grant, with 54% receiving State Grants compared to 39% of Minnesota resident students attending

college in the state overall. This leads students to have to work or borrow significantly while in college because they cannot cover the Assigned Student Responsibility through reasonable work hours and borrowing. This disproportionately impacts POCI students who are more likely to be low-income. Though policy makers argue that increasing the Living and Miscellaneous Expense (LME) portion of the State Grant formula addresses the living costs that students face, the truth is that students cannot cover half of their ever-increasing living costs, which drives up borrowing. For example, in Minneapolis rents increased by 9% in 2022 compared to the previous year. As one student noted “You know I take out all my rent through student loans... Just so I feel I don't have to worry about it”(Duenes and Soria, 2020).

Minnesota has some of the largest education attainment and income disparities by race and ethnicity in the country. Those with higher educational attainment have higher incomes, lower unemployment rates, and higher rates of homeownership. Economic inequities are rooted in many facets of Minnesota’s history of underinvestment in POCI students and communities. Lack of investment in People of Color and Indigenous, to truly have access to higher education, represents one of those facets. Professor Samuel L. Myers, Jr. has named this disparity--with Minnesota being one of the best states to live in but worst state for Black people to live in--“The Minnesota Paradox.” (Meyers, 2020) We can see this in part in the large gaps in educational attainment between not only Black and white Minnesotans, but also between all other races/ethnicities and white Minnesotans (Table 3).

Table 3:

Educational Attainment of Minnesotans 25+ by Race/Ethnicity

	% less than high school	High School or GED	Some college no degree	Associate's degree	Bachelor's degree	Graduate or Professional degree
White non-Hispanic	4%	25%	21%	12%	26%	13%
American Indian/Alaskan Native	16%	30%	27%	12%	10%	5%
Asian	18%	16%	12%	7%	26%	20%
Black	18%	28%	23%	10%	14%	7%
Hispanic/Latino	25%	27%	18%	8%	14%	8%
Two or More Races	6%	22%	29%	12%	21%	11%
Another Race	34%	29%	14%	6%	11%	5%

ACS 2019 1-year estimates. Note that the number of Native Hawaiian Pacific Islanders in Minnesota was not large enough for ACS to produce 2019 1-year estimates.

Additionally, Minnesotans with higher educational attainment experience lower unemployment rates and higher incomes (Tables 4 and 5).

Table 4:

Median annual earnings for Minnesotans 25+

Educational Attainment	Median Earnings
Less than High School	\$28,327
High School Graduate	\$35,337
Some College/Associate's	\$41,858
Bachelor's Degree	\$60,316
Graduate or Professional	\$75,925

2019 ACS 1-year estimates detailed table, TableIDB20004

Table 5:

Share of Minnesotans 25+ living in poverty

Educational Attainment	Share below poverty
Less than High School	21%
High School Graduate	11%
Some College/Associate's	7%
Bachelor's Degree or higher	3%

2019 ACS 1-year estimates detailed table, TableIDC17003

Though it may not have been the policy objective, the result of underinvestment in the Minnesota State Grant program and the Assigned Student Responsibility being set at 50% has had an adverse impact on the opportunity for POCI students to attend college, earn their degree, thus limiting career options and economic opportunity as we see in the data on earnings, educational attainment and unemployment in Minnesota. And, it limits their ability to further their education outside of the classroom. As one student shared, “People who have to pay for their college and their housing are definitely at a disadvantage in terms of not being able to have opportunities to do things like unpaid internships or research that's not paid. Because you just always have to be working or being stressed out about working or you have to incur large amounts of debt to pay for college” (Dueñes and Soria, 2020).

Though education alone is not fully responsible for the difference in income and unemployment rates, as wage and employment discrimination still play a role (Wilson, 2016) opportunity and access to a post-secondary degree makes up a large part of the median income differences across races/ethnicities in Minnesota. Races/ethnicities with a higher rate of educational attainment, in particular bachelor's and graduate degrees, have higher median incomes in Minnesota, while races/ethnicities with a lower rate of educational attainment have lower incomes (Table 6). The median income for Asian Minnesotans is higher than that of white Minnesotans and a large share of Asian Minnesotans have bachelor and graduate degrees. But it is important to note there are significant differences in educational attainment and income across Asian ethnicities, ranging from 5% of Burmese Minnesotans having an associate degree or higher to 91% of Indian Minnesotans (Minnesota Office of Higher Education, 2022) and that 18% of Asian Minnesotans over the age of 25 do not have a high school degree.

Table 6:

Minnesota Annual Median Income by Race/Ethnicity

	Median Income
White non-Hispanic	\$77,843
American Indian/Alaskan Native	\$40,051
Asian	\$86,270
Black	\$41,570
Hispanic/Latino	\$57,597
Two or More Races	\$58,613

ACS 2019 1-year estimates. Note that the number of Native Hawaiian Pacific Islander

Research has shown that need-based grant aid increases college enrollment and degree completion (Castleman and Long, 2016; Dynarski, 2003; Sneyers and De Witte, 2018). One study in New Jersey showed that a \$1,000 increase in need-based grants from the state increased the graduation rate by 2.6 percentage points (Anderson and Melanie, 2021). Need-based grants, which do not have to be paid back, are funds awarded to students based on their financial need to cover college costs. Research shows that need-based grants decrease the time it takes students to earn their degree, allowing students to take more credits, while reducing their overall costs (Castleman and Long, 2016; Denning, 2019). And need-based aid has been shown to increase the equity in higher education outcomes, narrowing gaps in college attainment between low- and high-income students, POCI students and white students, and first generation and non-first generation college students (Chen and DesJardins, 2010; Ciocca Eller and DiPrete, 2018; Denning, et. all, 2019; Goldrick-Rab, et. all, 2016; Gross, et. all, 2013; Kim, 2012; Latino, et. all, 2020; St. John, et. all, 2005).

Over the past twenty years, as a post-high school degree has become increasingly necessary to earn a family sustaining wage, and POCI students have accounted for a larger share of college students, policymakers and the public have begun to question the value of higher education, with only 33% of Americans who identify as or lean politically toward a Republican ideology saying colleges have a positive impact on the country, compared to 53% in 2012. The share of Democrats remained unchanged at 67% (Parker, 2019). And though 84% of people in the U.S. with an associate's or bachelor's degree said it [a degree], "helped them develop specific skills and knowledge that could be used in the workplace," only 67% of those polled, both with and without college degrees, said a bachelor's degree prepared students well or somewhat well for a well-paying job. Respondents, at a rate of 58%, agreed that an associates degree did the same (Parker et. al, 2016). This data is very concerning as we know that higher levels of education lead to higher incomes and lower unemployment rates for

Minnesotans. And in Minnesota, 71% of jobs that pay a family sustaining wage require a post-secondary degree or certificate, and 59% require a bachelor's degree or higher (Minnesota Department of Employment and Economic Development). This means that it is very difficult for Minnesotans without a post-secondary degree or certificate to earn a family sustaining wage, which impacts our communities and the state's economy.

The Minnesota State Grant program asks students to meet an impossible bar in contributing 50% to ever increasing college and living costs, and this has exacerbated the educational disparities seen between the educational attainment of white Minnesotans and Minnesotans of color and Indigenous. When discussing the expectation that students are responsible for half of their college costs, one student was "...dumbfounded that the State of Minnesota expected college students to pay for so much of their education, yet expected racially equitable outcomes pursuant to college completion," (Dueñas and Soria 2020).

Table 7 demonstrates the terrible bind low- and middle-income students are put in by this expectation. After adjusting for inflation the amount students are expected to contribute to their college costs have increased by 66% at Minnesota State Community and Technical Colleges, 109% at Minnesota State Universities, and 123% at the University of Minnesota-Twin Cities and private colleges between 1990 and 2022 (Minnesota Office of Higher Education, 2022).

Assigned Student Responsibility Over Time, Fiscal year 1990 to 2022
(in 2022 inflation adjusted \$)

Fiscal Year	Minnesota State Community & Technical Colleges	Minnesota State Universities	University of Minnesota-Twin Cities and Private Colleges
1990	\$5,392	\$5,252	\$6,173
2000*	\$5,522	\$6,059	\$7,870
2010*	\$6,458	\$7,602	\$11,369
2020	\$8,365	\$10,120	\$13,541
2021	\$8,619	\$10,489	\$13,390
2022	\$8,963	\$10,955	\$13,762
Change 1990 to 2022	66%	109%	123%
Change 2000 to 2022	62%	81%	75%
Change 2010 to 2022	39%	44%	21%
Change 2020 to 2022	7%	8%	2%

Note: All amounts reported in 2022 inflation adjusted dollars.

* Assigned Student Responsibility was set at 46% from FY2000 to FY2013 but was then increased back up to 50%.

Sources: Minnesota Office of Higher Education State Grant Parameters, Minnesota Office of Higher Education System Level Tuition & Fee Trends

Conviction

Current Mental Models

Embedded into the Minnesota State Grant program through the *Design for Shared Responsibility* is the expectation that students should make, “a significant investment in his or her own future,” through the Assigned Student Responsibility. Unfortunately, this expectation has become a hindrance to educational opportunity for many students, in particular students of color and American Indian students. Central to the current mental model, or common way of thinking about an issue in a more scaled down way for the sake of simplifying complex ideas, is the persistent idea that higher education is primarily a private good. Thus, students need to have, “skin in the game,” in terms of contributing to college costs as this helps them take college seriously and succeed, while ignoring the contributions students make in terms of their time and lost earnings while devoting themselves to their studies.

The merging of these two beliefs makes 50% seem like a fair share for students to cover, though no research or methodological assessment of how students can reasonably cover that 50% of costs through work and borrowing--the two options most

available for students--supports the Assigned Student Responsibility being set at this level. It is not possible for many students to cover their share of college costs under the current Minnesota State Grant formula without working more than 10 to 15 hours per week or borrowing more than the federal loan limits of \$27,000 for a bachelor's degree obtained in four years. And even when students can squeak by, it leaves no room in the budget for other living costs and the three months of the year they are not in college. The current Assigned Student Responsibility is just too high, set at 50% of ever increasing costs, and this outdated mental model that students covering half of college costs is, "fair" is an impediment to shifting toward more racially equitable conditions in higher education and achieving the dual goals of building a strong workforce and the attainment goal of 70% set by the legislature.

Another persistent issue that impedes investment in students through lowering the Assigned Student Responsibility is the idea that the best way to help students is to spend state dollars to freeze or cut tuition at public institutions. This expensive option gives the same tuition cost savings to all students no matter their need or history and current underinvestment in POCI students. It is equal, not equitable, and an inefficient use of taxpayer dollars. Between the 2019-20 and 2021-22 academic years, the number of enrolled Minnesota college students receiving Pell Grants fell by 14.2%, while it only fell by 7.6% for those who did not receive Pell Grants (Federal Student Aid and IPEDS data 2019, 2021) The 93% of Pell Grant recipients have family incomes below \$60,000 as do 74% of State Grant recipients. Lowering the Assigned Student Responsibility would focus resources on students who need them most, directly and efficiently using taxpayer dollars to make the most impact in increasing access to higher education enrollment and completion to improve the economic outcomes of individuals and the state of Minnesota.

These mental models are intertwined with the belief that as long as students have one affordable option that the state has done enough for educational access and opportunity, even if that option does not align with a student's education and career goals and talents. This belief links up with the increasingly common idea amongst policymakers and the public that not all students need a college degree and too many students are currently attending college so we do not need to further fund need-based grants to make college more affordable. This results in tracking for POCI students, who are already less likely to enroll in and complete a college degree or certificate than white students. In Minnesota, there is not equal opportunity to choose a career that requires post-high school education because students of color and American Indian students and low-income students do not have equal access to higher education, with cost being a major hurdle.

There is also deficit-focused thinking, which blames students instead of the current system and policies that impact student enrollment, retention and completion. People believe that if students just worked harder, they could make enough money to cover college costs, even though research shows that working more than 10 to 15 hours per week negatively impacts college completion. There are also assumptions that students are spending their financial aid money frivolously, that the issue is one of money mismanagement that could be solved by budgeting better. One student noted,

“you know I've been living paycheck to paycheck for the past three-to-four months where I get a paycheck on Wednesday and then it's gone by that Saturday because I buy food, I buy necessities for the life around me... You know that money gets cut up pretty quickly and so living paycheck to paycheck while as a student is tough enough as it is” (Dueñes and Soria 2020).

And there are beliefs that it just takes longer for POCI students to complete their degree or that life circumstances get in the way of degree completion. Rather than seeing the substantial differences in bachelor degree graduation rates by race/ethnicity (Table 8) holistically, and the gaps in attainment of an associate degree or higher as a sign that the system is not serving all students (Chart 2), some may view the students of color, Indigenous, and/or American Indian, themselves, as being deficient and therefore contributing to the gaps in graduation rates based on race/ethnicity relating to college degree attainment.

Table 8.
Bachelor degree graduation rates in MN by race/ethnicity

	Four-year graduation rate	Six-year graduation rate
American Indian & Alaskan Native	33%	43%
Asian	51%	66%
Black or African American	32%	48%
Hispanic/Latino	45%	58%
Native Hawaiian and Other Pacific Islanders*	47%	53%
White	56%	70%
Two or more races	45%	58%

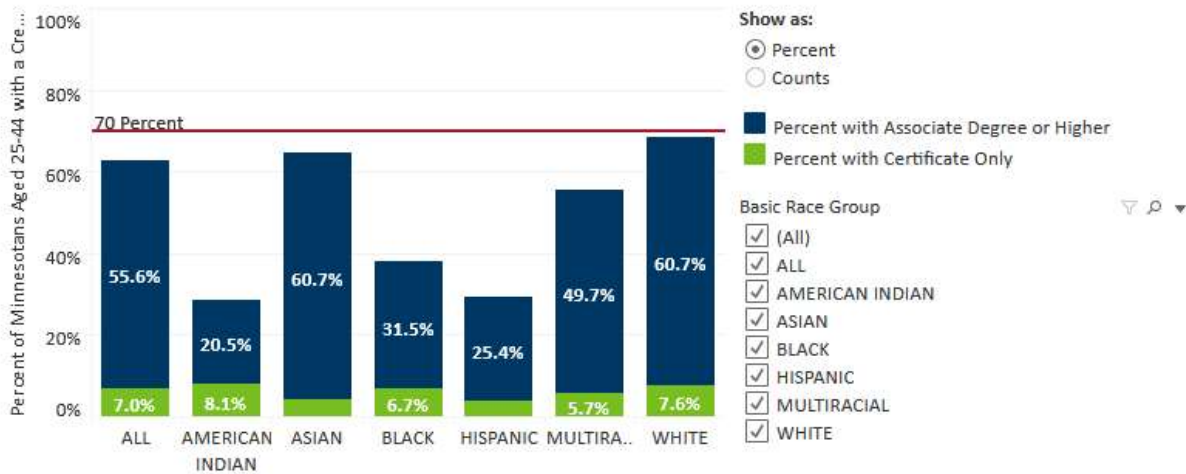
Source: IPEDS 2021 graduation rate data for first-time full-time student who enrolled in fall 2019

It is demeaning to blame students for systems that are failing them, and even worse to accept that these systems negatively impact the higher education opportunity outcomes of students of color and American Indian students, and just shrug our shoulders and say that is the way it is, when research and evidence support that increasing need-based

financial aid to those students by targeting resources to POCI could help to remedy these disparities.

Chart 2

Disparities in credential completion exist by race/ethnicity



Note: Above graph does not show or account for margins of error. Source: IPUMS microdata version of U.S. Census Bureau 2015-2019 American Community Survey for Associate's or Higher Degree, with tabulations by the Minnesota State Demographic Center. Holders of certificates as their highest postsecondary award were estimated using a cohort analysis method applied to administrative data on certificates awarded (supplied by the Minnesota State Colleges and Universities system and the Minnesota Office of Higher Education) and produced by the Minnesota State Demographic Center.

Source: Minnesota Office of Higher Education 2025 Attainment Goal, 2021.

New mental model

We need to commit to a new mental model that the Minnesota State Grant should be based on the economic reality students face and provide realistic, needed financial support that meets students' financial needs.

The state needs to focus new spending on students who need it most, in a way that will have a positive impact on educational and employment outcomes while empowering students to make the choices that are best for them. Race/ethnicity and income should not be a predictor of educational attainment and income as it currently is in Minnesota due to years of underinvestment and policy choices that create a barrier for POCI students to afford college and pursue the degree and career path that best aligns with their interests and talents.

The legislature has a unique opportunity to invest in students this coming legislative session. Changes to the Free Application for Federal Student Aid (FAFSA) that go into effect for the 2024-25 school year require statutory changes to the Minnesota State Grant program which is based on the current FAFSA. These changes will need to be made during the FY2023 legislative session because students filing the FAFSA for the

2024-25 school year will be able to do so starting in October of 2023. The Minnesota Office of Higher Education has been exploring what language needs to be changed in the statute in order to conform to changes in the FAFSA data elements and may also make recommendations on additional changes to the Minnesota State Grant calculation to better meet the needs of today's students.

The best way to make this investment through students is by lowering the Assigned Student Responsibility. A preliminary analysis of college affordability in Minnesota conducted by the Minnesota Office of Higher Education found that

The Design for Shared Responsibility is only effective when:

- 1) The contributions expected of students and families are reasonable;*
- 2) Adequate investments are made by the state to ensure that state financial aid recognizes the actual cost of college; and*
- 3) Students and families are not subject to additional financial expectations from a failure to recognize actual cost and the reasonableness of expectations of students and families serve as the basis for operationalizing affordability (Fergus, 2018).*

And the current expectation that students cover 50% of their college tuition and living costs is not at all reasonable based on the data that has been presented in this case study. Students cannot cover half of their college costs without working significantly extended hours (more than 10 to 15 hours per week) or borrowing too much, which has negative impacts on college retention and completion. The Office of Higher Education's analysis found that the Assigned Student Responsibility needs to be lowered because students with family incomes below \$95,000 cannot afford to attend a four-year college and cover their share of costs without working more than 10 to 15 hours per week and borrowing more than the federal loan minimum. Additionally, the research found that there is no work only option for students to cover their share of college costs at Minnesota State Community and Technical College. The remedy to both of these issues is to lower the Assigned Student Responsibility from 50% to 36% (Fergus, 2018).

Commitment

This outcome of lowering the Assigned Student Share represents the A in the CLEAR model primarily because it values multiple ways to represent knowledge and skills and allow for attainment of outcomes at different points in time and allows for lowering financial barriers by investing directly in students will increase enrollment, retention and degree completion for students who receive the Minnesota State Grant enrolled in all

types of programs--certificate, associate, bachelor-- and all types of institutions--community and technical colleges, public universities, and private colleges.

Now is the time to lower the Assigned Student Responsibility and invest taxpayer funds strategically and efficiently to increase opportunity at the individual level and economic growth for the state of Minnesota at large. Lowering the Assigned Student Responsibility will help foster an environment where respectful learning environments can be developed in which students' racial, social, linguistic, ethnic and cultural diversity is valued and contributes to the learning experience. This approach would help represent the E in the CLEAR model, as lowering the Assigned Student Responsibility will efficiently use tax dollars supporting a Respectful learning environment in which students' racial, social, linguistic, ethnic and cultural diversity is valued and contributes to the learning experience. This approach would help the students who need it most and places emphasis on their value. And it is an effective use of taxpayer dollars that helps Minnesota's economy and communities. A study conducted by Minnesota Management and Budget found that the Minnesota State Grant positively impacts persistence and graduation (particularly, four-year degrees) and provides a \$4.10 return on investment for every dollar spent, mainly due to increased labor market earnings (Kramer, et. all, 2018).

Lowering the student share from 50% to 36% would address the upfront costs and borrowing challenges Minnesota State Grant recipients face in attending college. This aligns best with the C of the CLEAR Model, allowing students to connect with the human purpose of their education and career goals and enroll in the postsecondary program that is the best fit for them culturally.

Lowering the student share to 36% to create one of the most progressive tuition-free college programs in the nation, focusing 72% of the investment on students with incomes below \$60,000.

Free College Tuition by Income and Dependency Status with Student Share at 36%

Sector	Dependent	Independent w/kids	Independent no kids
MN State Colleges	\$70,000	\$90,000	\$55,000
Mn State Universities	\$65,000	\$80,000	\$45,000
University of Minnesota-TC	\$50,000	\$60,000	\$30,000

Source: Calculations using data from the Minnesota Office of Higher Education

And the lowest-income students would receive thousands of dollars to help cover their livings expenses, which is significant barrier for low-income college students that has not been addressed in many other state’s “free college” programs (Chen, 2022):

- At Minnesota State community and technical colleges, the maximum awards cover 100 percent of the average tuition with more than \$5,000 remaining for living expenses.
- At Minnesota State universities, the maximum awards cover 100 percent of the average tuition with nearly \$4,000 remaining for living expenses.
- At the U of M Twin Cities, the maximum awards cover 100 percent of the average tuition with more than \$1,500 remaining for living expenses.

Making this change will allow low-income students to focus on their studies and cover their share of tuition and living costs through by working 10-15 hours per week o minimal borrowing while enrolled full-time, which would help to remedy the higher student loan debt and rates of borrowing students of color and American Indian students experience in college.

At the same time, this change would expand State Grants further into the middle class:

Free College Tuition by Income and Dependency Status with Student Share at 36%

Sector	Dependent	Independent w/kids	Independent no kids
MN State Colleges	\$70,000	\$90,000	\$55,000
Mn State Universities	\$65,000	\$80,000	\$45,000
University of Minnesota-TC	\$50,000	\$60,000	\$30,000

Source: Calculations using data from the Minnesota Office of Higher Education

Lowering the student share from 50% to 36% also makes pursuing a bachelor degree an affordable option for students for both those who initially enroll in a four-year college or university and transfer students who come from community colleges to complete their bachelor degree and they are more likely to be students of color and American Indian students (Dueñes and Soria, 2020) This approach supports Culturally Validating Pedagogy (CVP) and represents the L in the CLEAR model, as students will have more choices on where to attend college and be able to choose the type of degree program that aligns with their values, needs and strengths. Students will have more self-determination in both their education and career, with a greater ability to choose a path that best aligns with their interests and talents. The research referenced on page

five shows that financial resources impact college enrollment, completion and time to degree.

Minnesotans cannot accept underinvestment in POCI students. The current paradigm has created these inequities and interrupting the status quo is paramount to creating conditions of greater racial equity in higher education attainment goals. Investing in students by lowering the Assigned Student Responsibility of the Minnesota State Grant will increase enrollment, retention, and degree completion. It will decrease gaps in educational attainment between white students and POCI students, low-income and high-income students, first-generation and non-first generation college students. Lowering the Assigned Student Responsibility of the Minnesota State Grant will also have multi-generational impacts on education and income.

The positive impacts resulting from the lowering of the Assigned Student Responsibility will increase opportunity and self-determination of POCI students in Minnesota, increasing higher education access, and degree-completion which will in turn increase earnings and employment opportunities that align with students' interests and talents and reduce debt burden for POCI students. Ultimately this approach would be more responsive to the needs of students of color and American Indian students which is supported by the R in the CLEAR model through establishing a positive fiscal relationship with the institution that would go on to effectively support rigorous learning experiences involving higher order thinking and critical analysis used to address relevant, real(ness) world issues in an action-oriented manner, as the policy proposal responds to the actual financial needs of students and will result in lower college costs for students, reduced time to degree completion and thus faster entry into the workforce with their degree, and lower student loan debt.

The Minnesota State Grant is failing People of Color and Indigenous students by expecting students to cover 50% of their college costs. It is unacceptable. It is time to make an investment in our students, our workforce, and our economy by making all types of post-secondary degree and certificate programs an option for students no matter their family income. By significantly lowering the Assigned Student Responsibility of the Minnesota State Grant program the legislature will be addressing college opportunity, affordability, and student loan debt, while efficiently and judiciously using taxpayer dollars to make the largest, positive impact for students, communities, and Minnesota's economy.

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