

Minnesota Measures

2011 Report on Higher Education Performance



MINNESOTA
OFFICE OF
HIGHER
EDUCATION

reach higher

“ To advance the promise of higher education to all Minnesotans and provide the critical information that guides higher education decisions.”

– Minnesota Office of Higher Education Mission

The Office of Higher Education thanks the Minnesota State Colleges and Universities, the University of Minnesota, the Minnesota Private College Council and the Minnesota Career College Association for their participation and assistance in this process.

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Minnesota Measures

A REPORT ON HIGHER EDUCATION PERFORMANCE

Executive Summary

As Minnesota grapples with ongoing economic challenges, it is increasingly evident that a robust and thriving higher education sector is key to the state's long-term economic recovery. Within just a few short years, over 70 percent of the jobs in our state will require some level of postsecondary education and training.¹ The decisions made today will determine whether or not Minnesota is prepared to meet this unprecedented demand for postsecondary education.

Since 2007, Minnesota Measures has given policymakers and educators a comprehensive look at the state of higher education in Minnesota. From student readiness, choosing and paying for college, to levels of degree attainment, this report sheds light on both the strengths of postsecondary education in our state, as well as on areas in need of improvement. The lessons learned here can help state leaders and educators alike chart a path for the future.

This year's report is presented in three segments: Preparing for and Entering College, During College, and Outcomes of College, each grounded in the students' experience. In all three areas, Minnesota's students continue to rank high among states. More Minnesota students than ever are enrolling in postsecondary education, with 41 percent of 18-64 year olds attaining an associate degree or higher, ranking Minnesota sixth in the nation in educational attainment.

Affordability remains a key consideration for students interested in pursuing postsecondary education. Eighty-four percent of first-year Minnesota undergraduates received some type of financial aid, with loans comprising the largest source of funds used to pay for college costs. Minnesota students borrow at higher rates than students nationally, and are also more likely to work while in college. Increasingly, the costs of going to college have been borne by students and families.

A considerable gap persists in college preparedness and postsecondary attainment between racial and ethnic population groups. On a positive note, the number of Minnesota high school graduates of color enrolled in a postsecondary institution increased by 49 percent between 2006 and 2010.

Minnesota's people remain its most important asset, and education must be at the center of Minnesota's economic recovery. Minnesota Measures provides stakeholders with the information they need to set priorities and make good policy decisions that will improve the opportunities for success for every student.

1. Anthony P. Carnevale, Nicole Smith, Jeff Strohl, 2010, *Help Wanted: Projections of Jobs and Education Requirements through 2018*, Georgetown University Center on Education and the Workforce, cew.georgetown.edu/jobs2018.

Introduction to the Revised Minnesota Measures Report

The 2011 edition of *Minnesota Measures: Report on Higher Education Performance* reflects a new approach to reporting on the effectiveness of postsecondary education within the state. The report covers key measures of postsecondary effectiveness as in the previous three editions of the report but is grounded in the students' experience with a revised report structure, increased trend analysis, and additional context for the indicators. Future editions will also include an issue-focused essay that utilizes the data within the report with expanded context.

During 2010, the Minnesota Office of Higher Education undertook a review of *Minnesota Measures* with the goal of updating the report's structure and making the content and delivery of increased usefulness to stakeholders. The Office commissioned an independent contractor to engage with staff and stakeholder groups to gather feedback. Among the recommendations was to discontinue the explicit focus on goals for accountability purposes but rather to emphasize data and enhanced analysis to add more depth and transparency to how postsecondary education is serving the state and its students. To address those recommendations, the Office took on the redesign internally and developed a framework of key measures needed to analyze the effectiveness of postsecondary education in the state. There is much continuity between the measures used in previous years, but they have been repositioned within the report. There is also an emphasis on trends over time to give added context on postsecondary education and its impact within the state.

The report is grounded in the students' experience moving through postsecondary education and falls into three major sections: Preparing for and Entering College, During College, and Outcomes of College. The **Preparing for and Entering College** section covers students' readiness for postsecondary education and information on where and how they enroll, what kind of financial support they receive, and what kinds of costs they face as beginning postsecondary students. The **During College** section details students' programs of study; whether they stay enrolled, transfer, or leave college; information on how students meet the costs of attendance through aid, work, and loans; and measures of their learning and engagement during their postsecondary education. The **Outcomes of College** section addresses how many students graduate from college, what kinds of employment they attain, how ready they are for further academic and professional study, their success in pursuing licensure and certification, and their loan burden and loan default rates. Each section has a brief overview with key findings, and each chapter leads with bulleted highlights. A glossary and list of data sources conclude the report.

Increased Online Presence

In addition to expanded data content, more information will be available online. The report will have links to further information and, where available, the underlying data related to the indicators presented. The various sections of *Minnesota Measures* will have updated data on the agency website (www.ohe.state.mn.us) as it becomes available throughout the year.

Preparing for and Entering College

OVERVIEW

Section One of *Minnesota Measures* analyzes the initial stages of students' entry into postsecondary education, including how many recent high school graduates enroll in a postsecondary institution, how well prepared they are to do collegiate-level work, where and at what types of postsecondary institutions they choose to enroll, what costs first-year students and their families face, and what types of financial aid they receive. Although students enter postsecondary education at different points throughout their lives, examining recent high school graduates as they choose to pursue a postsecondary education provides a sense of how the different levels of education work together and what factors may impact students as they initially pursue a postsecondary education.

Academic Preparation and College Participation

Compared to the national average, Minnesota high school students have a high four-year graduation rate at 76 percent. Minnesota also has a higher than average percentage of recent high school graduates who go on to enroll in a postsecondary institution within a year of their graduation. Unlike in states with a high percentage of high school graduates that enroll in a postsecondary institution but also a high dropout rate during high school, a larger proportion of the population in Minnesota receives a high school diploma and enters into higher education.

Overall, Minnesota high school students also have strong and growing participation and achievement in challenging academic courses and assessments. Minnesota students received the highest scores in the nation on a standardized college entrance exam, and increasing numbers of students are participating in college-level courses through Advanced Placement, Postsecondary Enrollment Options, and other programs. State-level proficiency exam scores for 10th and 11th grade students, however, indicate a clear achievement gap for low-income students and some students of color, with approximately three-quarters of low-income students and American Indian, Hispanic, and Black students not fully meeting grade-level standards in math.

There have been increases, however, in the numbers of recent Minnesota high school graduates of color enrolled at a Minnesota postsecondary institution, including an increase of 49 percent between 2006 and 2010. For all Minnesota high school graduates, the number going on to college has increased by 15 percent between 1996 and 2010 to 71

percent enrolling in college within a year of their high school graduation. Of the 71 percent of high school graduates who go directly on to college, nearly three-quarters chose a postsecondary institution in Minnesota; of the percentage who chose an institution out of state, two-thirds chose an institution in a state bordering Minnesota.

College Costs and Financial Aid for First-Year Students

Affordability and perceptions of affordability are key considerations for students interested in pursuing postsecondary education. Minnesota's two- and four-year public institutions had among the highest published tuition and fees nationally. Grants and scholarships reduce the published tuition and fees students pay by an average of about \$2,500 at public universities and nearly \$2,000 at two-year colleges in the state. The average net tuition and fees students and families actually pay, however, were higher across all types of postsecondary institutions in Minnesota than averages in Minnesota's peer states or nationally.

More than two-thirds of first-time full-time students received grants or scholarships to attend a postsecondary institution in Minnesota. Minnesota students apply for financial aid including grants, scholarships, and loans using the FAFSA at higher rates than the national average, which expands their available options for grants, scholarships, and loans. For students entering college, 84 percent of first-year Minnesota undergraduates received financial aid, which includes student loans, to help them pay the price of attendance in 2008-09.

HIGH SCHOOL ACADEMIC PREPARATION AND COLLEGE READINESS

- » During the 2010-11 academic year, increasing numbers of high school students participated in Advanced Placement and Postsecondary Enrollment Options courses, and Minnesota ACT test-takers posted the highest average composite score in the nation.
- » The 2010 high school graduation rate for students of color was 30 percentage points lower than that for white students; students eligible for free/reduced price lunch graduated at a rate of 56 percent, compared to the 76 percent graduation rate for all students.

The effectiveness of the higher education sector is impacted in part by high school graduation rates and the preparation levels of new students entering the state's colleges and universities. Students completing more rigorous courses in core academic subjects in high school consistently have higher high school graduation rates and score higher on standardized tests and college entrance assessments.

Minnesota's Public High School Graduation Rate

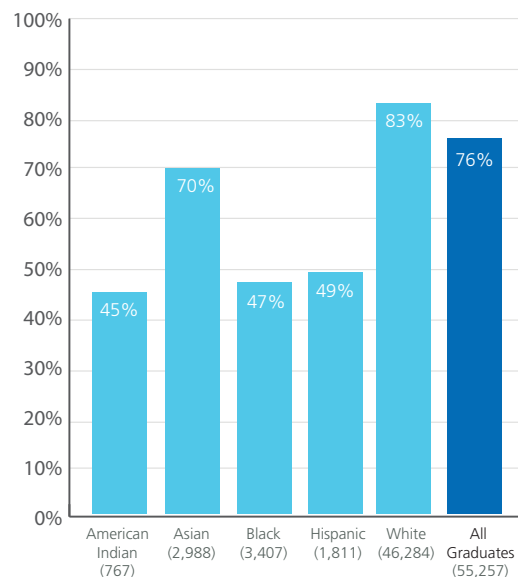
The 2010 four-year high school graduation rate for Minnesota public high schools was 76 percent, or 55,257 students.¹ The graduation rate for white students was 83 percent (46,284 students), and 53 percent for students of color (8,973 students). Graduation rates varied from 45 percent to 83 percent among the different student groups. All groups had higher percentages of graduates over the preceding year.

Public high school graduation rates in 2010 were low for other specific populations:

- 49 percent or 2,669 limited English proficient students graduated;
- 53 percent or 4,955 special education students graduated; and
- 56 percent or 12,826 students eligible for free/reduced price lunch graduated.

Some non-graduates go on to obtain GED credentials and enter postsecondary institutions. According to data from the American Council on Education, nearly 6,200 Minnesotans passed the GED test in 2010. Each fall about 1,000 new college freshmen enrolling in a Minnesota postsecondary institution were GED recipients.

MINNESOTA PUBLIC HIGH SCHOOL GRADUATION RATES BY RACE/ETHNICITY, 2010



Source: Minnesota Department of Education

1. New methodology for computing high school graduation rates was recently recommended by the National Governor's Association and further refined by the U.S. Department of Education. Beginning in 2012, the Minnesota Department of Education will be required to use the new rates in determining and reporting the Adequate Yearly Progress measurements for high schools and districts. Currently, two rates and methods are published by MDE. The rate reported here uses the new methodology.

Measures of Academic Preparation

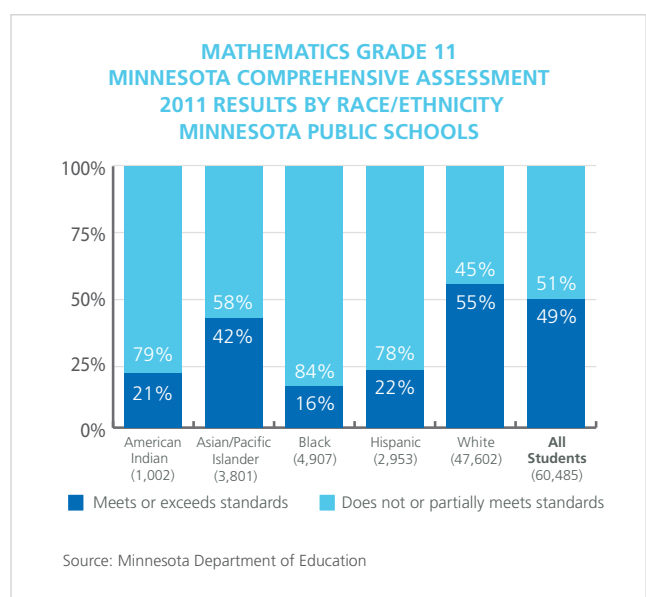
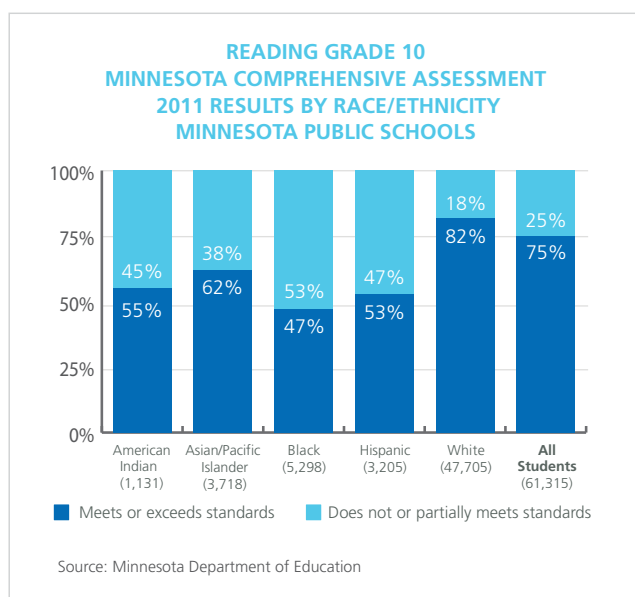
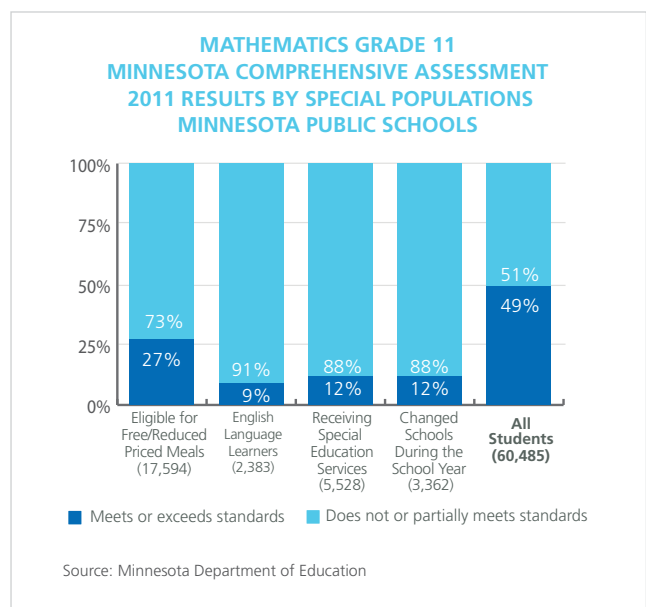
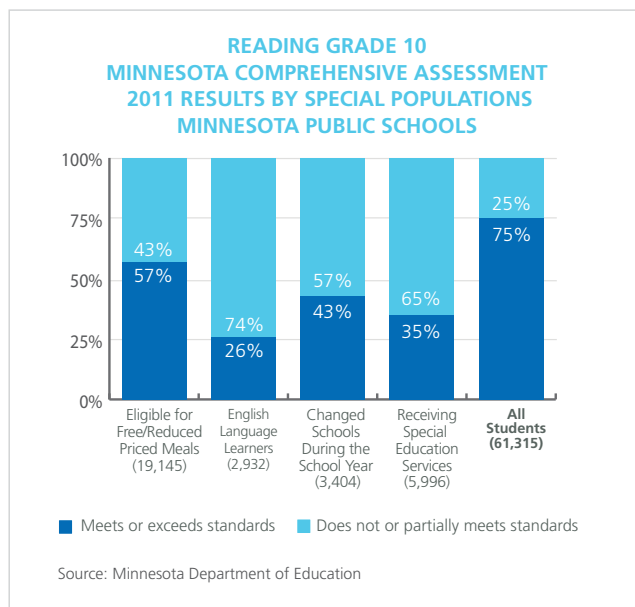
Three exam results illustrate the academic preparation of Minnesota high school students: the Minnesota Comprehensive Assessments, Advanced Placement exams, and the ACT exam.

Minnesota Comprehensive Assessments

Minnesota Comprehensive Assessments measure student progress toward Minnesota's academic standards for K-12 education. All public school students in grades three through eight take reading and mathematics assessments. Students in grade 10 take reading assessments and students in grade 11 take mathematics assessments.

The statewide results of public high school students in 2011 indicate 75 percent were meeting the competency standard set by the Minnesota Department of Education in reading and 49 percent met the standard in math. The test results increased between one to seven percentage points among different groups of students from last year's results and have risen for each group over the past five years. Math results have shown the largest improvement with a six percent increase overall in students meeting the standards over 2010.

The results in math and reading, however, also showed larger achievement differences for low-income (indicated by



free/reduced-price lunch eligibility) students and students of color. Among those who took the tests, about 29 percent of public high school students were low income and about 21 percent were students of color.

Advanced Placement Exams

Advanced Placement (AP) is a College Board program offering high school students the opportunity to take rigorous, college-level courses and earn college credit while in high school. The content in AP courses is structured similarly to college coursework and is undergoing a redesign to emphasize more conceptual thinking over memorization. The state has provided high schools with additional funding to support the delivery of AP courses.

Increasing numbers of students have participated and achieved higher end-of-year test scores on AP exams. Although at 16.8 percent for 2010, Minnesota is near the national average of 16.9 percent of seniors who have scored a 3 or better on an AP exam at any point during high school, Minnesota was one of the top ten states with the greatest five-year growth on this measure. AP courses are offered in about 270 Minnesota high schools, although offerings in rural districts are still limited. Costs of AP exams are

reimbursed by the Minnesota Department of Education for students from low-income backgrounds.

During the 2010-11 school year, 35,091 Minnesota high school students took 56,942 AP examinations in 33 subjects. Of all Minnesota AP test takers:

- The number of students taking the AP exam increased 8 percent from 32,541 in 2010 to 35,091 in 2011;
- The number of subject exams taken increased 7 percent from 53,239 in 2010 to 56,942 in 2011;
- Thirteen percent of test takers were students of color—the number of students of color taking the exam increased 11 percent from the previous year from 4,144 in 2010 to 4,580 in 2011; and
- AP exam scores of 3 to 5 were achieved on 65 percent or 37,000 exams, an increase of 8 percent from the previous year. Students may receive college credit for scores of 3 to 5.

ADVANCED PLACEMENT PARTICIPATION AND TEST SCORES BY RACE/ETHNICITY, 2010-11

| Race/Ethnicity | Minnesota | | | National | | |
|---------------------|-----------------------|-----------------------|--|-----------------------|-----------------------|--|
| | Number of Test Takers | Number of Exams Taken | Percent of Exams Receiving Scores 3 to 5 | Number of Test Takers | Number of Exams Taken | Percent of Exams Receiving Scores 3 to 5 |
| American Indian | 128 | 182 | 50% | 9,822 | 15,567 | 45% |
| Asian | 2,581 | 4,915 | 65% | 249,706 | 525,489 | 68% |
| Black | 1,061 | 1,593 | 38% | 152,395 | 235,175 | 27% |
| Hispanic | 810 | 1,237 | 52% | 308,929 | 510,036 | 41% |
| White | 28,755 | 46,266 | 67% | 1,119,477 | 1,947,777 | 64% |
| Other | 714 | 1,253 | 65% | 66,400 | 118,718 | 58% |
| No response | 1,042 | 1,496 | 53% | 66,816 | 103,258 | 53% |
| All Students | 35,091 | 56,942 | 65% | 1,973,545 | 3,456,020 | 58% |

Note: The number of Minnesota test-takers who were students of color increased 11 percent from the previous year; the number of white test-takers increased 7 percent. An AP score of at least 3, on a scale of 1 to 5, is an indicator of an ability to perform successful work at most colleges.

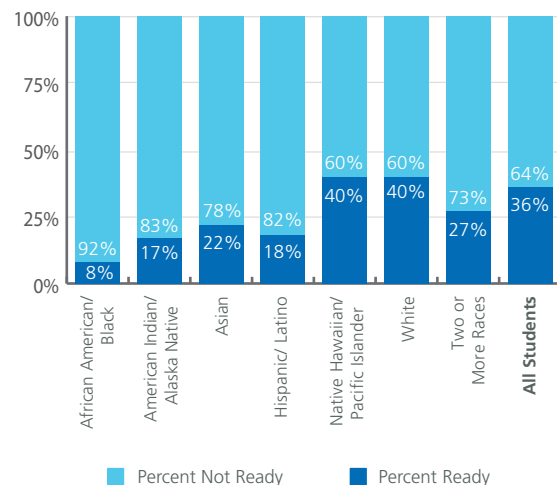
Source: College Board

ACT College Entrance Exam

Results from the ACT college entrance exam provide another indicator of Minnesota high school students' college and workforce readiness. Seventy-two percent of Minnesota's 2011 high school graduates took the ACT exam. Minnesota's average score on the ACT exam has increased gradually over the last 10 years. In 2010-2011, Minnesota's high school graduates posted the highest average composite score in the nation among states where more than 50 percent of students took the ACT. The mean score was 22.9 out of a total of 36.

While Minnesota had the highest average composite score in the nation, a significant proportion of high school graduates were not prepared for college-level or workforce training after high school graduation, according to ACT. ACT has developed college readiness benchmarks in each of the four testing areas of its college entrance exams. Based on ACT research, these benchmarks define the score needed to have a 75 percent chance of earning a grade of "C" or better in related college-level courses. Thirty-six percent of Minnesota's ACT test-takers were academically prepared to succeed in all four subject areas: college-level English, social science, algebra, and biology. Minnesota students of color were less college ready overall than white students.

**PERCENT OF MINNESOTA STUDENTS MEETING ALL*
ACT COLLEGE READINESS BENCHMARK SCORES,
2010-11**



*English, Math, Reading, and Science

Source: ACT

Postsecondary Enrollment Options Program

The Postsecondary Enrollment Options (PSEO) program in Minnesota allows high school juniors and seniors to earn college credit while in high school. High school students can participate in PSEO in several ways:

- Take courses at a postsecondary institution (used by about one-third of high school students);
- Take courses offered at their high school taught by a qualified high school instructor or college instructor, sometimes referred to as concurrent/dual enrollment or "College in the Schools"; or
- Take courses offered online taught by a college instructor.

PSEO provides students with a great variety of class offerings and the opportunity to pursue challenging coursework. Though private colleges participate in PSEO, the majority of high school students take courses offered through public postsecondary institutions. The number of high school students participating in PSEO each fall term has doubled in the past 10 years.

HIGH SCHOOL STUDENTS PARTICIPATING IN PSEO*

| Year | Total Number of Students |
|------|--------------------------|
| 2000 | 11,494 |
| 2001 | 12,952 |
| 2002 | 14,314 |
| 2003 | 14,558 |
| 2004 | 15,447 |
| 2005 | 19,840 |
| 2006 | 19,514 |
| 2007 | 20,144 |
| 2008 | 21,066 |
| 2009 | 22,438 |
| 2010 | 23,591 |

*Measured by fall enrollment.

Source: Minnesota Office of Higher Education

COLLEGE PARTICIPATION

- » Minnesota ranked 8th in the nation with 70 percent of high school graduates enrolled in postsecondary education in the year following high school graduation in 2008.
- » Minnesota also has a higher high school graduation rate, indicating a larger proportion of high school students continued on to college than in other states.
- » Minnesota's postsecondary participation rate for recent high school graduates has increased 15 percent since 1996.

The rate at which recent high school graduates enroll in college is known as the college participation rate. Minnesota ranked 8th in the nation in 2008, with 70 percent of the state's 2007-08 high school graduates enrolling in college in the year following high school graduation.¹

Minnesota's performance on this measure may indicate the effectiveness of college awareness initiatives, the success of college recruiting and outreach targeted to Minnesota high school students, and the academic preparation of high school students to pursue postsecondary education across a wide range of institutional options.

Minnesota's college participation rate is particularly noteworthy since Minnesota tends to have a higher high school graduation rate than other states. As a result, larger proportions of this age group are graduating and choosing to enroll in college immediately after high school than in other states. In 2008, participation rates among states

ranged from a low of 46 percent of recent high school graduates pursuing postsecondary education in Alaska to a high of 77 percent in Mississippi. Because the college participation rate is based on the number of high school graduates pursuing postsecondary education, a state's participation rate should be considered in conjunction with its high school graduation rates to get a clear picture of how many individuals in that age group directly pursue postsecondary education.

About Participation Rates

Participation rates are calculated by dividing the number of students who attended a postsecondary institution within 12 months of their high school graduation by the number of high school graduates. For additional detail on participation rates, visit www.ohe.state.mn.us/participation.

PERCENT OF HIGH SCHOOL GRADUATES GOING DIRECTLY TO COLLEGE

| Top 3 States | 2004 | Top 3 States | 2006 | Top 3 States | 2008 |
|-----------------------------------|--------------|-----------------------------------|--------------|-----------------------------------|--------------|
| South Dakota | 68.8% | Mississippi* | 76.1% | Mississippi* | 77.4% |
| New York | 67.9% | New York | 74.4% | Massachusetts | 74.6% |
| North Dakota | 67.6% | North Dakota | 72.3% | New York | 74.2% |
| Minnesota (5th) | 65.3% | Minnesota (9th) | 68.4% | Minnesota (8th) | 70.2% |
| Peer states | 57.8% | Peer states | 61.9% | Peer states | 61.9% |
| Nation | 55.7% | Nation | 61.6% | Nation | 63.3% |

Note: Mississippi traditionally has one of the lowest high school graduation rates in the nation. It may rank first in college participation due to the likelihood that the smaller percentage of students graduating from high school are more likely to enroll in college. States with high public high school graduation rates did not necessarily have high college-going rates. Mississippi also has the highest percentage of its college students enrolled in 2-year institutions compared to other states.

Source: National Center for Higher Education Management Systems, Postsecondary Education Opportunity

1. Computation of college participation rates is not an exact science. Three sources (NCES, NCHEMS and OECD) show three different national participation rates for the United States. The methodology used by NCHEMS most closely mirrors the methodology used in Minnesota in computing college participation numbers, so the NCHEMS data is used here. For more information, visit www.higheredinfo.org.

Minnesota High School Graduates

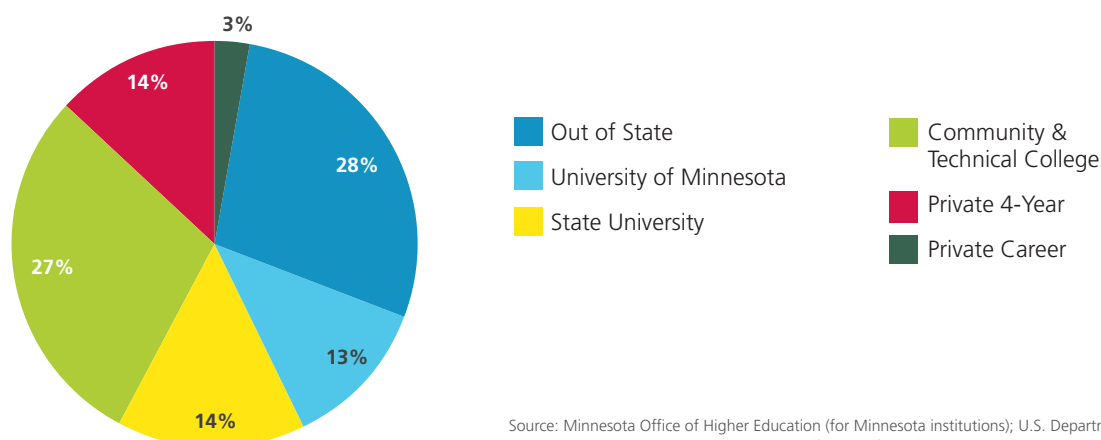
Of all 2010 Minnesota high school graduates, approximately:

- 51 percent attended a Minnesota postsecondary institution;
- 20 percent attended an out-of-state institution; and
- 29 percent did not attend college within the first year after graduating.

The college participation rate has increased 15 percentage points since 1996 when 56 percent of recent high school graduates went on to college. The participation rate in Minnesota has remained above the mid-60 percent range since 2002.

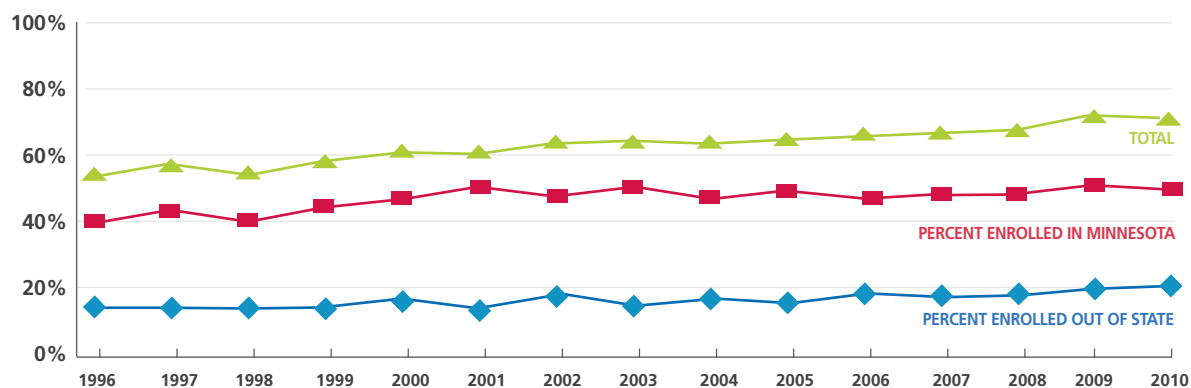
Students age 18 to 24 make up two-thirds of all undergraduates enrolled in Minnesota, and they also make up the majority of undergraduates at four-year institutions who enroll full-time. Projections from the Minnesota State Demographic Center indicate the overall number of high school graduates reached its peak in 2010 and will decline steadily over the next seven years. If college participation rates remain steady, this could pose a challenge for institutions that rely primarily on 18 to 24 year-old full-time students for their enrollments.

2009 MINNESOTA HIGH SCHOOL GRADUATES WHO ATTENDED COLLEGE IN FALL 2010



Source: Minnesota Office of Higher Education (for Minnesota institutions); U.S. Department of Education, IPEDS Enrollment Survey (for out of state)

COLLEGE PARTICIPATION RATES OF MINNESOTA HIGH SCHOOL GRADUATES, 1996-2010



Sources: Minnesota public and private high school graduates from Minnesota Department of Education; in-state college enrollment from the Minnesota Office of Higher Education; out-of-state enrollment data from the U.S. Department of Education, IPEDS Enrollment Survey

Participation by Race/Ethnicity

While Minnesota has a relatively high overall college participation rate, there were notable differences in participation by race and ethnicity. College participation rates by race and ethnicity were available only for students attending Minnesota institutions. Since approximately 20 percent of high school graduates attend a college out of state, a complete picture of college participation of Minnesota's high school graduates by race and ethnicity was not available.

Participation rates for certain racial and ethnic populations attending Minnesota postsecondary colleges immediately following high school can vary by several percentage points from year to year due to small numbers of students in some racial and ethnic groups, so a five-year average is shown. The five-year average participation rate has increased somewhat in recent years. Asian high school graduates enrolled in Minnesota postsecondary institutions at rates higher than other populations. White high school graduates had the next highest participation rate, followed by Black, Hispanic, and American Indian high school graduates.

The college participation rate for each racial and ethnic group should be considered in conjunction with the group's high school graduation rate. According to Minnesota Department of Education data, the rate of public high school students graduating within four years in 2009-10 was 83 percent for white students, 70 percent for Asian students, 49 percent for Hispanic students, 47 percent for Black students, and 45 percent for American Indian students. In fall 2010, there were 5,460 students of color enrolled in Minnesota colleges who were recent Minnesota high school graduates—an increase of 49 percent from 3,663 in fall 2004. The number of white students who were recent high school graduates decreased by 3 percent, or 805 students, during the same period.

5-YEAR AVERAGE COLLEGE PARTICIPATION RATES OF MINNESOTA HIGH SCHOOL GRADUATES ENROLLED IN MINNESOTA POSTSECONDARY INSTITUTIONS

| Year | American Indian | Asian | Black | Hispanic | White | Total Students of Color | Total Students |
|--------------|-----------------|-------|-------|----------|-------|-------------------------|----------------|
| 2000 to 2004 | 36% | 56% | 44% | 39% | 49% | 47% | 49% |
| 2004 to 2008 | 41% | 55% | 49% | 37% | 50% | 49% | 50% |
| 2006 to 2010 | 40% | 55% | 50% | 43% | 51% | 49% | 51% |

Note: Minnesota college participation only; these percentages do not include an estimated 19 percent of recent high school graduates enrolling out of state.

Source: Minnesota Office of Higher Education; U.S. Department of Education, IPEDS Enrollment Survey

WHERE STUDENTS ATTEND COLLEGE

- » Nearly three-quarters of Minnesota high school graduates who go on to college choose a Minnesota postsecondary institution.
- » Postsecondary institutions in states bordering Minnesota are popular choices for Minnesota high school graduates who enroll out of state.

College Choices by Recent High School Graduates

Of the 2010 high school graduates enrolling in college the fall following their high school graduation, 72 percent chose to stay in Minnesota and 28 percent enrolled out of state.

Of the 45,210 Minnesota high school graduates in 2010 who enrolled in college in the fall:

In Minnesota:

- 12,316 (or 27%) enrolled at a Minnesota community or technical college;
- 6,553 (or 14%) enrolled at one of seven state universities;
- 6,240 (or 14%) enrolled at a Minnesota private college;
- 6,067 (or 13%) enrolled at one of the University of Minnesota campuses; and
- 1,278 (or 3%) enrolled at a private career school in Minnesota.

Outside Minnesota:

- 8,540 (or 19%) enrolled in colleges in bordering states of Iowa, North Dakota, South Dakota, and Wisconsin; and
- 4,216 (or 9%) enrolled in colleges outside the five-state region.

TOP 10 MINNESOTA INSTITUTIONS ATTENDED BY RECENT MINNESOTA HIGH SCHOOL GRADUATES IN FALL 2010

| Institution Name | Number of New Entering Students |
|---|---------------------------------|
| University of Minnesota - Twin Cities | 3,417 |
| University of Minnesota - Duluth | 2,056 |
| Minnesota State University Mankato | 1,985 |
| Saint Cloud State University | 1,709 |
| Normandale Community College | 1,241 |
| Anoka-Ramsey Community College | 1,160 |
| University of Saint Thomas | 1,113 |
| Century College | 1,025 |
| Winona State University | 953 |
| Rochester Community & Technical College | 798 |

Source: Minnesota Office of Higher Education

TOP 10 OUT-OF-STATE INSTITUTIONS ATTENDED BY MINNESOTA HIGH SCHOOL GRADUATES, 2010

| Institution Name | State | Number of First-Time Degree/Certificate-Seeking Recent Minnesota High School Graduates |
|---|-------|--|
| North Dakota State University - Main Campus | ND | 1,342 |
| University of North Dakota | ND | 945 |
| University of Wisconsin - Madison | WI | 723 |
| University of Wisconsin - River Falls | WI | 612 |
| University of Wisconsin - Stout | WI | 529 |
| University of Wisconsin - Eau Claire | WI | 528 |
| Iowa State University | IA | 486 |
| South Dakota State University | SD | 473 |
| Luther College | IA | 239 |
| University of Wisconsin - La Crosse | WI | 233 |

Source: U.S. Department of Education, IPEDS Enrollment Survey

Enrollments Out-of-State

The percentage of all Minnesota high school graduates, including those not pursuing postsecondary education, who went to college out-of-state has averaged 20 percent over the past decade. Of the recent graduates who did go to college in 2010, about 28 percent chose to attend out-of-state. Institutions in states bordering Minnesota were the most popular destinations. Sixty-seven percent of Minnesota students enrolling out of state, or 8,540 students, attended postsecondary institutions in Iowa, North Dakota, South Dakota or Wisconsin in 2010. Many Minnesota residents take advantage of statewide tuition reciprocity agreements Minnesota has with Wisconsin, South Dakota, and North Dakota.

Of the 4,216 students who went to institutions out-of-state but not adjacent to Minnesota's border, attendance was scattered across the country. Institutions located in the Rocky Mountain region (Colorado, Montana, Utah, and Wyoming) were popular destinations for recent Minnesota high school graduates, followed by other institutions in the Midwest (Illinois, Indiana, Michigan, and Ohio), and the Southwest region (Arizona) of the United States.

Tuition Reciprocity

Minnesota has ongoing tuition reciprocity agreements with North Dakota, South Dakota, Wisconsin and the Canadian province of Manitoba. The agreements reduce non-resident tuition prices and eliminate non-resident admissions barriers for residents of each state who attend a public institution in the other state. For more information visit www.ohe.state.mn.us/reciprocity.

MINNESOTA HIGH SCHOOL GRADUATES WHO ATTENDED COLLEGE IN IOWA, NORTH DAKOTA, SOUTH DAKOTA, OR WISCONSIN

| Year* | Number of Students | Percentage of All High School Graduates Enrolled in College |
|-------|--------------------|---|
| 2004 | 6,969 | 16.9% |
| 2006 | 7,337 | 17.0% |
| 2008 | 8,377 | 18.4% |
| 2010 | 8,540 | 19.1% |

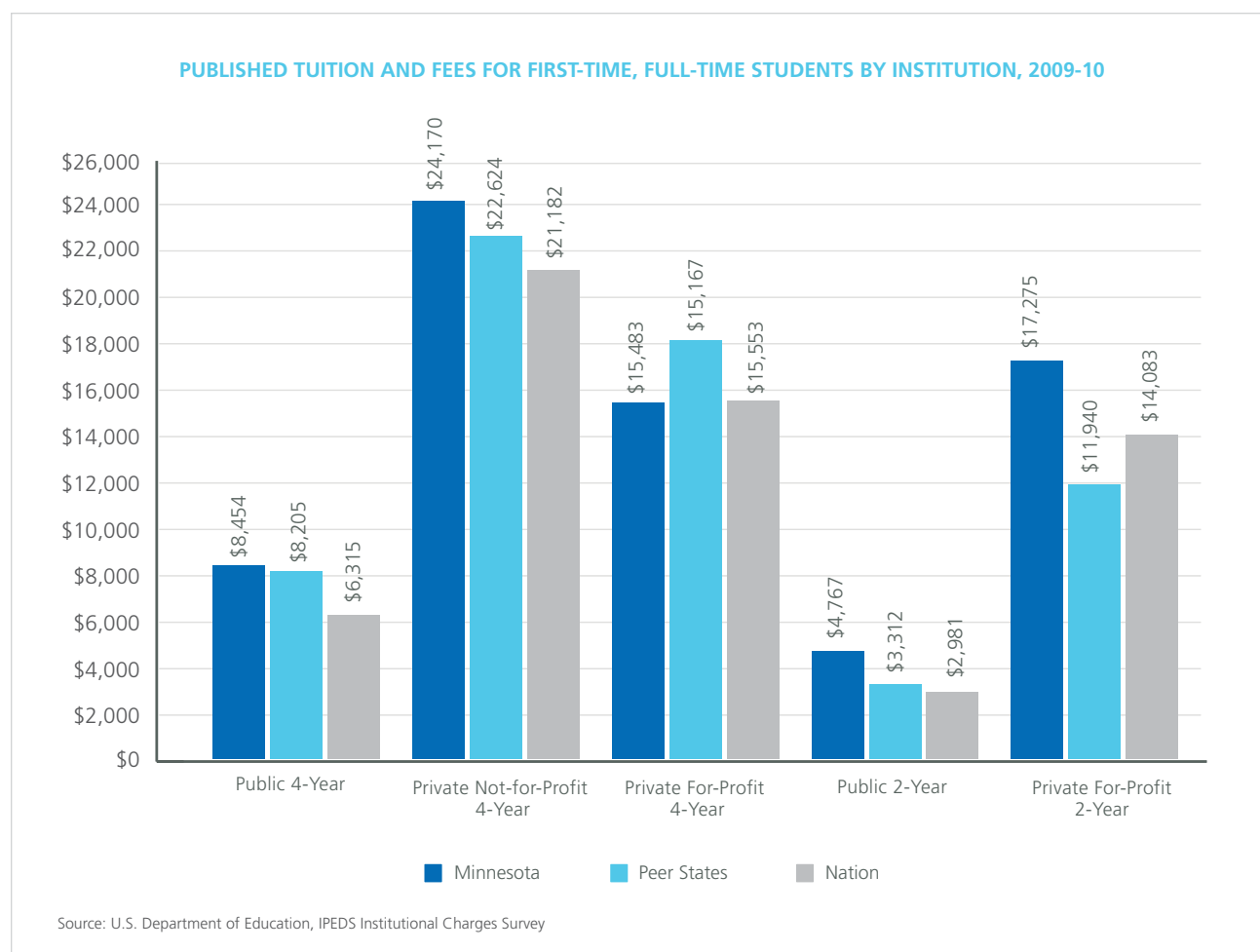
Note: Enrollment of students by state are collected in even-numbered years.
Source: U.S. Department of Education, IPEDS Enrollment Survey

PUBLISHED TUITION AND FEES FOR FIRST-TIME, FULL-TIME FRESHMEN

» Minnesota's two- and four-year institutions had among the highest published tuition and fees nationally among similar institutions.

Published tuition and fees are the listed or "sticker" price for students and families before receiving any financial aid. Tuition and fees at Minnesota postsecondary institutions are higher than national averages for most institutional types but are similar to those in peer states across certain sections. College prices tend to reflect regional differences with institutions on the East Coast having higher tuition and fees and institutions in the southern and western United States having lower tuition and fees.

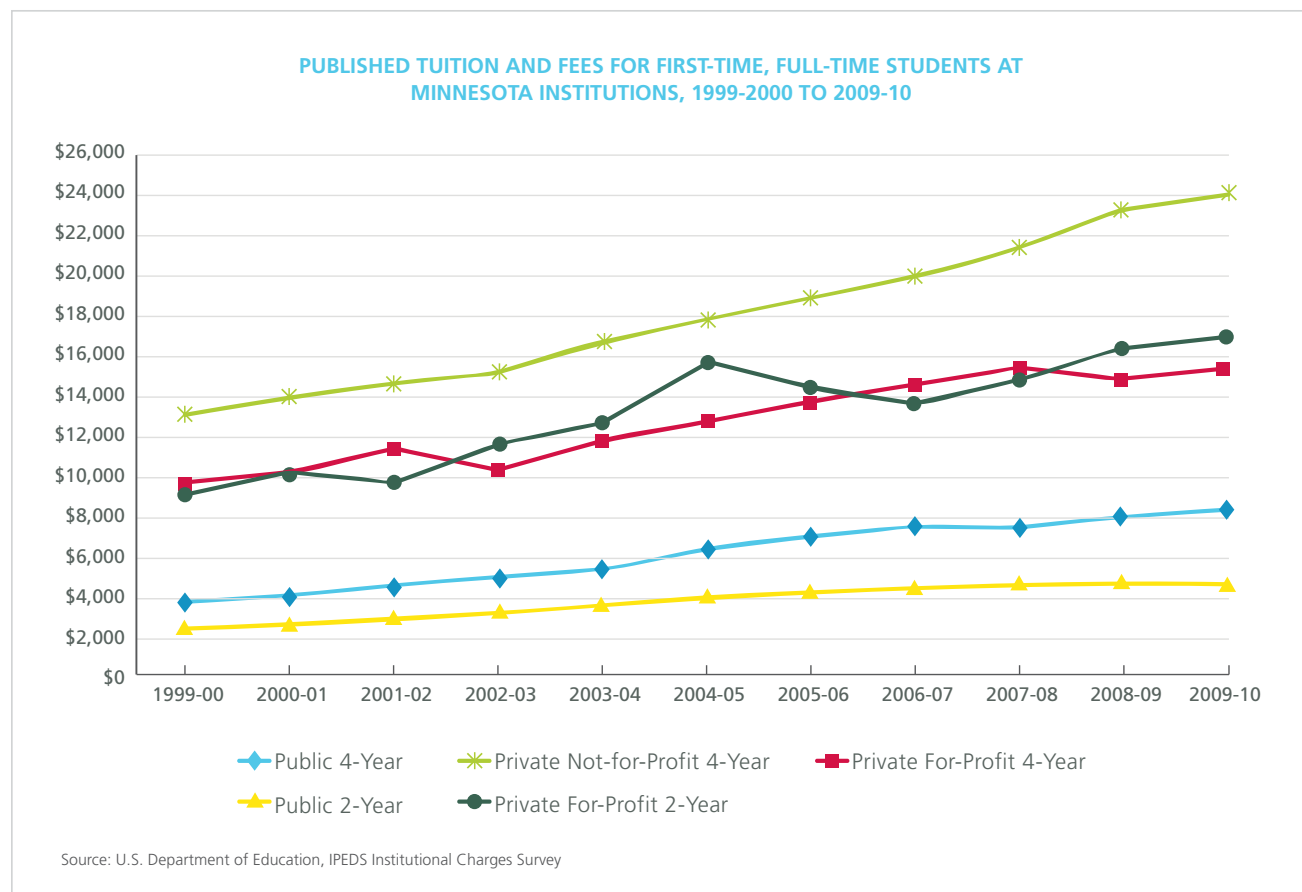
Among two-year institutions, the average published tuition and fees in 2009-10 at Minnesota public two-year institutions was substantially higher (\$4,767) than the average tuition and fees in both the peer states (\$3,312) and the nation (\$2,981). Minnesota tuition and fees were also higher at private for-profit two-year institutions: the average published tuition and fees was \$17,275 in Minnesota compared to the peer states' average of \$11,940 and the national average of \$14,083.



At four-year institutions, published tuition and fees for public and private not-for-profit sectors exceeded the national average in 2009-10. Among public four-year institutions, the average published tuition and fees was \$8,454 in Minnesota, which was slightly lower than in the peer states (\$8,205) but higher than the national average of \$6,315. The average published tuition and fees of private not-for-profit four-year institutions was \$24,170 in Minnesota, higher than the peer states (\$22,624) and the national average of \$21,182. Among private for-profit four-year institutions, the average published tuition and fees of \$15,483 in Minnesota was below the national average of \$15,553 but slightly higher than the peer states' average of \$15,167. Published tuition and fee rates have increased over time at Minnesota institutions. The fastest rates of growth in average published tuition and fees are for public institutions, although the dollar

amount increases have been higher at the private institutions. Analysis of data from the U.S. Department of Education, IPEDS Survey for the years 1999-2000 to 2009-10 found that average published tuition and fees at public four-year institutions increased 9.1 percent on average annually.

The rate of increase in average published tuition and fees at public two-year institutions rose on average 7.4 percent annually. The rate of increase for private institutions was lower: 7.1 percent on average annually for private for-profit two-year institutions, 6.4 percent on average annually for private not-for-profit four-year institutions, and 5.1 percent on average annually for private for-profit four-year institutions.



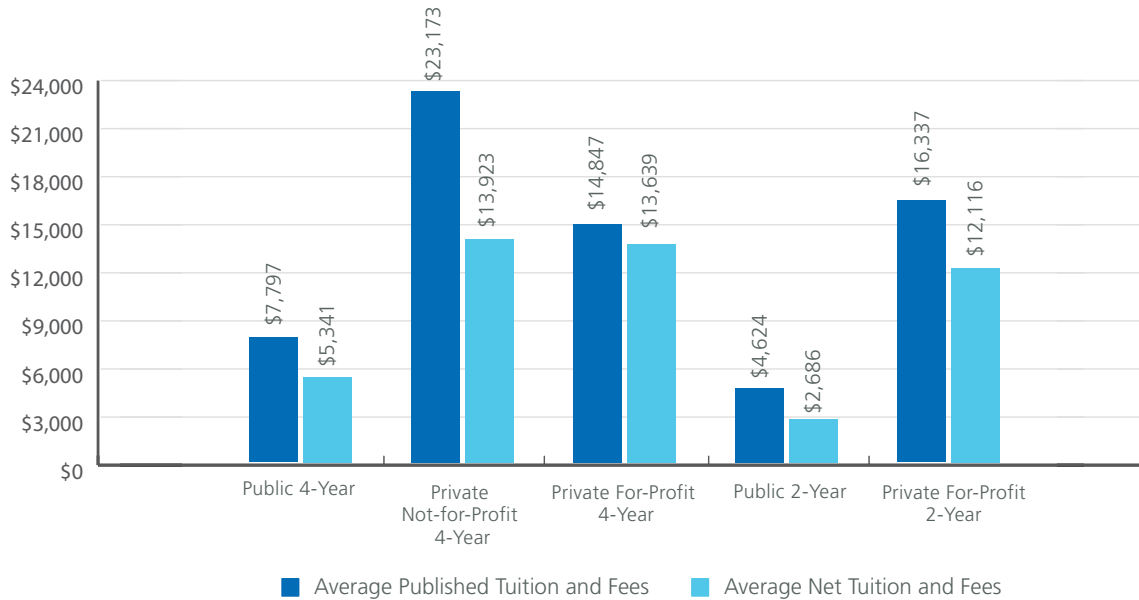
NET TUITION AND FEES FOR FIRST-TIME, FULL-TIME FRESHMEN

- » Grants and scholarships reduced the average tuition and fees that students at Minnesota institutions paid by approximately \$2,500 at public universities and by nearly \$2,000 at public two-year colleges in 2008-09.
- » Net tuition and fees averages in Minnesota were higher for all institutional types than at institutions in the peer states and nationwide.

Although the published college tuition and fees generally draw the most attention, it is the actual or “net” tuition and fees paid by students and families that matter when evaluating affordability. In Minnesota, 67 percent of first-year, first-time, full-time students received grants or scholarships compared to 66 percent in the peer states and 68 percent nationally. After subtracting grants and scholarships (federal, state, and institutional) from tuition and fees, the remaining amounts are the “net tuition and fees.” Net tuition and fees are intended to reflect the tuition and fees students and families actually pay. The averages shown are weighted by the number of first-time, full-time students at each institution. Minnesota’s average net tuition and fees were higher than the national averages across most institution types. These data represent averages across all income levels. Federal and state grants are awarded based on financial need and are concentrated among families with incomes under \$50,000.

In response to concerns over college costs and affordability, Congress is requiring postsecondary institutions to provide further information about tuition and prices, including reporting net price data to the U.S. Department of Education and adding institutional net price calculators to college websites. The Department of Education has also created “College Affordability and Transparency Lists” to highlight institutions with the highest and lowest net prices and those that increase their tuition and fees faster than the average. The net price calculator, to be available on the websites of all undergraduate colleges that receive federal financial aid, is intended to allow prospective and current students, families, and consumers to calculate an estimate of the net price for a particular institution.

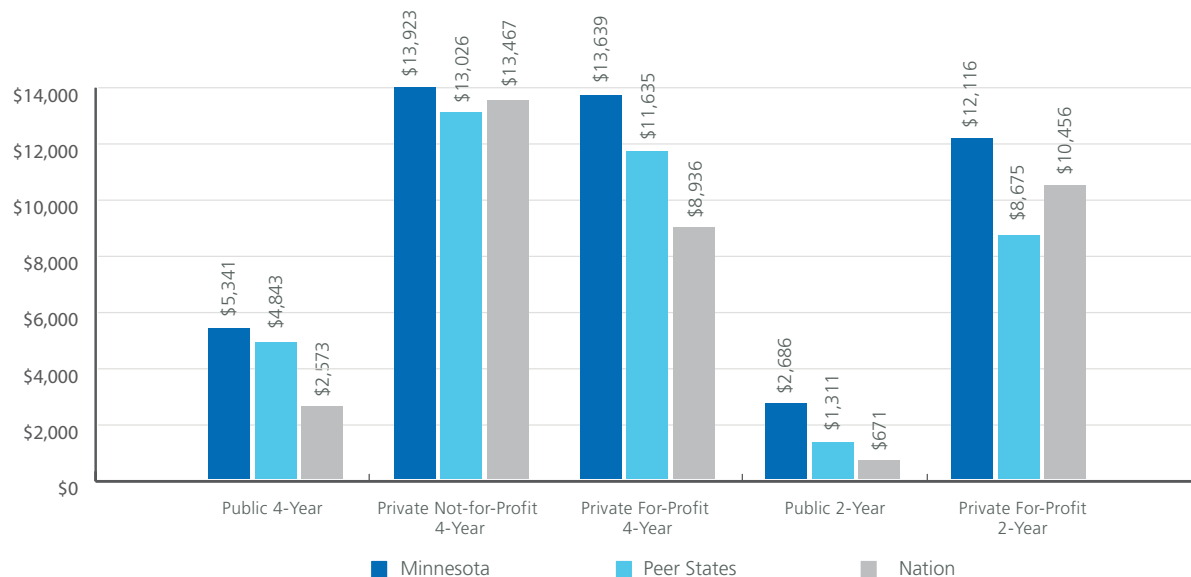
**PUBLISHED TUITION AND FEES COMPARED TO NET TUITION AND FEES
FOR FIRST-TIME, FULL-TIME STUDENTS AT MINNESOTA INSTITUTIONS, 2008-09**



Note: Data for public institutions represents the weighted average of in-district and in-state charges.

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey

AVERAGE NET TUITION AND FEES FOR FIRST-TIME, FULL-TIME STUDENTS BY INSTITUTION TYPE, 2008-09



Note: Data for public institutions represents the weighted average of in-district and in-state charges.

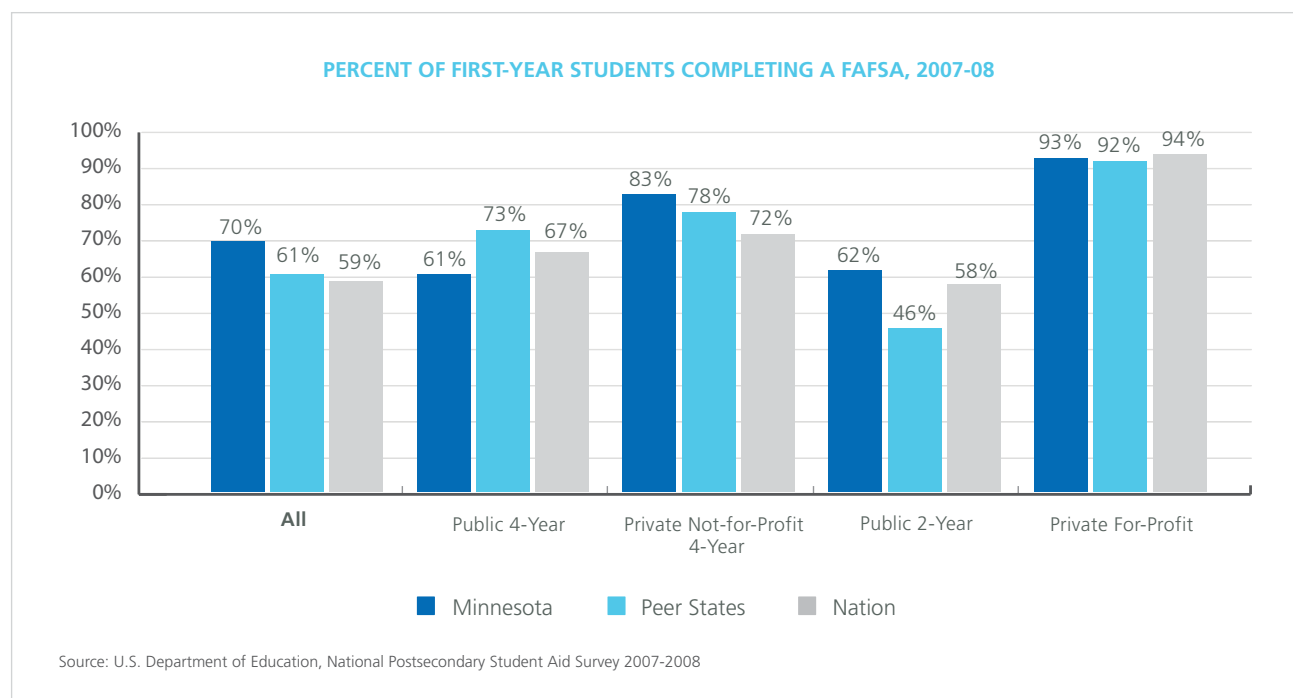
Source: U.S. Department of Education, IPEDS Student Financial Aid Survey

FAFSA FILING RATES FOR FIRST-YEAR STUDENTS

- » Minnesota students apply for financial aid (grants and loans) using the FAFSA at higher levels than students nationally.
- » Students do not complete the FAFSA for a variety of reasons, yet the students most likely to not complete the FAFSA tend to be older, attend college part-time, and attend public institutions.

One of the barriers to accessing higher education is financing the rising costs of tuition and student fees, yet many college students do not apply for financial aid by completing the Free Application for Federal Student Aid (FAFSA) each year. The federal government and the State of Minnesota require students to complete the FAFSA to qualify for governmental financial aid, and many institutions also require the FAFSA to qualify for institutional aid.

Survey data from the U.S. Department of Education estimated that 70 percent of all Minnesota undergraduates applied for federal financial aid compared to 59 percent nationally in 2007-08. Students at private institutions have the highest FAFSA filing rates in Minnesota with 93 percent of private for-profit students and 83 percent of private not-for-profit students filing.



Factors Influencing FAFSA Completion

Although failing to complete the FAFSA limits students' access to federal, state, and institutional financial aid, the National Postsecondary Student Aid Study (NPSAS) found that students do not apply for financial aid for several reasons.

Students may also have received aid from sources that do not require FAFSA submission, such as employer assistance, institutional and state non-need-based grants, and private grants and loans. A study of students who did not file a FAFSA in 2003-2004 found that 30 percent received some form of assistance from a source that did not require completing the FAFSA; however, the average aid received from these sources was relatively small (\$3,000) compared to the cost of tuition and fees.¹

Recent analysis of why students did not apply for financial aid using either the FAFSA or other non-federal aid applications estimates that most students would have qualified for aid, ranging from about a third that would have qualified for a need-based Pell Grant and the majority who would have qualified for unsubsidized Stafford and PLUS loans.²

Studies indicate that a lack of information and low awareness of the availability of financial aid may contribute to the FAFSA non-submission rates, and that this may particularly be a barrier for low-income families and families of color. A 2002 study by the Sallie Mae Fund found that low-income families have the least information about how to pay for higher education: among families making less than \$50,000 per year, 60 percent said they need more information about how to pay for college, versus 37 percent of those making more than \$75,000 per year (Sallie Mae Fund, 2002). In a 2006 survey by the Sallie Mae Fund, minority families expressed a greater need for financial aid information: 66 percent of African-American parents and 62 percent of Hispanic-American parents reported that they did not have enough information about how to pay for college, versus 44 percent of white parents.

These factors influence financial aid completion but also may impact college attendance overall. In 2002, the Sallie Mae Fund found that "knowledge about financial aid is a key predictor of whether a young adult is likely to attend college—the more a young adult knows about financial aid, the more likely he or she is to pursue a higher education."³

REASONS FOR FAFSA NON-FILING AMONG FIRST-YEAR STUDENTS

| Reason for Not Applying for Financial Aid | Percentage of All Students | | Percentage of FAFSA Non-Filers | |
|--|----------------------------|--------|--------------------------------|--------|
| | Minnesota | Nation | Minnesota | Nation |
| Thought ineligible | 7.6 | 10.6 | 39.7 | 40.2 |
| No need for financial aid | 3.7 | 5.0 | 19.1 | 18.9 |
| Did not have enough information about how to apply for financial aid | 3.5 | 6.1 | 18.1 | 22.9 |
| The application forms were too much work or too time consuming | 10.4 | 13.4 | 54.3 | 50.6 |
| Did not want to take on debt | 11.3 | 16.1 | 58.7 | 60.7 |
| None of the above | 0.0 | 1.2 | 0.0 | 4.7 |

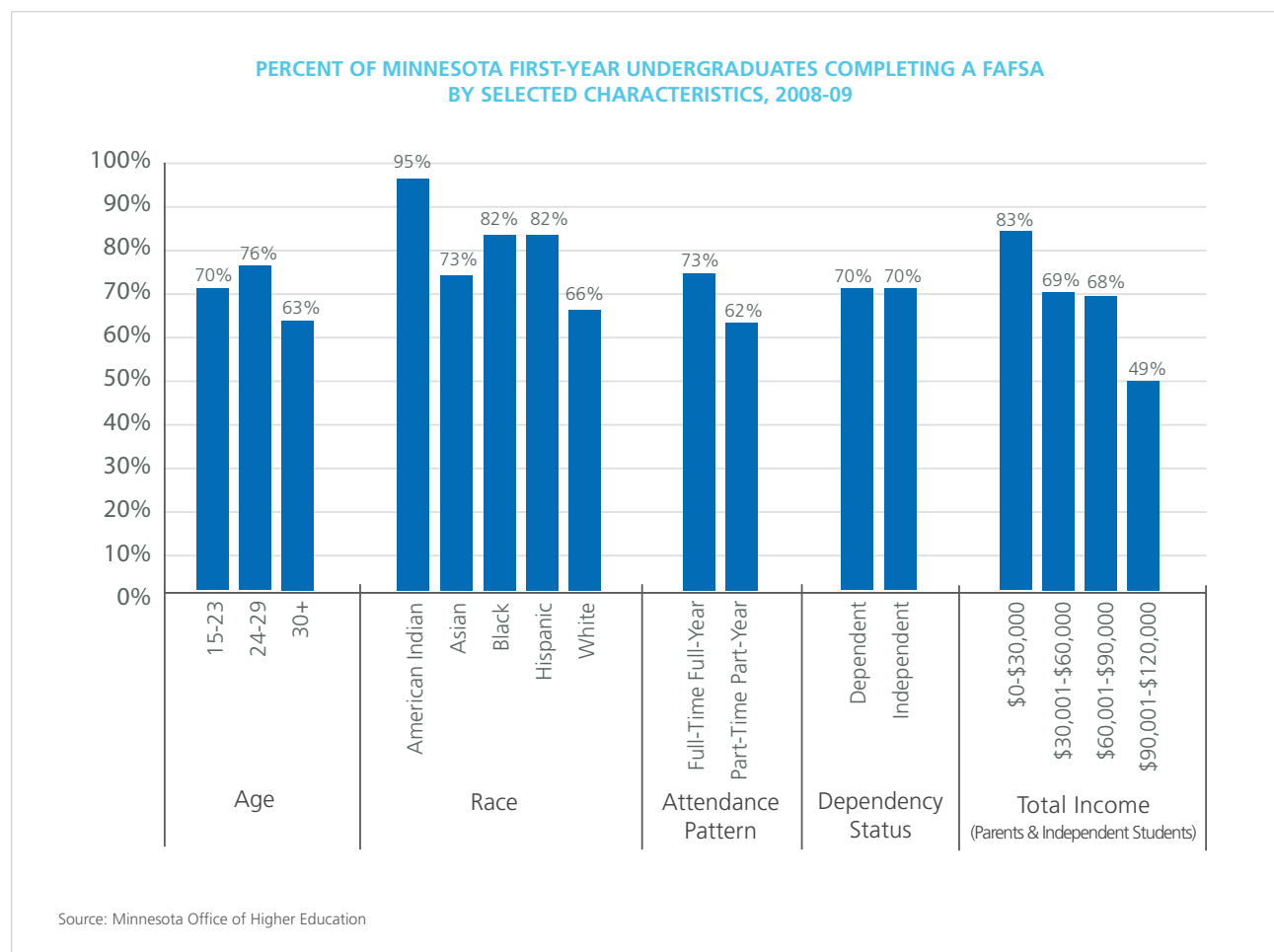
Source: U.S. Department of Education, National Postsecondary Student Aid Survey 2007-2008

1. King, J. (2006). Missed opportunities revisited: New information on students who do not apply for financial aid. American Council on Education. Retrieved from <http://www.acenet.edu/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=33967>.
2. Kantrowitz, M. (2011). Reasons why students do not file the FAFSA. Retrieved from <http://www.finaid.org/educators/20110118nofafsaareasons.pdf>.
3. Sallie Mae Fund. (2002). Lower income families, minorities have least information about college financial aid, Harris Poll finds. Press Release. Retrieved from <http://www.thefreelibrary.com/Lower+Income+Families,+Minorities+Have+Least+Information+About...+a096615219>.

Demographics of FAFSA Filers among First-Year Students

Students with different demographic characteristics complete the FAFSA and thus have access to financial aid options at different rates. Nationally, students that are low income, independent, and attending a community college have lower

FAFSA completion rates. In Minnesota, the FAFSA completion rates for these students are comparable to those in the peer states.



Part-time students (those with half-time or less than half-time enrollment) in Minnesota are much less likely than full-time students to apply for financial aid; in 2008-09, 62 percent of part-time students applied for financial aid compared to 73 percent of full-time students.

Older students (30 years of age or older) in Minnesota are much less likely than younger students to apply for financial aid. In 2008-09, 63 percent of students age 30 or older applied for financial aid compared to 76 percent of students aged 24 to 29 years.

Students at public institutions, both two-year and four-year, are much less likely to have filed a FAFSA than students at private institutions: in 2008-09, 62 percent of students at public two-year colleges completed the FAFSA, compared to 93 percent of students at private for-profit colleges. In 2008-09, 61 percent of students at public four-year colleges completed the FAFSA, compared to 83 percent of students at private not-for-profit four-year colleges.

FINANCIAL AID TO FIRST-TIME, FULL-TIME FRESHMEN

- » For students entering college, 84 percent of first-year Minnesota undergraduates received financial aid to help pay the price of attendance in 2008-09. Financial aid received includes grants, scholarships, work-study, and loans.

Grants

In Minnesota during 2008-09, 67 percent of first-time, full-time undergraduates received grants to help pay the price of attendance. Grants, including need-based grants, scholarships, and other merit-based aid, are financial aid

that does not have to be repaid. Thirty-two percent received federal grants, which averaged \$4,015 per student. Thirty-six percent received state grants, which averaged \$2,142.

FINANCIAL AID FOR FIRST-TIME, FULL-TIME MINNESOTA UNDERGRADUATES, 2008-09

| Institution Type | Number of Students | Percent Receiving Any Financial Aid |
|-------------------------------|--------------------|-------------------------------------|
| State Universities | 8,971 | 83% |
| University of Minnesota | 7,981 | 85% |
| Private Not-for-Profit 4-Year | 10,326 | 95% |
| Private For-Profit 4-Year | 1,947 | 88% |
| Public 2-Year | 16,591 | 76% |
| Private For-Profit 2-Year | 1,384 | 66% |
| Total | 50,060 | 84% |

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey

PERCENT OF FIRST-TIME, FULL-TIME MINNESOTA UNDERGRADUATES RECEIVING GRANTS, 2008-09

| Institution Type | Number of Students | Percent Receiving Any Grant Aid | Percent Receiving Federal Grant Aid | Average Federal Grant | Percent Receiving State Grant Aid | Average State Grant | Percent Receiving Institutional Grant Aid | Average Institutional Grant |
|-------------------------------|--------------------|---------------------------------|-------------------------------------|-----------------------|-----------------------------------|---------------------|---|-----------------------------|
| State Universities | 8,971 | 52% | 25% | \$3,764 | 30% | \$2,140 | 26% | \$2,267 |
| University of Minnesota | 7,981 | 77% | 19% | \$4,632 | 27% | \$3,529 | 76% | \$2,425 |
| Private Not-for-Profit 4-Year | 10,326 | 93% | 23% | \$4,579 | 31% | \$3,631 | 91% | \$12,118 |
| Private For-Profit 4-Year | 1,947 | 70% | 46% | \$3,319 | 45% | \$2,024 | 36% | \$1,317 |
| Public 2-Year | 16,591 | 52% | 39% | \$3,577 | 40% | \$1,248 | 6% | \$1,109 |
| Private For-Profit 2-Year | 1,384 | 53% | 42% | \$3,119 | 41% | \$1,194 | 3% | \$2,234 |
| Total | 50,060 | 67% | 32% | \$4,015 | 36% | \$2,142 | 39% | \$6,871 |

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey

The percentage of first-time, full-time undergraduates who received institutional grants varied substantially by type of institution. Among students attending community and technical colleges, 6 percent received grants funded by the colleges, which averaged \$1,109 per student. Among students attending private not-for-profit four-year colleges, 91 percent received grants funded by the colleges, which averaged \$12,118 per student.

Most merit-based financial aid or scholarships are awarded to postsecondary students by institutions or private organizations, and most state and federal financial aid is awarded based solely on students' family income. Over the past three decades, however, state spending on merit-based grants as tracked by the National Association of State Student Grant and Aid Programs increased at almost twice the rate of spending on need-based grants - 13.4 percent annually - from less than \$100,000 in 1981 to \$2.1 billion in 2006 (Heller, 2008). In Minnesota, two government-funded scholarship programs blending financial need and academic merit, the Minnesota Achieve Scholarship and federal Academic Competitiveness Grants, were awarded to over 12,000 high school graduates pursuing postsecondary education in 2009-10.

Student Loans

Unlike grants, loans must be repaid when the student graduates or stops attending a postsecondary institution. Overall, 61 percent of first-time, full-time students received student loans from federal, state or private sources in 2008-2009 for an average of \$7,214 in loans per student.

The percentage of first-time, full-time undergraduates who received loans also varied by type of institution. Among first-time, full-time community and technical college students, 52 percent received loans, averaging \$5,286 per student, and among students attending private for-profit four-year colleges, 80 percent had loans averaging \$11,702 per student.

There are concerns about the number of students with nonfederal loans, particularly private student loans that may have less favorable terms. In Minnesota, nonfederal or "other" loans include both state-sponsored Minnesota SELF Loans and private student loans from banks and other lenders.

Overall, 16 percent of first-time, full-time students attending Minnesota postsecondary institutions had nonfederal loans, and the average amount borrowed was \$6,996 in 2008-09. Private for-profit four-year colleges had the highest percentage of students with nonfederal loans, with 37 percent who borrowed an average of \$6,984 per student in the 2008-09 academic year.

PERCENT OF FIRST-TIME, FULL-TIME MINNESOTA UNDERGRADUATES RECEIVING LOANS, 2008-09

| Institution Type | Number of Students | Percent Receiving Student Loans | Average Student Loans | Percent Receiving Federal Student Loans | Average Federal Student Loans | Percent Receiving Non-Federal Student Loans | Average Non-Federal Student Loans |
|-------------------------------|--------------------|---------------------------------|-----------------------|---|-------------------------------|---|-----------------------------------|
| State Universities | 8,971 | 66% | \$7,011 | 65% | \$5,087 | 21% | \$6,369 |
| University of Minnesota | 7,981 | 54% | \$8,182 | 52% | \$4,951 | 27% | \$6,693 |
| Private Not-for-Profit 4-Year | 10,326 | 68% | \$7,985 | 66% | \$5,826 | 18% | \$9,151 |
| Private For-Profit 4-Year | 1,947 | 80% | \$11,702 | 79% | \$8,558 | 37% | \$6,984 |
| Public 2-Year | 16,591 | 52% | \$5,286 | 52% | \$4,938 | 4% | \$5,152 |
| Private For-Profit 2-Year | 1,384 | 71% | \$7,922 | 68% | \$5,472 | 32% | \$6,008 |
| Total | 50,060 | 61% | \$7,214 | 59% | \$5,522 | 16% | \$6,996 |

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey 2008-2009

During College

OVERVIEW

Section two of *Minnesota Measures* analyzes postsecondary students' experiences during their academic career, from who participates in postsecondary education in the state to how engaged they are in the learning process and how they finance the costs of attendance. Although there is wide variation in the types of postsecondary programs and institutions students choose, as well as how they attend courses, the experience of being in and affording college can be formative well beyond students' time of enrollment.

Minnesota Undergraduates Profile

Although the largest increases in undergraduate enrollment during the past decade have been at Minnesota two-year institutions and among students age 20 and older, the majority of undergraduate students in the state in fall 2010 were age 24 and younger and attended full-time at a four-year institution. The majority of part-time students attended a two-year institution and were age 25 or above. Women also comprised the majority of all undergraduates across all racial/ethnic groups within the state.

Although the number of students who transfer between institutions has more than doubled during the past decade, at four-year institutions in Minnesota between fall 2008 and 2009, 79 percent of freshman returned to the same institution for their sophomore year, above the peer state and national averages. Among new Minnesota undergraduates entering a postsecondary institution, approximately 10 percent transfer to another institution each year, and half of those students transfer between two-year institutions or from a four-year to a two-year institution. Minnesota undergraduates at two-year institutions had the third-highest transfer rate nationally among students who left without a credential but with a plan to enroll in another institution.

Student Engagement and Learning

Surveys of students' level of engagement during their academic career provide information on institutional practices that can impact student learning and development. At Minnesota two-year colleges, Minnesota students had higher ratings of engagement on average than students at two-year institutions in the peer states and nationally. At four-year institutions, student engagement is assessed for first-year and senior students. Minnesota seniors had overall higher ratings of engagement than seniors in the peer states, but Minnesota first-year students indicated lower levels of engagement than their counterparts in the peer states.

Postsecondary institutions in Minnesota infrequently participate in standardized testing of their students but instead use locally developed assessments and "high-impact" learning practices, such as capstone projects and study abroad programs. Minnesota students have been increasingly participating in postsecondary education online, with full-year equivalent enrollments at public institutions doubling between 2006-07 and 2009-10. Online course-taking is most common among older, part-time students who work full-time and attend a two-year institution.

Paying for College

Despite increases in grants and scholarships, the net price, or actual cost of attending a postsecondary institution in Minnesota, remains high, especially for low-income students. At public four-year institutions in Minnesota, tuition and fees have increased 9.1 percent on average annually between 1999-2000 and 2009-10. Undergraduate tuition and fees for Minnesota residents have increased faster than per capita personal income and inflation across all types of postsecondary institutions in the state.

During 2008-09, 82 percent of the costs of attending a Minnesota postsecondary institution were paid by students and families, totaling nearly \$5 billion. Although institutional grants to help students afford college in Minnesota have increased by over 227 percent between 1998-99 and 2008-09, the total amount borrowed by undergraduates increased by 218 percent during the same period, faster than increases in tuition and fees or personal income. Additionally, the state's share of revenue for public institutions over the past two decades has been decreasing.

In a recent study of students and their families in Minnesota, borrowing was the largest source of funds used to pay for college costs in 2008-09. Although federal loans were the most common source of borrowed funds for students and their families across all institutions, private loans were used to borrow in greater amounts. Nationally, dependent students and families rely less on borrowing to pay for college costs than do Minnesota students and families.

Financial Aid

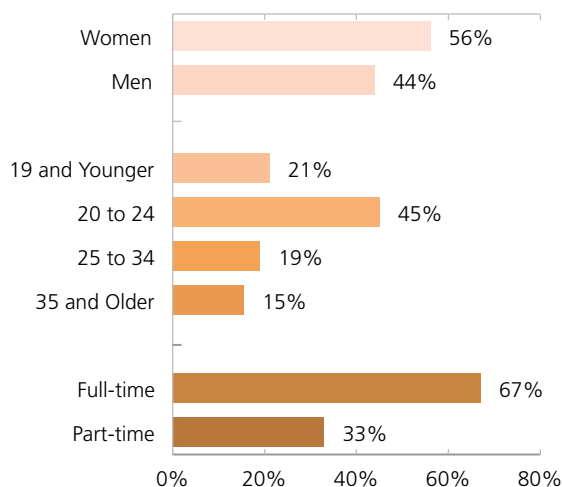
In 2008-09, financial aid to Minnesota undergraduates included \$1.07 billion in grants and \$1.65 billion in education loans. Loans were 60 percent of all financial aid awarded—a 9 percent increase in loan usage over the prior decade. In Minnesota, students borrow at higher rates than students nationally, and Minnesota postsecondary students also have high employment rates, with 84 percent of undergraduates working while enrolled in a postsecondary institution in 2007-08. The more hours students worked, however, the more students were likely to indicate that work had negatively impacted their grades and their ability to take classes.

UNDERGRADUATE ENROLLMENT PROFILE

- » Seventy percent of Minnesota postsecondary students in fall 2010 were undergraduates. The majority of undergraduates, 66 percent, are age 24 and younger.
- » While the majority of undergraduates attend full time, the majority of part-time students attend a two-year institution and are age 25 or older.

During the fall 2010 term at Minnesota institutions, 70 percent of all students enrolled, or 327,046, were undergraduates. Undergraduate enrollment increased by 3 percent, or 9,787 students, from fall 2009 to fall 2010. The majority of all undergraduates attending a Minnesota postsecondary institution, 79 percent, were Minnesota residents. In fall 2010, 17 percent of undergraduates, or 56,209, were new entering students. Of those new entering postsecondary students, 70 percent were recent high school graduates. Additionally, 11 percent, or 34,646 undergraduates, were new transfer students.

MINNESOTA UNDERGRADUATE ENROLLMENT BY STUDENT CHARACTERISTICS, FALL 2010



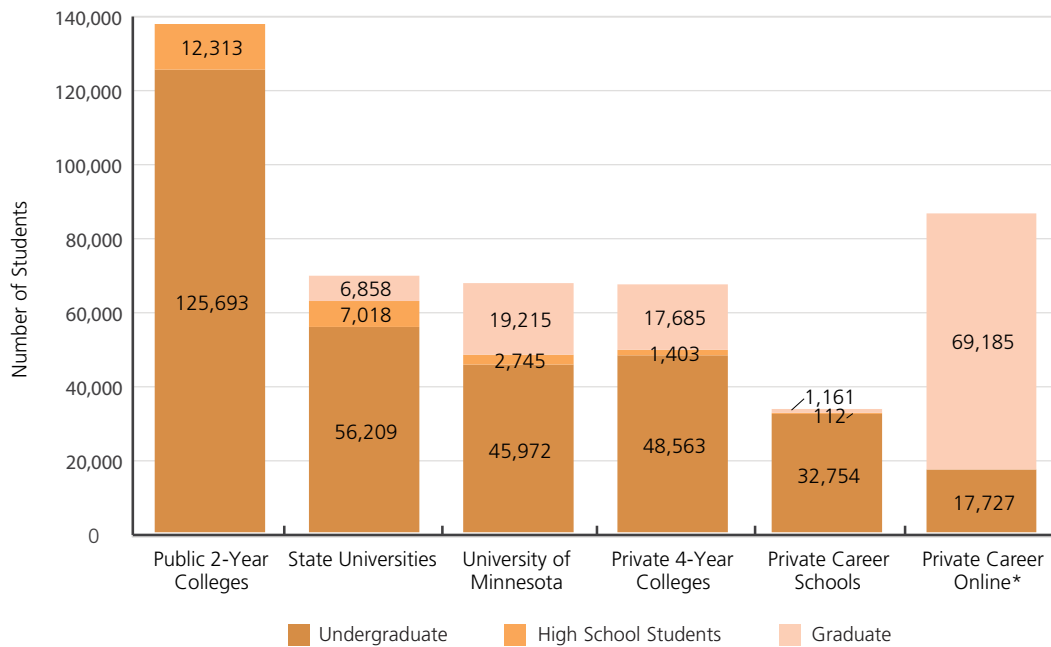
Source: Minnesota Office of Higher Education

Patterns of Enrollment

The characteristics of undergraduates who enroll at Minnesota postsecondary institutions tend to fall into a few general patterns.

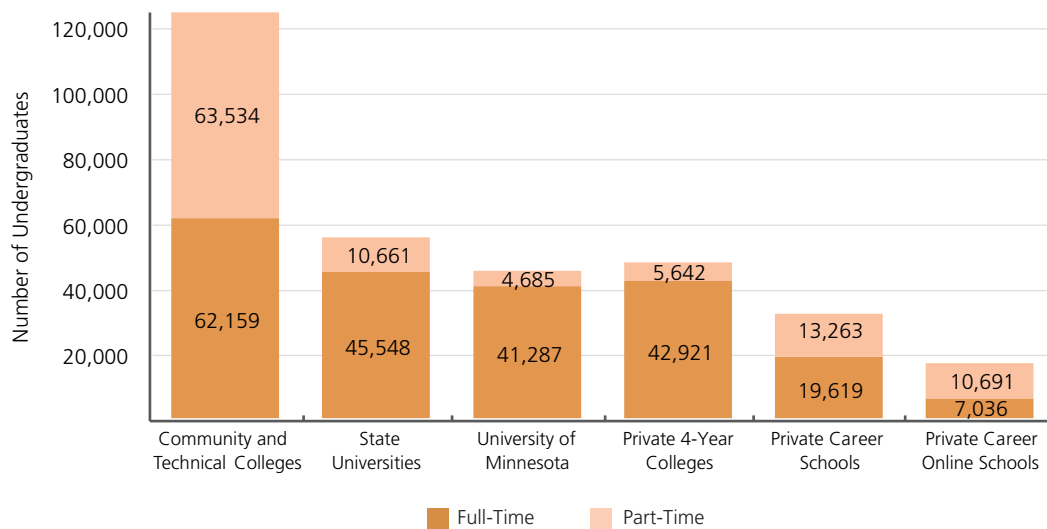
- The majority of undergraduates, 66 percent, are age 24 and younger and more concentrated at four-year institutions. They comprised 76 percent of undergraduate enrollments at state universities, 85 percent at private colleges, and 87 percent at the University of Minnesota. Students in this age group tend to enroll directly from high school, and 82 percent attended full-time.
- Older undergraduates, those age 25 and older, enroll in larger percentages at two-year institutions. This student group comprised 47 percent of enrollments at community and technical colleges and 58 percent of enrollments at private career schools. Students in this age group tend to be working adults, and 59 percent attended part-time.
- Women comprised the majority of undergraduates across all race/ethnicity groups.
- Students age 25 and older are more likely to enroll part-time. Younger undergraduates (those 24 and younger) are more likely to enroll full-time. Half of all undergraduates enrolled at Minnesota's public 2-year colleges are over age 25 and are enrolled part-time. The majority of all part-time undergraduates are enrolled at public 2-year colleges.

ENROLLMENTS OF ALL STUDENTS IN MINNESOTA BY INSTITUTION TYPE, FALL 2010



*Capella and Walden Universities report their nationwide enrollment.
Source: Minnesota Office of Higher Education

UNDERGRADUATES ENROLLED FULL-TIME AND PART-TIME BY INSTITUTION TYPE, FALL 2010



Source: Minnesota Office of Higher Education

Enrollment Patterns by Race and Ethnicity

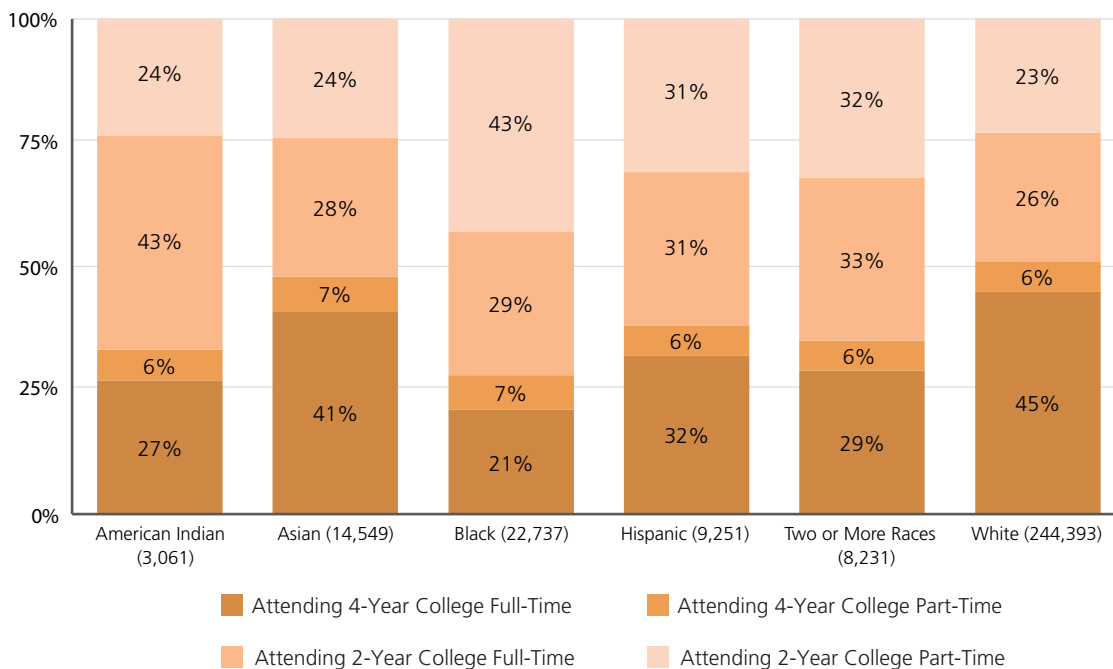
In fall 2010, undergraduates of color enrolled part time at two-year colleges in higher percentages than White undergraduates. Black, Hispanic and American Indian students attended two-year institutions at rates higher than their White or Asian counterparts. Of all enrolled Black students, 73 percent attended two-year institutions, the highest percent of all racial/ethnic groups. They also enrolled disproportionately part time compared to other students. These high percentages particularly stand out, considering Black students comprised the largest number of undergraduate students of color. Asian students attended two-year and four-year institutions at rates comparable to White students.

International Student Enrollments

Although the number of international students studying at U.S. postsecondary institutions has increased from 547,867 in 2000-01 to 723,277 in 2010-11, the percentage of international students as a part of total U.S. postsecondary enrollment has stayed roughly the same at 3.5 percent according to the Institute for International Education.

In Minnesota, the University of Minnesota—Twin Cities enrolls the most international students with 5,124 enrolled during the 2010-11 academic year. The University ranked 18th in the nation in the number of international students enrolled. The other institutions in Minnesota with large international postsecondary enrollments were St. Cloud State University with 1,355 students; Minnesota State University, Mankato with 708 students; and the University of St. Thomas and Minnesota State University Moorhead both with 393 students. Minnesota overall ranks 18th in terms of international enrollments; five of the seven peer states had higher international enrollments than Minnesota and were ranked in the top ten nationally in international enrollments.

MINNESOTA UNDERGRADUATE ENROLLMENT BY RACE/ETHNICITY, INSTITUTION TYPE, FALL 2010



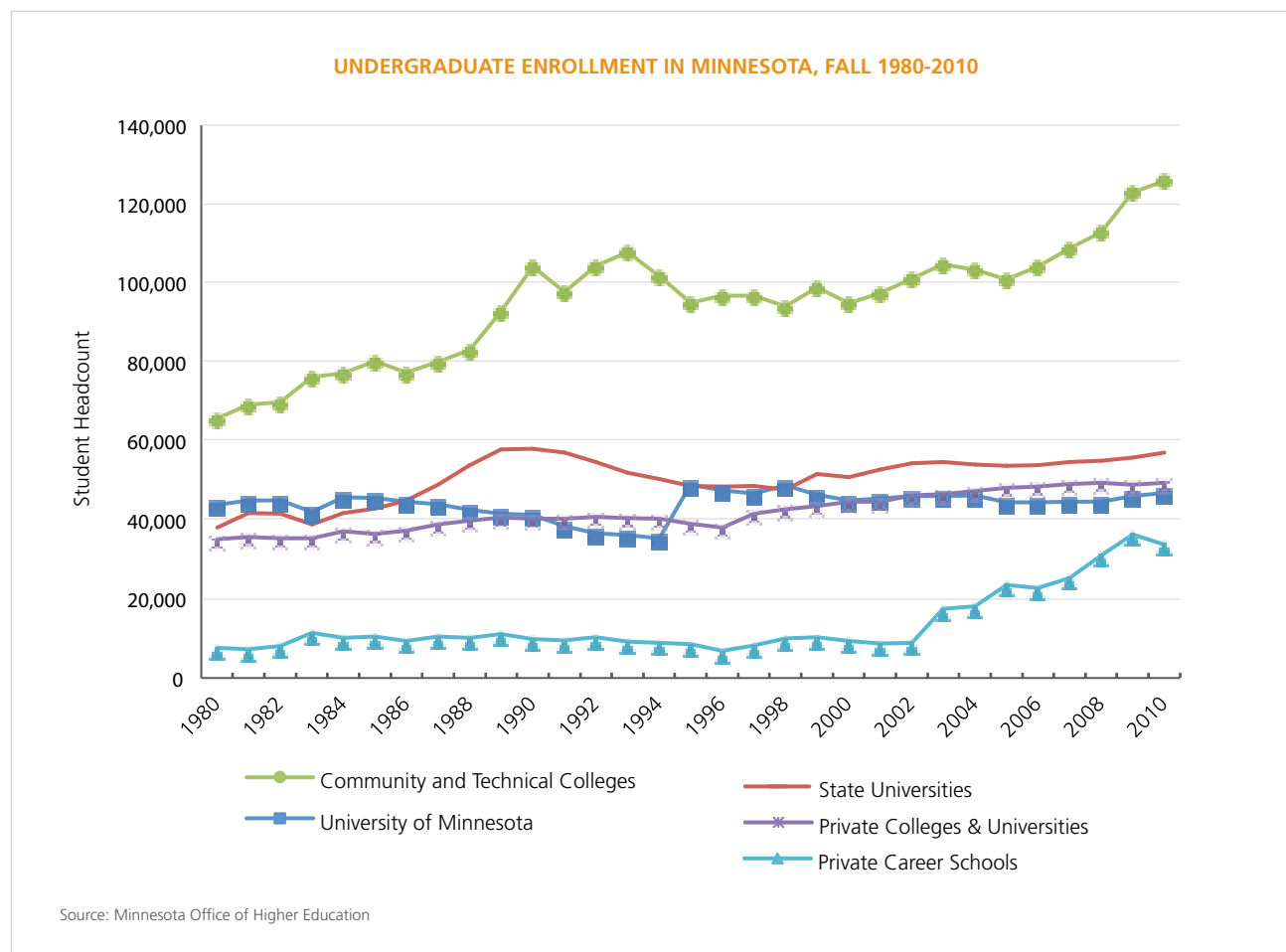
Source: Minnesota Office of Higher Education

UNDERGRADUATE ENROLLMENT TRENDS

- » Most of the growth in undergraduate enrollment at Minnesota postsecondary institutions has occurred at two-year institutions—public two-year colleges and private career schools.
- » At two-year institutions, the largest increases in undergraduate enrollment during the past decade have been among students age 20 and older.

Undergraduate enrollment at Minnesota postsecondary institutions has increased during the last three decades at all institutional types. The most dramatic change in undergraduate enrollments during the past decade has occurred at two-year institutions (includes public community and technical colleges and private career schools). More undergraduates have enrolled at two-year institutions, a 51

percent increase, than at four-year institutions which had a 2 percent enrollment increase. Two-year institutions saw increases across all age categories, but especially large increases among students age 20 and older: in the 20 to 24 year age group, a 58 percent increase; in the 25 to 34 year age group, a 117 percent increase; and in the 35 and older year age group, a 52 percent increase.



RETENTION

- » At 79 percent, Minnesota ranked 16th nationally in freshman-to-sophomore year retention rates at four-year institutions, above the peer state and national averages.

College retention is defined as the number of undergraduates returning for a second year at the same institution as a proportion of those who were first-time, full-time undergraduates at that institution in the prior year. Students attending part-time are not included in this measure.

Students may not return for a wide range of reasons. Some do not initially find the right institutional fit and others may be underprepared for college or have other circumstances arise. Retention rates do not account for students who continue their education at another institution.

Four-Year Institutions

Between fall 2008 and fall 2009, 79 percent of first-time, full-time students were retained from the freshman to sophomore year at Minnesota four-year institutions. Minnesota's retention rate over the last five years has varied from a low of 78 percent to a high of 82 percent. When compared by institution type, the University of Minnesota and private not-for-profit institutions had higher freshman-to-sophomore retention rates than the state universities. The retention rates and the numbers of students tracked for the measure vary considerably from institution to institution. The rates range from:

- a high of 90 percent to a low of 65 percent at the University of Minnesota campuses;
- a high of 97 percent to a low of 21 percent at the private not-for-profit colleges;
- a high of 77 percent to a low of 59 percent at the state universities; and
- a high of 90 percent to a low of 31 percent at the private for-profit colleges.

Minnesota ranked 16th nationally, in freshman-to-sophomore retention rates at four-year institutions, but has remained higher than peer states or national averages. At the state level, retention rates at four-year institutions ranged from a high of 83 percent in Massachusetts to a low of 67 percent in Idaho.

Two-Year Institutions

Two-year institutions have a wide variation in program offerings. Students completing their programs within their first year of study were still counted as retained in the second year and did not negatively impact retention rates. Minnesota's retention rate at two-year institutions improved by 2 percent over the last five years. When compared by institution type, Minnesota private for-profit schools had higher freshman-to-sophomore retention rates than the state colleges. However, the private for-profit schools were only 6 percent of the overall first-year full-time enrollment at two-year institutions.

Minnesota ranked 39th nationally in freshman-to-sophomore retention rates at two-year institutions, below the peer state and national averages. At the state level, retention rates at two-year institutions ranged from a high of 72 percent in South Dakota to a low of 48 percent in Vermont. The composition, type and mix of two-year institutions within states vary depending on state policies, program offerings and funding.

FIRST- TO SECOND-YEAR RETENTION RATES AT MINNESOTA INSTITUTIONS, 2005-09

| | Fall 2005 | Fall 2006 | Fall 2007 | Fall 2008 | Fall 2009 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| 4-Year Institutions | | | | | |
| State Universities | 71.9% | 72.7% | 73.2% | 73.3% | 72.5% |
| University of Minnesota | 83.0% | 82.6% | 83.4% | 84.5% | 85.2% |
| Private Not-for-Profit | 83.5% | 84.6% | 84.5% | 84.8% | 84.2% |
| Private For-Profit | 60.2% | 63.5% | 64.8% | 57.0% | 60.4% |
| Total 4-Year | 77.8% | 78.8% | 80.6% | 81.6% | 79.4% |
| 2-Year Institutions | | | | | |
| State Colleges | 55.7% | 56.0% | 56.8% | 56.6% | 58.6% |
| Private For-Profit | 81.0% | 75.0% | 65.6% | 71.3% | 64.5% |
| Total 2-Year | 56.6% | 56.7% | 58.1% | 57.9% | 59.0% |

Source: U.S. Department of Education, IPEDS Enrollment Survey

FIRST- TO SECOND-YEAR RETENTION RATES, FALL 2009

| 4-Year Institutions | | 2-Year Institutions | |
|-------------------------|--------------|-------------------------|--------------|
| Top 3 States | | Top 3 States | |
| Massachusetts | 83.3% | South Dakota | 71.7% |
| California | 83.0% | Wyoming | 71.2% |
| New Jersey | 83.0% | North Dakota | 70.2% |
| Minnesota (16th) | 79.4% | Minnesota (39th) | 59.0% |
| Peer States | 77.7% | Peer States | 60.7% |
| Nation | 77.8% | Nation | 60.7% |

Source: U.S. Department of Education, IPEDS Enrollment Survey

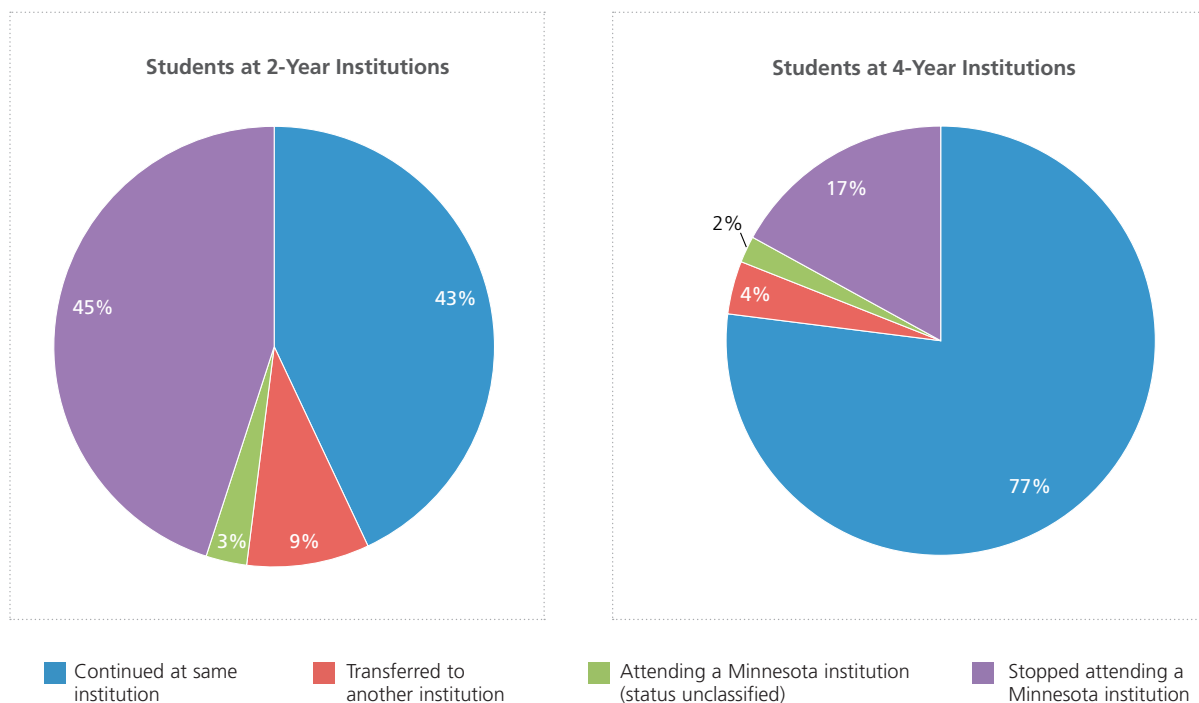
Retention of New Entering Undergraduates in Minnesota

Of the new undergraduates who enrolled in fall 2008, 73 percent were still enrolled in a Minnesota postsecondary institution and 27 percent were not enrolled the following fall. Specifically:

- 60 percent of new undergraduates in Fall 2008 were enrolled in the same institution in Fall 2009;
- 10 percent had transferred to another Minnesota institution;
- 3 percent were enrolled in a Minnesota institution, but whether they transferred or stayed at the same institution was not identified; and
- 27 percent were not enrolled one year later. These students dropped out, completed a short-term program at a two-year institution, transferred out of state, or were not able to have a valid student record match.

In fall 2008, students who had originally enrolled in a Minnesota four-year institution (public or private) were more likely to still be enrolled in Fall 2009 as compared to students who originally enrolled at a two-year institution (public or private). The number of students transferring from two-year institutions was three times the number transferring from four-year institutions.

FALL 2008 NEW ENTERING UNDERGRADUATES AT MINNESOTA INSTITUTIONS ONE YEAR LATER



STUDENT TRANSFER

- » Approximately 10 percent of undergraduates transfer to another institution each year. Half of the students transfer between two-year institutions or from a four-year to a two-year institution.
- » Transfer activity has more than doubled in the past decade.

Many students at two-year colleges enter with a goal to transfer and not complete a program at the institution as a forward progression to a bachelor's degree. Transfers may represent students who did not initially find the right fit or the programs and services they expected or needed at their first institution. With recent improvements in the transfer process within Minnesota public institutions and improved access to online courses, transferring credits has become commonplace.

In fall 2009, 34,678 undergraduates were admitted as transfer students. These students represented 10 percent of all Minnesota undergraduates. In addition, another 4,225 undergraduates were admitted to private institutions having previously attended another postsecondary institution but did not or could not transfer credits.

While transferring may be relatively common for students and may not adversely affect a student's educational goals, transfer activity does have an adverse effect on institutional reported first-year to second-year undergraduate retention and graduation rates. These measures rely on tracking new-entering

first-year student cohorts throughout their studies at the same institution. Students transferring to another institution after their first-year of studies or before graduating are not counted in the retention and graduation rates.

Fall 2009 Transfer Activity

While many students pursue a traditional transfer path from a two-year college to a four-year college, half of the transfer activity involves students transferring credits into a public two-year community and technical college from either a four-year institution or another two-year institution. It is unknown how many students moved from Minnesota institutions to out-of-state institutions.

The number of undergraduates admitted as transfer students in Minnesota has increased from 16,532 in 1999 to 34,678 in 2009. The rate of growth in transfer students was about double the overall rate of growth in enrollment for the same period. The Minnesota State Colleges and Universities system reported a 52 percent increase in the rate of students transferring among the system's 37 public institutions from

MINNESOTA UNDERGRADUATES ADMITTED AS TRANSFER STUDENTS, FALL 2009

| Transferred To: | State College | State University | University of Minnesota | Private College | Private Career School | Private Career Online School | Total |
|-----------------------------------|---------------|------------------|-------------------------|-----------------|-----------------------|------------------------------|---------------|
| Transferred From: | | | | | | | |
| State College | 4,322 | 2,978 | 746 | 488 | 464 | 28 | 9,026 |
| State University | 1,449 | 374 | 119 | 70 | 157 | 3 | 2,172 |
| University of Minnesota | 851 | 289 | 42 | 82 | 68 | 4 | 1,336 |
| Private College | 638 | 306 | 144 | 126 | 50 | 4 | 1,268 |
| Private Career School | 277 | 79 | 3 | 48 | 142 | 9 | 558 |
| Unspecified Minnesota Institution | 207 | 27 | 15 | 16 | 35 | - | 300 |
| Out-of-State | 3,311 | 1,578 | 650 | 480 | 438 | 1,386 | 7,843 |
| Institution Unknown | 6,068 | 70 | 1,876 | 1,685 | 2,337 | 139 | 12,175 |
| Total | 17,123 | 5,701 | 3,595 | 2,995 | 3,691 | 1,573 | 34,678 |

Source: Minnesota Office of Higher Education

1999 to 2009. The implementation of the Minnesota Transfer Curriculum by the system, which facilitates the transfer of general education credits for a liberal arts degree, may have contributed to this increase.

Transfer from Two- to Four-Year Colleges

Minnesota's two-year public institutions reported the third highest percentage in the country of students who leave without a credential but who plan to transfer to another college. Minnesota's two-year public colleges reported 24 percent of its first-time, full-time students transferred out within three years in 2009.

The state's relatively high transfer-out rate is good news if students are transferring into baccalaureate programs without losing time or academic credits that apply toward their chosen majors. Students who transfer out of community, technical, or career colleges to change their program of study may take longer to complete their degree than students who started and persisted in the same program at the same institution.

Transfer by Student Level

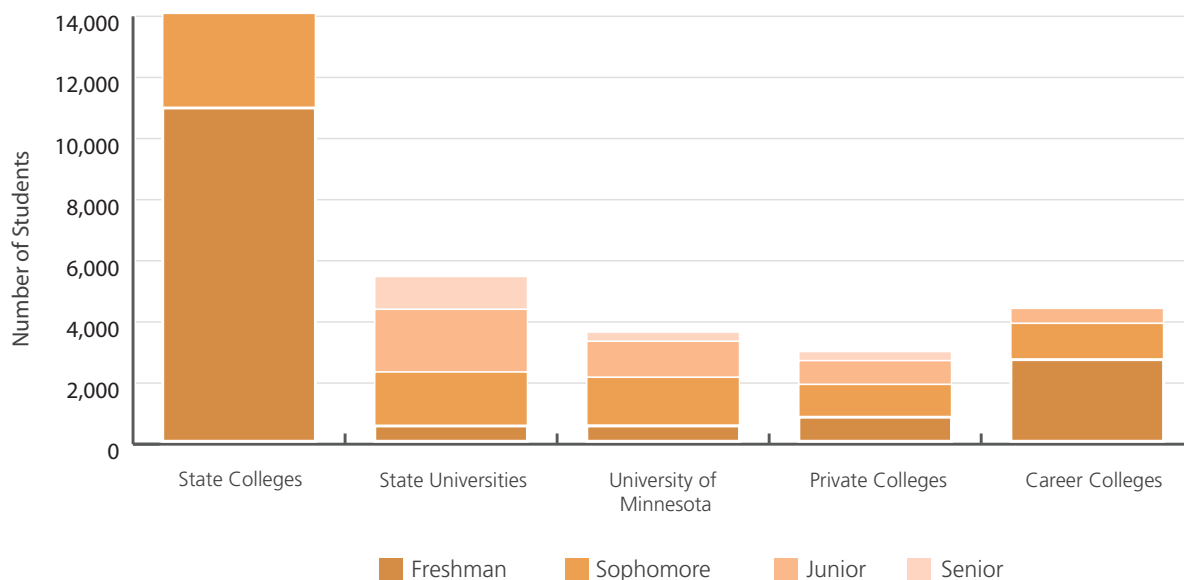
Most transfers occur early in students' college careers. Eighty percent of undergraduates at Minnesota institutions who enrolled as transfer students in fall 2009 were first- or second-year students. Only six percent of transfer students were categorized as seniors, or fourth-year students, when they transferred.

TRANSFER-OUT RATES AT 2-YEAR INSTITUTIONS, NATIONAL COMPARISONS, 2009

| Top 3 States | 3-Year Transfer Rate |
|------------------------|----------------------|
| Alaska | 37.3% |
| Alabama | 25.0% |
| Illinois (4th) | 23.0% |
| Minnesota (3rd) | 23.8% |
| Peer States | 14.2% |
| Nation | 13.2% |

Source: U.S. Department of Education, IPEDS Graduation Rates Survey

YEAR OF STUDY AT TIME OF TRANSFER IN MINNESOTA, FALL 2009



Source: Minnesota Office of Higher Education

STUDENT ENGAGEMENT

- » Students at Minnesota two-year colleges had higher ratings of engagement on average than students in both the peer states and nationally.
- » Compared to senior and first-year students at four-year institutions in the peer states, Minnesota seniors had higher overall levels of engagement, but first-year students indicated overall lower levels of engagement.

Surveys designed to gather feedback from postsecondary students about their levels of engagement, both academic and non-academic, at their institutions have become widely used gauges of effective institutional practices as well as of student behaviors. Two national surveys of student engagement are the most prevalent: the National Survey of Student Engagement and the Community College Survey of Student Engagement. The NSSE is a survey of students at four-year public and private institutions. The CCSSE surveys students at community and technical colleges. CCSSE and NSSE have been used as performance indicators in many common college portraits, including the Voluntary System of Accountability and the University and College Accountability Network.¹

While not identical, both surveys cover general topics relating to student engagement such as academic rigor, collaborative learning, student-faculty interaction, and student support. Research indicates that there is a strong relationship between a student's level of engagement as an undergraduate and successful outcomes for students and for institutions, such as improved retention and graduation rates.² Both surveys contribute to an overall picture of how well institutions serve the needs and maximize the intellectual and social development of their students.

Two-Year Institutions

The Community College Survey of Student Engagement is a survey of public community and technical college students' level of engagement at their institutions. In 2009, 313 institutions participated in the survey nationally, including 26 Minnesota institutions; for 2010, 241 institutions participated nationally, including nine from Minnesota.³

CCSSE survey questions focus on institutional practices and student behaviors that can promote student engagement and positive learning outcomes. Students in credit-based courses were randomly selected and surveyed during class sessions about their college experiences including "how they spend their time; what they feel they have gained from their classes; how they assess their relationships and interactions with faculty, counselors, and peers; what kinds of work they are challenged to do; how the college supports their learning."⁴ Survey questions are grouped into five survey benchmark categories: active and collaborative learning, student effort, academic challenge, student-faculty interaction, and support for learners. A benchmark score of 50 on the CCSSE is equivalent to an average score nationally.

In 2009, students at Minnesota public two-year institutions had higher ratings of engagement on average than both the peer states and national comparison groups across all five survey benchmarks: active and collaborative learning, student effort, academic challenge, student-faculty interaction, and support for learners. For 2010, Minnesota institutions rated higher than the peer states across all benchmarks and above the nation on all but student effort.

Students from Minnesota institutions had the highest ratings on the active and collaborative learning benchmark, scoring the 4th highest ratings in the nation for both 2009 and 2010. Aspects of this benchmark include how often during the academic year students: asked questions or contributed to class discussions, made a presentation, worked with other students on projects in and outside of class, tutored or taught other students, participated in a community-based project, and discussed course ideas outside of class.⁵

1. The Voluntary System of Accountability is a joint product of the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges that provides a web-based College Portrait template for participating institutions. The seven state universities and the University of Minnesota-Twin Cities campus participate in the VSA. The National Association of Independent Colleges and Universities' University and College Accountability Network (U-CAN) is a web-based common college portrait with fourteen private institutions participating in Minnesota. The University of Minnesota-Twin Cities also participates in the Student Experience in the Research University (SERU) Survey, which is also part of the VSA and measures students' academic, civic, and student life engagement.

2. For further information, see <http://www.ccsse.org/aboutsurvey/docs/CCSSE%20Validation%20Summary.pdf>.

3. Many institutions conduct engagement surveys biennially. In 2008, the MnSCU system began requiring their institutions to conduct CCSSE or NSSE at least biennially.

4. Community College Survey of Student Engagement, www.ccsse.org/aboutsurvey/aboutsurvey.cfm.

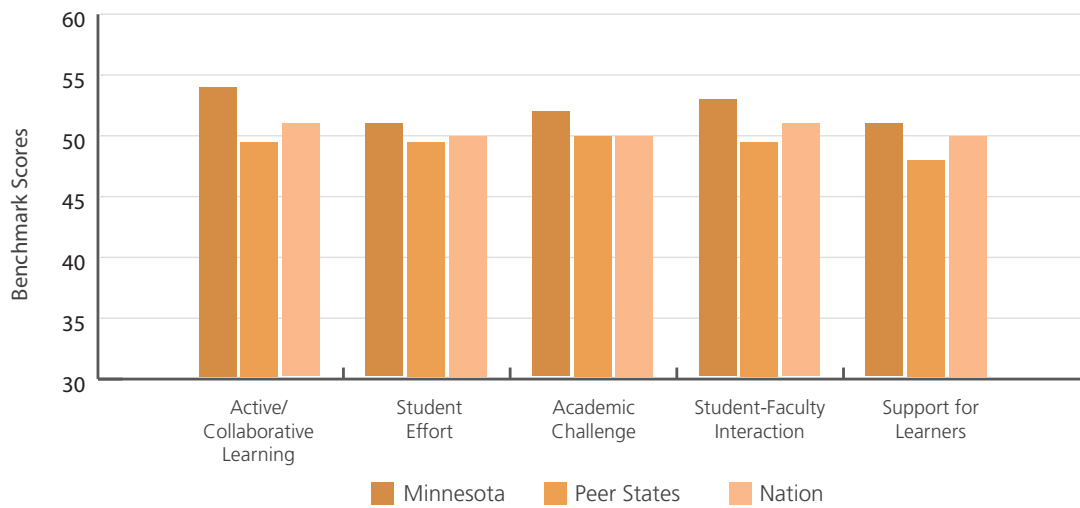
5. Community College Survey of Student Engagement, www.ccsse.org/survey/bench_active.cfm.

Four-Year Institutions

For 2009 and 2010, the benchmark for student effort received the lowest ratings by students at Minnesota institutions (in 2009, support for learners also tied for the lowest rating). The student effort benchmark includes eight measures of how students applied or were asked to apply themselves during the academic year including: preparing multiple drafts of a paper, using support services such as tutoring, skill and computer labs; whether they came to class without completing readings or assignments; and hours spent per week preparing for class.

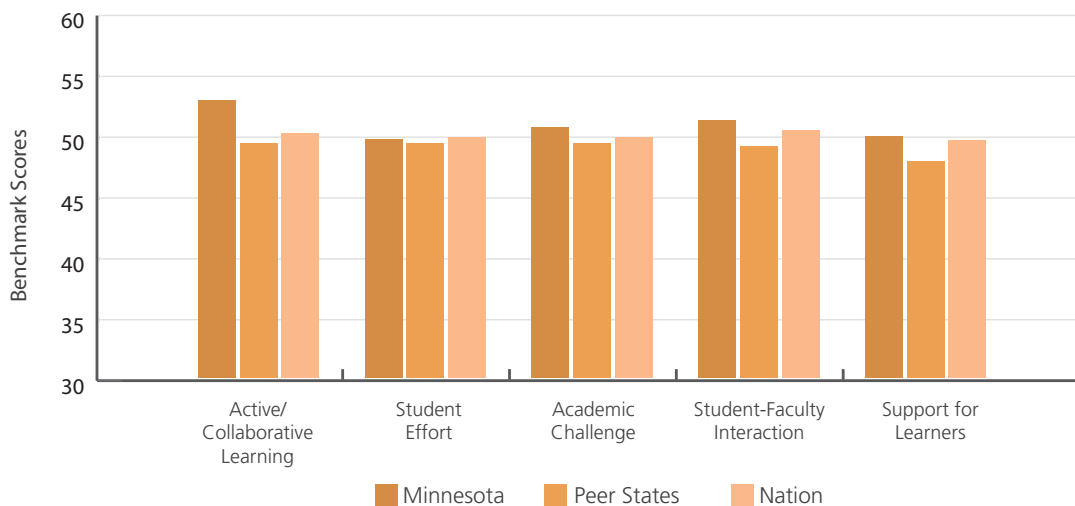
The National Survey of Student Engagement is an annual survey distributed to students at participating four-year public and private institutions nationwide. The survey, which is conducted online and through direct mail, allows for comparisons of responses from first-year students and seniors to measure differences in student engagement levels. In 2009-10, 951 institutions participated in the survey nationally, including 18 from Minnesota, and 234 within the peer states.

STUDENT ENGAGEMENT AT 2-YEAR COLLEGES, 2009



Source: Community College Survey of Student Engagement

STUDENT ENGAGEMENT AT 2-YEAR COLLEGES, 2010



Source: Community College Survey of Student Engagement

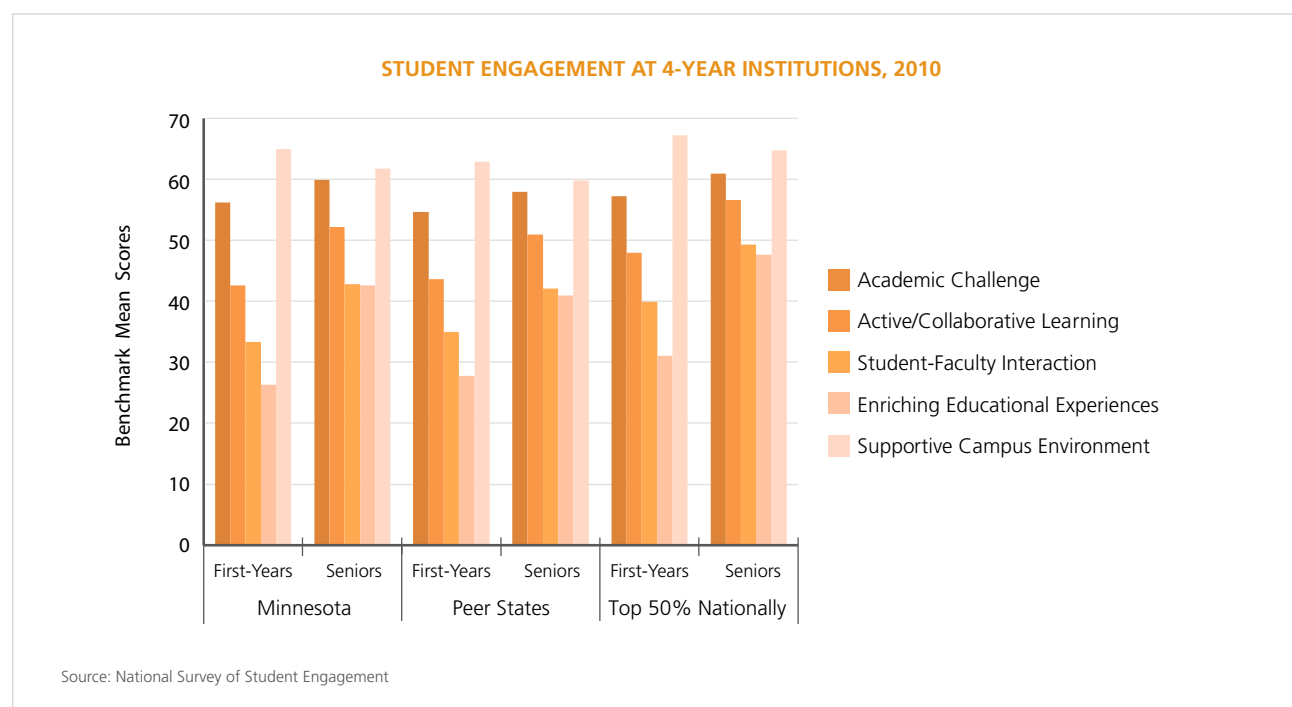
Engagement Benchmarks

First-year students attending Minnesota four-year institutions indicated levels of engagement above that of first-year students attending institutions in the peer states in 2010 on only two of the five benchmarks: level of academic challenge and supportive campus environment. Minnesota seniors' engagement levels were above those of students in the peer states on all five benchmarks. The average ratings for both first-year and senior students in Minnesota and the peer states were lower across all categories than the average for students at the top-scoring 50 percent of institutions participating in NSSE nationally. Minnesota college seniors had higher ratings of engagement than Minnesota first-year students across all categories except for supportive campus environment, which was rated lower by seniors than by first-year students. Seniors in peer-state institutions and the top 50 percent of NSSE institutions also rated supportive campus environment lower than did first-year students—the only benchmark to be lower for seniors—although the decrease in ratings of supportive campus environment was greater for Minnesota seniors than for seniors in the comparison groups.

Level of Academic Challenge

Minnesota's first-year students on average have rated their institutions as more academically challenging than students in peer states, yet lower than students from the top-scoring 50 percent of institutions participating in NSSE nationally during the past five years. The increase in ratings of academic rigor between first-year and senior students at Minnesota institutions, however, was greater than the increase between first-year and senior students in the peer states and the same as that in the top 50 percent of NSSE institutions.

This difference occurred for four of the five years studied. Although the same students are not necessarily surveyed as first years and later as seniors, the consistent and sizeable increase in ratings of academic rigor by Minnesota seniors compared to first-years suggests the positive effect of student engagement on learning outcomes. Scores on this benchmark were based on a section of survey questions including whether students worked harder than expected to meet instructor expectations, the amount they studied, whether they applied concepts learned to problems and situations, the number and length of papers they wrote and the number of assigned texts and course readings.

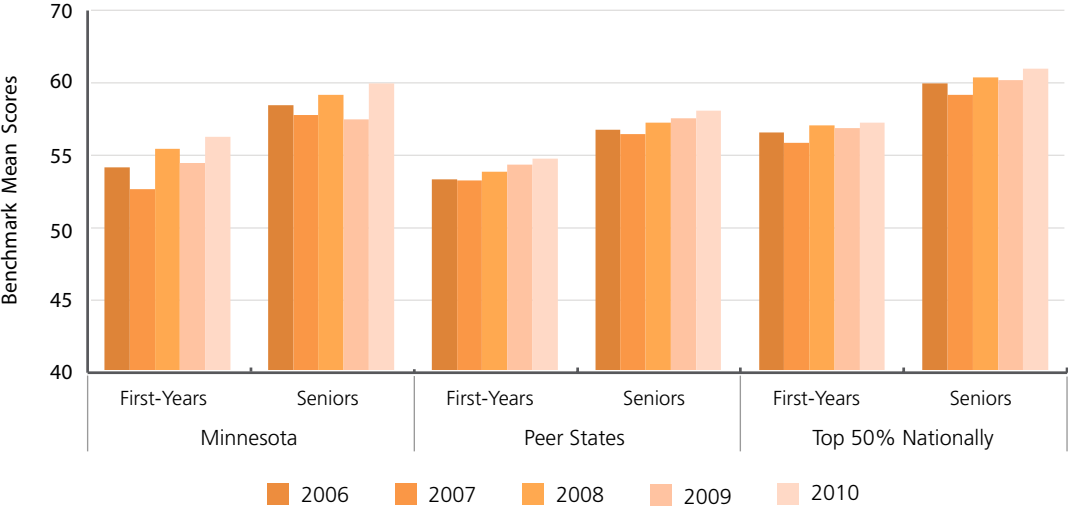


Overall Satisfaction

On measures of satisfaction with their overall educational experience assessed by NSSE, students at Minnesota institutions have indicated comparable or higher satisfaction levels with both students in the peer states and the national average of participating institutions for both first-year and

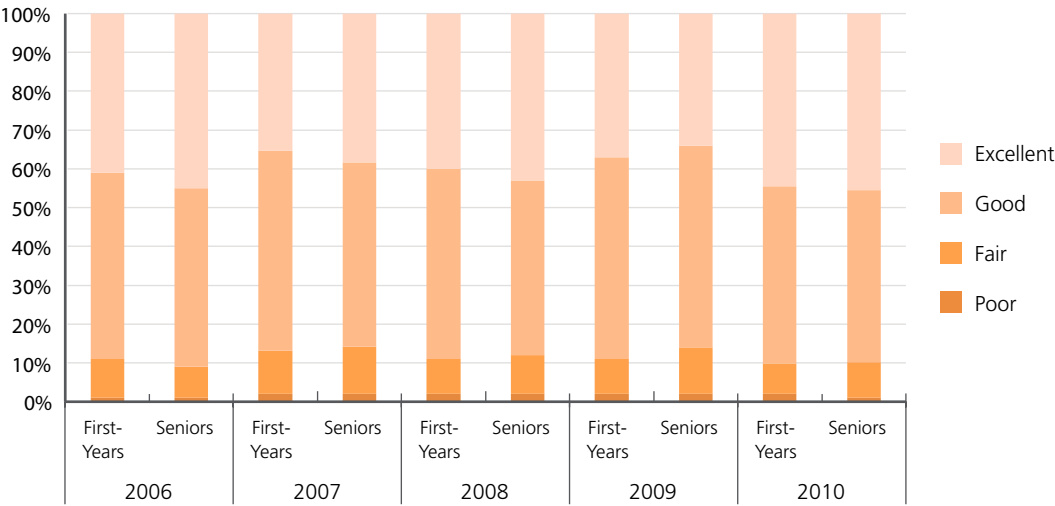
senior students. When asked if they would choose to attend the same college, higher percentages of both first-year and senior Minnesota students in 2010 indicated that they probably or definitely would choose the same institution than students in the peer states or nationally.

LEVEL OF ACADEMIC CHALLENGE REPORTED BY STUDENTS AT 4-YEAR INSTITUTIONS, 2006-10



Source: National Survey of Student Engagement

OVERALL EDUCATIONAL EXPERIENCE REPORTED BY STUDENTS AT MINNESOTA 4-YEAR INSTITUTIONS, 2006-10



Source: National Survey of Student Engagement

STUDENT LEARNING

- » Assessments of student learning at Minnesota postsecondary institutions combine local performance evaluations with national student surveys and limited use of standardized tests.
- » Students at Minnesota postsecondary institutions report participating in learning practices linked to positive learning outcomes at levels comparable to or above the national average.
- » Students at Minnesota institutions have high participation rates in study abroad programs but are increasingly opting for shorter terms of study and internships/work abroad options.

Standardized General Learning Assessments

Three standardized exams to measure student learning in general education areas have been in limited use in Minnesota: the Collegiate Assessment of Academic Proficiency, the ETS Proficiency Profile (formerly the Measure of Academic Proficiency and Progress), and the Collegiate Learning Assessment. The CLA is used with groups of first-year and senior students to measure learning gains over time at the institutional level. All three exams are designed to facilitate transparency and comparability of student-centered information within and across institutions.¹ Internationally, the Organization for Economic Cooperation and Development is conducting a feasibility study for establishing an international institutional assessment for postsecondary student learning, the Assessment of Higher Education Learning Outcomes.

In Minnesota in 2009-10, six four-year institutions and three two-year institutions participated in the CAAP; four four-year institutions used the Proficiency Profile/MAPP; and eight institutions used the CLA. During 2008-09, five Minnesota four-year institutions and one two-year institution participated in CAAP testing, four four-year institutions used the Proficiency Profile/MAPP, and 10 used the CLA. Data from these exams was either not publicly available or of a small sample size.

Learning Assessment Measures

In a recent national survey by the National Institute for Learning Outcomes Assessment of how two- and four-year institutions assess student learning at the program level across different disciplines, the most prevalent forms of assessment were locally developed, including exams and capstone courses, projects, and demonstrations.² In a separate NILOA survey of assessment at community colleges, local performance assessments, rubrics, portfolios, and specialized programmatic skills or licensure exams were the most commonly used means of student assessment within institutions, and national student surveys were the most commonly used means of assessing learning behaviors at the institutional level.³ NILOA also surveyed campus provosts and found that 92 percent of the 1,518 U.S. institutions that responded used at least one form of student learning assessment, with the most common being a national survey of students, such as the Community College Survey of Student Engagement (CCSSE) or the National Survey of Student Engagement (NSSE). Although student surveys report behaviors and institutional practices as opposed to directly assessing learning gains, measuring the use of practices that impact learning is a common approach nationally in balancing student learning assessments embedded in classroom and institutional activities with the need to communicate student learning gains more broadly.

1. All three exams are data options of the Voluntary System of Accountability's effort to measure student learning gains in critical thinking and written communication. VSA institutions also provide descriptions of campus-level efforts to evaluate student learning. The U-CAN template does not include standardized learning outcomes but does encourage institutions to link to their own outcomes information. The American Association of Community Colleges is developing the Voluntary Framework for Accountability and exploring inclusion of various student learning outcome measures.

2. Peter Ewell, Karen Paulson, and Jillian Kinzie, June 2011, "Down and In: Assessment Practices at the Program Level," National Institute for Learning Outcomes Assessment, www.learningoutcomeassessment.org/documents/NILOASurveyreport2011.pdf.

3. Charlene Nunley, Trudy Bers, and Terri Manning, July 2011, "Learning Outcomes Assessment in Community Colleges," National Institute for Learning Outcomes Assessment, www.learningoutcomeassessment.org/documents/CommunityCollege.pdf.

Focus on High-Impact Learning Practices

Through a longitudinal national study of undergraduate students who took the CLA repeatedly between 2005 and 2009, researchers found limited academic engagement among many students and lower than expected improvement in student learning.⁴ The study identified practices to increase the level of academic rigor and student learning at an institution, including high faculty expectations of students, and significant course reading and writing requirements. In a similar effort incorporating feedback from employers recommending assessments that apply and demonstrate students' learning and skills,⁵ the Association of American Colleges and Universities formulated a framework of high-impact educational practices, including student participation in writing-intensive courses, research opportunities, study abroad, internships, and capstone courses and projects.

Capstone Projects, Intensive Reading and Writing

At Minnesota institutions participating in NSSE in 2010, 38 percent of seniors surveyed responded that they had completed a capstone course or project, compared to 34 percent of seniors in the peer states. When asked about a practicum, internship, or other field experience, 54 percent of Minnesota seniors surveyed indicated that they had completed the experience, the same percentage as seniors among peer states, although a lower percentage (68%) of Minnesota first-year students indicated having a plan to complete an external experience before they graduate compared to first-year students in the peer states (78%).

When asked about the number of assigned written papers or reports of 20 or more pages during the academic year, 76 percent of Minnesota first-year students indicated having no such assignments, compared to 43 percent of seniors. Fifty percent of seniors in the peer states and 51 percent of seniors nationally indicated having no written assignments of 20 or more pages. Minnesota first-year students indicated comparable amounts of assigned course readings with students in the peer states and nationally, but fewer Minnesota seniors (22%) compared to seniors in the peer states (28%) and nationally (29%) indicated low levels of assigned reading (0-4 assigned texts, books, or course-packets).

4. Richard Arum, Josipa Roska, and Esther Cho, 2011, "Improving Undergraduate Learning," Social Science Research Council, highereds.ssrc.org/files/SSRC_Report.pdf.

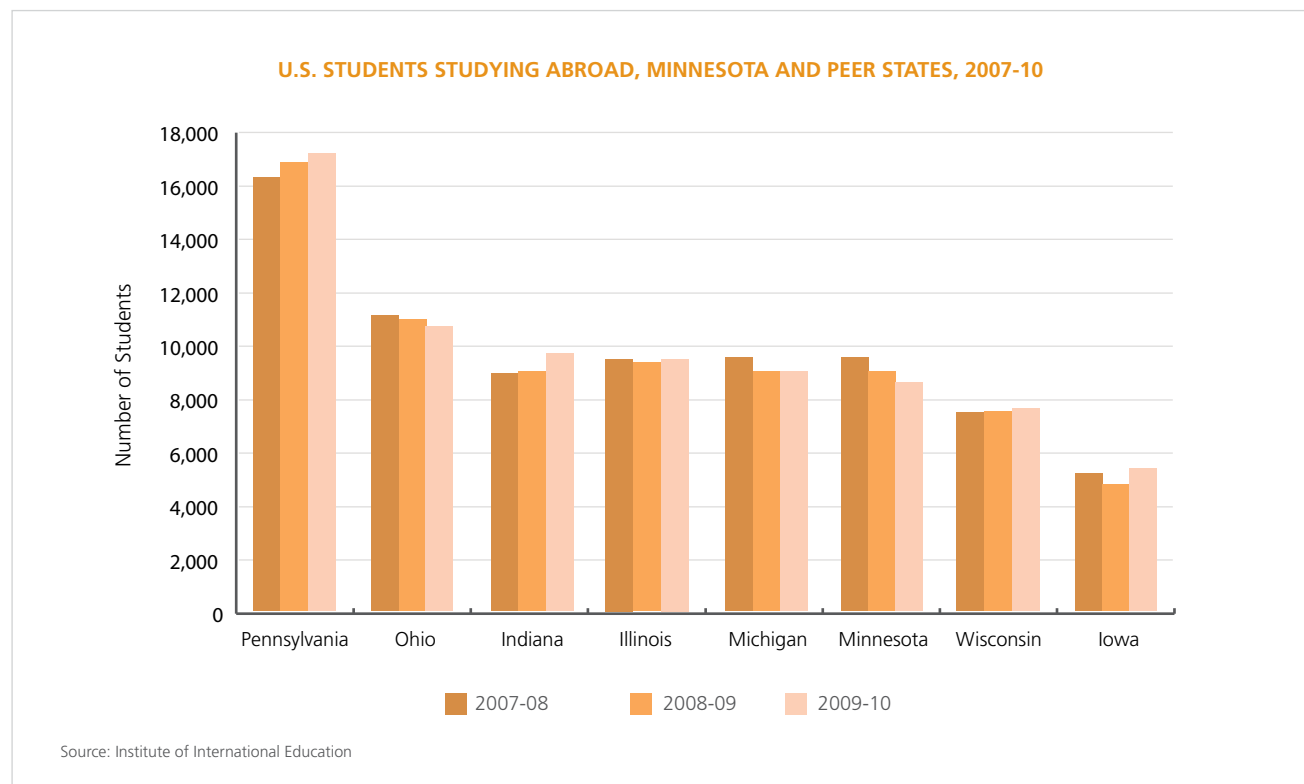
5. Association of American Colleges and Universities, 2011, "The LEAP Vision for Learning: Outcomes, Practices, Impact, and Employers' Views," http://www.aacu.org/leap/documents/leap_vision_summary.pdf.

Study Abroad

According to the Institute of International Education, 270,604 U.S. students participated in a study abroad program for academic credit during 2009-10. The number of U.S. students studying abroad has roughly doubled in the past decade and more than tripled since 1989-90. Since the 2000-01 academic year, students have increasingly studied for shorter periods of time, with a decrease in the percentage of students who study for a full academic year (7.3 to 3.8%) and an enrollment increase for courses of eight weeks or less (7.4 to 11.9%). Additionally, there was a 7.4 percent increase during the past year to 20,000 U.S. students participating in an internship or working abroad for academic credit. The Institute of International Education also reported from a fall 2011 online survey of institutions a steady increase in students' program choices increasingly being determined by cost and whether they can apply their financial aid. Minnesota students are

above the national average and in the lower-middle of the peer states in total study abroad participation. The number of Minnesota students who participated in a study abroad program declined by 675 students between 2007-08 and 2009-10.

Among Minnesota institutions, the University of Minnesota—Twin Cities had the highest number of students participating in study abroad programs for academic credit with 2,181 students in 2009-10, ranking 9th highest in participation nationally. Three Minnesota institutions out of 24 nationally reported sending over 70 percent of students to study abroad during their academic careers: Carleton College, Hamline University, and St. Olaf College. St. Olaf College had the highest number of study abroad students nationally among baccalaureate institutions in 2009-10 with 745.



ONLINE EDUCATION

- » Minnesota student enrollments in online courses have been steadily increasing, including doubling in online full-year equivalent enrollments at public colleges and universities between 2006-07 and 2009-10.
- » Online course-taking is most common among older, part-time students who work full-time and attend a two-year institution.

Recent years have seen substantial growth in the availability and popularity of online education. An estimated 21 percent of Minnesota undergraduates enrolled in one or more online courses during the 2007-08 academic year. This is comparable to national (20%) and peer state online enrollment (19%). Several recent trends are responsible for the rapid growth of online classes. First is the participation of older working adults with jobs and families who want and need postsecondary classes and programs, but who cannot attend face-to-face daytime classes. Second, colleges and universities are looking at online education as a way to increase enrollments without expanding physical facilities.

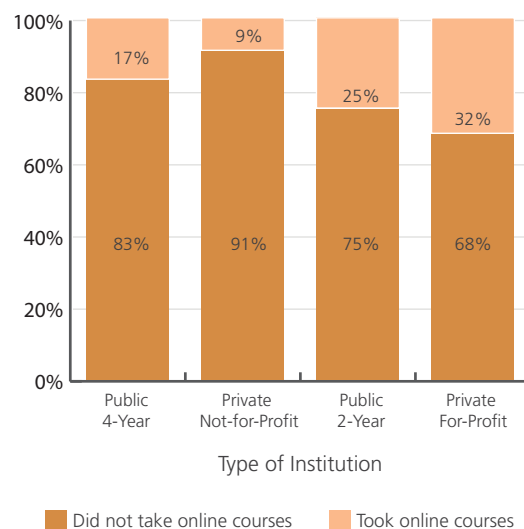
Online education can include:

- Courses offered completely via the internet, with no face-to-face instruction.
- Courses that are a blend of online and face-to-face instruction, including some courses that alternate meeting in-person and online.
- Courses that supplement face-to-face instruction with material, exercises, or research delivered via the internet.

Enrollment in online education at Minnesota institutions during 2007-08 varied by a few key student characteristics:

- **Age.** Thirty-three percent of undergraduates age 30 and older (24,200 undergraduates) took online courses, compared to 16 percent (35,600 undergraduates) of students age 18 to 23 and 28 percent (15,000 undergraduates) of students age 24 to 29.
- **Enrollment intensity.** Among those who enrolled mostly part-time, 29 percent (35,200 undergraduates) took online courses compared to 17 percent (35,700 undergraduates) of students who enrolled full-time.

TYPE OF INSTITUTION ATTENDED BY MINNESOTA UNDERGRADUATES ENROLLING IN ONE OR MORE ONLINE COURSES



Source: National Postsecondary Student Aid Study, 2007-08

- **Work.** Thirty percent (26,600 undergraduates) of students who worked full-time (40 or more hours per week) took online courses, compared to 15 percent (21,200 undergraduates) of students working less than 20 hours per week and 22 percent (27,000 undergraduates) of students working 21 to 39 hours per week.
- **Type of institution attended.** Undergraduates who were enrolled in two-year institutions, public or private for-profit institutions, were more likely to take online courses. Twenty-five percent (34,700) of students enrolled in public two-year institutions and 32 percent (9,400) of students at private for-profit two-year institutions enrolled in one or more online courses. At Minnesota four-year institutions, 17 percent (17,500) of undergraduates at public institutions and 9 percent (4,300) of undergraduates at private institutions enrolled in online courses.

Minnesota State Colleges and Universities

Minnesota State Colleges and Universities are the largest public provider of online courses and programs in Minnesota. Online courses are delivered through the Minnesota Online web site (www.minnesotaonline.org). Minnesota State Colleges and Universities reported 19,438 full-year equivalent students taking online courses in 2009-10—12 percent of total FYE enrollment and more than double the number who took online courses in 2006-07. In addition to students taking online courses, students took classes that were a blend of classroom and online instruction and classes supplemented with material from the internet.

Minnesota State Colleges and Universities offer online courses for at least 152 certificate programs, 36 diploma programs, 111 associate programs, and 17 baccalaureate programs in a variety of subject areas.

University of Minnesota

The University of Minnesota had 1,699 full-year equivalent undergraduates taking online courses in 2009-10, about 4 percent of overall undergraduate FYE enrollment and about twice as many as in 2006-07. In addition, 488 FYE graduate students took online courses in 2009-10, about 5 percent of overall graduate FYE enrollment and a 45 percent increase from 2006-07 online enrollments. Information on the number of students at the University of Minnesota taking courses that were a blend of online and face-to-face instruction or web supplemented courses was not readily available.

The University of Minnesota's Digital Campus web site listed 337 online classes during spring semester 2010, five bachelor's degree programs available online, two degree completion programs, and several master's and doctoral level programs. Information about online classes at the University of Minnesota can be found online at digitalcampus.umn.edu.

Private Institutions

For-Profit Institutions

Overall, approximately 10,600 undergraduates enrolled in online classes at private for-profit four-year institutions in Minnesota in 2007-08—about 40 percent of all undergraduates in that sector. An additional 300 undergraduates were enrolled in online classes at private for-profit two-year institutions in Minnesota—about 16 percent of undergraduates in that sector.

Minnesota is home to two national private for-profit universities, Capella University and Walden University, which offer mostly graduate-level classes and exclusively online programs. In fall 2009, Capella and Walden Universities had 10,800 headcount undergraduates, 600 of whom were Minnesota residents. The two institutions enrolled 61,900 graduate students, 1,400 of whom were Minnesota residents.

Not-for-Profit Institutions

The percentage of undergraduates in Minnesota's private not-for-profit sector participating in online courses is relatively small. About 6,600 undergraduates enrolled at private not-for-profit institutions in 2007-08 took online courses, approximately nine percent of all undergraduates at those institutions. Approximately 1,200 undergraduates at private not-for-profit two-year institutions took online courses, about 18 percent of all undergraduates enrolled in those institutions.

MINNESOTA STATE COLLEGES AND UNIVERSITIES ENROLLMENT IN ONLINE EDUCATION

Full-year equivalent enrollment

| | 2006-07 | | 2007-08 | | 2008-09 | | 2009-10 | |
|-------------------------------|----------------|-------------|----------------|-------------|----------------|------------|----------------|-------------|
| | FYE Enrollment | Percent | FYE Enrollment | Percent | FYE Enrollment | Percent | FYE Enrollment | Percent |
| Classroom (face to face) | 115,417 | 85% | 114,364 | 81% | 112,816 | 78% | 115,663 | 74% |
| Online courses | 9,904 | 7% | 12,806 | 9% | 15,640 | 11% | 19,438 | 12% |
| Blend of online and classroom | 3,001 | 2% | 3,718 | 3% | 4,832 | 3% | 7,176 | 5% |
| Web supplemented courses | 7,516 | 6% | 10,733 | 7% | 10,636 | 7% | 13,328 | 9% |
| Total | 135,838 | 100% | 141,621 | 100% | 143,924 | 99% | 155,605 | 100% |

Source: Minnesota State Colleges and Universities

UNIVERSITY OF MINNESOTA ENROLLMENT IN ONLINE EDUCATION

Full-year equivalent enrollment

| | 2006-07 | | 2007-08 | | 2008-09 | | 2009-10 | |
|--|----------------|---------|----------------|---------|----------------|---------|----------------|---------|
| | FYE Enrollment | Percent | FYE Enrollment | Percent | FYE Enrollment | Percent | FYE Enrollment | Percent |
| Undergraduates taking online courses | 850 | 2% | 1,106 | 2% | 1,280 | 3% | 1,699 | 4% |
| Overall undergraduate student enrollment | 43,620 | | 44,368 | | 44,787 | | 46,564 | |
| Graduate students taking online courses | 336 | 3% | 459 | 5% | 504 | 5% | 488 | 5% |
| Overall graduate student enrollment | 9,949 | | 10,097 | | 10,190 | | 10,144 | |

Source: University of Minnesota

NET PRICE BY INCOME

- » Although grants and scholarships significantly reduce the cost of college for lower-income students, net prices remain high.

Many people are concerned about rising tuition and fees for undergraduate students. However, tuition and fees are only part of the costs facing students wanting to pursue a postsecondary education. There are many non-tuition expenses, such as room and board, transportation, and books. Scholarships and grants help reduce these costs. In Minnesota, approximately 58 percent of undergraduate students received grants or scholarships. Policies regarding who is eligible to receive a grant or scholarship vary greatly by institution type and state. To fully understand the financial barriers faced by students, especially lower income students, all of these factors must be taken into consideration. The best available method for assessing a student's college costs and financial grants is to calculate the "net price."

After subtracting grants, scholarships, and tax credits from tuition and fees plus a living allowance, the remaining costs are deemed the "net price." Net price was calculated as follows:

NET PRICE =

$$(\text{tuition} + \text{fees} + \$12,000 \text{ living allowance}) - (\text{grants} + \text{scholarships} + \text{tax credits})$$

The net price estimates the amount students and families pay. Students can meet educational costs in a variety of ways by working, borrowing, or using savings. The student may further reduce costs by enrolling in fewer courses, or by living on less than the annual \$12,000 living allowance assumed in the analysis.

The charts in this indicator show the average net prices dependent or independent students and their families pay.

Dependent Students

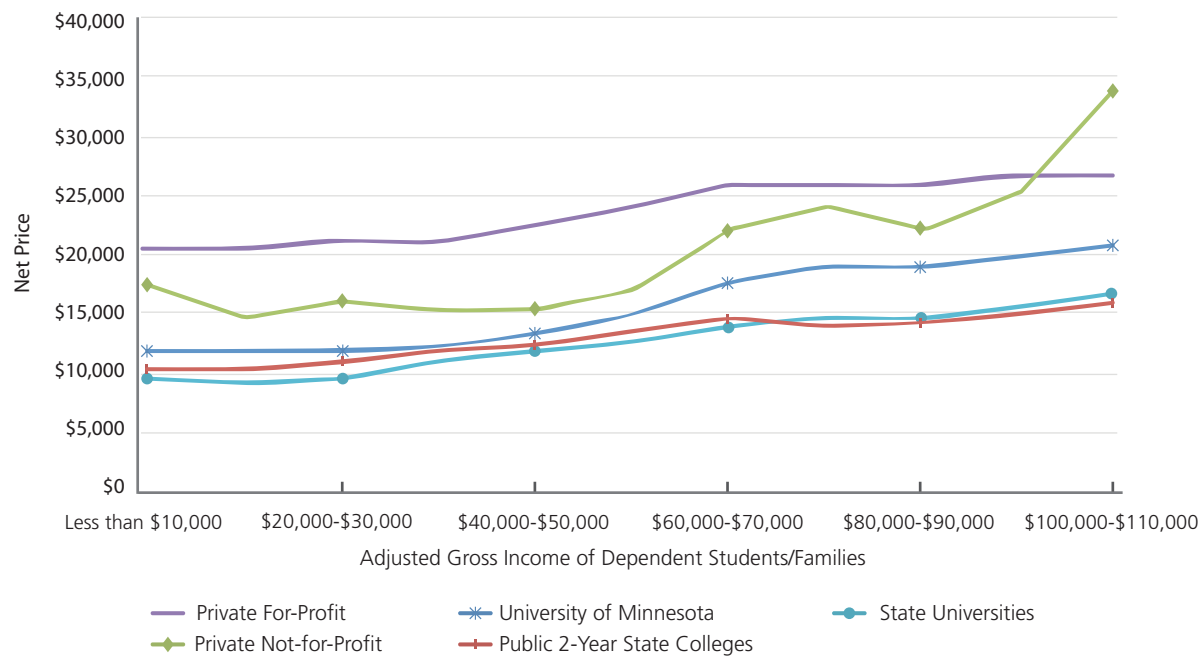
Students younger than age 24 are generally considered dependent students. Net prices were calculated for a dependent student from a family with a household size of four, with two parents and two children, one of whom is enrolled in postsecondary education. Net prices vary with income and institution attended.

At all income categories, the net prices at public institutions were lower than those at private institutions. At annual family incomes of \$40,000 or lower, the net price for students attending all types of public institutions were about the same, but diverged in higher family incomes. For example, a dependent student attending the University of Minnesota on a full-time basis and coming from a family with an annual income between \$30,000 and \$40,000 faced a net price of about \$12,100 in college costs.

Independent Students

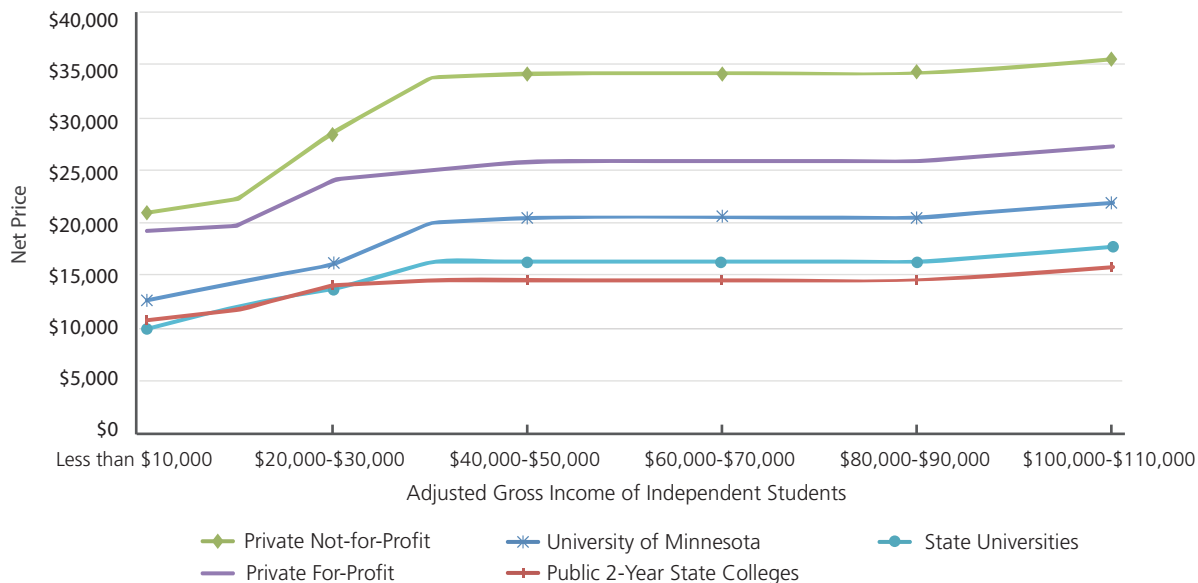
Students age 24 or older are considered independent students. Lower-income independent students have lower net prices; however, since the average income of independent students is lower their net prices are a substantial percentage of their income. As income increases, net prices increase for single, independent students. For example, a single independent student without children attending the University of Minnesota full time, with an annual income between \$10,000 and \$20,000 faced a net price of \$14,600. A similar student with an annual income between \$20,000 and \$30,000 faced a net price of \$16,400.

NET PRICE FOR DEPENDENT STUDENTS BY INCOME AT MINNESOTA INSTITUTIONS, 2008-09



Source: Minnesota Office of Higher Education

NET PRICE FOR SINGLE INDEPENDENT STUDENTS, WITHOUT CHILDREN BY INCOME AT MINNESOTA INSTITUTIONS, 2008-09



Source: Minnesota Office of Higher Education

TRENDS IN UNDERGRADUATE TUITION AND FEES

- » Tuition and fees at public institutions have increased 9.1 percent at four-year institutions and 7.9 percent at two-year institutions on average annually between 1999-2000 and 2009-10.
- » Minnesota resident undergraduate tuition and fees have increased faster than Minnesota per capita personal income and inflation across all institutional types.
- » From 1998-99 to 2008-09, grant aid to students increased 227 percent and educational borrowing increased by 218 percent. The total amount borrowed by Minnesota undergraduates increased faster than increases in tuition and fees or personal income.

Costs to students and families are tied directly to undergraduate tuition and fees. Tuition and mandatory fee increases from year to year at postsecondary institutions are of constant concern to families and policy makers. Tuition and fee levels at Minnesota public institutions, as in all other institutions across the country, have been increasing over the last ten years. The fastest rate of growth in average published tuition and fees is for Minnesota public institutions.

Comparison to Income and Inflation

Analysis of data from the U.S. Department of Education, IPEDS Survey for the years 1999-2000 to 2009-10 found that published tuition and fees at public four-year institutions increased on average 9.1 percent annually. The rate of increase in published tuition and fees at Minnesota public two-year institutions rose on average 7.4 percent annually. The rate of increase for Minnesota private institutions was lower: 7.1 percent on average annually for private for-profit two-year institutions, 6.4 percent on average annually for private not-for-profit four-year institutions, and 5.1 percent on average annually for private for-profit four-year institutions. Minnesota resident undergraduate tuition and fees have increased faster than Minnesota per capita personal income and inflation.

Comparison to Government Grant Aid and Borrowing

Federal and state need-based grant aid programs for undergraduate students lagged Minnesota undergraduate postsecondary education price increases.¹ The consequences of federal and Minnesota student need-based aid lagging price increases has disproportionately shifted financial responsibility to undergraduate students from low- and moderate-income families.²

Loans to students made up approximately 51 percent of financial aid awarded in 1998-99. In 2008-09 loan aid increased to 60 percent of aid awarded. The shift from grants to loans has occurred gradually over time. From 1998-99 to 2008-09, grant aid to students increased 227 percent. The increase was driven by the increase in institutional grants (+288%) as compared to federal (+237%), state (+145%), and private and other grants (+64%). From 1998-99 to 2008-09, educational borrowing increased by 218 percent. The total amount borrowed by Minnesota undergraduates increased faster than tuition and fees or personal income. Tuition and fees increased by 81 to 133 percent depending on the type of institution during this time period. Per capita personal income in Minnesota increased 41 percent from 1999 to 2009—much more slowly than tuition and fees or borrowing.

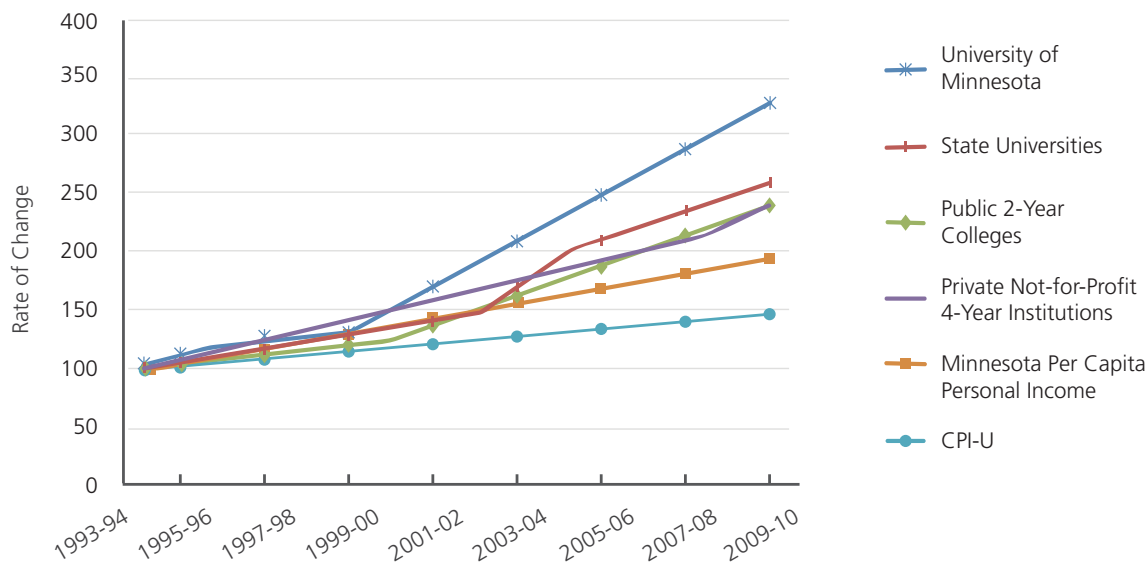
With postsecondary education prices increasing faster than personal income and government grant aid, students and families have increasingly borrowed to finance a college education. Undergraduate borrowing increased in line with price in some cases and outpaced price in others as public policies and practices favored borrowing over saving for postsecondary education expenses.³ Without family savings or third-party financial contributions, students and families have no other option than to tap earnings and borrow to pay for postsecondary education.

1. Minnesota Office of Higher Education, Fall 2008, "Enrollment Patterns of Students from Low-Income Families," 41–47, www.ohe.state.mn.us/pdf/EnrollPatternsLowIncome.pdf.

2. Minnesota Office of Higher Education, Fall 2008, "Enrollment Patterns of Students from Low-Income Families," 41–47, www.ohe.state.mn.us/pdf/EnrollPatternsLowIncome.pdf.

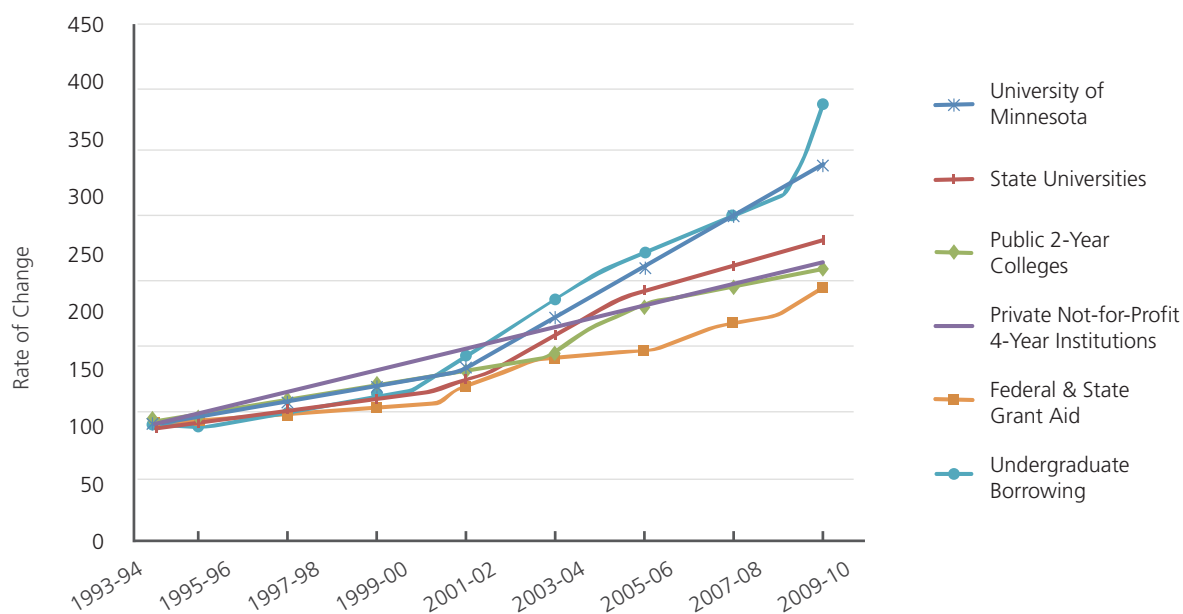
3. The symbiotic relationship between government lenders, private lenders and postsecondary education institutions facilitated and encouraged student and family borrowing in response to price increases. See Minnesota Office of Higher Education, www.ohe.state.mn.us/mPg.cfm?pageID=1336, various years.

MINNESOTA RESIDENT UNDERGRADUATE TUITION AND FEES, MINNESOTA PER CAPITA PERSONAL INCOME, AND CONSUMER PRICE INDEX–URBAN WAGE EARNERS, 1993-94 TO 2009-10



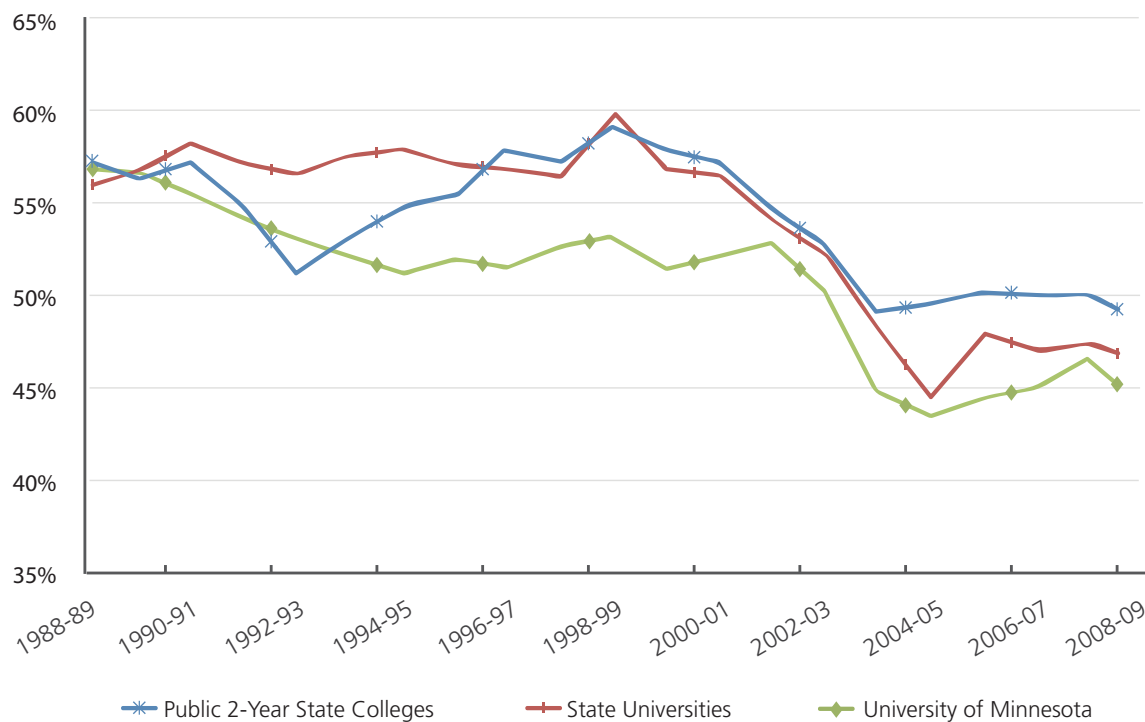
Source: Minnesota Office of Higher Education, U.S. Department of Commerce, and U.S. Department of Labor

MINNESOTA RESIDENT UNDERGRADUATE TUITION AND FEES, FEDERAL AND STATE GRANT AID, AND UNDERGRADUATE BORROWING, 1993-94 TO 2009-10



Source: Minnesota Office of Higher Education, U.S. Department of Commerce, and U.S. Department of Labor

PERCENT OF REVENUE FROM STATE SOURCES FOR PUBLIC INSTITUTIONS, 1988-2009



Source: U.S. Department of Education, IPEDS Finance Survey

Costs to families for attendance at public institutions in the state are driven by two main factors: tuition changes determined by institutional administration and state funding. The chart above shows the change in the state share of system revenue for Minnesota State Colleges and Universities (MnSCU) and the University of Minnesota between 1988-89 and 2008-09. Total revenue for the comparison is the sum of state appropriations, tuition revenue, and federal funds.

There are two conclusions evident in the data. First, the University of Minnesota receives the lowest share from the state, although this is influenced in part by federal research dollars. Second, the state's share has been declining for all three groups since 1998-99 despite briefly stabilizing in 2006-07. The declining pattern is likely to continue for the near future.

WHO PAYS FOR THE UNDERGRADUATE COST OF ATTENDANCE IN MINNESOTA

» Students and families paid for nearly \$5 billion or 82 percent of the costs to attend a postsecondary institution in Minnesota during 2008-09.

Low wages, lack of money, and too much debt along with health care and housing top the current financial concerns of United States families, according to recent Gallop Surveys. Future postsecondary education expenses, however, are of particular financial concern for families with young children. Some parents may have unrealistic expectations that a third party, outside their immediate or extended family, will pay for some or all of their child's postsecondary education. Without a third-party payer, students and their families will need to tap their own savings, earnings, or future income through loans to finance postsecondary education expenses at the time of attendance.

The Minnesota Office of Higher Education calculated an aggregate estimate of who paid for the undergraduate cost of attendance at Minnesota State Grant-eligible institutions and how it was paid for in 2008-09. The estimate was made based on what students and families and others were expected to pay at the time of attendance. Of particular interest was how much students and their families relied on savings, current income, and debt at the time of attendance to finance the undergraduate cost of attendance at Minnesota State Grant-eligible institutions.

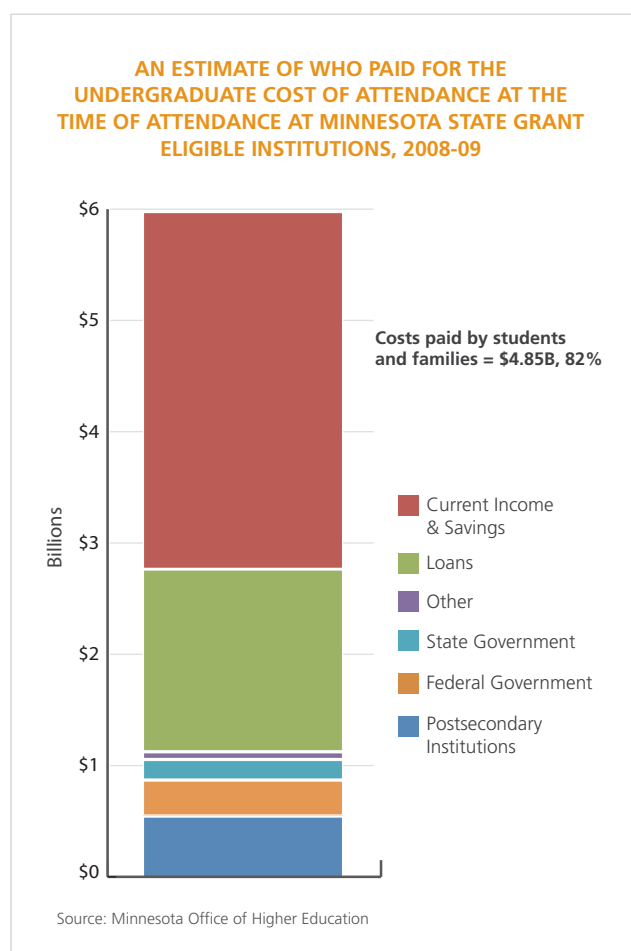
Students and families have primary responsibility for financing the price of undergraduate education in Minnesota, at the time of attendance, as shown on the following chart.¹

Students and their families finance postsecondary education with one or more of the following:

- Past income (savings)
- Current income (earnings)
- Future income (borrowing)
- Funds from a third-party payer

Third-party payers include aid from institutions, the federal government, state government, and other private sources.

The total estimated undergraduate cost of attendance at Minnesota State Grant-eligible institutions was \$5.92 billion in 2008-09, as shown on the following table. Students and families were estimated to have paid \$4.85 billion from savings, current income, or borrowing at the time of attendance with various third-party payers contributing \$1.07 billion.



1. The data reflect payment responsibility at the time of attendance. Federal tax deductions and credits reimburse some students and families for out-of-pocket expenses when they later file their federal tax returns.

HOW STUDENTS AND FAMILIES PAY FOR COLLEGE

- » For independent students and dependent students and their families in Minnesota, borrowing was the largest source of funds used to pay for college costs in 2008-09.
- » Federal loans were the most common source of borrowed funds for independent and dependent students and their families across all institutions, but private loans were used to borrow in greater amounts.
- » Nationally, dependent students and families rely less on borrowing to pay for college costs than do Minnesota students and families.

Minnesota

In 2009, the Minnesota Office of Higher Education led a statewide survey of the various strategies undergraduates and their families used to pay for attendance at a postsecondary educational institution in Minnesota. Sixty-four institutions representing 105 campuses in the state participated in the survey: all 37 MnSCU institutions, both two-year and four-year; four branches of the University of Minnesota (Twin Cities, Duluth, Morris, and Crookston); 15 of the 17 non-profit institutions represented by the Minnesota Private College Council (MPCC); and 13 of the 14 for-profit institutions represented by the Minnesota Career College Association (MCCA).¹

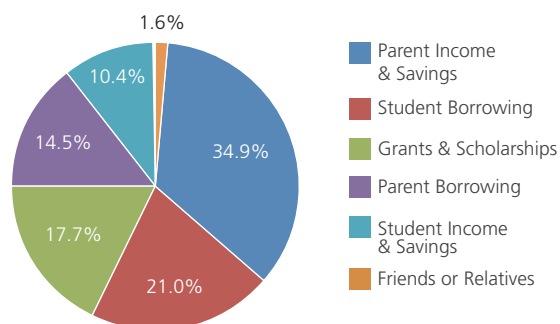
Dependent Students

Across institution types, families of dependent students reported spending \$25,271 on average for their students' college costs in 2008-09. College costs included tuition and fees, housing and food, books, transportation costs, computer and other school supplies. For dependent students, over half the total cost was paid through a combination of parents' income and savings (34.9%) and student borrowing (21.0%).

Independent Students

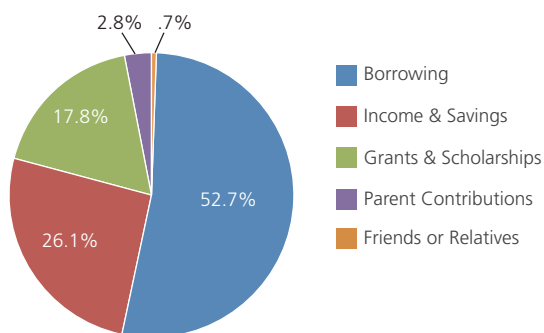
Independent students reported paying college costs on average of \$16,067. Independent students had lower overall average college costs due in part to more of the independent students attending part time. For independent students, over half (52.7%) of their college costs were paid through student borrowing. For both dependent and independent students, federal loans were the largest source of borrowed funds (59.1% and 77.2%, respectively).

HOW DEPENDENT STUDENTS AND THEIR FAMILIES PAID FOR COLLEGE, 2008-09



Source: Minnesota Office of Higher Education

HOW INDEPENDENT STUDENTS AND THEIR FAMILIES PAID FOR COLLEGE, 2008-09



Source: Minnesota Office of Higher Education

1. For all institutions, parents and students, the contractor achieved a 14 percent response rate. This varied by institutional group and by whether the respondent was a student or parent: The highest subgroup response rate was for parents of a student attending a MPCC institution with 19.5 percent of those sampled responding. Parents had higher response rates at the University of Minnesota (16.1%) and MPCC institutions; students had higher response rates at State Universities (17.4%), State Community and Technical Colleges (15.5%), and MCCA institutions (11.1%).

Borrowing

For all respondents, including independent and dependent students and their families, federal student loans were the most common source of borrowed funds used to pay college costs in 2008-09. The highest average amount borrowed was through private loans. Private loans were also the source of the highest maximum amount borrowed.

For cumulative debt, the average dollar amount borrowed by students and families to pay for college costs during college was \$24,182 for respondents across all institutions. The total amount borrowed from respondents ranged from \$100 up through \$200,000. Survey respondents included first-year through graduating seniors. The highest average cumulative debt amount was reported by respondents from the private not-for-profit institutions, followed by the private for-profit institutions, both of which were over the average cumulative debt for students at all Minnesota institutions in 2008-09.

TYPES OF BORROWING BY STUDENTS AND/OR FAMILIES TO PAY FOR COLLEGE COSTS, MINNESOTA, 2008-09

| | Number of Borrowers | Mean Amount Borrowed | Minimum Amount Borrowed | Maximum Amount Borrowed |
|--|---------------------|----------------------|-------------------------|-------------------------|
| Federal Student Loans | 981 | \$7,625 | \$200 | \$33,500 |
| Minnesota SELF Loans | 217 | \$5,740 | \$300 | \$30,500 |
| Private Loans | 202 | \$8,628 | \$700 | \$55,207 |
| Credit Cards | 180 | \$2,005 | \$145 | \$15,000 |
| Other Borrowed Funds | 71 | \$5,592 | \$500 | \$35,000 |
| Work Study Earnings as Part of Financial Aid Package | 47 | \$2,344 | \$200 | \$15,000 |

Source: Minnesota Office of Higher Education

TOTAL AMOUNT BORROWED BY STUDENTS AND/OR FAMILIES TO PAY FOR COLLEGE COSTS, MINNESOTA, 2008-09

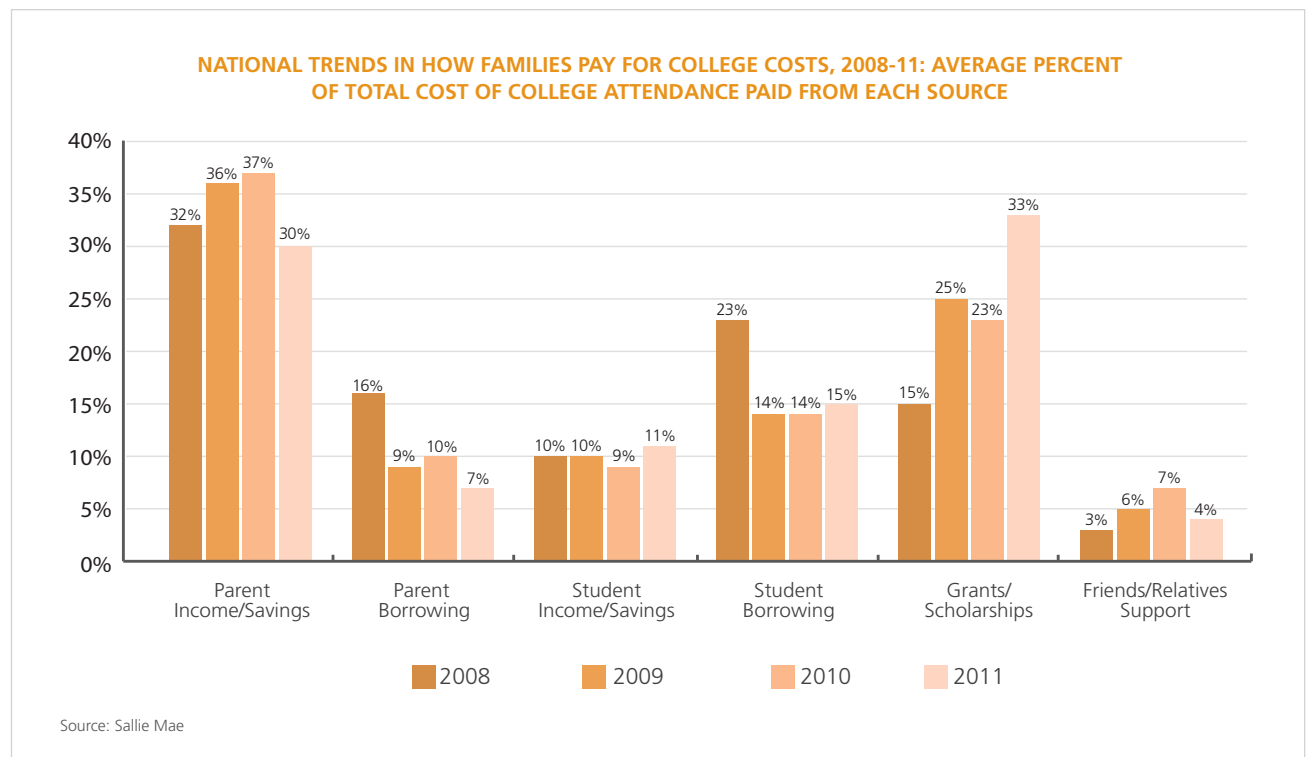
| Institution Type | Respondents | Mean Amount Borrowed | Minimum Amount Borrowed | Maximum Amount Borrowed |
|-------------------------|-------------|----------------------|-------------------------|-------------------------|
| Community Colleges | 184 | \$14,054 | \$100 | \$60,000 |
| State Universities | 212 | \$22,745 | \$500 | \$120,000 |
| University of Minnesota | 227 | \$22,659 | \$1,000 | \$144,000 |
| Private Not-for-Profit | 300 | \$30,835 | \$700 | \$200,000 |
| Private For-Profit | 187 | \$26,953 | \$100 | \$200,000 |
| All Institutions | 1,110 | \$24,182 | \$100 | \$200,000 |

Source: Minnesota Office of Higher Education

National Comparisons

Since 2008, Sallie Mae, a firm offering college savings programs and loans for education, has conducted a nationwide annual survey of approximately 1,500 18-24 year-old undergraduates and their families on how they pay for college. The survey compiles an average composite picture of the sources students and families have used to pay

for college costs. In 2010-11, students and parents nationally relied less on borrowing to pay for college costs than in 2008. The only funding source that has been steadily increasing in its share of payment for college costs has been grants and scholarships to students, which were used to pay for a third of all college costs during 2010-11.



FINANCIAL AID TO MINNESOTA'S UNDERGRADUATES

- » Financial aid to Minnesota undergraduates exceeded \$2.75 billion in 2008-09.
- » In 2008-09, students and families borrowed \$1.65 billion in educational loans and received \$1.07 billion in grants.
- » Loans to students made up approximately 51 percent of financial aid awarded in 1998-99; in 2008-09 loan aid had increased to 60 percent of financial aid awarded.

Minnesota undergraduates have a range of financial aid programs to help pay for postsecondary education.

Grants and Scholarships

In 2008-09, Minnesota undergraduates received \$1.07 billion in grants. The largest sources of grants were \$533 million from postsecondary institutions, followed by \$264 million from federal Pell Grants and \$142.8 million in Minnesota State Grants.

Federal Grants

Federal grants include the Pell Grant, Supplemental Education Opportunity Grant, Academic Competitiveness Grant, and SMART grants. Total federal grants exceeded \$301 million in 2008-09. The federal Pell Grant program is the largest federal grant program and provided \$264 million to 98,700 undergraduates attending postsecondary institutions in Minnesota in 2008-09, an average of \$2,675 per recipient.

State Grants

State grants include the Minnesota State Grant, Achieve Scholarship, Minnesota Indian Scholarship, Minnesota GI Bill Program, Minnesota Postsecondary Child Care Grants, and Minnesota Public Safety Officers' Survivor Grant Program. These programs exceeded \$178 million in grants during 2008-09.

More than 85,500 students received a Minnesota State Grant in 2008-09 and the average grant was nearly \$1,700. The program is a need-based grant program for Minnesota undergraduate students attending Minnesota public and private institutions. Students apply for the State Grant by completing the federal Free Application for Federal Student Aid (FAFSA). Seventy-one percent of Minnesota State Grant recipients during this year were from families with annual incomes less than \$40,000.

GRANT AID FOR MINNESOTA UNDERGRADUATES, 2008-09

| Institution Type | Fall 2008 Undergraduate Head Count | in Millions | | | | | | | | |
|-------------------------|------------------------------------|-----------------|-------------------------|---------------------------|----------------------------|-----------------------|------------------------------|---------------------------|---------------------------------|-----------------------------------|
| | | Total Grant Aid | Total Federal Grant Aid | Total Federal Pell Grants | Total Other Federal Grants | Total State Grant Aid | Total Minnesota State Grants | Total Other State Grants* | Total Institutional Grant Aid** | Total Private and Other Grant Aid |
| State Colleges | 112,431 | \$193.7 | \$115.6 | \$110.8 | \$4.9 | \$52.3 | \$29.0 | \$23.3 | \$5.2 | \$20.6 |
| State Universities | 53,919 | \$105.0 | \$45.7 | \$39.8 | \$5.9 | \$29.6 | \$23.7 | \$5.9 | \$19.7 | \$9.9 |
| University of Minnesota | 42,180 | \$161.5 | \$34.7 | \$27.4 | \$7.3 | \$33.0 | \$31.9 | \$1.1 | \$85.0 | \$8.9 |
| Private Not-for-Profit | 50,770 | \$527.6 | \$51.0 | \$35.2 | \$15.8 | \$41.8 | \$39.1 | \$2.8 | \$415.9 | \$18.8 |
| Private For-Profit | 26,519 | \$83.8 | \$54.0 | \$50.9 | \$3.1 | \$21.3 | \$19.2 | \$2.2 | \$7.3 | \$1.2 |
| Total | 285,819 | \$1071.6 | \$301.0 | \$264.1 | \$37.0 | \$178.0 | \$142.9 | \$35.3 | \$533.1 | \$59.4 |

*Includes grants funded by Minnesota state agencies, counties and local governments. Examples of these grants are DEED Division of Rehabilitation Services Grants.

**Includes institutional grant aid and tuition remission and discounts.

Source: Minnesota Office of Higher Education, Financial Aid Awarded Survey

Institutional Grants

Institutions, specifically private not-for-profit institutions, were the largest source of grants to students. Minnesota institutions provided \$533 million in grants to undergraduates attending Minnesota institutions in 2008-09.

Work-Study Aid

Work-study jobs were arranged by postsecondary institutions, with 75 percent of the wages paid from state or federal funds and 25 percent from institutional funds. Most work-study positions were sponsored by institutions, but a small percentage of positions were with nonprofit agencies and other off-campus employers.

Work-study aid totaled \$37.7 million in 2008-09; \$20.2 million in federal work-study funds and \$17.6 million in state work-study funds. Over 12,700 Minnesota undergraduates (12,731 students) had federal work-study jobs in 2009. An additional 10,500 students had state work-study jobs. Average earnings were \$1,600 for students with federal work-study jobs and \$1,700 for students with state work-study jobs.

Educational Loans

Seventy-three percent of educational loans were federal student loans (\$1.21 billion). The remaining 27 percent included federal parent loans (\$119 million), state SELF loans (\$112 million), and private and other loans (\$210 million).

Federal Student Loans

Minnesota undergraduates borrowed \$1.2 billion in federal student loans in 2008-09. This was an increase of 68 percent over the \$711 million borrowed from these programs in 2006-07. One reason for the increase in borrowing was the increase in annual loan limits for federal Stafford and Direct Loans beginning in 2007-08. The annual borrowing limits increased by \$2,000 per year for all undergraduates. Currently, the annual Stafford Loan limits for dependent students is \$5,500 for first-year undergraduates, \$6,500 for second-year undergraduates, and \$7,500 for third-year or more undergraduates.

State SELF Loans

The State of Minnesota operates one state loan program, the SELF Loan program. In 2008-09, \$112 million was loaned to 22,400 undergraduates. The \$112 million in 2008-2009 was a decrease of 8 percent as compared to 2006-07. The decrease in SELF loans was primarily due to increased federal student loan limits.

LOAN AID FOR MINNESOTA UNDERGRADUATES, 2008-09

| Institution Type | in Millions | | | | | | |
|-------------------------|-------------------|---------------------|-----------------------------|--------------------------|---------------------------|------------------------|--------------------------------|
| | Total Loan Aid | Total Federal Loans | Total Federal Student Loans | Total Federal PLUS Loans | Total Federal Other Loans | Total State SELF Loans | Total Private and Other Loans* |
| State Colleges | \$336.50 | \$322.40 | \$319.90 | \$2.50 | \$0.00 | \$10.20 | \$3.90 |
| State Universities | \$280.50 | \$223.00 | \$214.60 | \$8.40 | \$0.00 | \$22.10 | \$35.40 |
| University of Minnesota | \$232.20 | \$162.70 | \$143.30 | \$19.10 | \$0.20 | \$49.40 | \$20.10 |
| Private Not-for-Profit | \$397.30 | \$302.20 | \$240.10 | \$61.70 | \$0.40 | \$18.70 | \$76.40 |
| Private For-Profit | \$408.00 | \$321.70 | \$294.70 | \$26.90 | \$0.00 | \$11.80 | \$74.50 |
| Total | \$1,654.50 | \$1,332.00 | \$1,212.60 | \$118.60 | \$0.60 | \$112.20 | \$210.30 |

*Includes institutional loans

Source: Minnesota Office of Higher Education, Financial Aid Awarded Survey

UNDERGRADUATE BORROWING IN MINNESOTA

- » Minnesota students borrow at greater rates than students nationally.
- » In 2007-08, 55 percent of Minnesota undergraduates had student loans from federal, state, or private sources compared to 39 percent of undergraduates nationally.

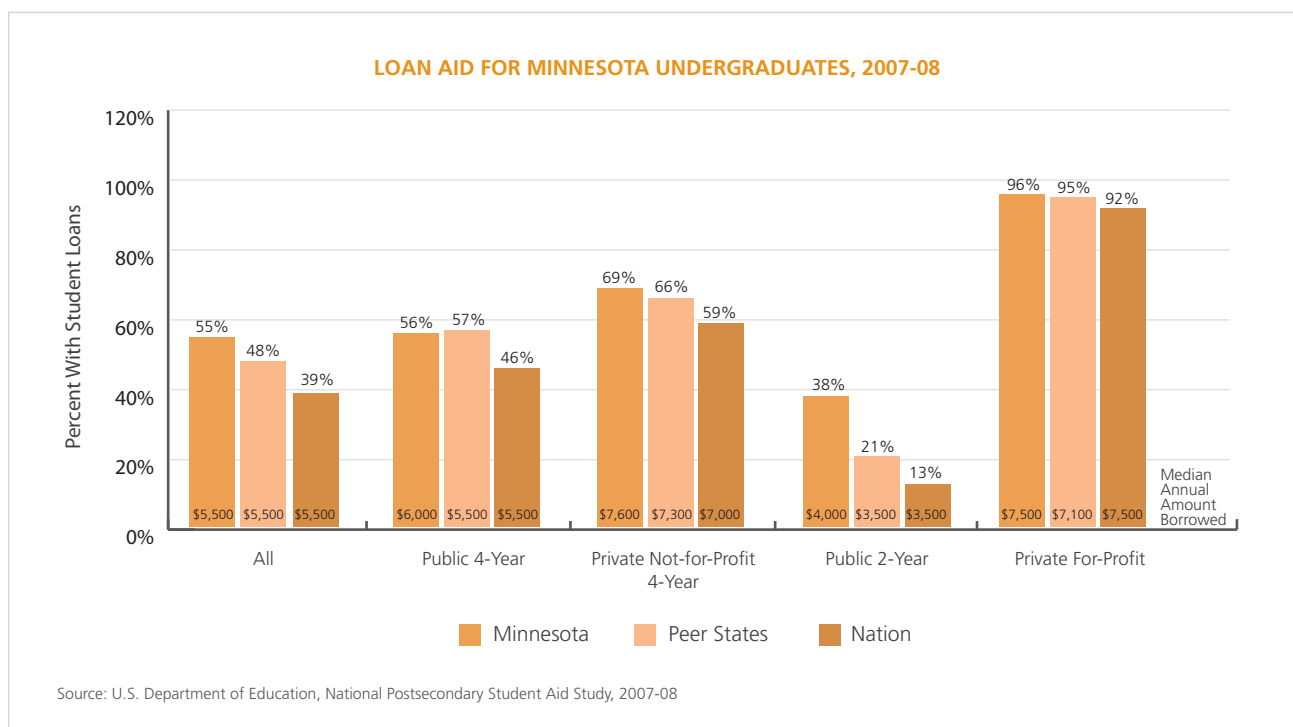
The educational debt of college and university students is a cause for concern. Student borrowing levels can provide one perspective on the affordability of postsecondary education. If students believe they must take out substantial amounts in student loans, it could discourage them from starting or continuing education after high school. In addition, once students leave school they may have trouble repaying the loans if their payments are high relative to their income. Large debts may also affect the career choices of some students.

More Minnesota undergraduates borrow than students nationally. In 2007-08, 55 percent of Minnesota undergraduates had student loans from federal, state, or private sources compared to 39 percent nationally. The difference is particularly striking for students who attend public community and technical colleges: 38 percent of Minnesota students attending community and technical colleges had student loans compared to 13 percent nationally.

While a larger percentage of undergraduates borrowed in Minnesota than nationally, the median annual amount borrowed by Minnesota undergraduates with loans was \$5,500, the same as students nationally. Minnesota students attending public universities, private colleges, and community and technical colleges borrowed more than similar students nationally, but the differences are not statistically significant. Borrowing amounts reflect the median annual amount borrowed for students with loans.

Private Loans

Students may also borrow from private funders to pay educational costs. Overall 18 percent of Minnesota undergraduates had private loans compared to 14 percent across the U.S. and 18 percent in the peer states. The percentage of students with private loans varied by type of institution, ranging from a low of nine percent of undergraduates with private loans at community and technical colleges to a high of 43 percent at private for-profit institutions. The median annual amount borrowed was \$4,400.



SELF Loans

The SELF Loan is a long-term, low-interest educational loan primarily for Minnesota students who need assistance paying for postsecondary education. The SELF program has provided over \$1.7 billion in loans to students since 1984 and is administered by the Minnesota Office of Higher Education.

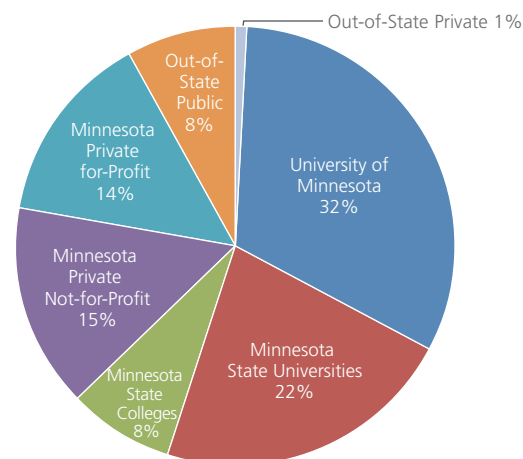
Eligible students are Minnesota residents attending eligible postsecondary institutions in-state or out-of-state, and nonresidents attending eligible postsecondary institutions within Minnesota. Students must be attending at least half-time and making satisfactory academic progress. Because the SELF program is not subsidized by the federal or state government, a credit-worthy co-signer is required to insure continuous repayment on the loan.

SELF Loan Borrowers

A total of 22,681 SELF loans were issued in 2009-10 to both undergraduate and graduate students. Just over 20,000 of these SELF Loan borrowers in 2009-10 were undergraduate students who borrowed \$5,667 on average. Total SELF Loans for 2009-10 exceeded \$118 million. This represents a decline in both total borrowers and total amount borrowed since the program's peak in 2004-2005.¹

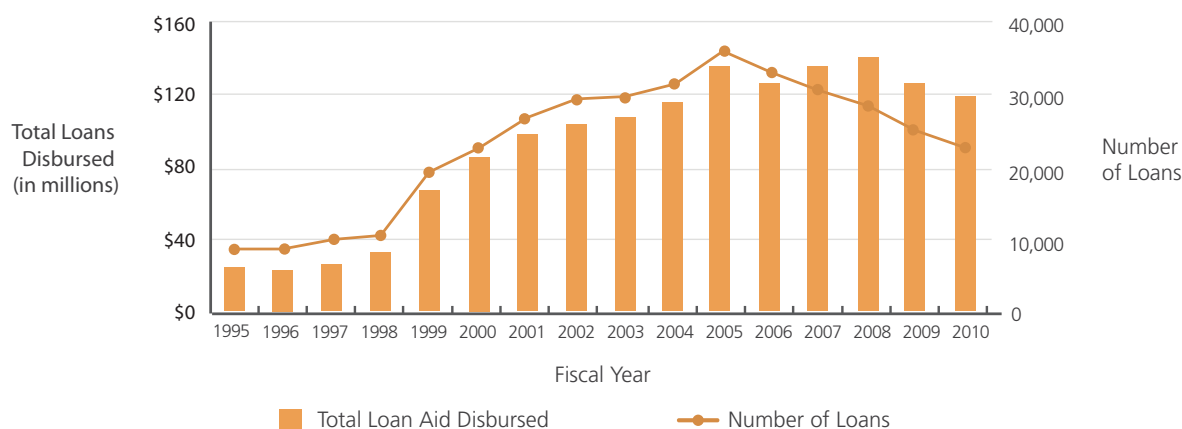
TOTAL UNDERGRADUATE SELF LOANS, 2009-10

Average Annual SELF Loan: \$5,667



Source: Minnesota Office of Higher Education

SELF LOAN ACTIVITY, FISCAL YEARS 1995-2010, ALL BORROWERS



Source: Minnesota Office of Higher Education

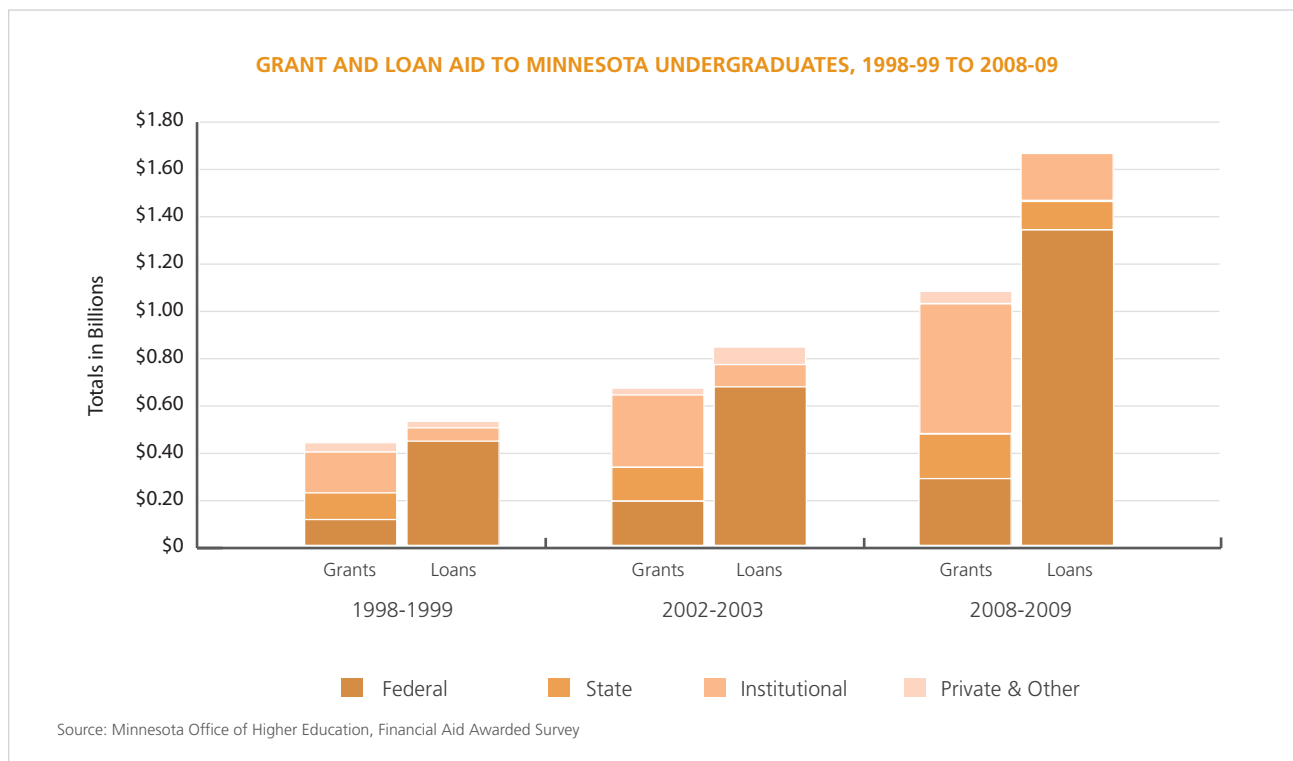
1. Federal regulations passed in 2007 limited financial aid officials from promoting any private loans, including the SELF Loan.

FINANCIAL AID TRENDS

- » From 1998-99 to 2008-09, grant aid to students increased 227 percent.
- » The increase in grant aid was largely driven by the increase in institutional grants (288%) as compared to increases in federal (237%), state (145%), and private and other grants (64%).
- » Loans to students also increased during the period, comprising an increasing share of financial aid to Minnesota undergraduates.

From 1998-99 to 2008-09, educational borrowing per undergraduate increased by 157 percent. The total amount borrowed per undergraduate in Minnesota increased at a similar rate as the increase in tuition and fees. Both

borrowing per undergraduate and tuition and fees increased faster than personal income. Tuition and fees increased between 81 and 133 percent depending on the type of institution attended during this time period.



STUDENT EMPLOYMENT

- » Eighty-four percent of Minnesota undergraduates worked while enrolled in postsecondary education in 2007-08.
- » The more hours students worked, the more likely the student was to report that work had a negative effect on their grades and limited the number of classes the student could take.

Students earned income to pay for postsecondary education through work-study jobs, campus jobs and off-campus jobs. Eighty-four percent of undergraduates in Minnesota worked while enrolled in postsecondary education in 2007-08. Students attending part-time were only slightly more likely to work while enrolled than those who attended full-time—81 percent of students who attended full-time for the full academic year worked while enrolled. Students attending part-time worked more hours each week than students attending full-time, but most students devoted significant amounts of time to work. Among students enrolled full-time for the full academic year, the median number of hours worked was 19 hours a week. In comparing the percentage of students who work in Minnesota to the percentages in the U.S. and the peer states, there were very few differences: in all cases, students who attended part-time were more likely to work and worked more hours per week.

Nation

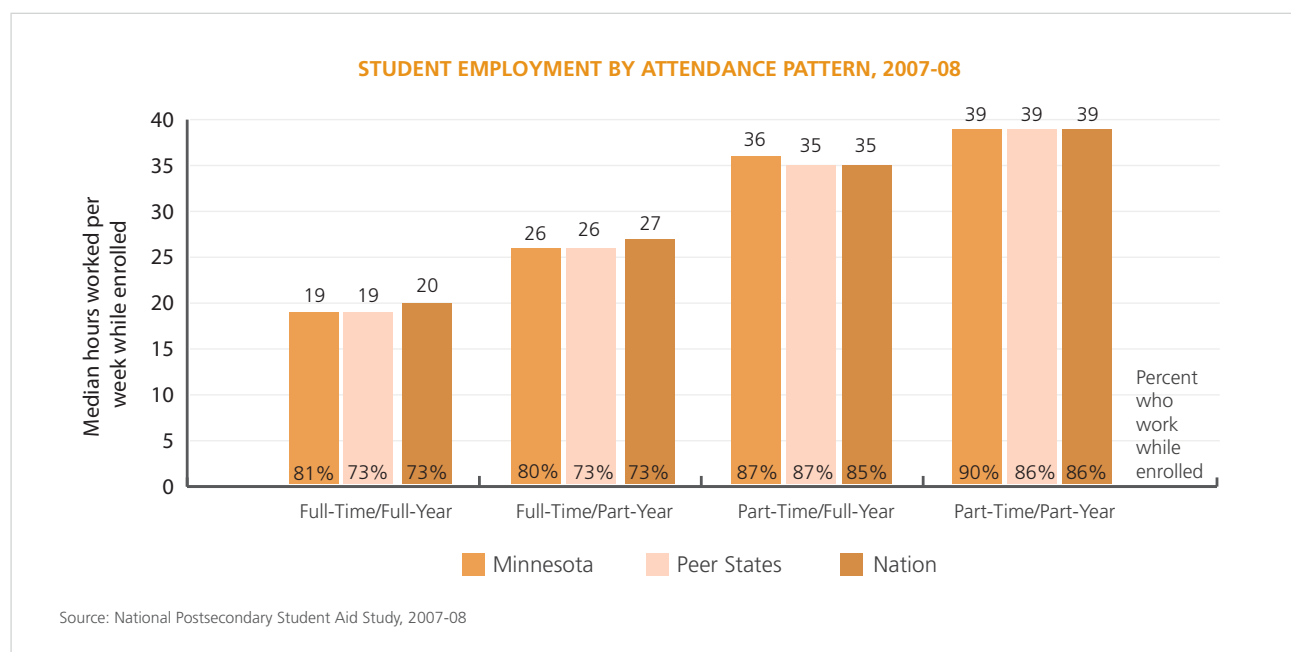
The percentage of postsecondary students who work while enrolled has been not been increasing over time. Eighty-three percent of students worked while enrolled in 1990 compared to 80 percent in 2000 and 79 percent in 2008. Similar data were not available for Minnesota undergraduates. The median hours worked

per week while enrolled has also not increased over time. The median hours worked was 34 hours per week in 1990, compared to 31 hours per week in 2000 and 30 hours per week in 2008.

Minnesota

Sixty-two percent of Minnesota undergraduates identified themselves as students working to meet expenses as opposed to employees who enrolled in school, though this pattern was more prevalent among students attending full-time (76%) compared to students attending part-time (49%).

Among the students who work, the percentage of students who reported that having a job limited the number of classes they could take increased as the number of hours worked increased. Twenty-five percent of Minnesota undergraduates who worked less than 20 hours per week said their job limited the number of classes they could take, compared to 65 percent of those who worked 35 or more hours per week. Students who worked more were also more likely to report that having a job had a negative effect on their grades. Among Minnesota undergraduates who worked 20 hours per week or fewer, 31 percent said having a job had a negative effect on grades compared to 56 percent among those who worked 35 hours per week or more.



Outcomes of College

OVERVIEW

Section Three of *Minnesota Measures* analyzes the outcomes of postsecondary education in the state, both for the individual students and for the state overall. The indicators in this outcomes section include the overall educational attainment within the state; students' graduation rates; the number and types of postsecondary degrees and certificates awarded, by type of award and field studied; as well as the amount of research and discovery at institutions and students' level of debt when they graduate. Although the benefits of postsecondary education to the individual and to society are numerous and not easily calculable, these indicators give a sense of the experience of individual students at Minnesota postsecondary institutions and the larger impact of postsecondary education within the state.

Educational Attainment, Graduation Rates, and Degrees Awarded

Minnesota ranks highly among states in educational attainment, which measures in broad terms the education level of the population, whether or not they attended a Minnesota institution, through U.S. Census data. Postsecondary attainment has increased substantially over the past 40 years, with the percentage of bachelor's degree recipients nearly tripling since 1970 in Minnesota. For the traditional working-age population of 18 to 64 year olds, 41 percent of Minnesotans have an associate degree or higher, ranking sixth nationwide. Among younger age groups, 49 percent of Minnesotans age 25-34 and 35-44 have an associate degree or higher, ranking third and second, respectively, nationwide. This measure does not include postsecondary credentials below an associate degree, and Minnesota postsecondary institutions award nearly as many certificates as associate degrees. Sizeable gaps exist, however, in postsecondary attainment between racial and ethnic population groups over age 25, with only Asian (50%) and white Minnesotans (42%) exceeding the national average (38%).

Contributing to the increase in attainment, graduation rates at Minnesota four-year institutions have been increasing. In 2010, 40 percent of undergraduates earned their degree within four years and 61 percent graduated within six years, representing five and three percent increases, respectively, since 2005. Nationwide, Minnesota ranked 15th in graduation rates at four-year institutions in the percentage of new entering full-time students graduating within four years or six years. During the past decade, the University of Minnesota system has had the greatest percentage increase in graduation rates, from 44 to 65 percent graduating within six years. At two-year institutions, although the three-year graduation rate ranks 27th in the nation, the combined rate of students who transfer to another institution or graduate with an associate degree within three years ranks ninth highest nationally.

The number of academic awards earned across all levels annually by Minnesota postsecondary students has been increasing over the past decade, ranging from a 146 percent increase in master's degrees awarded to a 15 percent increase in certificates. Bachelor's degrees are the most common academic award, however, and awards in health science fields across all academic levels are the most numerous, followed by awards in business and education. Minnesota ranks highly in state comparisons in the number of certificates produced per population, and most certificates are earned in health care fields.

Student Debt Levels

The level of debt students undertake to complete their postsecondary degree in Minnesota has been an ongoing topic of concern. In Minnesota, undergraduates are more likely to leave postsecondary education with student loans than students nationally or in peer states. Further, current median cumulative loan debt for graduating seniors will require repayments equal to seven percent of their estimated starting salaries. Borrowers are more likely to default on their loans when repayments are eight percent of income or more.

Although more Minnesota undergraduates have student loans than undergraduates nationally, students from Minnesota institutions have default rates among the lowest in the country. While this measure does not fully evaluate the debt burden students face in attending postsecondary education, it does indicate Minnesota students' current ability to meet the repayment demands of their student loans.

Students' Preparation for Further Study and the Workforce, and Academic Research

Graduates of Minnesota postsecondary programs have consistently achieved comparable or higher scores than students nationally or in the peer states on exams used as entrance requirements for further study in graduate and professional programs, even as the number of students taking the exams has been increasing. On the Medical

College Aptitude Test, Minnesota students had higher average scores than students nationally or in the peer states, but fewer matriculated at medical school within three years of taking the exam. On measures of certification and licensure for graduates of Minnesota postsecondary institutions, candidates for Practical Nursing and for Certified Public Accountancy from both graduate and undergraduate programs outperformed the peer states and nation on exam pass rates. Registered nursing candidates from both associate and baccalaureate programs, however, have been at or below national passing rates four of the past five years. For graduates of Minnesota teacher preparation programs, students from the University of Minnesota programs have had the highest licensure passing rates of Minnesota postsecondary sectors.

Postsecondary institutions' spending on academic research has broad impacts on the workforce and economy. Between 2008 and 2009, total academic research and development spending in the state grew by 8.4 percent. Among institutions within the state, the majority of academic research is through the University of Minnesota, which ranked eighth among U.S. public institutions in research and development spending for 2009.

EDUCATIONAL ATTAINMENT

- » Minnesota's percentage of the population age 25 to 34 with an associate degree or higher is the third highest in the nation; the population age 35 to 44 is the second highest.
- » In international comparisons, Minnesota ranks third behind Russia and Canada in the percentage of the population age 25 to 64 with an associate degree or higher.
- » Sizeable gaps in degree attainment exist between racial and ethnic population groups over age 25, with only Asian (50 percent) and white (42 percent) Minnesotans exceeding the state average.

States benefit both economically and socially from having educated adults. States with higher proportions of their population with an education beyond high school tend to have a population with higher per capita median income. College-educated adults also tend to display desirable social characteristics, such as higher voting rates and higher philanthropic tendencies, and college educated parents tend to pass on their higher education knowledge and aspirations to their children.

Levels of educational attainment in the population reflect not only the postsecondary institutions' contributions to a state's educated citizenry but the vitality of the job market and attractive quality of life factors of a geographic area. The District of Columbia and Colorado, for example, have large populations of educated adults who received their degrees elsewhere. Minnesota is also considered a state that attracts educated adults, especially to the Twin Cities metropolitan area.

Minnesota ranked consistently high on all measures of attainment nationally among working-age adults. With 41 percent of residents age 18 to 64 years old holding an associate degree or higher, Minnesota ranked sixth in the nation on this measure.

Increasing educational attainment nationally is a prominent part of President Obama's "American Graduation Initiative," which set a national goal of 60 percent of adults age 25 to 64 having an associate degree or higher by 2020.¹ The Lumina Foundation, a major supporter of educational

About Educational Attainment

The U.S. Census Bureau collects information on the highest level of education attained by individuals starting with an associate's degree or higher. This data is available by age, gender, race, and geography. The Census defines undergraduate postsecondary as either "some college," "associate degree," or a "bachelor's degree."

initiatives, has a similar goal to increase the proportion of Americans with high-quality degrees and credentials to 60 percent by 2025.² Complete College America, a national initiative started in 2009, has a goal that "By 2020, six out of 10 young adults in our country will have a college degree or credential of value." Minnesota joined this initiative in 2010.³ A common aspect of these initiatives to raise the educational attainment of the overall population is to encourage college participation for recent high school graduates but also to encourage adults and those already in the workforce to pursue and complete a postsecondary credential or degree.

Overall, younger adults have higher rates of attainment than older adults. The age groups with the highest college attainment nationally is adults age 25-34 and 35-44. Minnesota has the second-highest attainment rate for those populations.

1. Office of the White House Press Secretary, July 14, 2009,

www.whitehouse.gov/the_press_office/Excerpts-of-the-Presidents-remarks-in-Warren-Michigan-and-fact-sheet-on-the-American-Graduation-Initiative.

2. Lumina Foundation, September 2010, "A Stronger Nation through Higher Education," www.luminafoundation.org/publications/A_stronger_nation.pdf.

3. Complete College America, www.completecollege.org/path_forward/essentialsteps.

**PERCENT OF TRADITIONAL WORKING-AGE POPULATION WITH AN
ASSOCIATE DEGREE OR HIGHER 5-YEAR ESTIMATES, 2006-10**

| 18-64 Year Olds | | 25-64 Year Olds | |
|------------------------|------------|------------------------|------------|
| Top 3 States | Percent | Top 3 States | Percent |
| Massachusetts | 45% | Massachusetts | 50% |
| Connecticut | 42% | Connecticut | 46% |
| New Hampshire | 41% | Colorado | 46% |
| Minnesota (6th) | 41% | Minnesota (5th) | 45% |
| Peer States | 33% | Peer States | 37% |
| Nation | 34% | Nation | 38% |

Note: Data collected during calendar years 2006 through 2010 for populations of 20,000 or more.

Source: U.S. Census Bureau, American Community Survey

PERCENT OF POPULATION WITH AN ASSOCIATE DEGREE OR HIGHER 5-YEAR ESTIMATES, 2006-10

| 18-24 Year Olds | | 25-34 Year Olds | | 35-44 Year Olds | | 45-64 Year Olds | |
|------------------------|------------|------------------------|------------|------------------------|------------|-------------------------|------------|
| Top 3 States | Percent | Top 3 States | Percent | Top 3 States | Percent | Top 3 States | Percent |
| New York | 20% | Massachusetts | 54% | Massachusetts | 51% | Massachusetts | 48% |
| Massachusetts | 19% | New York | 49% | North Dakota (3rd) | 49% | Colorado | 46% |
| Iowa | 18% | North Dakota (4th) | 49% | Colorado (4th) | 48% | Connecticut | 45% |
| Minnesota (5th) | 17% | Minnesota (3rd) | 49% | Minnesota (2nd) | 49% | Minnesota (11th) | 41% |
| Peer States | 14% | Peer States | 40% | Peer States | 39% | Peer States | 34% |
| Nation | 14% | Nation | 39% | Nation | 40% | Nation | 37% |

Note: Data collected during calendar years 2006 through 2010 for populations of 20,000 or more.

Source: U.S. Census Bureau, American Community Survey

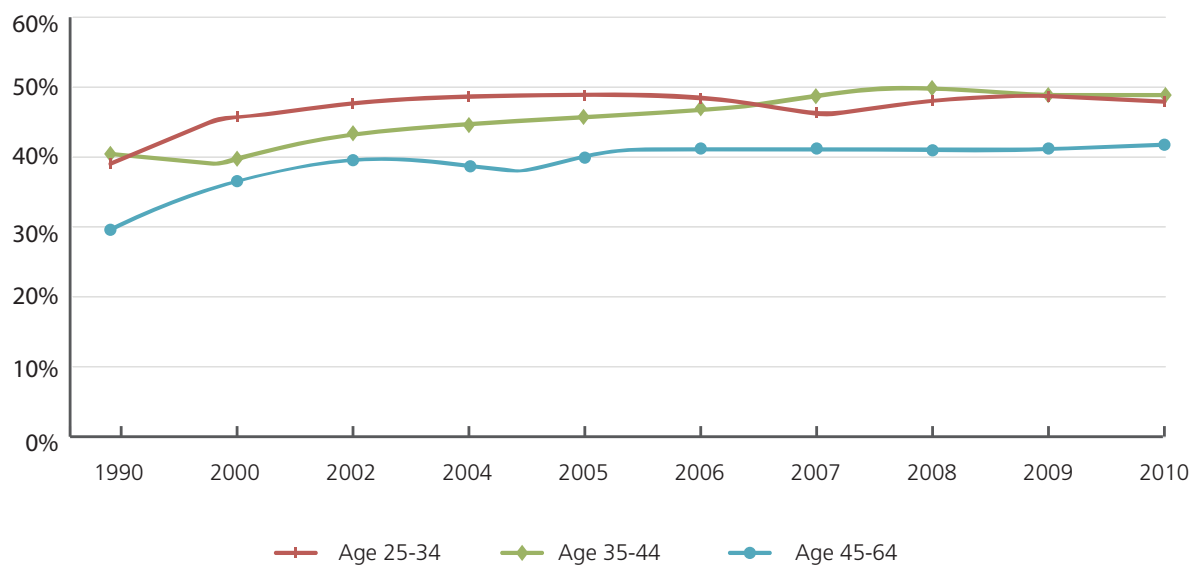
Attainment Trends over Time

Over the past 20 years, the percentage of Minnesotans with an associate degree or higher has increased, albeit at different rates for the different population age groups.

Attainment trends since 1940 show an increase in bachelor's degree attainment with the largest gains during the last 40

years. The percentage of Minnesota's population with a bachelor's degree has been above the national average since 1970. Minnesota's population has high attainment overall: higher than the Midwest Regional average and closer to that of the Northeast Region, which contains states with several of the highest college-educated populations.

PERCENT OF MINNESOTA POPULATION WITH AN ASSOCIATE DEGREE OR HIGHER, 1990-2010



Source: U.S. Census Bureau, Decennial Census of Population, 1990 to 2000; American Community Survey, 2002 to 2010

PERCENT OF THE POPULATION AGE 25 AND OLDER WITH A BACHELOR'S DEGREE OR HIGHER, 1940-2009

| | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2009 |
|---------------------------|------|------|------|------|------|------|------|------|
| Minnesota | 4% | 6% | 8% | 11% | 17% | 22% | 27% | 32% |
| Nation | 5% | 6% | 8% | 11% | 16% | 20% | 24% | 28% |
| Geographic Regions | | | | | | | | |
| Northeast | 5% | 7% | 8% | 11% | 17% | 23% | 28% | 32% |
| Midwest | 4% | 6% | 7% | 10% | 15% | 18% | 23% | 27% |
| South | 4% | 5% | 7% | 10% | 15% | 19% | 23% | 26% |
| West | 6% | 8% | 10% | 13% | 19% | 23% | 26% | 29% |

Source: U.S. Census Bureau, Decennial Census of Population, 1940 to 2000; 2009 data is from the American Community Survey

Minnesota's Communities of Color

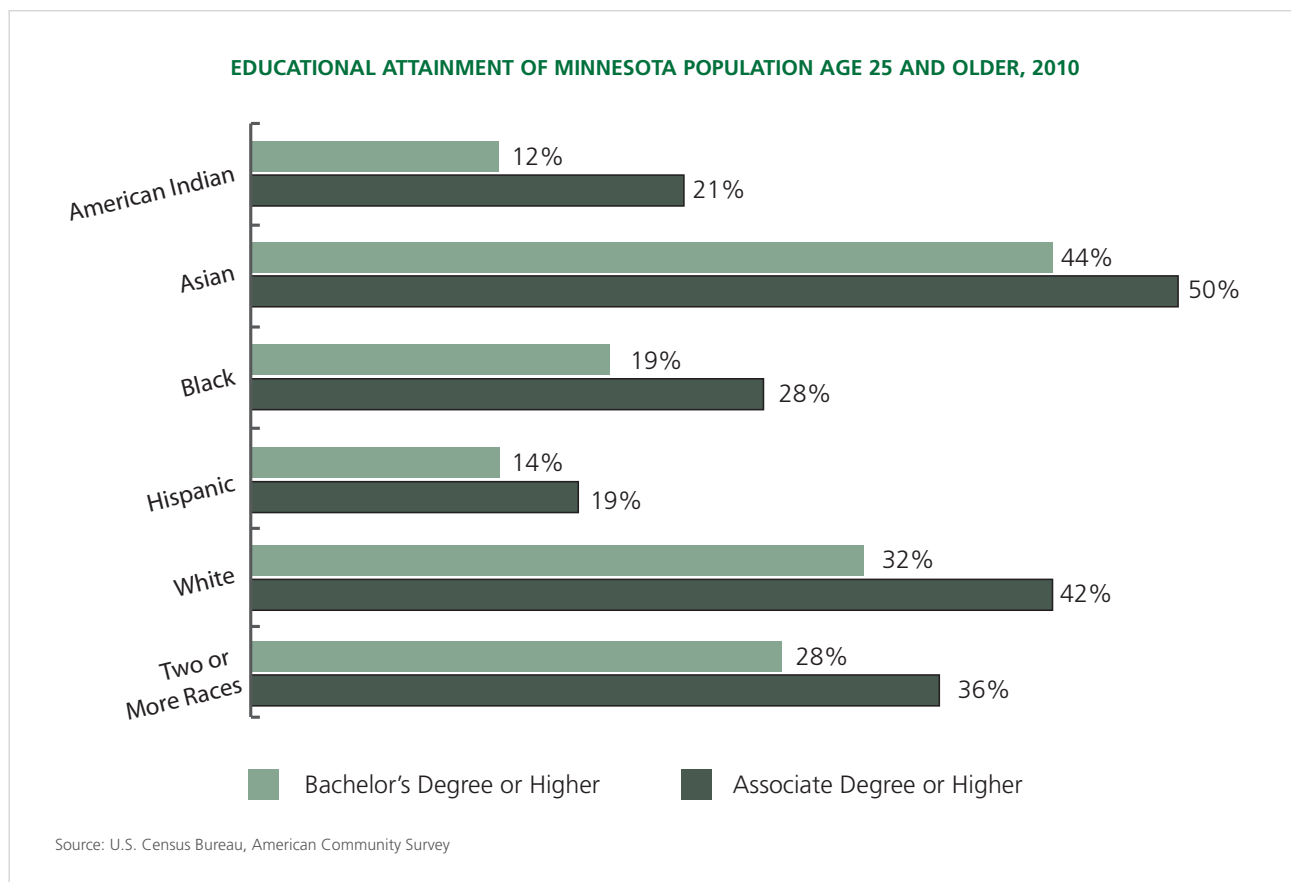
Educational attainment varies by racial background in Minnesota and nationally for the population age 25 and older. In Minnesota, Asians (50 percent) and whites (42 percent) are the only two population groups with attainment levels above the state average of 41 percent with an associate degree or higher.

International Comparisons

Minnesota's population does well on attainment measures compared to international standards. If competing as a nation, Minnesota would be ranked third internationally behind Russia and Canada in the percent of the population age 25 to 64 with an associate degree or higher in 2007.

Many international rankings compare educational attainment in the 25 to 34 age group because recent expansion of higher education opportunities in many countries has fueled higher college attainment levels among younger adults. Minnesota ranks fifth in this comparison.

Even though college attainment levels are still increasing nationally and in Minnesota, attainment levels in other countries are increasing more quickly. Countries vary greatly in the percentage of their populations with education in occupational skills devoted to direct entry into the labor force compared to education in advanced theoretical and research-based skills.



GRADUATION RATES

- » Graduation rates at Minnesota four-year institutions have been increasing. In 2010, 40 percent of undergraduates graduated within four years and 61 percent graduated within six years, representing five and three percent increases, respectively, since 2005.
- » At two-year institutions, although the three-year graduation rate ranks 27th in the nation, the combined rate of students who transfer to another institution or graduate within three years ranks ninth highest nationally.

Graduation rates try to capture whether students are completing their studies and institutional effectiveness in facilitating that completion. High graduation rates may be indications of appropriately targeted student recruitment, effective campus communication and scheduling, strong instruction and advising, and accessible student support services. Other variables, such as the academic preparation of students, colleges' admissions selectivity, and student demographics and financial support, also factor into graduation rates.

Graduation Rates at Minnesota Four-Year Institutions

In 2010, 40 percent of Minnesota undergraduates graduated within four years and 61 percent graduated within six years. Overall, the rates have been gradually increasing. Graduation rates vary considerably across institutions since the number of students used to track the rate varies within each institution. The six-year graduation rates in 2010 range from a high of 70 percent to a low of 38 percent at the University of Minnesota campuses; a high of 55 percent to a low of 26 percent at the state universities; and a high of 93 percent to a low of 31 percent at the private not-for-profit institutions.

Although the highest graduation rates are within the private not-for-profit institutions, the University of Minnesota has made the greatest strides in increasing their graduation rates.

The six-year graduation rate for the University's combined campuses has increased from 44 percent in 1998 to 65 percent in 2010. The University of Minnesota—Twin Cities had the greatest increase with the six-year rate rising from 47 percent in 1998 to 70 percent in 2010, which is now comparable to several Minnesota private not-for-profit institutions. A national analysis of graduation rates by *The Chronicle of Higher Education* showed the University of Minnesota—Twin Cities had the sixth-largest gain in graduation rates of all public research institutions in the U.S.

About Graduation Rates

The 2010 data reflect the graduation rates of first-time, full-time degree-seeking undergraduates who began at a four-year institution in fall 2004 or at a two-year institution in 2007. Only full-time students who complete their degree or other award at the same institution are included in the graduation rate. Students who transfer negatively impact an institution's graduation rate. Overall, about 10 percent of all undergraduates statewide transfer each year. For further information visit www.ohe.state.mn.us/mPg.cfm?pageID=754.

from 2003-2008. Nationally, 65 percent of four-year institutions had graduation rate increases during this time period and 35 percent had declining rates.¹

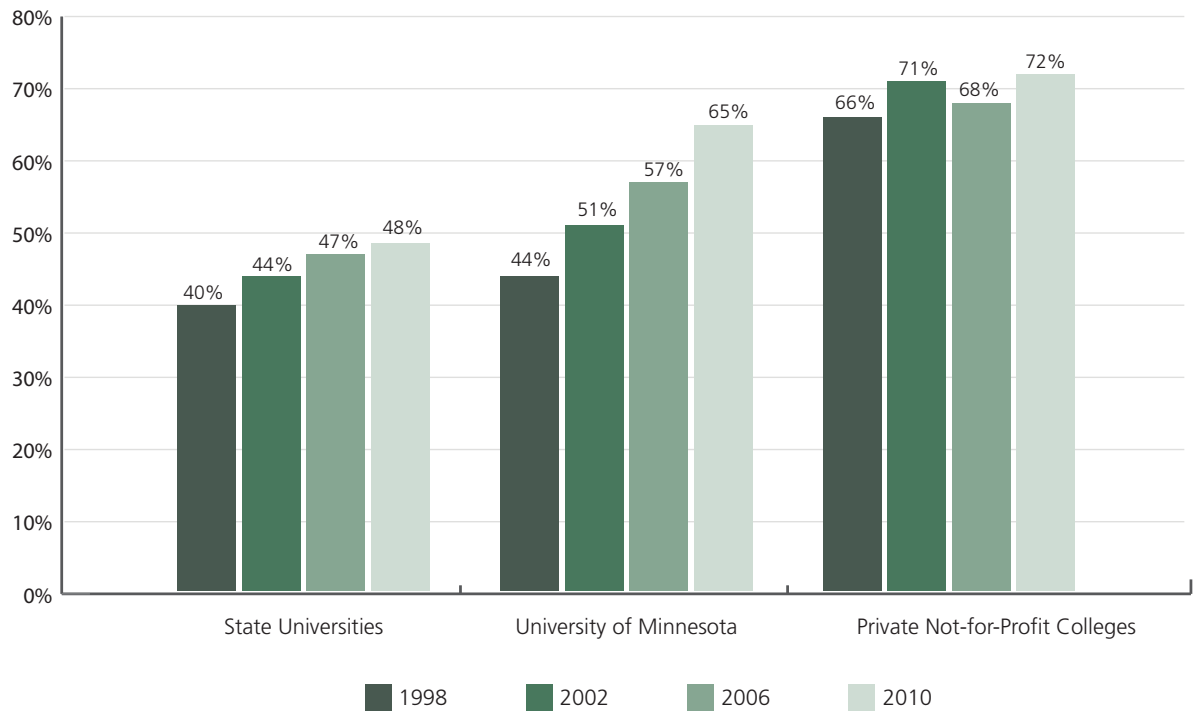
Minnesota and National Comparisons

Minnesota ranked 15th nationally, in both four-year (40 percent) and six-year (61 percent) graduation rates, and was similar to peer states and higher than national averages. Four-year graduation rates ranged from a high of 54 percent in Rhode Island to a low of 10 percent in Alaska. Six-year graduation rates ranged from a high of 69 percent in Washington to a low of 28 percent in Arizona.

Among peer states, the four-year graduation rate ranged from 49 percent (Pennsylvania) to 32 percent (Wisconsin); the six-year rate ranged from 67 percent (Pennsylvania) to 56 percent (Ohio). Massachusetts and Rhode Island, as well as most eastern states, have a higher percentage of students enrolled at private not-for-profit four-year institutions than public four-year institutions. As private institutions have higher graduation rates than public institutions, eastern states tend to rank higher on this indicator.

1. *The Chronicle of Higher Education*, December 6, 2010, "Graduation Rates Fall at One-Third of 4-Year Colleges," chronicle.com/article/Graduation-Rates-2010-/125587.

6-YEAR GRADUATION RATES AT MINNESOTA 4-YEAR INSTITUTIONS, 1998, 2002, 2006, AND 2010



Source: U.S. Department of Education, IPEDS Graduation Rates Survey

GRADUATION RATES AT MINNESOTA 4-YEAR INSTITUTIONS, 2005-09

| Institution Type | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4-Year Rate | 6-Year Rate | 4-Year Rate | 6-Year Rate | 4-Year Rate | 6-Year Rate | 4-Year Rate | 6-Year Rate | 4-Year Rate | 6-Year Rate |
| State Universities | 14.9% | 46.8% | 20.6% | 46.8% | 18.6% | 48.0% | 19.8% | 48.3% | 21.0% | 48.3% |
| University of Minnesota | 29.0% | 56.2% | 30.1% | 56.6% | 33.3% | 58.5% | 36.2% | 60.6% | 38.8% | 62.5% |
| Private Not-for-Profit 4-Year Colleges | 58.8% | 70.0% | 56.7% | 68.2% | 62.0% | 71.8% | 62.2% | 72.2% | 60.6% | 71.7% |
| Minnesota | 35.0% | 58.0% | 36.7% | 57.5% | 38.7% | 59.7% | 40.3% | 60.8% | 40.3% | 60.6% |

Source: U.S. Department of Education, IPEDS Graduation Rates Survey

Graduation and Transfer Rates at Minnesota Two-Year Institutions

For two-year institutions, examining both graduation and transfer rates more accurately reflects student outcomes. Some two-year institutions offer more technical/occupational programs culminating in a certificate or associate degree while others specialize in a liberal arts/transfer curriculum preparing students to complete a bachelor's degree at a four-year institution. The Minnesota Transfer Curriculum, offered at Minnesota's public two-year institutions, is specially designed for students who wish to transfer to a four-year institution; these students may transfer before receiving an associate degree.

At Minnesota two-year institutions, the combined graduation and transfer rate has remained stable over the past five years, with a slight decrease in graduation rates but an increase in transfer rates. The state colleges had this same pattern. The private two-year for-profit colleges showed a slight decrease in transfer rates but a 12 percent increase in graduation rates over the past five years.

Minnesota and National Comparisons

Minnesota ranked third nationally in the percent of students who transfer from two-year institutions. In the combined transfer and graduation rate, Minnesota ranked ninth nationally and well above the peer states and national averages. Three-year graduation rates nationally ranged from a high of 62 percent in South Dakota to a low of 13 percent in Delaware. Transfer rates ranged from a high of 37 percent in Alaska to a low of four percent in Louisiana. The combined graduation and transfer rates ranged from a high of 68 percent in Wyoming to a low of 25 percent in Delaware.

GRADUATION RATES AT 4-YEAR INSTITUTIONS, 2009

| 4-Year Rate | | 6-Year Rate | |
|-------------------------|--------------|-------------------------|--------------|
| Top 3 States | 2009 | Top 3 States | 2009 |
| Rhode Island | 53.6% | Washington | 68.8% |
| Massachusetts | 51.1% | Massachusetts | 68.5% |
| New Hampshire | 50.0% | Rhode Island | 67.3% |
| Minnesota (15th) | 40.3% | Minnesota (15th) | 60.6% |
| Peer States | 39.9% | Peer States | 60.9% |
| Nation | 36.1% | Nation | 56.8% |

Source: U.S. Department of Education, IPEDS Graduation Rates Survey

GRADUATION AND TRANSFER RATES AT MINNESOTA 2-YEAR INSTITUTIONS

| Institution Type | 3-Year Graduation,* Transfer Rates | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--|-------|-------|-------|-------|-------|
| State Colleges | Graduation Rate | 31.8% | 30.3% | 28.6% | 27.0% | 26.3% |
| | Transfer Rate | 22.0% | 24.1% | 24.0% | 25.8% | 26.0% |
| | Combined Graduation and Transfer Rate | 53.8% | 54.4% | 52.6% | 52.8% | 52.3% |
| Private 2-Year For-Profit Colleges | Graduation Rate | 55.2% | 56.2% | 58.3% | 61.9% | 72.6% |
| | Transfer Rate | 0.2% | 0.5% | 0.1% | 0.1% | 0.2% |
| | Combined Graduation and Transfer Rate | 55.4% | 56.6% | 58.3% | 62.0% | 72.8% |
| Minnesota | Graduation Rate | 33.3% | 31.6% | 30.9% | 29.6% | 29.2% |
| | Transfer Rate | 20.3% | 22.9% | 22.1% | 23.8% | 24.2% |
| | Combined Graduation and Transfer Rate | 53.9% | 54.5% | 53.0% | 53.4% | 53.4% |

*The graduation rate measures the number of students who complete a program within 150 percent of normal completion time, whether for two-year associate degrees or certificate and diploma programs.

Note: There are less than a dozen schools in the private career school category with a cohort of 1,156 compared to 17,009 in state colleges in 2010.

Source: U.S. Department of Education, IPEDS Graduation Rates Survey

GRADUATION AND TRANSFER RATES AT 2-YEAR INSTITUTIONS, 2009

| Top 3 States | 3-Year Graduation Rate | Top 3 States | 3-Year Transfer Rate | Top 3 States | Combined Graduation and Transfer Rate |
|-------------------------|------------------------------|------------------------|----------------------------|------------------------|--|
| South Dakota | 62.3% | Alaska | 37.3% | Wyoming | 65.7% |
| Wyoming | 54.1% | Alabama | 25.0% | South Dakota | 62.3% |
| Nevada | 50.7% | Illinois (4th) | 23.0% | Alaska | 60.8% |
| Minnesota (27th) | 29.6% | Minnesota (3rd) | 23.8% | Minnesota (9th) | 53.4% |
| Peer States | 31.3% | Peer States | 14.2% | Peer States | 45.5% |
| Nation | 32.0% | Nation | 13.2% | Nation | 45.3% |

Source: U.S. Department of Education, IPEDS Graduation Rates Survey

DEGREES AND OTHER AWARDS EARNED

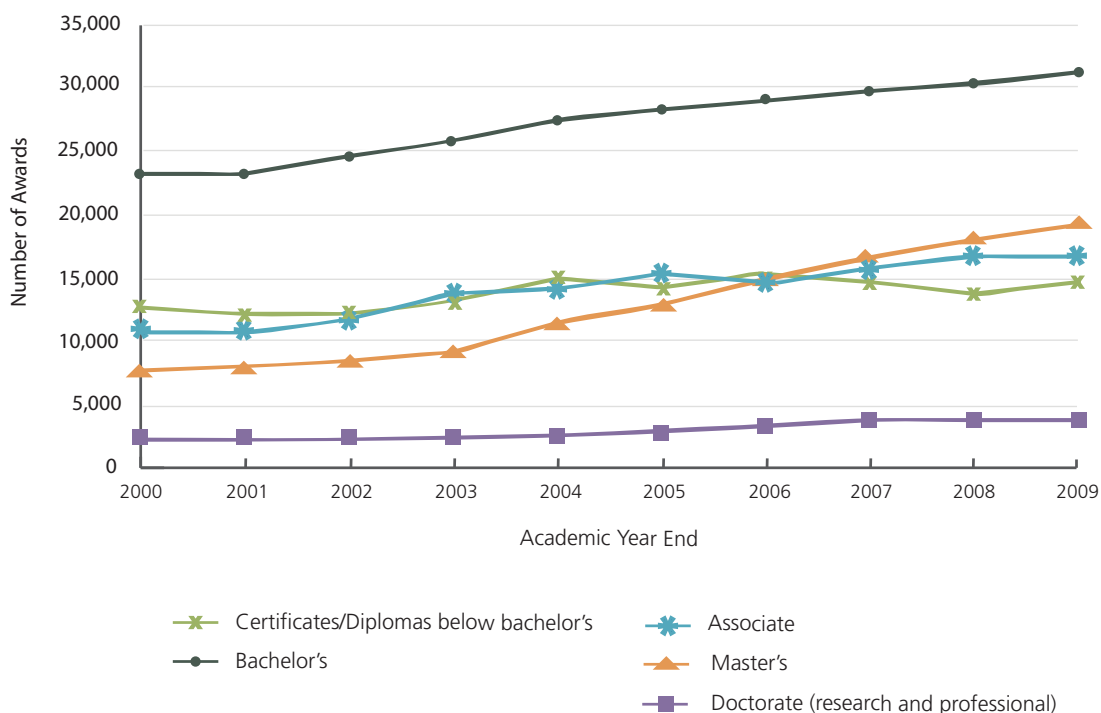
- » The number of academic credentials awarded at all levels annually by Minnesota postsecondary institutions has been increasing over the past decade.
- » Bachelor's degrees are the most common academic award, and awards in health science fields across all academic levels are the most numerous, followed by awards in business and education.
- » Minnesota ranks highly in state comparisons in the number of certificates produced per population, and most certificates are earned in health care fields.

All Academic Awards

The successful completion of a program of study culminates in the conferring of an academic award, and Minnesota's postsecondary institutions offer a variety of awards at all levels of training. In 2008-09, Minnesota postsecondary institutions awarded nearly 90,000 academic credentials: 14,630 certificates and diplomas less than two years in length, 17,262 associate degrees, 34,432 bachelor's degrees, 19,196 master's degrees, and 3,874 doctoral degrees, both research and professional (such as in law, medicine, or theology).

Over the last ten years, the number of awards earned has increased at all levels, ranging from a 146 percent increase in master's degrees to a 15 percent increase in certificates. The number of associate, baccalaureate, and doctoral degrees awarded increased by 55 percent, 35 percent, and 61 percent, respectively.

AWARDS CONFERRED BY MINNESOTA INSTITUTIONS, 1999-2000 TO 2008-09



Source: U.S. Department of Education, IPEDS Completions Surveys

Academic Awards by Career Cluster

Higher education programs have been grouped into career clusters to align terminology used in postsecondary programs and majors with those used in analyzing careers and occupations. The career clusters identified in these charts were developed by the U.S. Department of Education to help policymakers and students (at both the secondary and postsecondary level) link the knowledge acquired in school with the skills needed to pursue careers and enter the workforce.

At each award level, from certificate to doctorate, different programs areas are dominant, especially in occupationally specific fields where education level is closely linked to entry into the workforce. The following patterns emerged across award levels:

- Across all certificates and degrees, from certificate to doctorate, awards in health sciences were the most numerous.
- At the certificate level, programs in health care dominated. Other popular short-term training programs

were in cosmetology, manufacturing, and transportation (including vehicular repair) and construction trades.

- At the associate degree level, programs in liberal arts and health sciences comprised half of the degrees earned. Associate degrees were generally awarded in the applied sciences for entry-level jobs in health care, law enforcement, and culinary arts.
- At the bachelor's degree level, programs where a bachelor's degree is necessary for job entry were popular such as in business, STEM, and programs in the liberal arts and health sciences. Many bachelor's degree recipients in STEM fields go on to earn graduate degrees and pursue careers in research science.
- At the master's degree level, programs where a master's degree is required for job entry or job advancement comprised the majority of awards. Education, business, and health science fields comprised three-quarters of degrees earned.
- At the doctoral level, which includes research and professional degrees, health, law, and education comprised three-quarters of the degrees earned.

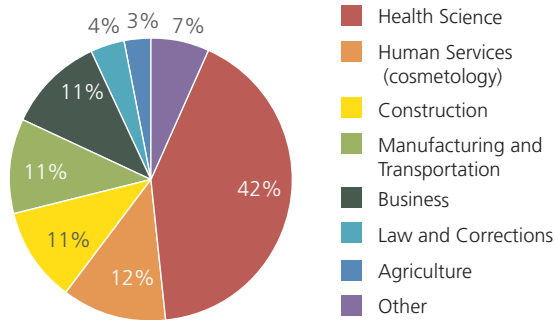
AWARDS CONFERRED BY LEVEL AND PROGRAM CAREER CLUSTERS BY MINNESOTA INSTITUTIONS, 2008-09

| | Certificate | Associate Degree | Bachelor's Degree | Master's Degree | Doctorate | Total |
|---|---------------|------------------|-------------------|-----------------|--------------|---------------|
| Agriculture, Food, and Natural Resources | 407 | 283 | 1,255 | 124 | 43 | 2,112 |
| Architecture and Construction | 1,661 | 710 | 264 | 146 | 0 | 2,781 |
| Arts, Audio/Video Technology, and Communications | 249 | 886 | 3,558 | 205 | 45 | 4,943 |
| Business Management, Marketing, and Finance | 1,539 | 2,021 | 7,131 | 3,744 | 302 | 14,737 |
| Education and Training | 136 | 109 | 2,827 | 7,853 | 628 | 11,553 |
| Government and Public Administration | 6 | 5 | 1,082 | 383 | 30 | 1,506 |
| Health Science | 6,125 | 4,797 | 3,824 | 3,164 | 1,340 | 19,250 |
| Hospitality and Tourism | 199 | 502 | 35 | 0 | 0 | 736 |
| Human Services | 1,728 | 383 | 2,784 | 1,720 | 128 | 6,743 |
| Information Technology | 243 | 553 | 886 | 577 | 17 | 2,276 |
| Law and Corrections | 613 | 1,195 | 1,083 | 204 | 960 | 4,055 |
| Liberal Arts, Languages, and History | 140 | 4,862 | 4,203 | 370 | 61 | 9,636 |
| Manufacturing and Transportation | 1,558 | 771 | 221 | 18 | 0 | 2,568 |
| Science, Technology, Engineering, and Mathematics | 26 | 185 | 5,279 | 688 | 320 | 6,498 |
| Total | 14,630 | 17,262 | 34,432 | 19,196 | 3,874 | 89,394 |

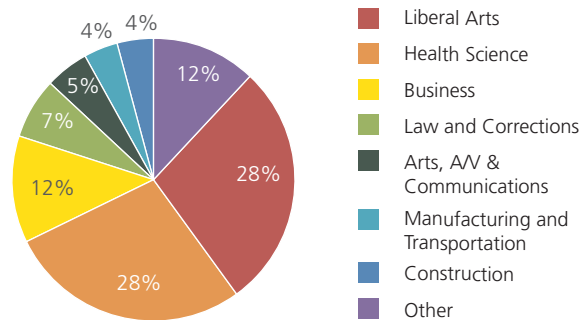
Source: U.S. Department of Education, IPEDS Completions Surveys

AWARDS CONFERRED BY LEVEL AND PROGRAM CAREER CLUSTERS AT MINNESOTA INSTITUTIONS, 2008-09

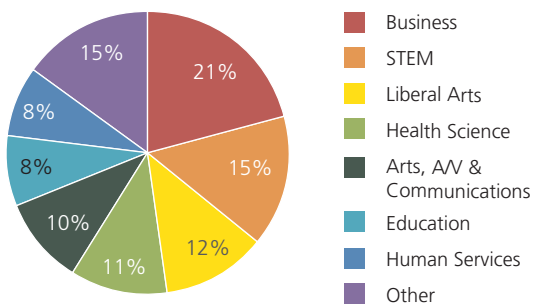
CERTIFICATES



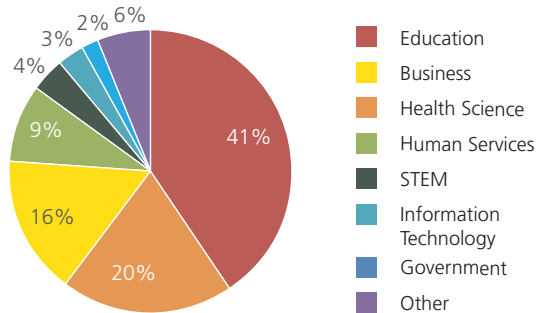
ASSOCIATE DEGREES



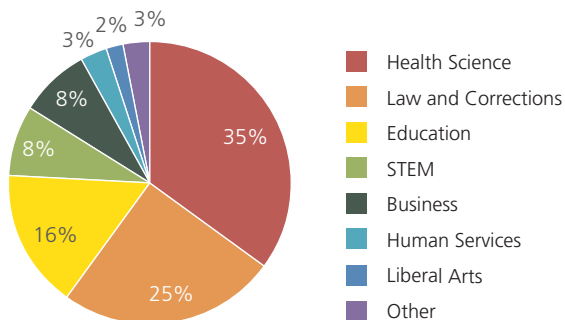
BACHELOR'S DEGREES



MASTER'S DEGREES



DOCTORATE/PROFESSIONAL DEGREES



Source: U.S. Department of Education, IPEDS Completions Surveys

Bachelor's Degrees

Awards conferred at the bachelor's degree level are the most numerous. Three institutional sectors in Minnesota each conferred roughly one-third of all bachelor's degrees for 2008-09: the private not-for-profit colleges (35 percent), state universities (31 percent), and the University of Minnesota (29 percent). A small number are conferred at the private career schools (5 percent).

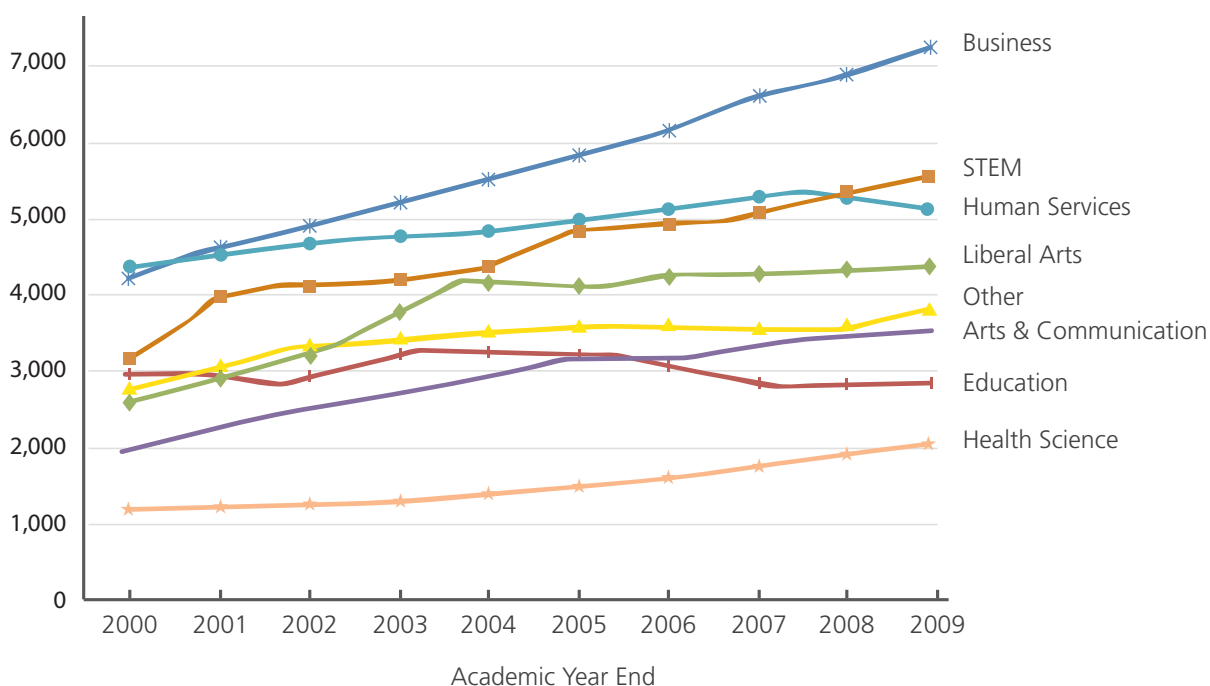
Over one-quarter, or nearly 8,000, of all bachelor's degrees conferred by Minnesota institutions were in science programs. During the last 10 years, the number of bachelor's degrees in science fields has increased. Degrees in biological sciences and healthcare have increased at a faster pace than other science programs, especially over the last five years.

Sub-Baccalaureate Certificates

Not all undergraduates attend a postsecondary institution with the goal of obtaining a degree. Many students, especially older adults, choose to enter a career where an occupationally specific credential is required for employment. Minnesota postsecondary institutions, mainly public two-year, and private for-profit institutions, annually award a large number of occupationally specific certificates. Since many careers require certificates for entry-level employment, some students return to college to earn a certificate after earning a higher credential such as a bachelor's degree.

The importance of earning an occupation-specific certificate is sometimes overlooked, and it is not known what percent of the population has obtained a certificate as their highest educational attainment due to U.S. Census definitions' focus on degree attainment.

BACHELOR'S DEGREES CONFERRED BY PROGRAM AREA AT MINNESOTA INSTITUTIONS, 1999-2000 TO 2008-09



Source: U.S. Department of Education, IPEDS Completions Surveys

In 2008-09, Minnesota students received 14,603 certificates in 263 different programs of study, although five program areas awarded 78 percent of all certificates: health professions, cosmetology and culinary services, business, construction trades, and mechanic and repair technologies. Nearly half of all sub-baccalaureate certificate awards at two-year colleges were in health science programs.

Earning a postsecondary certificate is a requirement to enter several high-demand, high-wage careers, including many in healthcare. Complete College America's report *Certificates Count: An Analysis of Sub-baccalaureate Certificates* highlighted the importance of certificates in an individual's ability to enter a well-paying career:

... [C]ertificate awards for completion of programs of study of at least one year have significant and consistent labor market value and should count toward national and state postsecondary attainment goals. They are particularly accessible to young high school graduates and working adults who may not now be attracted to more traditional degree programs.

(Certificates Count, 2010, p. iii)

The report also indicated that certificates can provide greater income returns than some associate and bachelor's degrees. For some students, certificates can be the most direct path to career success.

About Certificates

In this report certificates are an award conferred after completing a program of study below the bachelor's degree, not including the associate degree. In Minnesota, most certificates are completed in two years or less and are sometimes known as diplomas. Certificates are primarily completed in programs that are occupationally specific.

National Comparison

Minnesota ranks 15th overall in the number of people completing certificate programs compared to other states. Minnesota's annual certificate awards nearly match the number of associate degrees awarded in the state, with 46 percent of awards at public two-year institutions in certificates, ranking 13th nationally. There were dramatic differences among states' public two-year institutions in the percent of certificate compared to associate degree awards. In Georgia, 80 percent of all sub-baccalaureate awards were certificates, compared to five percent in New Jersey. In the peer states, Wisconsin ranked sixth nationally with 58 percent of certificates awarded compared to associate degrees and Illinois ranked ninth with 51 percent, well above the national average of 38 percent.

CERTIFICATES AWARDED BY POPULATION, 2007-08

| All Certificates | Number | Per 10,000 Population | Certificates of 1 to 4 Years | Number | Per 10,000 Population |
|---------------------|--------|-----------------------|------------------------------|--------|-----------------------|
| Top 3 States | | | | | |
| Kentucky | 19,678 | 46.1 | Wyoming | 1,424 | 26.7 |
| Arizona | 29,275 | 45.0 | Arizona | 15,679 | 24.1 |
| Georgia | 40,773 | 42.1 | Oklahoma | 8,115 | 22.3 |
| Minnesota (15th) | 13,713 | 26.3 | Minnesota (10th) | 7,216 | 13.8 |

Source: Complete College America, *Certificates Count*

CUMULATIVE DEBT OF COLLEGE GRADUATES

- » Minnesota students graduating with an associate or bachelor's degree are more likely to have accumulated student loans, and in larger amounts, than students nationally or in the peer states.
- » However, Minnesota graduating seniors at public four-year institutions receiving a need-based state grant graduate with significantly lower levels of debt than students not receiving a state grant.

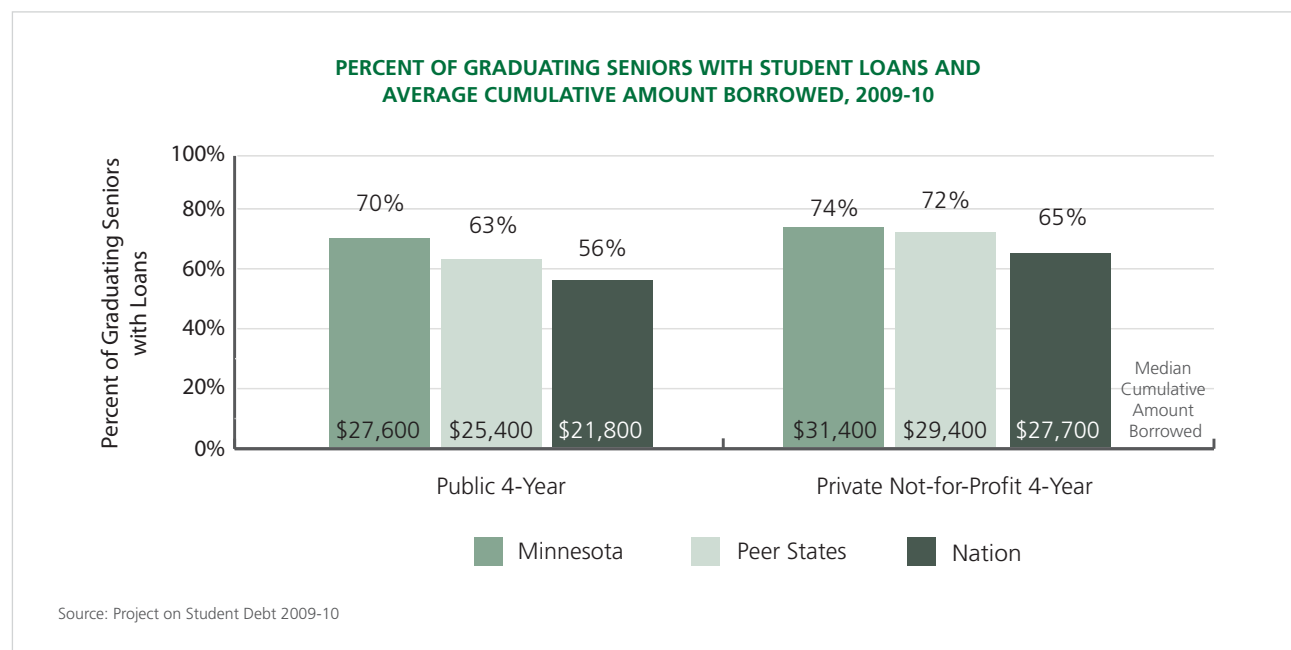
Student borrowing levels while they are enrolled provide one perspective on the affordability of postsecondary education, but the education debt of college and university students once they leave postsecondary education is another important measure. Once students leave school they may have trouble repaying the loans if their payments are high relative to their income. The prospect of large debt may also affect the career choices of some students. While Minnesota students are more likely to borrow in a given year, it is also important to examine how much they have accumulated in student loan debt by the time they graduate.

Borrowing by Graduates of Four-Year Institutions

Minnesota students were more likely to have student loans by the time they graduated with bachelor's degrees than students in the peer states and nationally, and the amounts borrowed were larger. Among Minnesota seniors graduating from public universities, 70 percent had student loans in 2009-10, and the average cumulative amount borrowed was \$27,600, as compared to 63 percent and \$25,400 in the peer states and 56 percent and \$21,800 nationally. Over the five years from 2004-05 to 2009-10, the percentage who borrowed and the average amount borrowed increased in Minnesota, the peer states, and nationally. In 2004-05, 67

percent of Minnesota seniors graduating from public universities had student loans, and the average cumulative amount borrowed was \$18,200, as compared to 59 percent and \$18,600 in the peer states and 54 percent and \$16,900 nationally. Approximately 80 percent of all student loans are federal loans. In 2008 the federal government increased borrowing limits by \$2,000 per year, which had a direct impact on the cumulative amount borrowed.

Among Minnesota seniors graduating from private not-for-profit institutions, 74 percent had student loans in 2009-10, and the average cumulative amount borrowed was \$31,400, as compared to 72 percent and \$29,400 in the peer states and 65 percent and \$27,700 nationally. Over the five years from 2004-05 to 2009-10, the percentage who borrowed and the average amount borrowed increased in Minnesota, the peer states, and nationally. In 2004-05, 72 percent of Minnesota seniors graduating from private not-for-profit institutions had student loans, and the average cumulative amount borrowed was \$23,800, as compared to 70 percent and \$20,800 in the peer states and 64 percent and \$20,700 nationally. In 2008 the federal government increased borrowing limits by \$2,000 per year, which had a direct impact on the cumulative amount borrowed.



Borrowing by Graduating Seniors Who Received a State Grant

In 2007-08, graduating state grant recipients in Minnesota were more likely to have student loans than non-state grant recipients. In Minnesota, the primary postsecondary need-based grant program is the Minnesota State Grant. Most state grant recipients at both public (95%) and private not-for-profit four-year institutions (94%) borrowed to finance their education compared to non-state grant recipients at public (75%) and private not-for-profit institutions (73%).

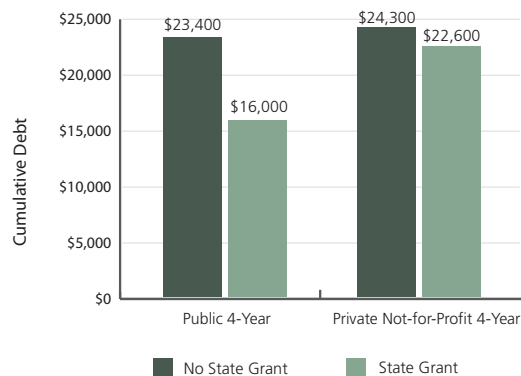
Graduating state grant recipients at public four-year institutions had significantly lower levels of cumulative student loan debt (\$16,000) than non-state grant recipients (\$23,400). The median cumulative amount borrowed by graduating state grant recipients at private not-for-profit four-year institutions was \$22,600 as compared to \$24,300 for non-state grant recipients.

Borrowing by Associate Degree Recipients

Minnesota students who received associate degrees from public two-year institutions in 2007-08 were substantially more likely to have student loans than students nationally and in the peer states. Sixty-eight percent of associate degree recipients who attended public two-year colleges in Minnesota had student loans, compared to 37 percent nationally and 46 percent in the peer states. The median cumulative amount borrowed by associate degree recipients at public two-year institutions was also higher for Minnesota students than for

students nationally and in the peer states. Nearly all (99 percent) Minnesota students from private for-profit institutions receiving associate degrees had student loans, which was also true nationally and in the peer states. The median cumulative amount borrowed by associate degree recipients at private for-profit institutions in Minnesota was also higher than for students nationally and in the peer states.

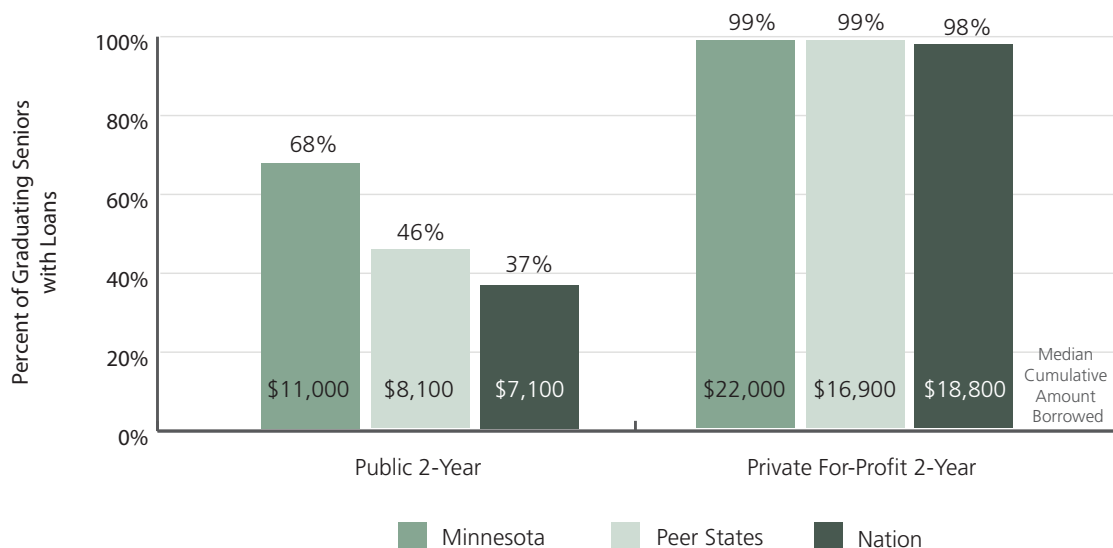
CUMULATIVE DEBT BY GRADUATING SENIORS AND STATE GRANT RECEIPT,* 2007-08 MINNESOTA



*State Grant received during the 2007-08 academic year.

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2007-08

PERCENT OF ASSOCIATE DEGREE RECIPIENTS WITH STUDENT LOANS AND MEDIAN CUMULATIVE AMOUNT BORROWED, 2007-08



Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2007-08

SELF Loans

Although most student loans are through federal loan programs, students also take out loans from state and private loan programs. In 2008, among Minnesota undergraduates with student loans, 94 percent had federal loans, 14 percent had a state loan, and 32 percent had private loans; many borrowers had student loans from multiple sources. The states with the largest loan volume are Alaska, Massachusetts, Minnesota, New Jersey, New York, and Texas. The state loan offered in Minnesota is the SELF Loan.

Cumulative Borrowing for SELF Loan Recipients

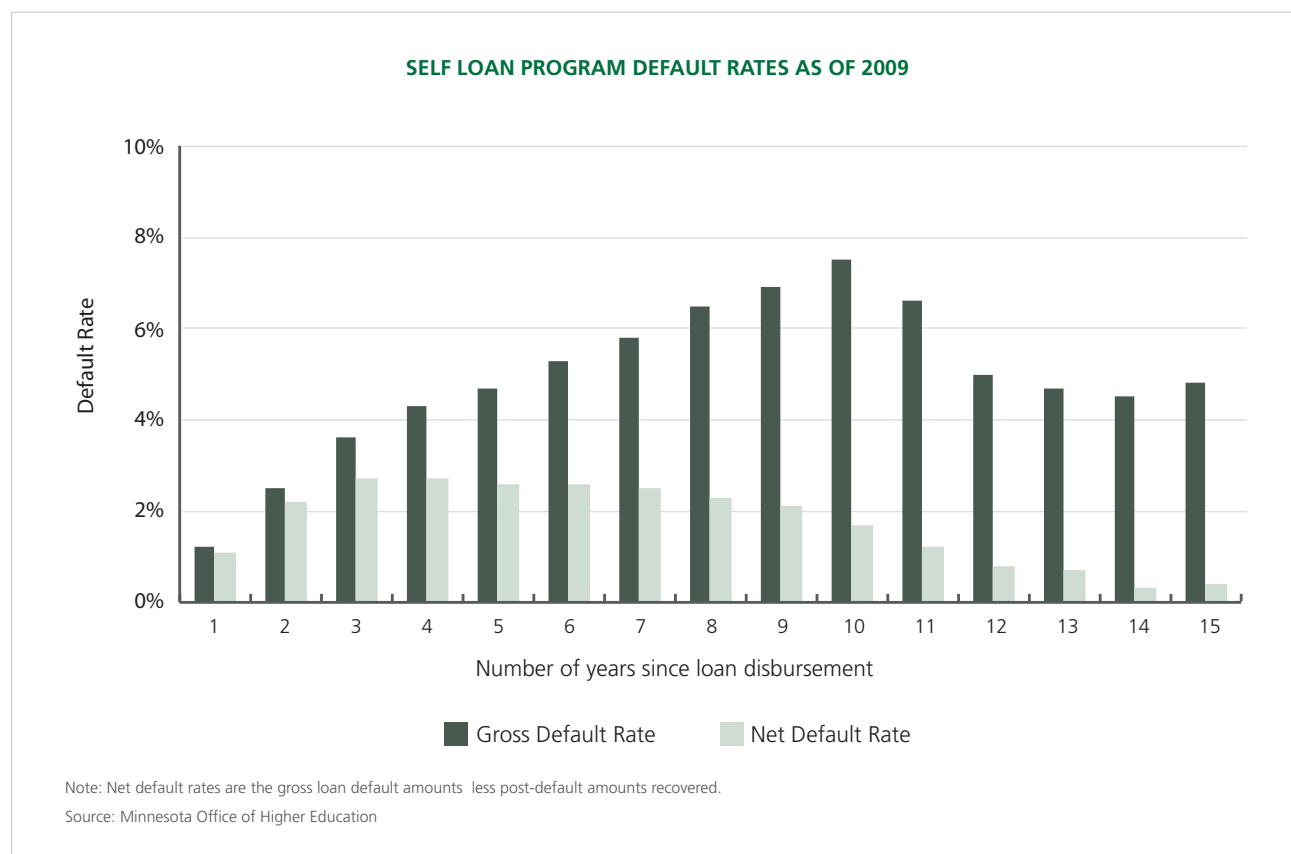
In 2009-10 senior postsecondary students had borrowed on average \$18,200 cumulatively in SELF Loans. This is an increase of 32 percent from 2005-06 where the average cumulative SELF Loan was \$13,800. Cumulative SELF Loan borrowing amounts were similar across institution types. The median cumulative SELF Loan amount borrowed by seniors in 2009-10 was \$19,400 at public universities, \$17,100 among students at Minnesota private not-for-profit colleges,

and \$18,250 for Minnesota residents attending out-of-state public colleges.

SELF Loan Repayment

There are no grace periods or deferment options for SELF Loans and they cannot be included in a federal loan consolidation. Borrowers are required to pay interest on SELF Loans while enrolled, so default rates for SELF Loans are calculated from year of disbursement. This differs from the federal student loan program calculation for default rates which tracks loan defaults after the student enters repayment (typically six months after graduation or when the student stops enrolling). As such, the two rate calculations are not comparable.

The 15-year trend for SELF Loan default rates has ranged from 1.2 percent (one-year default rate) to 7.5 percent (10-year default rate). After post-default collection amounts are included, SELF Loan default rates range from 0.4 percent to 2.7 percent. Over the most recent 15-year period, the cumulative gross default rate on SELF loans is 4.77 percent with a cumulative net default rate of 2.14 percent.



LOAN REPAYMENT

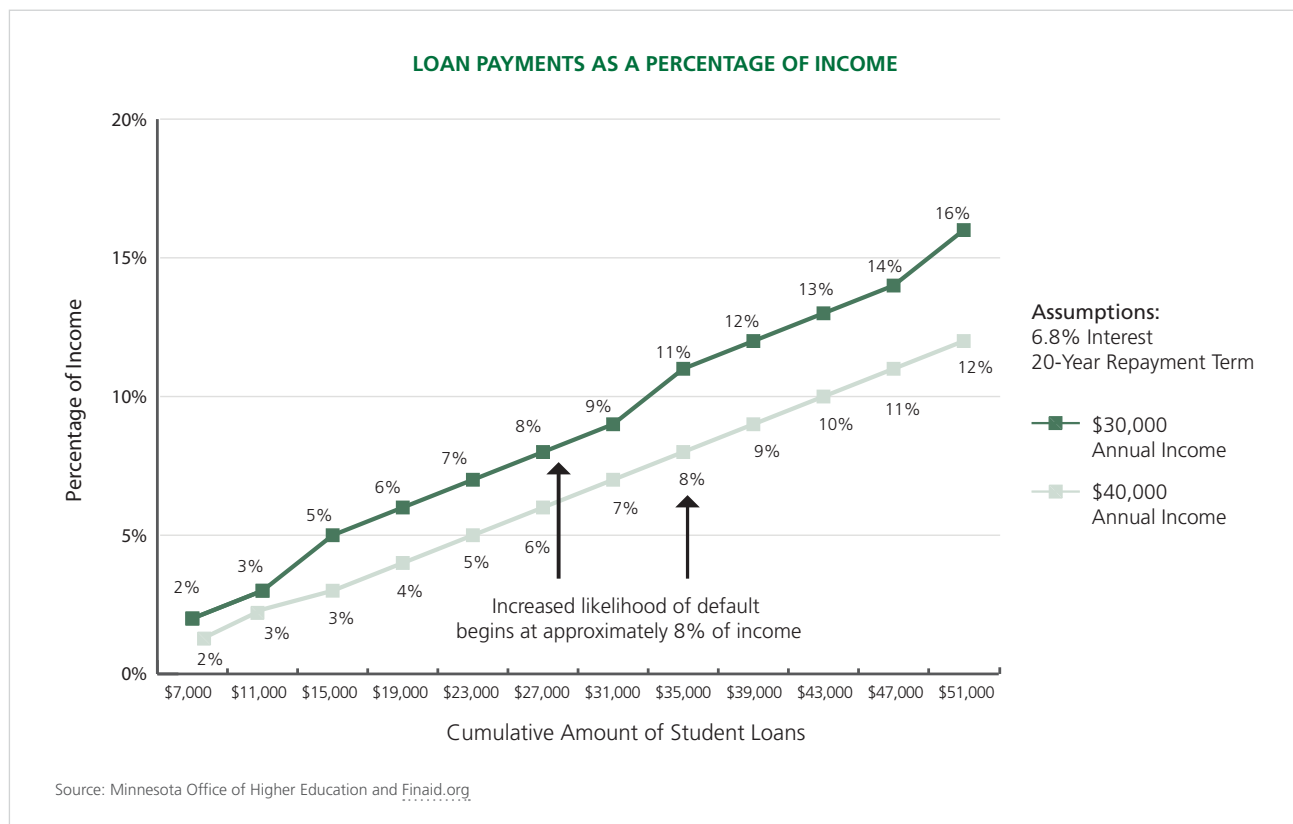
- » Estimated median cumulative loan debt for graduating seniors will require repayments equal to seven percent of their estimated starting salaries.
- » Borrowers are more likely to default on their loans when repayments are eight percent of income or more.

To estimate the impact of student loan repayments on students, it is useful to examine monthly payments as a percentage of income. Factors that impact loan repayments as a percentage of income largely hinge on borrower's income and choice of repayment period. As a borrower's income increases, loan payments become a smaller percentage of income. The income of a borrower is likely to increase over time. Any amount of debt, however, can be a problem if the borrower has little income to use in making payments. In selecting a repayment period, if the borrower picks a 10-year repayment term rather than 20 years, the monthly payments are higher but the total amount of interest paid is less. Some borrowers choose graduated repayment plans, in which they make interest-only payments in the first two years of repayment.

The following estimate of student debt burden shows monthly loan payments as a percentage of income at cumulative student loan debt levels from \$7,000 to \$51,000

and annual incomes of \$30,000 or \$40,000.¹ The median cumulative debt of graduating seniors in 2008 was \$22,000 at public universities in the state and \$24,284 at private four-year universities. Loan payments range from two percent of income for a borrower with \$7,000 in cumulative debt to 12 to 16 percent of income for a borrower with \$51,000 in cumulative debt and \$30,000 or \$40,000 in annual income, respectively.

No single payment-to-income ratio answers the concern about how much students can borrow without increasing their chances of problems with repayment. Borrowers with fewer obligations in their personal lives to family or dependent children may be able to devote a higher percentage of income to loan repayment (Baum, 2006). Research on borrowers in Missouri in 2006 through 2008, however, indicates that the number of borrowers who default increases by 59 percent as the payment-to-income ratio increases from only 8 to 10 percent (Kantrowitz, 2010).



1. The Collegiate Employment Research Institute at Michigan State University published the average starting salary for bachelor's degree graduates in 2010-2011 as \$37,700 per year.

LOAN DEFAULTS

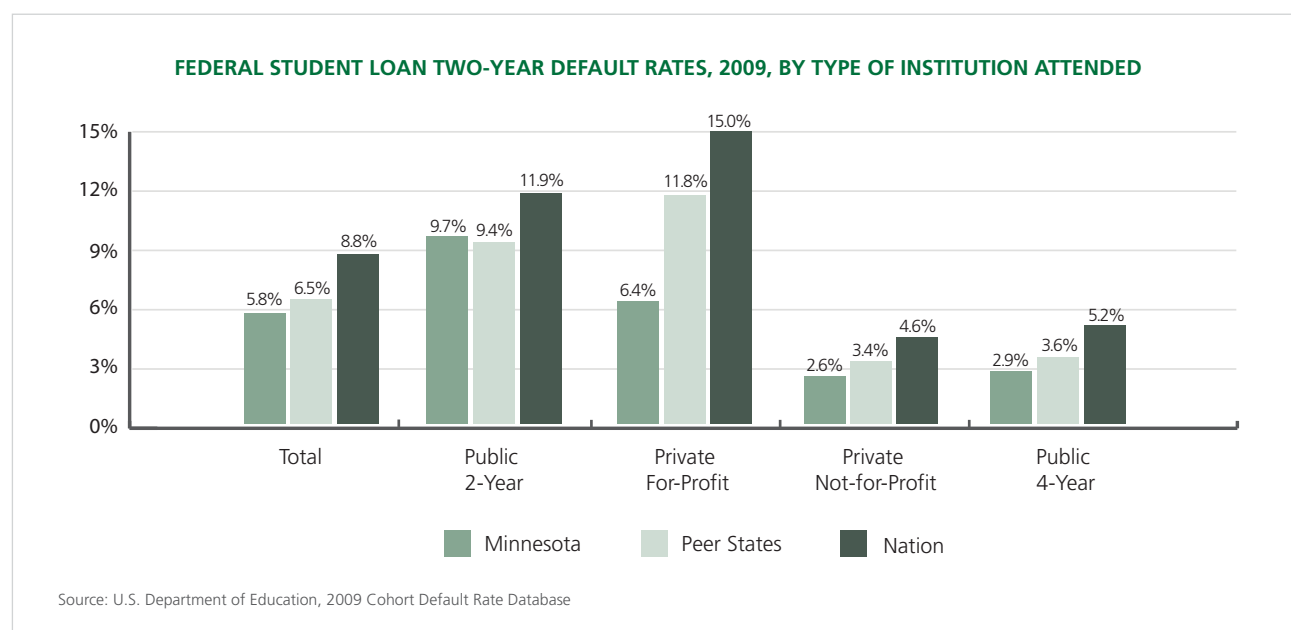
- » Students attending every type of public and private institution in Minnesota had lower default rates than students nationally.
- » Of the students in Minnesota who do default on student loans, students who attend public two-year institutions are the largest percentage.

In addition to payments as a percentage of income, student loan default rates are an indicator of the debt burden students face. The federal student loan default rate, called a two-year default rate, measures the percentage of students who enter repayment on federal Stafford loans within 12 to 24 months of leaving their institution.

Minnesota students attending every type of public and private institution had lower default rates than students nationally. Compared to students in the peer states, Minnesota students attending public two-year institutions had similar default rates. Minnesota students attending other types of institutions had lower default rates than students in the peer states. Nationally, 15 percent of students who attended for-profit schools defaulted on their student loans in the first or second year of repayment, compared to 11.8 percent of students in the peer states and 6.4 percent of Minnesota students.

The percentage of all postsecondary students enrolled in each type of institution can be compared to the percentage of borrowers from those institutions who default on federal student loans. Nationally, students enrolled at for-profit career schools represent eight percent of all postsecondary students but 48 percent of those with defaulted loans. This outcome has led to criticism of the for-profit institutions for relying too heavily on their students taking out loans and accumulating high debt levels over time.

The pattern of undergraduates at for-profit schools representing a disproportionately small share of postsecondary student enrollments and large portion of defaulters is less pronounced in Minnesota. Minnesota students who enrolled at for-profit schools represented 20 percent of enrollment and 33 percent of those in the 2009 cohort who defaulted on their federal loans. The pattern for borrowers who enrolled at public two-year colleges in Minnesota was more striking: students enrolled at public two-year colleges represented 30 percent of those enrolled but almost half (49%) of those with defaulted loans.



PREPARATION OF MINNESOTA STUDENTS FOR GRADUATE STUDY

- » Students from Minnesota undergraduate institutions continue to receive comparable or higher scores on entrance exams for graduate and professional school (GRE, LSAT, and MCAT) than do students nationally or from undergraduate institutions in the peer states.

This section examines how prepared students from undergraduate institutions in Minnesota are to pursue further academic work in graduate and professional degree programs.

GRE

The Graduate Record Exam, or GRE, is a common application requirement for students pursuing master's, doctoral, and professional degrees across a wide range of disciplines, from psychology and business, to physics and literature.

The GRE General Test has three subtests: quantitative reasoning, verbal reasoning, and analytical writing. Required minimum scores for admission to graduate school vary by institutions and program, and some institutions and programs additionally require one of eight specialized GRE Subject Tests. Those scores are not reported here.

The scores reported below are aggregated data from the GRE General Test. Test scores, reported on a 200-800 point scale, are grouped according to the state in which the

test-takers pursued their undergraduate degree.^{1,2} Graduates from Minnesota institutions have consistently scored highly on the quantitative reasoning section of the exam. Minnesota graduates' average scores ranked highest among graduates from institutions in the peer states and well above the peer states and national averages during the past three years reported.³

During 2008-09, the number of individuals taking the GRE General Test from Minnesota undergraduate institutions, those in the peer states, and nationally increased dramatically over the preceding two years, although nationally the number of individuals who took the GRE and identified their undergraduate institution is still down from a high of 299,423 test-takers in 2004-05.

On the qualitative or verbal reasoning portion of the GRE, students from Minnesota institutions also had higher average scores than students from institutions in the peer states and the national average.

QUANTITATIVE GRE SCORES, 2006 THROUGH 2009

| 2006-07 (Top 3 States) | Number of Test Takers | Mean | 2007-08 (Top 3 States) | Number of Test Takers | Mean | 2008-09 (Top 3 States) | Number of Test Takers | Mean |
|----------------------------|-----------------------------|------------|----------------------------|-----------------------------|------------|----------------------------|-----------------------------|------------|
| Utah | 3,323 | 594 | Massachusetts | 7,665 | 599 | Massachusetts | 8,465 | 605 |
| Massachusetts | 7,699 | 593 | Utah | 3,232 | 593 | Utah | 3,712 | 599 |
| Wisconsin (3rd) | 4,708 | 589 | Connecticut | 2,429 | 593 | Connecticut | 2,847 | 595 |
| Minnesota (3rd) | 4,109 | 589 | Minnesota (4th) | 4,057 | 591 | Minnesota (7th) | 4,711 | 591 |
| Peer States | 53,634 | 572 | Peer States | 51,759 | 576 | Peer States | 63,557 | 578 |
| Nation | 251,050 | 552 | Nation | 243,300 | 557 | Nation | 277,852 | 560 |

Source: Educational Testing Service

1. The GRE also reports aggregate score data based on the state in which the test-taker took the GRE. Those scores are not reported here since a test-taker may not utilize a testing center in the same state where they earned their undergraduate degree. Approximately 70 percent of all test-takers provide information on their undergraduate institution.
2. Beginning in August 2011, the GRE General Test has a revised scoring rubric and content.
3. Peer state and national scores are weighted averages based on the number of test-takers reporting their undergraduate institution.

QUALITATIVE GRE SCORES, 2006 THROUGH 2009

| 2006-07 (Top 3 States) | Number of Test Takers | Mean | 2007-08 (Top 3 States) | Number of Test Takers | Mean | 2008-09 (Top 3 States) | Number of Test Takers | Mean |
|-----------------------------|-----------------------------|------------|-----------------------------|-----------------------------|------------|-----------------------------|-----------------------------|------------|
| Massachusetts | 7,699 | 524 | Massachusetts | 7,665 | 528 | Vermont | 874 | 527 |
| Rhode Island | 1,386 | 520 | Rhode Island (2nd) | 1,195 | 521 | Massachusetts | 8,465 | 526 |
| Vermont | 738 | 519 | Vermont (2nd) | 736 | 521 | Connecticut | 2,847 | 522 |
| Minnesota (11th) | 4,109 | 498 | Minnesota (11th) | 4,057 | 500 | Minnesota (15th) | 4,711 | 493 |
| Peer States | 53,634 | 483 | Peer States | 51,759 | 486 | Peer States | 63,557 | 484 |
| Nation | 251,050 | 476 | Nation | 243,300 | 477 | Nation | 277,852 | 476 |

Source: Educational Testing Service

Scores for Minnesota students and graduates on the analytic writing exam, first implemented in 2002, have remained between 4.3-4.5 out of a 6-point scale over the past three years reported. This is comparable with scores from graduates in the peer states and slightly higher than the national average over the same period.

LSAT

The Law School Admission Test, or LSAT, uses a multiple-choice format to evaluate law school applicants' reading comprehension, analytical reasoning, and logical reasoning. The LSAT score is reported on a scale ranging from 120 to 180.

The average score on the LSAT for students from Minnesota postsecondary institutions has remained slightly higher than the average scores for the peer states and the nation for all academic years studied. Both the number of individuals taking the LSAT and the number of LSAT exams taken nationally increased markedly during the past two years while average scores remained roughly constant. The number of test-takers from Minnesota and peer state institutions has been trending downwards since 2003, although nationally there was a sharp rise in 2009-10.

MCAT

The Medical College Admission Test, or MCAT, is a multiple-choice exam taken by those preparing to go to a medical college or health professions school, such as veterinary or osteopathic medicine. The exam assesses candidates' abilities to problem solve, write, and think critically as well as their knowledge of science through a writing sample and three multiple choice sections—verbal reasoning, physical sciences, and biological sciences. The maximum composite score is a 45.⁴

The number of examinees and their scores are reported for the most recent three-year reporting periods available, 2006 through 2008 and 2007 through 2009. The data tracks cohorts of students that took the MCAT, whether they applied to a medical college, and whether they matriculated during the three-year periods. Students taking the MCAT during these periods represented 119 postsecondary institutions in the state: both two-year and four-year public and private, for-profit and not-for-profit.

4. The number of candidates' questions answered correctly, or raw scores, are converted to a 15-point scale, with 15 being the highest value. Candidates also receive a scaled letter score, ranging from a high rating of "T" to the lowest rating of "J," on their responses to writing prompts. Raw scores are converted to scaled scores to compensate for slight variations between questions on different testing rounds and to minimize variability between individual candidates not based on medical knowledge or skill.

LSAT TEST-TAKERS AND MEAN SCORES, 2003-04 THROUGH 2009-10

| | | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|------------------------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|
| Minnesota Students | Number of Students | 1,383 | 1,342 | 1,220 | 1,194 | 1,217 | 1,189 | 1,210 |
| | Mean Score | 152.88 | 153.15 | 153.51 | 153.22 | 153.35 | 153.05 | 153.50 |
| Students from Peer States | Number of Students | 21,434 | 20,621 | 18,461 | 17,714 | 18,881 | 17,954 | 19,057 |
| | Mean Score | 151.71 | 151.97 | 152.13 | 152.17 | 151.85 | 152.21 | 152.45 |
| Students Nationally* | Number of Students | 128,994 | 126,224 | 119,206 | 117,952 | 117,549 | 124,401 | 138,934 |
| | Mean Score | 150.76 | 150.74 | 150.85 | 150.88 | 150.63 | 150.80 | 150.85 |
| Number of Tests Taken Nationally** | Number of Tests | 145,816 | 143,310 | 135,589 | 137,744 | 141,439 | 150,633 | 170,599 |
| | Mean Score | 150.61 | 150.59 | 150.67 | 150.79 | 150.60 | 150.77 | 150.85 |

*Test-takers with multiple scores in a given year have their scores averaged.

** Individuals who earned more than one score are represented more than once.

Note: Undergraduate data is available for individuals who subscribe to the Law School Data Assembly Service (about two-thirds of all test-takers). Test-takers who register for the LSAT only do not provide undergraduate data, so state-level data do not represent the entire test-taking population.

Source: Law School Admission Council

During 2006-08 and 2007-09, students from Minnesota undergraduate institutions had comparable to slightly higher MCAT scores than did examinees nationally or from the peer states. A slightly higher percentage of the cohort of examinees from Minnesota institutions taking the MCAT applied for medical school during the same period, but the peer states had slightly higher percentages from their cohort of applicants that enrolled at a medical college during the three-year period.⁵ On the writing sample, slightly higher numbers of examinees and matriculants from Minnesota institutions received scores at the 50th percentile or above (a score of O through T).⁶

Although similar numbers of students have taken the MCAT during 2006-08 and 2007-09, the number of examinees that applied and enrolled within the three-year periods has declined within Minnesota, the peer states, and nationally. The Association of American Medical Colleges has predicted a shortfall in physicians, especially across non-primary care specialties, and an increase in demand for medical care, resulting in a projected shortage of 91,500 physicians by 2020 across all specialties, including a shortage of 35,000 surgeons.⁷

5. The three-year window, however, only includes examinees that apply and matriculate within that period. Examinees may take longer than three years to take the exam, apply for, and enroll in graduate school.

6. Full writing score information is available at www.ohs.state.mn.us/accountability.

7. AAMC Center for Workforce Studies, June 2010, www.aamc.org/download/153160/data/physician_shortages_to_worsen_without_increases_in_residency_tr.pdf.

MCAT DATA, 2006-08

| | Examinees | | Applicants | | Matriculants | | Percentage of examinees that applied within 2006-08 | Percentage of applicants that matriculated within 2006-08 |
|-------------|-----------|-------|------------|-------|--------------|-------|---|---|
| | Number | Mean | Number | Mean | Number | Mean | | |
| Minnesota | 2,483 | 26.93 | 1,816 | 28.54 | 958 | 30.74 | 73% | 53% |
| Peer States | 31,310 | 26.20 | 22,247 | 28.15 | 11,994 | 30.86 | 71% | 54% |
| Nation | 163,527 | 25.76 | 105,835 | 27.67 | 54,954 | 30.52 | 65% | 52% |

MCAT DATA, 2007-09

| | Examinees | | Applicants | | Matriculants | | Percentage of examinees that applied within 2007-09 | Percentage of applicants that matriculated within 2007-09 |
|-------------|-----------|-------|------------|-------|--------------|-------|---|---|
| | Number | Mean | Number | Mean | Number | Mean | | |
| Minnesota | 2,528 | 26.94 | 1,690 | 28.80 | 831 | 31.20 | 67% | 49% |
| Peer States | 31,552 | 26.27 | 20,592 | 28.33 | 10,431 | 31.08 | 65% | 51% |
| Nation | 163,656 | 25.84 | 96,515 | 27.83 | 47,084 | 30.74 | 59% | 49% |

Note: Applicants may take the MCAT multiple times. The data reported here include only the most recent score for all test-takers as is the common medical school practice.
Source: American Association of Medical Colleges

CERTIFICATION AND LICENSURE PREPARATION

- » The highest teacher licensure pass rates have been achieved by graduates of the University of Minnesota during the past three reporting years.
- » From Minnesota programs, practical nurse candidates have higher pass rates than candidates nationally, although candidates for registered nurse from associate degree and higher programs have been at or below the national pass rates four of the past five years.
- » CPA candidates from Minnesota undergraduate and graduate programs have had passing rates comparable to or above the national and peer state averages.

Teaching Licensure Exam

Praxis Series assessments are a set of Educational Testing Service exams used to establish teacher licensure in Minnesota. The exams cover three areas: basic content (general knowledge of reading, writing and mathematics), professional knowledge (knowledge related to teaching) and academic content (knowledge of the subject to be taught). These three areas are combined into summary pass rate scores. Candidates must achieve a score at or above the standard set by each state's licensing organization. States

vary in exam usage and standards, so no comparative data for the Praxis exam exists.

In 2008-09, 3,109 graduates of Minnesota teacher preparation programs took the Praxis: 1,854 were from public and 1,255 were from private institutions. This data reflects initial licenses only: licensed teachers receiving added endorsements or additional licenses are not included.

MINNESOTA SUMMARY PASS RATES ON THE TEACHER LICENSURE EXAM, 2006-09

| Program | Program Completers | Number Taking Tests | Number Passing Tests | Pass Rate (%) |
|--|--------------------|---------------------|----------------------|---------------|
| Private Not-for-Profit 4-Year Colleges | 2008-09 | 1,243 | 1,176 | 95% |
| State Universities | | 1,310 | 1,130 | 86% |
| University of Minnesota | | 544 | 522 | 96% |
| Private Not-for-Profit 4-Year Colleges | 2007-08 | 1,208 | 1,130 | 94% |
| State Universities | | 1,304 | 1,138 | 87% |
| University of Minnesota | | 598 | 563 | 94% |
| Private Not-for-Profit 4-Year Colleges | 2006-07 | 1,297 | 1,251 | 96% |
| State Universities | | 1,258 | 1,153 | 92% |
| University of Minnesota | | 611 | 594 | 97% |

Note: Number taking tests does not include test-takers from cohorts smaller than 10.

Source: U.S. Department of Education, Title II Report

Nursing Licensure Exam

The Minnesota Board of Nursing requires graduates to complete the National Council Licensure Examination at either the practical nurse or registered nurse level in order to obtain licensure in the state. The majority of associate degree nursing programs (both practical and registered nursing programs) are provided by Minnesota public two-year colleges. Many public and private institutions offer baccalaureate and master's degree programs in nursing.

Minnesota practical nurse candidates have had higher pass rates than candidates nationally over the past five years. Registered nurse candidates from Minnesota associate degree programs have been below the national pass rates during the same period, and candidates from Minnesota bachelor's degree and higher programs have been at or below the national pass rates four of the past five years.

Increasing numbers of registered nurse candidates have taken the exams, ranging from a 22 percent increase in test-takers from associate degree programs to a 26 percent increase for graduates of baccalaureate and higher programs in Minnesota between 2006 and 2010. For 2010, 21 percent of nursing graduates were from baccalaureate or higher programs, 40 percent from associate degree programs, and 30 percent were from practical nursing programs. A major concern regarding nursing education is the shortage of qualified nursing faculty with masters and doctoral degrees and the needed specialty mix.¹

FIRST-TIME LICENSURE EXAM RESULTS FOR MINNESOTA NURSING PROGRAM GRADUATES, 2006-10

| | | 2006 | | 2007 | | 2008 | | 2009 | | 2010 | |
|---|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|
| | | Number | Pass Rate | Number | Pass Rate | Number | Pass Rate | Number | Pass Rate | Number | Pass Rate |
| Practical Nurse Candidates | Minnesota | 1,676 | 88.6% | 1,687 | 89.4% | 1,612 | 89.1% | 1,705 | 88.6% | 1,631 | 91.7% |
| | Nation | 56,947 | 87.9% | 60,238 | 87.3% | 64,172 | 85.6% | 63,532 | 85.7% | 66,818 | 87.1% |
| RN Candidates-Associate Degree Programs | Minnesota | 1,618 | 87.0% | 1,814 | 80.9% | 1,981 | 82.4% | 1,980 | 82.2% | 1,898 | 83.9% |
| | Nation | 65,390 | 88.0% | 69,890 | 84.8% | 75,543 | 86.2% | 78,676 | 87.6% | 81,622 | 86.5% |
| RN Candidates-Baccalaureate and Higher Programs | Minnesota | 775 | 88.3% | 912 | 88.8% | 951 | 86.4% | 975 | 86.1% | 1,030 | 88.5% |
| | Nation | 41,349 | 88.3% | 45,781 | 86.4% | 49,741 | 87.6% | 52,254 | 89.5% | 55,414 | 88.7% |

Source: Minnesota Board of Nursing

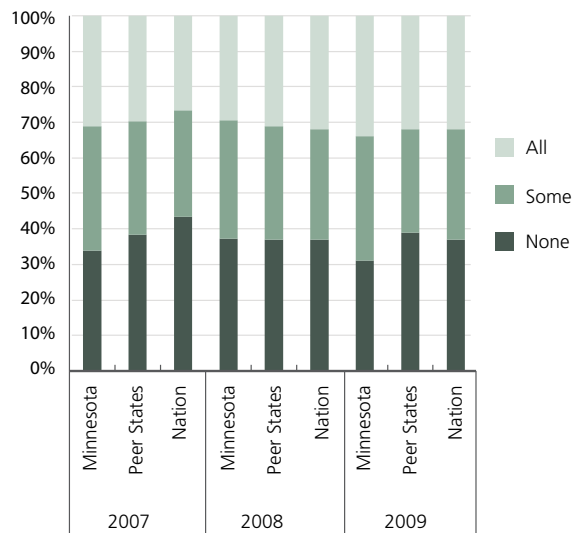
1. Minnesota Board of Nursing, 2010, Annual Nursing Education Program Report, www.state.mn.us/mn/externalDocs/Nursing/2003_Nursing_Programs_Report_040804095702_2010%20educanlrpt.pdf.

Uniform Certified Public Accounting Exam

The Uniform Certified Public Accounting exam is administered across the country by the National Association of State Boards of Accountancy to candidates with baccalaureate and advanced degrees. In 2009, 1,547 individuals from Minnesota took the exam.

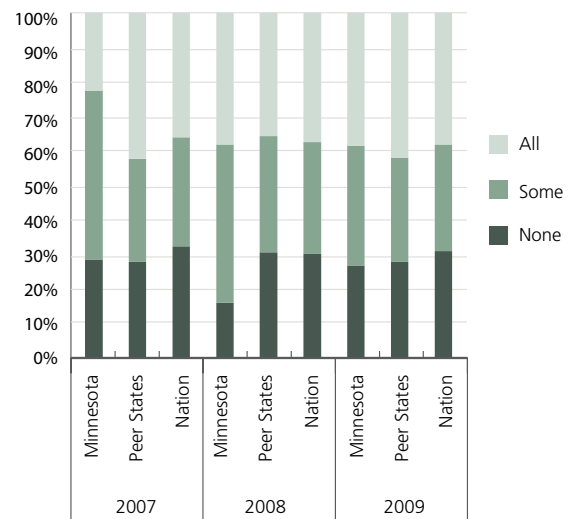
CPA candidates with and without advanced degrees from Minnesota postsecondary institutions continue to perform well compared to the nation and the peer states. Minnesota candidates with advanced degrees also performed well in 2008 and 2009. For 2007-09, Minnesota has been one of 16 states continuously on the "honor roll" of states with higher than average pass percentages for first-time candidates on all four exam sections. Four of the seven peer states share this distinction.²

**CPA EXAM PASS RATES
CANDIDATES WITHOUT ADVANCED DEGREES**



Source: National Association of State Boards of Accountancy

**CPA EXAM PASS RATES
CANDIDATES WITH ADVANCED DEGREES**



Source: National Association of State Boards of Accountancy

2. Illinois, Iowa, Michigan, and Wisconsin.

ACADEMIC RESEARCH AND DISCOVERY

- » Between 2008 and 2009, total academic research and development spending in the state grew by 8.4 percent.
- » The University of Minnesota ranked eighth among U.S. public institutions in research and development spending for 2009.

Academic research contributes to the competitive position of Minnesota in the global economy. While business produces a substantial amount of research to develop new products and processes, higher education institutions contribute in unique ways that should be separately measured.

The federal government, through agencies such as the National Science Foundation, the National Institutes of Health, and the U.S. Department of Defense, annually provides billions to fund research efforts on university campuses. In addition to providing valuable training opportunities, these research funds have two significant impacts on the state economy. First, the spending provides

jobs and income directly through the research process and indirectly as the money multiplies through the economy. Second, and more importantly, this research may lead to new products, techniques, and services that can create new industries and employment.

Academic Research Expenditures

In 2009, Minnesota ranked 25th in its share of national academic research and development expenditures. Minnesota's share of 1.2 percent was well below the three leading states of California, New York, and Texas, which are significantly larger in population than Minnesota and home to numerous research institutions.

ACADEMIC RESEARCH AND DEVELOPMENT EXPENDITURES, STATE SHARE OF NATIONAL EXPENDITURES, 2005-09

| Top Three States by Share: | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------------|---------|---------|---------|---------|---------|
| California | 13.7% | 13.6% | 13.6% | 13.5% | 13.9% |
| New York | 7.9% | 8.0% | 8.0% | 7.8% | 7.8% |
| Texas | 6.7% | 6.8% | 6.9% | 7.2% | 6.7% |
| Minnesota | | | | | |
| Expenditures (in millions) | \$558.3 | \$605.2 | \$636.9 | \$698.9 | \$757.7 |
| Share | 1.2% | 1.3% | 1.3% | 1.4% | 1.2% |
| Rank | 25 | 23 | 24 | 24 | 25 |

Note: This indicator has been changed from the measure used in recent years in this report. It now includes all research reported by the National Science Foundation for Universities and Colleges. In the past, research funded by states or institutions was excluded.

Source: National Science Foundation, Academic R&D Expenditures: FY2004-09, Table 19.

While it is unreasonable to expect Minnesota to reach the research activity levels of the larger states, the percent share of research and development spending over time provides a good indication of the state's position and direction. This share has changed very little in the past six years, but growth in academic research and development spending has been strong. Between 2008 and 2009, total academic research and development spending in the state grew by 8.4 percent, down from a 9.7 percent increase between 2007 and 2008

Minnesota's research and development spending data are dominated by the University of Minnesota since few other universities in Minnesota obtain significant funds for sponsored research. The University of Minnesota accounts for more than 98 percent of all federally sponsored research provided to universities in the state. National Science Foundation data for 2009 show that the University of Minnesota ranked eighth among public institutions and 10th among institutions overall in research and development expenditures. In 2009, the University of Minnesota reported \$741 million in research and development spending, an increase of 8.5% over 2008 and a 35% increase over 2005, the second highest percent increase within the top 20 institutions ranked by research and development expenditures.

**TOP INSTITUTIONS RANKED BY RESEARCH AND DEVELOPMENT SPENDING IN FY 2009
(MILLIONS OF CURRENT DOLLARS)**

| Rank | Institution | Type of Institution | 2008 | 2009 | Percent Change |
|------|--|---------------------|---------|---------|----------------|
| 1 | Johns Hopkins University* | Private | \$1,681 | \$1,856 | 10.4% |
| 2 | University of Michigan | Public | \$876 | \$1,007 | 15.0% |
| 3 | University of Wisconsin - Madison | Public | \$882 | \$952 | 7.9% |
| 4 | University of California - San Francisco | Public | \$885 | \$948 | 7.1% |
| 5 | University of California - Los Angeles | Public | \$871 | \$890 | 2.2% |
| 6 | University of California - San Diego | Public | \$842 | \$879 | 4.4% |
| 7 | Duke University | Private | \$767 | \$805 | 5.0% |
| 8 | University of Washington | Public | \$765 | \$778 | 1.7% |
| 9 | Penn State University | Public | \$701 | \$753 | 7.4% |
| 10 | University of Minnesota | Public | \$683 | \$741 | 8.5% |
| 11 | Massachusetts Institute of Technology | Private | \$660 | \$736 | 11.5% |
| 12 | University of Pennsylvania | Private | \$708 | \$727 | 2.7% |
| 13 | Ohio State University | Public | \$703 | \$716 | 1.8% |
| 14 | Stanford University | Private | \$688 | \$704 | 2.3% |
| 15 | University of California - Davis | Public | \$643 | \$682 | 6.1% |
| 16 | Cornell | Private | \$654 | \$671 | 2.6% |
| 17 | University of California - Berkeley | Public | \$592 | \$652 | 10.1% |
| 18 | University of Colorado | Public | \$536 | \$648 | 20.9% |
| 19 | University of North Carolina - Chapel Hill | Public | \$526 | \$646 | 22.8% |
| 20 | Texas A&M University | Public | \$582 | \$631 | 8.4% |

*The Johns Hopkins University includes the Applied Physics Laboratory, with \$778 million, \$845 million, and \$978 million in total R&D expenditures in FY 2007-09, respectively.
Source: National Science Foundation/Division of Science Resources Statistics, Survey of Research and Development Expenditures at Universities and Colleges: FY 2009.

University Research Rankings

The competition for sponsored research dollars is intense among institutions with similar scope and mission nationally and abroad. The Center for Measuring University Performance at Arizona State University reports on America's top research universities each year. Top research universities are defined as those with at least \$40 million in federal research expenditures and ranking within the top 25 on at least one of the following nine measures: total research dollars, federal research dollars, endowment assets, annual giving, national academy members, faculty awards, doctorates granted, postdoctoral appointees, and average SAT or ACT scores of entering freshmen.¹

The Center ranks 51 qualifying U.S. institutions by adding the number of times each institution ranks among the top 25 of institutions on a given measure. The top institutions earned one point in each of the nine categories listed above. The University of Minnesota earned six points in 2010, ranking it among the top 20 research universities in the country. The total points earned for the University has moved between six and seven over the past four years, reflecting a small change in one of the categories. While universities move up and down in the table, the top twenty institutions have remained very stable.

Related international Rankings

The Institute of Higher Education at China's Shanghai Jiao Tong University ranked the University of Minnesota 28th internationally in its *Academic Ranking of World Universities* for 2010 and 2011. This was unchanged from 2008.

London Times Higher Education Supplement ranked the University of Minnesota 52nd in 2010 and 42nd in 2011. This was an improvement from 87th in the prior *Minnesota Measures*.

TOP AMERICAN RESEARCH UNIVERSITIES, 2010

| Type | Institution | Number of Measures in the Top 25 Nationally |
|---------|--|---|
| Private | Columbia University | 9 |
| Private | Massachusetts Institute of Technology | 9 |
| Private | Stanford University | 9 |
| Private | University of Pennsylvania | 9 |
| Private | Harvard University | 8 |
| Private | Yale University | 7 |
| Private | Duke University | 7 |
| Public | University of California - Berkeley | 7 |
| Public | University of California - Los Angeles | 7 |
| Public | University of Michigan - Ann Arbor | 7 |
| Public | University of Washington - Seattle | 7 |
| Public | University of Wisconsin - Madison | 7 |
| Private | Johns Hopkins University | 7 |
| Public | University of Minnesota - Twin Cities | 6 |
| Public | University of Texas - Austin | 6 |

Source: The Top American Research Universities, 2010 Annual Report, The Center for Measuring University Performance, Arizona State University.

1. Arizona State University's online Center of American Research University Data provides a comprehensive set of data on more than 200 institutions at mup.asu.edu.

Appendix A: Definitions and Terms Used in the Report

Dependent Students

A student who is required to provide parental information for financial aid purposes as he or she does not meet the following criteria: is age 24 or older, is a graduate or professional student, is married, has legal dependents other than a spouse, is an orphan or ward of the court, is determined to be homeless, is a veteran of the U.S. armed forces, or is on active duty.

Federal Academic Competitiveness Grants (ACG)

Postsecondary grants provided by the U.S. Department of Education to first- and second-year undergraduates who are federal Pell Grant recipients and who have taken college preparatory courses in high school.

Federal National Science and Mathematics Access to Retain Talent (SMART) Grants

Postsecondary grants provided by the U.S. Department of Education to third and fourth-year undergraduates who are federal Pell Grant recipients majoring in science, math, technology, engineering, or a foreign language determined to be critical to national security.

Federal Parent Loans for Undergraduate Students (PLUS)

Federal PLUS Loans are educational loans to parents of dependent students. Borrowers do not have to show financial need to be eligible.

Federal Pell Grant Program

Postsecondary grants provided by the U.S. Department of Education to eligible students attending a postsecondary institution. The award is based on the financial circumstances of the student and his or her family.

Federal Perkins Loans

Federal Perkins Loans are long-term, low-interest educational loans available from institutions to students with financial need. Loan funds consist of federal appropriations, institution matching funds and repayments made by previous borrowers. Borrowers pay no interest while attending.

Federal Stafford and Direct Loans—Subsidized

Federal Stafford Subsidized and Direct Loans are a long-term, low-interest educational loan to students who demonstrate financial need. The federal government pays the interest while the student is attending.

Federal Stafford and Direct Loans—Unsubsidized

Federal Stafford Unsubsidized and Direct Loans are a long-term, low-interest educational loan to students without demonstrated financial need. Borrowers are charged interest while they are in school.

Federal Supplemental Educational Opportunity Grant (SEOG) Program

The federal government allocates funds to institutions to respond to special financial circumstances not recognized in the federal Pell Grant Program.

Independent Students

For financial aid purposes, the student meets one or more of the following criteria: is age 24 or older, is a graduate or professional student, is married, has legal dependents other than a spouse, is an orphan or ward of the court, is determined to be homeless, or is a veteran of the U.S. armed forces or is on active duty.

Institution Definitions

- **Four-year institutions:** For data from the Office of Higher Education's Student Enrollment Record Database, four-year institutions are all postsecondary institutions in Minnesota that offer bachelor's degrees as their primary undergraduate degree. For data from IPEDS, four-year institutions are all postsecondary institutions that offer a program of at least four years duration or one that offers programs at or above the baccalaureate level. Includes schools that offer postbaccalaureate certificates only or those that offer graduate programs only. Also includes free-standing medical, law or other first-professional schools.
- **Two-year institutions:** For data from the Office of Higher Education's Student Enrollment Record Database, two-year institutions are all postsecondary institutions in Minnesota that offer associate degrees as their primary undergraduate degree. For data from IPEDS, two-year institutions are postsecondary institutions that offer programs of at least two but less than four years duration. This includes occupational and vocational schools with programs of at least 1800 hours and academic institutions with programs of less than four years but not bachelor's degree-granting institutions where the baccalaureate program can be completed in three years.

Institutional Grants

All grants, scholarships, tuition discounts, fellowships and gift aid awarded by the institution.

Institutional Loans

Institution loans are educational loans from the institution to the student and his or her parents from institution controlled funds.

Minnesota Achieve Scholarship Program

Postsecondary scholarships provided by the state to eligible Minnesota high school graduates that received a Minnesota State Grant or federal Pell Grant and completed a rigorous high school program and attended a Minnesota postsecondary institution.

Minnesota Indian Scholarship Program

Postsecondary scholarships provided by the state to eligible Minnesota resident students who are of one-fourth or more Indian ancestry and demonstrate financial need for an award and attend a Minnesota postsecondary institution.

Minnesota GI Bill

Postsecondary grant assistance provided by the state to eligible Minnesota veterans and service members who served after September 11, 2001 and to the children and spouses of deceased or severely disabled eligible Minnesota veterans and service members who served after September 11, 2001.

Minnesota Postsecondary Child Care Grants

Postsecondary grant assistance provided by the state to undergraduate students who demonstrate financial need and use child care services (children age 12 and under) in order to attend postsecondary education.

Minnesota Public Safety Officers' Survivor Grants

Postsecondary grant assistance provided by the state to postsecondary students who are spouses or dependent children of public safety officers killed in the line of duty.

Minnesota State Colleges and Universities

This state-supported system comprises seven state universities and 30 community and technical colleges across Minnesota. Where appropriate:

- State Universities are included with public 4-year institutions
- Community and technical colleges are included with public 2-year institutions

Minnesota State Grant Program

Postsecondary grants provided by the state to eligible Minnesota resident students attending a Minnesota institution. The award is based on the financial circumstances of the student and his or her family and estimated educational costs.

Minnesota SELF Loan Program

The SELF Loan is a long-term, low-interest educational loan primarily for Minnesota students who need assistance paying for education beyond high school. Borrowers pay interest while they are in school.

Miscellaneous Federal Agency Grants

Federal agency grants include all federal grants, scholarships, fellowships and gift aid except Pell Grants, SEOGs, ACGs, SMART grants, and veterans' benefits. Examples of these grants include health professions grants, federal Nursing Scholarships, ROTC stipends, and Bureau of Indian Affairs grants.

Miscellaneous Federal Agency Loans

Miscellaneous Federal agency loans include loans made or guaranteed by an agency of the federal government other than the U.S. Department of Education. Examples include Health Professions Student Loans, Nursing Loans, and Veterans Administration Loans.

Other Grants

All grants and scholarships not identified above. Examples of these grants include state grants from a state other than Minnesota for postsecondary education at a Minnesota institution.

Other Loans

All loans reported to campus financial aid administrators but not identified above. Examples include an educational loan made by a state other than Minnesota.

Peer States

Peer states were selected due to their similarities to Minnesota in terms of geography, higher education structures, economies, and demographics. The peer states are Iowa, Illinois, Indiana, Michigan, Ohio, Pennsylvania, and Wisconsin.

Per Capita

A way of measuring outputs in relation to the population. For example, the number of degrees produced per 1,000 residents age 18 to 64, are reported to compare states with vastly different populations.

Private Colleges

These institutions are licensed or registered by the state, and their students are generally eligible to receive state and federal financial aid. Some colleges are church affiliated; others are independent. Classifications within the private colleges:

- **Not-for-Profit:** These schools have a tax-exempt status and are typically church affiliated. In Minnesota, they mainly include four-year liberal arts colleges. Examples are Augsburg College, Macalester College, and St. Olaf College.
- **For-Profit:** In Minnesota, these institutions mainly offer associate degrees or sub-baccalaureate certificates in specific career fields. Recently a handful have started offering career-related bachelor's and master's degrees. Examples are Brown College and Rasmussen College. Private for-profit institutions may be locally owned or publicly traded.

Private Grants

All grants, scholarships, fellowships and gift aid provided by organizations not associated with the federal or state government or organizations not associated with the institution. Examples of these grants include grants awarded by service clubs (such as Lions Clubs, Kiwanis, PTA, and churches), grants awarded by labor unions and fraternal organizations, and Blandin Foundation grants to students living in northeastern Minnesota.

Private Loans

Private loans are loans to students and their parents from private sources. Examples include Citibank Citiassist Student Loans, Marquette Students Choice Loans, Signature Loans (SallieMae, TCF), U.S. Bank Education Loans, U.S. Bank Gap Loans, and Wells Fargo Collegiate Loans.

Race/Ethnicity Descriptions

Assessing the situations of students by race and ethnicity is somewhat limited due to constraints of data collection systems. Existing data do not recognize the breadth of diversity that exists within communities of color. Most educational institutions use definitions adopted by the U.S. Department of Education which use the following terms: American Indian, Asian or Pacific Islander, Black, Hispanic, and White.

State Grants

Grants funded by states or localities. In Minnesota, these grants include Minnesota State Grants, Achieve Scholarships, Minnesota Indian Scholarships, Minnesota GI Bill awards, Postsecondary Child Care Grants, Public Safety Officers' Survivor Grants, and miscellaneous grants funded by state agencies other than the Minnesota Office of Higher Education.

Top Three States

For several of the indicators, Minnesota's performance is compared to the three best-performing states. In cases where trends over time were evaluated, the best states are identified for the most recent year.

Undergraduate

Unless otherwise specified, an undergraduate is any student enrolled at a postsecondary institution taking one or more courses where the credits earned in the course can be applied to an academic award at the baccalaureate level or below.

University of Minnesota

References to the University of Minnesota include the state's land grant campus in the Twin Cities and its comprehensive regional institutions in Crookston, Duluth, Morris, and Rochester. The University of Minnesota campuses are included with public four-year institutions.

Appendix B: Data Sources Used in the Report

Arizona State University, Center for Measuring University Performance

(mup.asu.edu/research.html) The Top American Research Universities Annual Report produced by the Center ranks postsecondary research institutions with at least \$40 million in federal research expenditures and qualifying academic criteria.

Exam data

The Office of Higher Education either contracted with the organizations listed below, or obtained data from the organization website, for data on various assessments and admissions exams completed by students:

- **ACT:** (www.act.org) Data on ACT test-takers and data on the Collegiate Assessment of Academic Progress.
- **Association of American Medical Colleges:** (www.aamc.org) Data on the Medical College Admissions Test.
- **Community College Survey of Student Engagement:** (www.ccsse.org) Data on community college student surveys.
- **Council for Aid to Education:** (www.cae.org/content/pro_collegiate.htm) Information on the Collegiate Learning Assessment.
- **Educational Testing Services:** (www.ets.org) Data on the Graduate Record Exam and the Measure of Academic Progress and Proficiency.
- **Law School Admissions Council:** (www.lsac.org) Data on the Law School Admissions Test.
- **Minnesota Board of Nursing:** (www.nursingboard.state.mn.us) Pass rates on NCLEX, the exam used for nursing certification nationwide.
- **Minnesota Department of Education:** (www.education.state.mn.us) Data on the Minnesota Comprehensive Assessment Series, an integral part of the state's No Child Left Behind compliance, and on teacher licensure.
- **National Association of State Boards of Accountancy:** (www.nasba.org) Pass rates on the Uniform Certified Public Accountant exam.
- **National Survey of Student Engagement:** (www.nsse.iub.edu) Data on the NSSE survey of students at four-year institutions.
- **U.S. Department of Education:** (title2.ed.gov/view.asp) Teacher licensure pass rates on the Praxis exam.

Minnesota Department of Education

(education.state.mn.us) The Department provides statistics for high school graduates, Postsecondary Enrollment Options, and other dual enrollment programs.

Minnesota Department of Employment and Economic Development

(www.positivelyminnesota.com) DEED provides the state's labor statistics for employment projections.

National Science Foundation

(www.nsf.gov) This is the branch of the federal government that collects information on research and development across the United States. It is recognized by higher education institutions and research agencies as the primary and official source of this data.

Office of Higher Education Student Enrollment Record Database

(<http://www.ohe.state.mn.us/mPg.cfm?pagelD=740>) The Office of Higher Education's student enrollment record database contains unit records for students enrolled during the fall term in Minnesota's public and private postsecondary education institutions. Institutions eligible to participate in a Minnesota-funded student financial aid program are required to report their student enrollment data.

Organisation for Economic Cooperation and Development

(www.oecd.org) The OECD is a collaboration of 30 democratic countries sharing information and best practices on domestic and international policies. Its publication, *Education at a Glance*, provides data on a variety of measures.

U.S. Census Bureau

(www.census.gov/acs/www/) This is the source for the American Community Survey data. The survey is conducted annually by the Census Bureau.

U.S. Department of Education

(www.ed.gov) The National Center of Education Statistics (NCES) manages the Integrated Postsecondary Education Data System (IPEDS) (nces.ed.gov/ipeds). IPEDS is a series of surveys collected from the nation's postsecondary institutions with data on enrollment, degrees conferred, student financial aid, and institutional characteristics. NCES also administers the National Postsecondary Student Aid Survey (NPSAS) (nces.ed.gov/surveys/npsas). The U.S. Department of Education also manages the Federal Student Aid Cohort Default Rate database (federalstudentaid.ed.gov/datacenter/cohort.html).

About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance, and trends.

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