

Budget for One Minnesota



Higher Education Governor's Revised Budget Recommendations

Commissioner Dennis Olson
Minnesota Office of Higher Education
March 26, 2019

Increase of \$164.684 million for the biennium for higher education

- +\$7.147 million increase over the original (2/19/2019) recommendation
- University of Minnesota: \$51.034 million increase, +3.9% over base
 - +\$11.854 million over the original recommendation
- Minnesota State: \$64.798 million increase, +4.5% over base
 - +13.194 million over the original recommendation
- Office of Higher Education: \$48.852 million increase, +9.5% over base

Affordability – Minnesota State Grants

Significant investment in the Minnesota State Grant program

- +\$43.076 million for the biennium
- Average State Grant +\$275 for all 80,793 current recipients
- +2,868 new grant recipients
- Pell Grants + State Grants cover 100% of tuition and fees for full-time students from families making up to \$45,000 a year enrolled at Minnesota State Colleges and up to \$40,000 a year at MinnState Universities
- Increased State Grants for 500 underserved students not receiving Pell Grants

Governor's budget will increase the chance of success in education and work for lower- and middle-income students

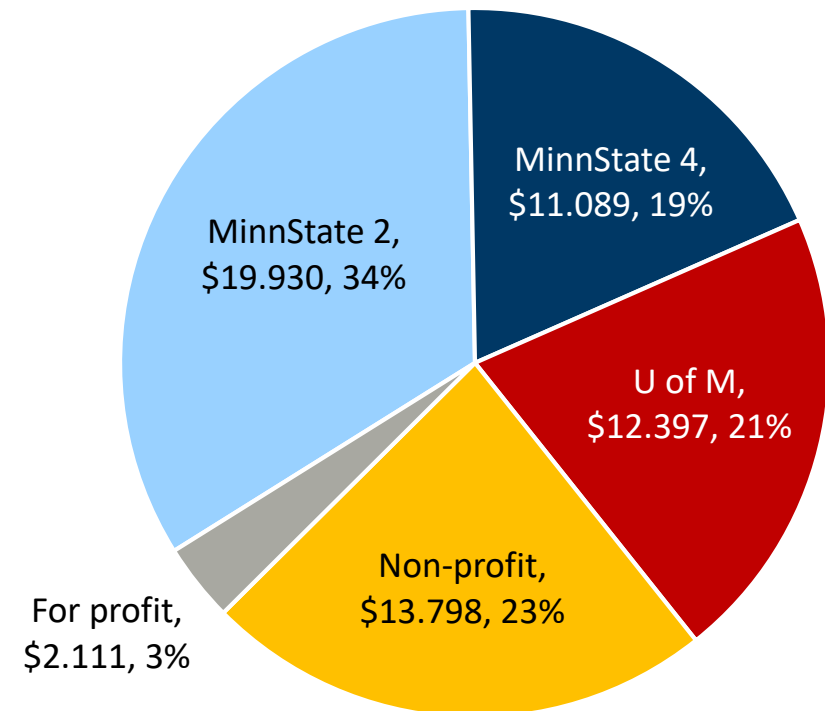
- 38% of State Grant recipients are students of color or indigenous students

Affordability – Minnesota State Grants

5 components of the State Grant recommendation

- Increase the Living and Miscellaneous Expenses Allowance
- Decrease the Assigned Family Responsibility
- Fill-in unawarded Pell Grants for underserved students
- Coverage of child care expenses as a supplement to the State Grant
- Communications campaign focused on affordability and available financial aid

Distribution of State Grant Increases by Sector FY2020-2021 in millions



Affordability – Minnesota State Grants

Increase the Living and Miscellaneous Expenses (LME) allowance

- Increases the LME to 108% of poverty to ensure that students have a minimum standard of living and additional resources to pay for necessary books and supplies without having to compromise food and housing
- Moves the LME from 101% of poverty (\$9,422 FY20; \$9,611 FY21) to 108% of poverty (\$10,117 FY20, \$10,319 FY21)

Affordability – Minnesota State Grants

Lowers the Assigned Family Responsibility by 5 percentage points

- Helps low-wage working adults and middle-income families receive additional assistance in paying for education while lowering the need to borrow
- Changes the AFR modifiers as follows:

	Current Modifiers	Proposed Modifiers
Dependent Students	0.84	0.79
Independent Students with Children	0.76	0.71
Independent Students without Children	0.40	0.35

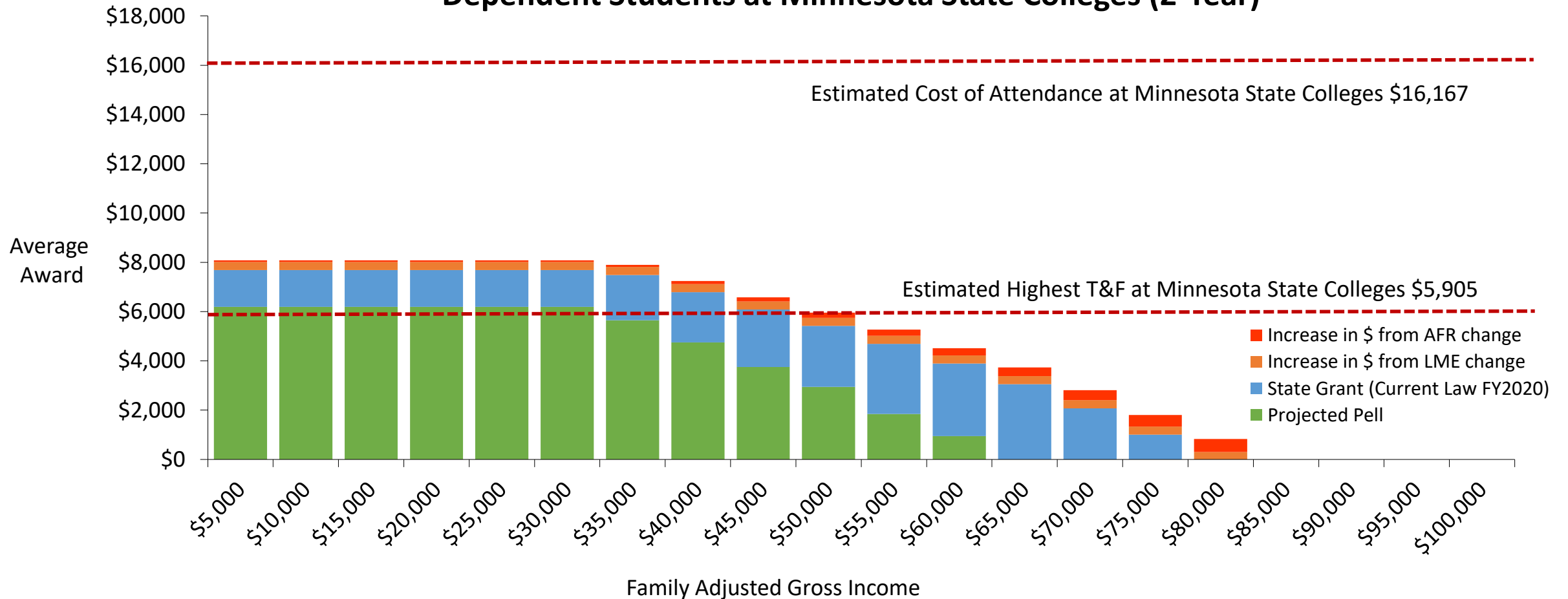
Affordability – Minnesota State Grants

No changes to the recommendations for the other components of the State Grant proposal

- Fill-in for unawarded federal Pell Grants; +\$3.6 million for the biennium
 - Adds 500 new recipients; Grant increases range from \$100 - \$6,195
 - This proposal will amend the State Grant award calculation to discontinue subtraction of the unawarded federal Pell Grant for specified groups.
- Inform students, working adults, and families about expected college costs and eligibility for various grants via a statewide communications campaign; +\$750,000 increase for the biennium
- Begins the process for administering a pilot program for including child care expenses as a component of the State Grant

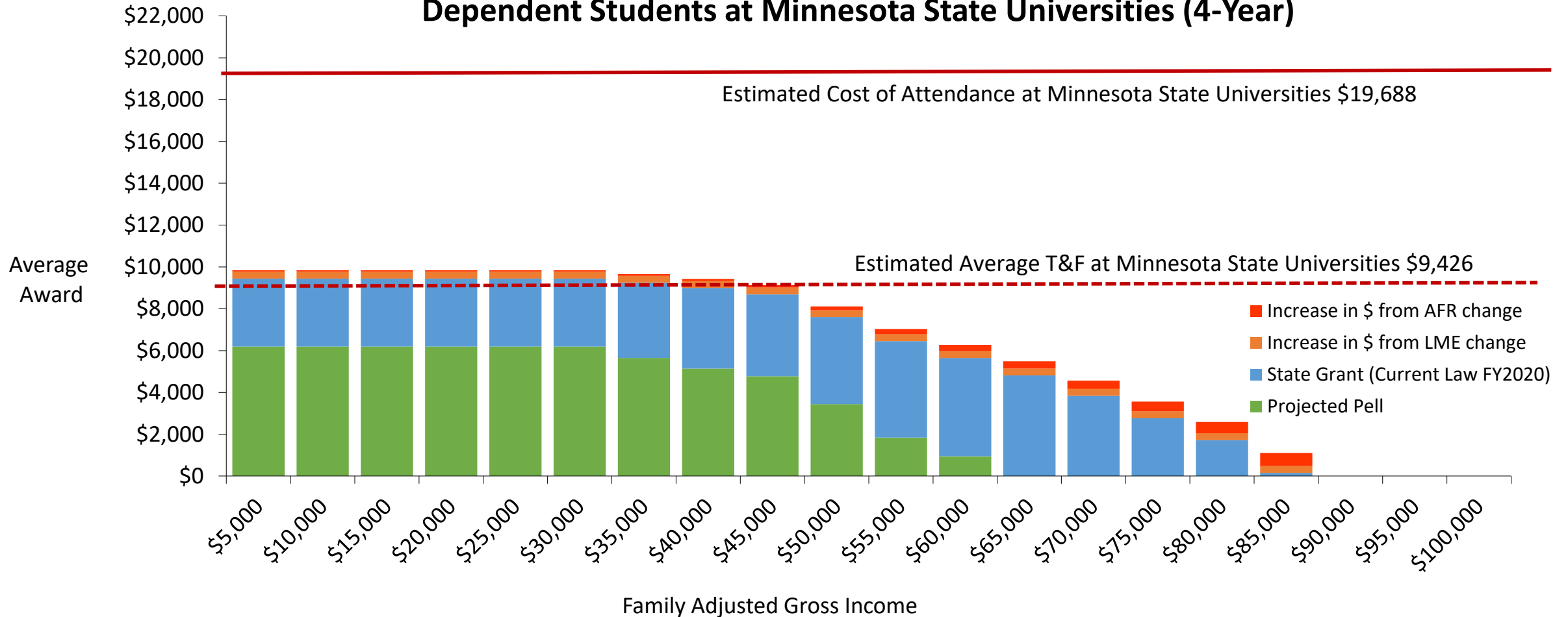
Affordability – Minnesota State Grants

Estimated Full-Time Federal Pell and Minnesota State Grants Fiscal Year 2020
Dependent Students at Minnesota State Colleges (2-Year)



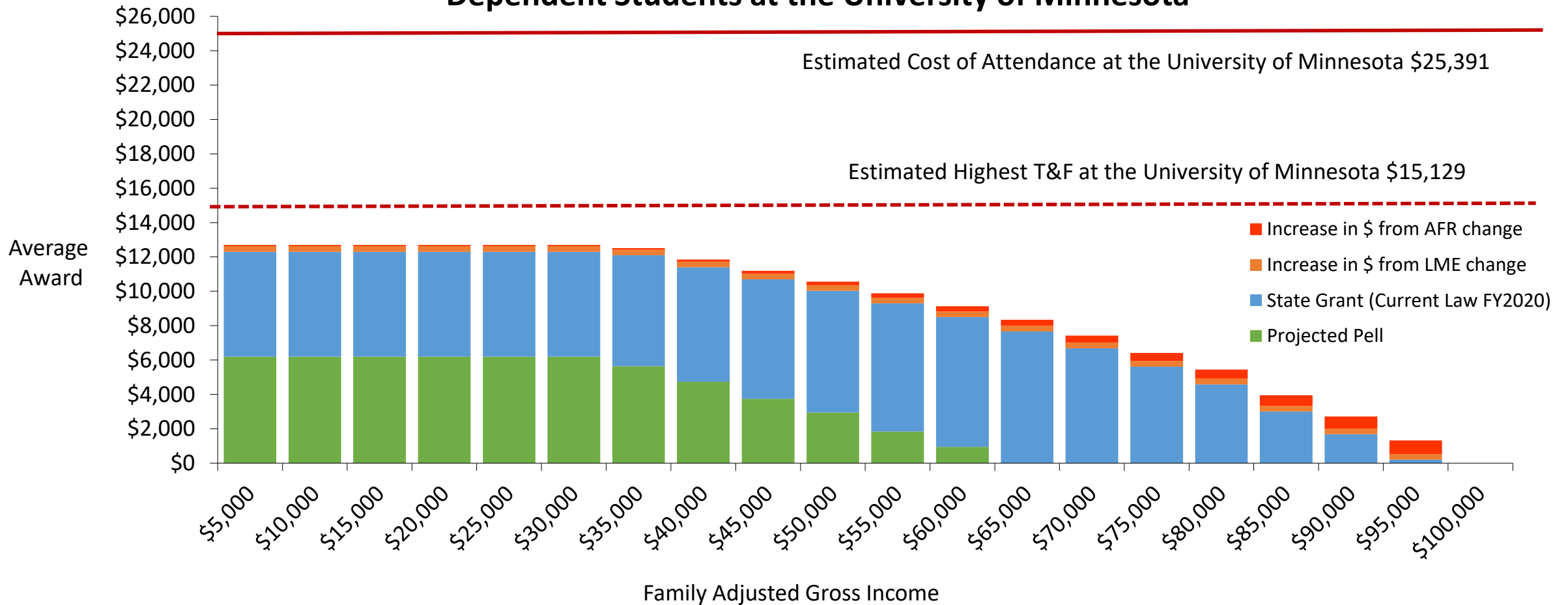
Affordability – Minnesota State Grants

Estimated Full-Time Federal Pell and Minnesota State Grants Fiscal Year 2020
Dependent Students at Minnesota State Universities (4-Year)



Affordability – Minnesota State Grants

Estimated Full-Time Federal Pell and Minnesota State Grants Fiscal Year 2020
Dependent Students at the University of Minnesota



Impact of the State Grant Proposal

- Reinvests available spending within the program to maintain this year Living and Miscellaneous Expense Allowance ensuring lower-income students don't see state grant awards decline next year
 - Available spending is the result of continued enrollment declines and increases to family income
 - Undergraduate enrollment is at its lowest level since 2003
- Builds on prior work of the legislature by further reducing AFR, incrementally increasing state grant awards to middle income families faster than tuition increases to improve affordability
- Ensures state grant changes offset possible tuition increases at Minnesota State to ensure no recipient sees a net increase in college costs

Access and Completion – MN Reconnect

MN Reconnect

- 10% of Minnesotans (138,000 individuals) age 25-44 have enrolled in college, but dropped out without completing a certificate or degree
- Helps adult learners re-enroll and complete their postsecondary education
- Dedicated advising, financial assistance, and improved campus services
- +\$4 million in new funds for the biennium, will serve 500 students
- Focused on Minnesota State 2-Year Colleges
 - Program started in 2019 at 4 campuses with funds from the Lumina Foundation
 - Program targets colleges who demonstrate a commitment to adult learners

Access and Completion – MN Reconnect

2019 Participating Colleges

- Riverland Community College
- South Central College
- Inver Hills Community College
- Lake Superior College
- 174 current participants



ABOUT ▾ PARTICIPATING INSTITUTIONS ▾ CONTACT A NAVIGATOR | 🔍



These schools are doing something incredible for their adult learners. You will find that they provide the support and services you need to succeed.

YOU ARE A PRIORITY. WE WANT YOU BACK.

Intervention for College Attendance Program (ICAP)

- Grants to programs that foster academic success and ensure underrepresented students are prepared for college and career
- +\$336,000 for the biennium, a 25% increase
- First increase in funding since 2008
- Reach more students and target specific high-need student populations
- Deepen services to current grant recipients (Nonprofits, Postsecondary institutions, School Districts, Professional associations)

College Readiness – Summer Academic Enrichment

Summer Academic Enrichment Program

- Summer vacation takes a toll on students' knowledge and skills
- Students from low-income families are especially vulnerable to summer melt and find it difficult to catch up
- +\$250,000 increase for the biennium
- Scholarships average \$878

Up to 250 additional elementary and secondary students will receive scholarships to attend an approved summer academic program

Maintaining Critical Infrastructure – Longitudinal Data

Expand the Statewide Longitudinal Education Data System (SLEDS) and provide sustained state funding for the Early Childhood Longitudinal Data System (ECLDS)

- +\$2 million for the biennium
- These systems are central to measuring outcomes of Minnesota students and the performance of state-funded programs
- SLEDS and ELCDS data enables policymakers, educators and parents to make informed decisions and identify barriers to education and employment
 - Replaces expiring federal funds for ECLDS; without replacement funds ECLDS will cease operations

Supports education, research and outreach at all 5 campuses

- \$51.034 million increase for core services for the biennium, 3.9% increase in the base
- Capital investments
 - \$28 million in bonding funds for the Child Development building replacement on the Twin Cities campus
 - \$4.3 million for the renovation of A.B. Anderson Hall on the Duluth campus
- \$117.7 million for Higher Education Asset Preservation and Replacement (HEAPR)

Supports high-quality affordable education at 7 state universities and 30 community and technical colleges

- \$64.798 million increase for the biennium, 4.5% increase in the base
 - \$56.798 million for the biennium for campus support
 - \$8 million down payment for ISRS Next Generation
 - Supports finance, accounting, and human resource software
 - Supports students systems for applications, registration, course scheduling, housing, financial aid, transcripts, and more
- Supports 100% of Minnesota State Higher Education Asset Preservation and Replacement (HEAPR) request (\$150 million)

Budget for One Minnesota



Questions?

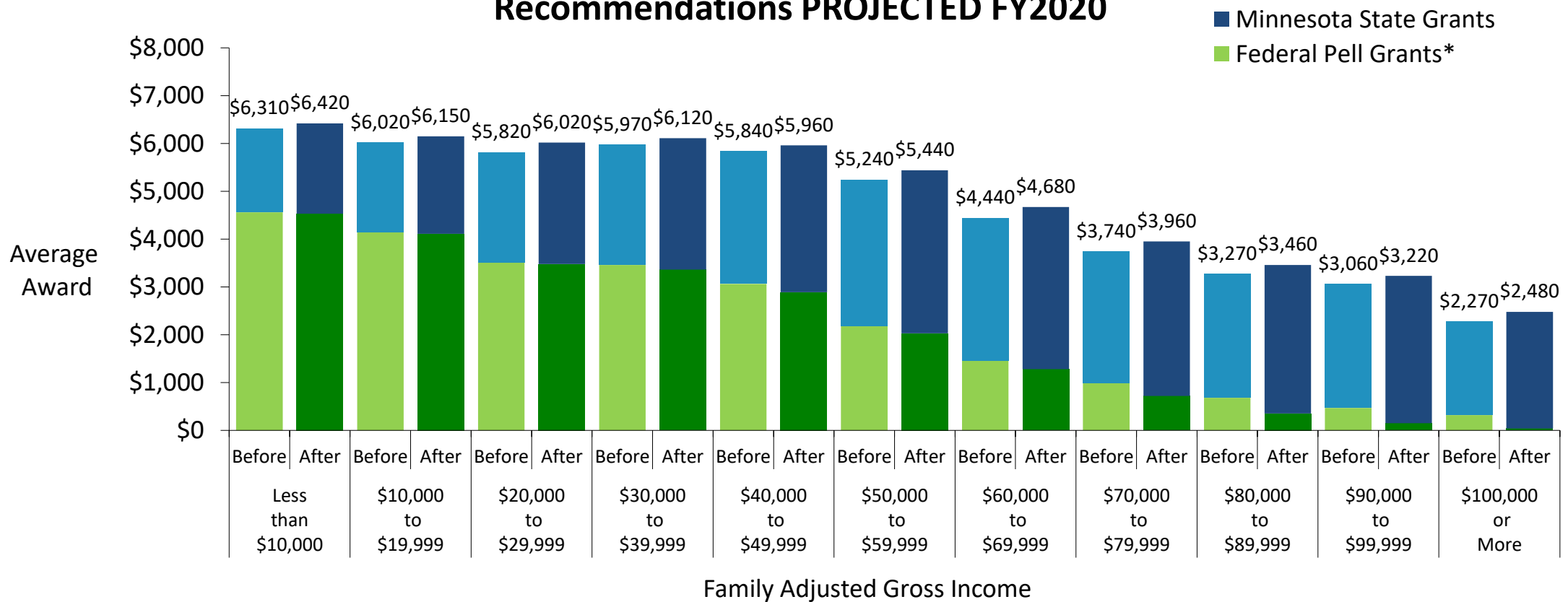
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Extra Slides

Affordability – Minnesota State Grants

Average Combined Federal Pell and Minnesota State Grant Award Received by State Grant Recipients, Before and After Governor’s Revised Budget Recommendations PROJECTED FY2020



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

Affordability – Minnesota State Grants

Sector/Type of Institution Attended	Before revised budget changes – FY2020			After revised budget changes – FY2020		
	Number of Recipients	Combined Federal Pell and Minnesota State Grants (millions)	Minnesota State Grants (millions)	Number of Recipients	Combined Federal Pell and Minnesota State Grants (millions)	Minnesota State Grants (millions)
MinnState Two-Year Colleges	34,642 44%	\$133.63	\$30.45 16%	36,489 +1,847 44%	\$150.19	\$40.09 +\$9.64 19%
MinnState Four-Year Universities	14,789 19%	\$76.05	\$31.12 17%	14,959 +170 18%	\$81.73	\$36.77 +\$5.65 17%
University of Minnesota	12,414 16%	\$90.25	\$57.49 31%	12,614 +200 15%	\$96.42	\$63.67 +\$6.18 29%
Minnesota Private Non-Profit Institutions	14,180 18%	\$103.47	\$63.65 34%	14,482 +302 18%	\$110.49	\$70.51 +\$6.86 33%
Minnesota Private For-Profit Institutions	3,313 4%	\$14.72	\$4.13 2%	3,662 +349 4%	\$17.00	\$5.13 +\$1.00 2%
Total	79,337 100%	\$418.12	\$186.84 100%	82,207 +2,870 100%	\$455.84	\$216.16 +\$29.32 100%

Affordability – Minnesota State Grants

Inform students, working adults, and families about expected college costs and eligibility for various grants via a statewide communications campaign

- +\$750,000 increase for the biennium
- Website, email, social media, print materials
- Training for staff at schools, businesses, and community organizations on how to provide prospective students with resources regarding paying for college and applying for financial aid

Affordability – Minnesota State Grants

Begins the process for administering a pilot program for including child care expenses as a component of the State Grant

- The current program is underutilized because of the complex award formula and administrative burden for verifying child care providers and expenses
- The proposal is to add child care expenses to the Living and Miscellaneous Expense (LME) allowance within the existing State Grant formula
 - OHE plans to convene a working group to develop the program
 - Funding for a pilot program would come from existing Child Care Grant funds

Providing more accessible child care grant options eases the burden of paying for child care while taking classes, allowing students to increase their course load and hasten completion of a postsecondary credential

Access and Completion – Dual Training Grants

Dual Training Grant Program

- Helps employers develop their workforce while employees earn a paycheck and learn new skills in key industries (Advanced manufacturing, Agriculture, Health Care services, Information technology)
- +\$2 million for the biennium
- Covers education and training related travel and housing for students
 - 272 added workers are expected to benefit
- Expands the pool of money available to employers in advanced manufacturing

Access and Completion – Dual Training Grants

Maximum award

- \$150,000 per grantee (employer) per year / \$6,000 per student/employee per year

Awards

- **112** awards to employers in operation (**67%** of awards in rural locations)
- **67** grantees (among **41** legislative districts)
- **913** students/employees
- **42** related instruction training providers
- **75%** of students/employees were incumbent workers who had been employed at least one year when they began participation in the Dual Training Grant

Outcomes

- **93%** of students/employees are still employed with grantee

College Readiness – ICAP

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of Grants Awarded	20	19	18	18	22	20	24	24	20
Number of Students Served	2,464	3,264	2,847	3,277	4,363	3,606	4,439	3,833	n/a
ICAP Participants' High School Graduation Rate	81%	85%	92%	90%	91%	93%	92%	89%	n/a
Percentage of ICAP Participants who Apply to College	83%	77%	85%	89%	95%	92%	88%	90%	n/a

College Readiness – Summer Academic Enrichment

Fiscal Year 2018

- 801 students served
 - 100% of participants were eligible for Free or Reduced Price Lunch
 - 69% of participants were students of color
- 35 programs at 14 sites
 - 24 science programs
 - 4 communications/ language arts programs,
 - 2 fine arts,
 - 2 performing arts, and
 - 1 program in each of the following areas: social science, social studies and world language arts and culture.