



THE MINNESOTA STATE GRANT

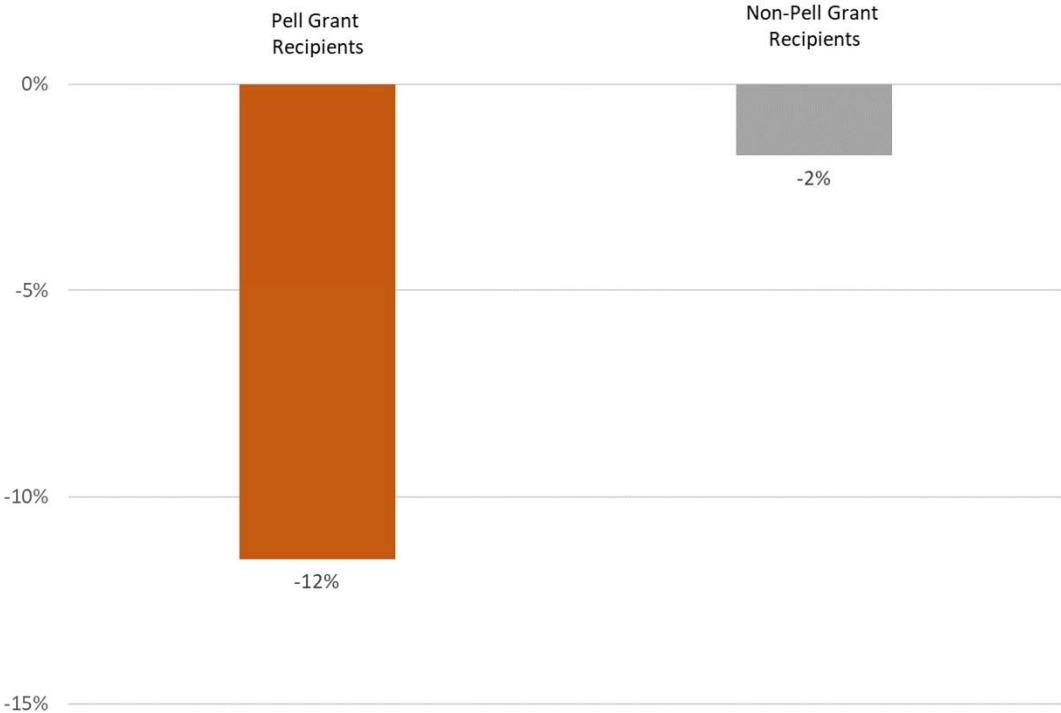
INVESTING IN CRITICAL NEED-BASED AID

Higher Education Committee Testimony
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Pandemic Impact on MN College Enrollment

Change in Minnesota undergraduate student enrollment by Pell Status, 2019-20 to 2020-21



Source: IPEDS 2020-21 unduplicated headcount data and Federal Student Aid Pell Grant recipient data. Includes all public and nonprofit Minnesota institutions.

Who Benefits from the State Grant?

- 44% of Minnesota undergraduates receive a State Grant
- 59% of students of color & Native American students receive a State Grant
- 67% of State Grant recipients have family incomes lower than \$50,000

Key Research Findings: Improving Post-Secondary Outcomes

Need-based grant aid:

- Increases post-secondary enrollment, retention, and persistence.
- Lowers student reliance on loans and working too much:
 - Excessive student work hours have a negative effect on educational attainment and GPA.
 - Financial stress and loan debt increases likelihood of stopping out of college and has a negative affect on persistence of students from low- income backgrounds.
- Positively impacts degree completion rates and lowers costs.

State Grant Request: Invest in Students

Increase State Grants by Lowering the Student Share

- The State Grant program expects students to pay too much – 50% of the cost of attendance.
- Lowering the student share will make college more affordable for lower-income and middle-income students and families:
 - The average grant – which includes both full-time and part-time students – **will increase by \$635.**
 - For full-time students with the lowest incomes, grants will **increase from \$670 to \$1,170.**

Economic Impact for Students and the State

- 70% of jobs that pay a family-sustaining wage in Minnesota require a post-secondary degree or certificate.
- According to an MMB study, the State Grant program provides a \$4.10 return on every dollar invested.
- Investing in the State Grant will have a positive impact on students, colleges, our communities, and our economy.