

Agency Mission

The strength of Minnesota’s economy hinges now more than ever on the knowledge, creativity and innovation of the state’s citizens. The Minnesota Office of Higher Education exists to help Minnesotans achieve financial access to postsecondary education; to protect and inform higher education consumers; to produce independent statewide data and analysis on postsecondary education; and to provide helpful and objective information to students and parents on preparing and paying for college. The agency’s mission is to “advance the promise of higher education to all Minnesotans”.

At a Glance

Minnesota State Grant Program

- Need-based grant for students
- Serves 84,000 students annually
- \$124 million awarded for 2010-11 school year

Student Loan Program

- Provides \$125 million in loans to 25,000 annually

Other Financial Aid Programs – Annual Spending

- State Work Study serves 10,000 with \$12.2 million
- Indian Scholarship serves 600 with \$2 million
- Minnesota GI Bill serves 600 with \$1 million
- Postsecondary Child Care serves 3,000 with \$6.2 million.

Minnesota (529) College Savings Plan

- 53,000 accounts
- \$736 million in assets as of March 31, 2010
- 2,100 account beneficiaries received matching grants

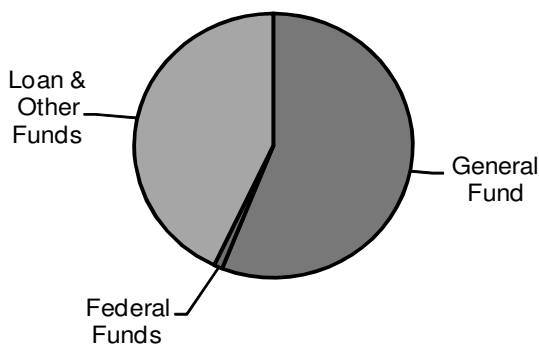
Private Institutions Regulation

- More than 160 private institutions regulated
- 66,500 students attending non-profit institutions
- 110,000 students attending for-profit institutions

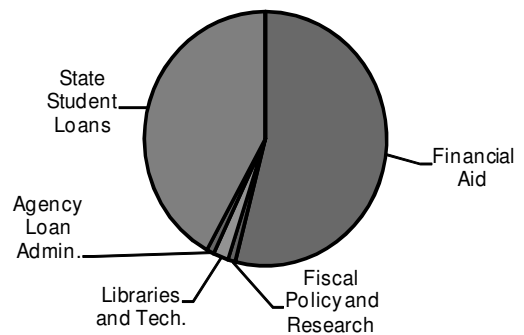
Other

- 25,000 students benefit from tuition reciprocity
- 6,000 students in low-income elementary, middle and high schools participate in Get Ready program

Est. FY 2010-11 Expenditures by Fund



Est. FY 2010-11 Expenditures by Program



Source: Minnesota Biennial Budget System.

Strategies

The agency carries out its mission in close partnerships with public and private colleges, universities and career schools across the state, providing financial aid, and assuring quality opportunities and information for students and families. Most of the statutory authority for the Minnesota Office of Higher Education resides in Chapter 136A. Federal law also provides funding and authority for specific programs.

Created as a state cabinet agency in 2003, the Office of Higher Education was previously an independent service office. Today, the agency is the only statewide agency looking out solely for the interests of postsecondary students and their families, not promoting any particular opportunity or program. The agency promotes the importance of pursuing some education beyond high school for everyone. Core functions are:

Facilitating affordable higher education: Making higher education accessible to more Minnesotans by providing and promoting financial aid. Each year, the agency awards approximately \$308 million in grants, loans and scholarships.

Providing student/consumer protections: Regulates private institutions and conducts financial aid audits on more than 160 private institutions.

Performing data collection and policy analysis: Provides lawmakers, educators and other policy leaders with clear and objective information about higher education enrollment, finance, accountability and trends.

Making college choices accessible: Through the state's college savings plan, tuition reciprocity and support of programs to promote college readiness and success in K-12, the agency provides tools and information to make choices about education beyond high school.

State financial aid programs are aligned and integrated where possible with federal programs to create a seamless application and awards process for students. The agency works to maintain low administrative costs and overhead by partnering with colleges and universities to operate programs and by contracting to manage the Minnesota College Savings Plan.

Operations

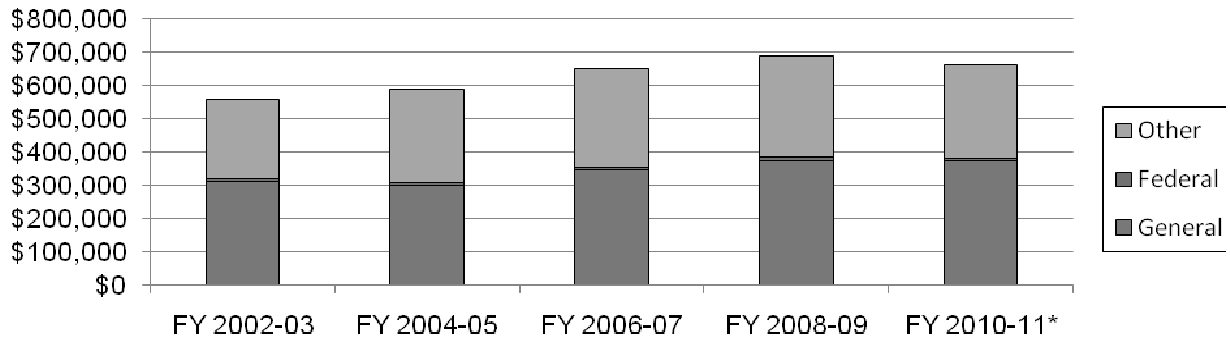
The Office of Higher Education is a cabinet-level agency providing an array of financial aid, student loans and other programs to help make college affordable for many traditional students and adult students. Programs and services include:

- The Minnesota State Grant program
- SELF Loan program
- Minnesota Postsecondary Child Care Grant program
- State Work Study
- Minnesota Indian Scholarship program
- Achieve Scholarship program
- Safety Officer's Survivor Grant program
- Tuition reciprocity program
- Minnesota College Savings Plan (529)
- Regulation of private postsecondary institutions and programs (consumer protection)
- Information for students and parents on preparing and paying for postsecondary education
- College access information and support for groups traditionally underrepresented in higher education

The agency is advised by the Higher Education Advisory Council, which is comprised of the chancellor of the Minnesota State Colleges and Universities System, the president of the University of Minnesota, the commissioner of the Minnesota Department of Education, the president of the Minnesota Career College Association and the chief executive of the Minnesota Private College Council. In addition, the Office of Higher Education is advised by a committee of students representing organizations named in statute. Though not in law, the Office of Higher Education also convenes a regular meeting of financial aid professionals representing colleges from across the state to discuss operational issues.

Budget Trends

Total Expenditures by Fund



**FY2010-11 is estimated, not actual.*

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 7/20/2010

Many external factors affect the Office of Higher Education’s programs and work. Most notably, the demand on the agency’s largest state-funded program, the Minnesota state grant program, can change from year to year based on tuition costs set by colleges, enrollment and student choices about where to attend. It was projected that the economic downturn would cause an enrollment surge in FY 2010; however, the magnitude of actual enrollment growth exceeded the projection, which was based on statistical modeling.

Other factors affecting the higher education sector include changing student demographics, behavioral and enrollment decisions by students, the economy and job market. A public emphasis on college readiness and completion and an interest in creating the capability to track student data from pre-kindergarten through postsecondary enrollment has been a new area of involvement for the Office of Higher Education.

Because the state’s financial aid programs are designed to work in an integrated fashion with federal programs, changes in programs, funding and policy at the federal level have an impact on state programs.

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