

Citizens League Presentation  
4/30/04

- I. Thank you for including the non-profit private colleges in this preview. We hope you will continue to think of us as an integral sector of the state's higher education enterprise in the remainder of your work.

Your invitation asked us to be brief and we will do so, but we look forward to more in-depth discussion and more give and take.

- II. The MPCC represents 17 private liberal arts institutions which:

- Among the oldest institutions in the State.
- Enroll 57,000 students – about the same as the U-M.
- Grant 35% of undergraduate degrees and 40% of graduate degrees in the state, including approximately 50% of the math, science degrees, and nursing and 28% of the degrees to students of color.
- Employ 26,000 and contribute about \$900 million to the state economy annually.
- Our members do not receive – nor expect direct state support for this service. The State does support about 25% of our students with need based aid which represents about 3% of direct state expenditures for higher education.

- III. Minnesota is disconnected from its future.

- We have not had a healthy and honest assessment of higher education policy or performance since the early 1980's.
- We need an agreed upon or even competing visions to which the higher education enterprise can plan and evaluate its performance – we hope you will help create one or more.
- Our leadership exploits the public fear of change which frustrates rational proposals for reform and change.
- To be well grounded for the future we should measure our performance against our real competition ( not neighboring states, but other nations and regional economies ).
- We are not making strategic investments to enhance our future stability or competitiveness.

There are three present challenges which must be addressed to move forward toward a more confident future:

- Demographic Changes
  - Age distribution
  - Growing gaps
  - Decline in high school and higher education graduates ( 10.3% HSG, 18.7% WHSG, 11.6% CG)
- Inadequate Performance
  - Retention and graduation rates especially problematic among groups of growth

- Competition
- Chronic shortage of educated labor
  - Barely able to produce replacements in short run – longer range gap of up one million
  - No room for new jobs
  - A high tech very complex economy and a human capital supply chain with no incentives or connections to demand

#### IV. Cautions

- A. Without a blueprint for the future, time spent on governance, structure or status is an equation for failure.
- B. Institutions are instruments for achieving public purposes. Boards of Trustees, Regents and Directors have a duty to the public to be stewards of public and institutional resources. They should be held accountable.
- C. With the exception of the modest state funds dedicated to research at the U-M, all other state expenditures are financial aid subsidies to individuals. The toughest policy questions for the future are how to appropriately target those subsidies to achieve state goals and meet real needs.
- D. Higher education is a declining public priority – unless that changes against strong competition – the challenges of allocating fewer resources in an environment of increasing needs will be difficult.
- E. In 1992 Humphrey Doermann and his colleagues urged us to pay more attention to those not attending or succeeding in college. We have not acted on their prescient warnings. In light of current and future demographics of this region we need to get to it.
- F. For those who consistently urge the benefits of technology for the delivery of higher education, we must remember three realities:
  - 1. Technology in higher education has increased costs.
  - 2. Research consistently shows that students' most effective learning occurs in face to face interaction with each other.
  - 3. Workforce demands are increasingly targeted for people who can work effectively in teams.

#### V. Closing

Minnesota's private colleges represent a special contributing asset for this state. We expect to do our part in contributing to a successful future.

Thank you.