

# Minnesota's Higher Education Funding Systems

## Study Proposal 08.15

### **1. Describe your project idea, including clearly defining the problems and specific policy questions to be addressed.**

As the cost of public and private higher education has skyrocketed in recent years, Minnesota's systems of financial aid have been strained. Increases in available aid have not kept up with increases in tuition and families are finding it more and more difficult to pay for their students' education.

The Citizens League should undertake a soup-to-nuts review of how higher education is paid for in Minnesota:

- What do students and families pay out-of-pocket? How much should we be asking them to pay? Should we have differential rates for in-state and out-of-state students?
- What public dollars do Minnesota's public institutions of higher education receive? Where do those dollars come from? How are they distributed among our public campuses? Can the systems for deciding how these funds are distributed be changed?
- What public dollars do Minnesota's private colleges and universities receive? Where do those dollars come from? What effects do public dollars have on tuition rates at private institutions of higher education?

### **2. Why is this problem important?**

In order to remain competitive in the global economy, and as the Baby Boom generation retires, Minnesota needs more students to complete some form of higher education. Addressing the challenges to our financial aid systems would go a long way to increasing access to higher education for all Minnesota students.

### **3. How could the Citizens League make a unique contribution?**

While many other organizations (and the state government) have been interested in financial aid reform in recent years, no organization has tackled a comprehensive approach, looking at fundamental questions of how higher education should be paid for in an economy that demands that many more students attend.

Over the past five years, since the our *Trouble on the Horizon* report, the Citizens League has developed considerable expertise among its members and staff on higher education issues.

### **4. What are prospects that project would yield recommendations that could be implemented and have a major impact on the problem?**

Making significant changes around funding higher education will be very difficult. A study committee or other project from the Citizens League would initiate new debate, spark news ideas and begin what would be a long public conversation toward change.

### **5. Explain how this problem can be addressed by data, research, and reason? Identify probable sources for data and research.**

Data about education – graduation rates, costs, etc. – are readily available from the state and federal governments and a multitude of think tanks and nonprofit organizations.

### **6. Explain how this proposal can be framed without partisan bias.**

By starting from scratch, taking a comprehensive look at how higher education is paid for, we can avoid the partisan debates that sometimes ignite around financing for higher education.

**7. Why would this project be attractive to members?**

The cost of higher education is a personal issue for many Minnesotans (and CL members). Also, all of our recent work on education issues (2004 Trouble on the Horizon, 2005 High School to Higher Education, 2007 Education Policy Working Group, 2006-2008 Immigration and Higher Education) have had large numbers of applicants to serve on the committees.

**8. How would this project reach out to under-represented segments of the community?**

While the cost of higher education is daunting for most Minnesotans, it is especially challenging for low-income people. To do a good job of this project we would need to actively recruit low-income participants.

**9. What is the potential for making this issue visible to a broader public? Why?**

High. Tuition and the cost of higher education is constantly in the news – in particular, every year when tuition increases at the University of Minnesota and MnSCU campuses are announced.

**10. What resources—funding, experts, etc. might be available to support this project?**

Citizens League staff has been approached by major funders with an interest in this topic.