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2014-15 Revised Budget - Office of Higher Education

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Higher Education, Office of

http://www.ohe.state.mn.us/

Agency Profile

Mission:

To advance the promise of higher education to all Minnesotans and provide the critical information that guides higher education decisions.

Statewide Outcome(s):

Higher Education, Office of supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

A thriving economy that encourages business growth and employment opportunities.

Context:

The Office of Higher Education (OHE) administers student financial aid programs for lower-income people ($309.2 million during the 2011-12 biennium). Our policy and research activities support student and state interests in high quality, well-managed and financially accessible higher education opportunities by collecting data and reporting on higher education, state student financial aid programs and student financing issues. Consumer protection is provided through regulation and financial auditing of private institutions. OHE administers the state college savings plan, tuition reciprocity, and a $3.1 million federal grant to promote college readiness.

Key issues and priorities: Through our advocacy and actions, we work to:

- Achieve student financial access to postsecondary education, especially for Minnesotans with low and moderate incomes
- Enable students to choose the postsecondary institutions that best meet their educational needs
- Protect and inform postsecondary education consumers
- Produce independent research, analysis and statewide information on postsecondary education
- Facilitate outreach and interaction among and collaborate with organizations that share responsibility for education at all levels in Minnesota

Primary customers and clientele: All Minnesotans are served, including students at all educational levels. The agency provides outreach to students and families from low and moderate incomes and from populations historically underrepresented in postsecondary education. The agency carries out its mission in close partnerships with legislators and other policy makers, postsecondary institutions, foundations, the federal government and other stakeholders across the state. Most of the statutory authority for the Minnesota Office of Higher Education resides in Chapter 136A.

General Fund and Other Funds: Sixty-three percent of the agency's operations are funded by the general fund, two percent by federal funds, 35 percent from loan capital funds and 0.2 percent from special revenue funds. Of the total funding sources for OHE mentioned above, 94 percent passes through to students in the form of financial aid or grants to postsecondary institutions and six percent of funding is spent on administrative costs. If considering general funds only: 98.6 percent goes to financial aid, 1.4 percent covers administrative costs.

Strategies:

Facilitate affordable higher education: Make higher education accessible to more Minnesotans by providing and promoting financial aid. Each year, the agency awards approximately $220 million in grants, loans and scholarships to approximately 90,000 students.

Provide student/consumer protections: Regulate private institutions and conduct financial aid audits on more than 160 private institutions.

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

Make 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 Minnesotans tools and information to make choices about education beyond high school.

Measuring Success:

OHE measures its success in the following ways:

- OHE assesses the price students and families pay for postsecondary education, including the price of attendance after subtracting all grants and scholarships.
- OHE evaluates how students and families pay for postsecondary education using savings, income and student loans.
- OHE examines employment outcomes and earnings for recent graduates.
- OHE measures whether the population of Minnesota includes people with the skills and education to achieve their goals by examining data on Minnesota adults from the U.S. Census.

Higher Education, Office of
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$384,222	$201,716	$10,696	$596,634
Current Law Expenditures (FY 2014-15)	$384,186	$218,969	$11,093	$614,248
Governor's Recommended Expenditures (FY2014-15)	$486,885	$218,969	$11,093	$716,947
$ Change from FY 2014-15 Current Law to Governor's Rec	$102,699	$0	$0	$102,699
% Change from FY 2014-15 Current Law to Governor's Rec	27%	0%	0%	17%

Higher Education, Office of
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$88,090		$88,090
REVENUE		$218,859	$11,093	$229,952
TRANSFERS IN	$3,074			$3,074
APPROPRIATION	$483,841	$0	$0	$483,841
SOURCES OF FUNDS	**$486,915**	**$306,949**	**$11,093**	**$804,957**
BALANCE FORWARD OUT		$87,960		$87,960
TRANSFERS OUT	$30	$20		$50
EXPENDITURES	$486,885	$218,969	$11,093	$716,947
PAYROLL EXPENSE	$3,672	$2,991	$2,897	$9,560
OPERATING EXPENSES	$4,230	$35,974	$5,697	$45,901
OTHER FINANCIAL TRANSACTIONS		$180,004	$20	$180,024
GRANTS, AIDS AND SUBSIDIES	$478,983		$2,479	$481,462
USES OF FUNDS	**$486,915**	**$306,949**	**$11,093**	**$804,957**

Higher Education, Office of

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

State Grant Program - Increase Grants for Access, Choice, and Debt Reduction

The Governor recommends increasing funding for State Grants in order to expand the number of individuals eligible, increase the amount of individual awards and reduce overall student debt burdens. The Governor recommends changing the tuition and fee maximums, the living and miscellaneous expense allowance and adjusting the amount students and families are expected to pay. The adjustment to tuition and fees will better reflect the resident tuition and fees charged at 2-year and 4-year institutions. The current failure to reflect actual market prices increases the burden on lower- and middle-income students, and limits student choice. The adjustment to living and miscellaneous expense allowances will better reflect the actual costs faced by students. Recognizing realistic expenses will maximize the ability of lower- and middle-income students to devote time to their studies and increase their ability to complete credentials and degrees on time. Finally, the Governor recommends adjusting the amount students and families are expected to pay. This change will directly help middle-income families and will expand the number of individuals eligible for State Grants.

Performance Measures:
This investment will reduce cumulative student debt for lower- and middle-income Minnesotans attending Minnesota postsecondary institutions and increase the ability of students to choose the institution that best meets their educational needs

General Fund	Expenditure	40,000	40,000	80,000	40,000	40,000	80,000
	Net Change	**40,000**	**40,000**	**80,000**	**40,000**	**40,000**	**80,000**

State Grants - Minnesota Students Granted Deferred Action

The Governor recommends that the State Grant program be open to Minnesota students granted deferred action status by the federal Department of Homeland Security. The Department of Homeland Security allows individuals brought to the United States as children to request deferred action status, allowing them to apply for work authorization and providing a two-year reprieve from deportation.

Performance Measures:
To measure progress toward reductions in education disparities based on income and race the Office of Higher Education will count the number of deferred action status recipients and their persistence in postsecondary education

General Fund	Expenditure	1,200	1,200	2,400	1,200	1,200	2,400
	Net Change	**1,200**	**1,200**	**2,400**	**1,200**	**1,200**	**2,400**

American Indian Scholarship

The Governor recommends fully funding the Minnesota Indian Scholarship, allowing all of the approximately 500 students on the current waiting list to receive a scholarship. The Minnesota Indian Scholarship program provides scholarships to Minnesota students who are of one-fourth or more American Indian ancestry, attend a Minnesota postsecondary institution, and who demonstrate financial need.

Performance Measures:
An increase in the number of students served by this program will increase the number of American Indian students who complete their postsecondary programs. The Office of Higher Education will measure: 1.) Graduation rates of American Indian College Students in MN. 2.) Persistence and graduation rates of American Indian Scholarship Program Recipients

General Fund	Expenditure	1,500	1,500	3,000	1,500	1,500	3,000
	Net Change	**1,500**	**1,500**	**3,000**	**1,500**	**1,500**	**3,000**

Higher Education, Office of

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Statewide Longitudinal Education Data System (SLEDS)

The Governor recommends the maintenance and expansion of the Statewide Longitudinal Education Data System (SLEDS). SLEDS allows access to longitudinal data across state agencies and education institutions that can be transformed into information used to answer program and policy questions and to measure educational and workforce outcomes. A federal grant paid for the development of the basic infrastructure, and this proposal would maintain the system built by the federal grant. The proposal also enables SLEDS to acquire new data in order to inform educators, policymakers, and researchers as they work to design strategies and improve outcomes.

Performance Measures:
Postsecondary institutions, educators, and researchers will use SLEDS data to design targeted programming for Minnesota's future workforce, and policy makers will use SLEDS data to make data-driven public policy decisions. SLEDS data-driven policy will contribute to improved postsecondary readiness, participation and completion metrics.

General Fund	Expenditure	882	882	1,764	882	882	1,764
	Net Change	**882**	**882**	**1,764**	**882**	**882**	**1,764**

Interstate Tuition Reciprocity - Revised

The Governor recommends funding to support a projected deficit in FY 2013 and increased costs in FY 2014-15 for reciprocity payments to North Dakota. The FY 2013 deficit is projected to be $2.4 million and increased costs in FY 2014-15 are $9.96 million higher than intially projected due to increases in the number of students participating in reciprocity. This increase in funding will allow Minnesota to fulfill its projected tuition reciprocity obligation to North Dakota for fiscal years 2013, 2014 and 2015,

Performance Measures:
Tuition reciprocity provides additional choice in education for Minnesota students. The Office of Higher Education will continue to report tuition reciprocity enrollment, tuition rates, payment obligations and negotiations in an annual report to the Legislature.

General Fund	Expenditure	8,215	7,320	15,535	7,320	7,320	14,640
	Net Change	**8,215**	**7,320**	**15,535**	**7,320**	**7,320**	**14,640**
Net All Change Items	General Fund	51,797	50,902	102,699	50,902	50,902	101,804
	Net Change	**51,797**	**50,902**	**102,699**	**50,902**	**50,902**	**101,804**

Higher Education, Office of
All Funds FTE by Program - Rev

Program	Current FY 2013	Forecast Base FY 2015	Governor's Revised FY 2015
Program: Student Financial Aid	0.4	0.4	0.4
Program: State Supplemental Loans	0.1	0.1	0.1
Program: Research Policy and Analysis	0.1	0.1	0.1
Program: Postsecondary Access and Outreach	31.5	31.5	31.5
Program: OHE Administration	40.4	35.4	35.4
Higher Education, Office of	72.4	67.4	67.4

Higher Education, Office of
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	**Other State Funds**	**Federal Funds**	**All Funds**
Non Dedicated	ALL OTHER	13,240			13,240
	Subtotal	13,240			13,240
Dedicated	FEDERAL GRANTS			11,073	11,073
	DEPARTMENTAL EARNINGS		618		618
	INVESTMENT INCOME		2,610		2,610
	ALL OTHER		215,631	20	215,651
	Subtotal		218,859	11,093	229,952
	Total	**13,240**	**218,859**	**11,093**	**243,192**

Higher Education, Office of
Student Financial Aid Programs

http://ww.ohe.state.mn.us and http://ww.getreadyforcollege.org

Statewide Outcome(s):

Student Financial Aid supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Student Financial Aid program exists to support the ability of students to attend the postsecondary institution that best meets their educational needs, regardless of their financial circumstances, or the price of attendance at that institution. The program ensures:

- Financial access for Minnesotans by providing grants and scholarships to eligible students with low and moderate incomes and students from populations historically underrepresented in postsecondary education.
- Minnesotans are well-informed when making postsecondary education and financial aid decisions by disseminating information about student aid opportunities.

Ensuring financial access to postsecondary education provides both individual and statewide benefits including:

- Increased opportunity for all Minnesotans to maximize their human potential
- Minnesota's stock of human capital is expanded
- Lifetime employment and earning prospects are enhanced
- Higher state tax revenues and less spending on unemployment benefits and public assistance
- Civic engagement and volunteerism are increased
- Improved outcomes in health related to obesity, low-birth weight and health insurance coverage

The program serves Minnesota postsecondary students and their families and supports all Minnesotans. In addition, the program serves postsecondary institutions and other community partners involved in the administration and promotion of student financial aid.

Student Financial Aid is primarily funded through the general fund to provide financial assistance to eligible Minnesotans. The John R Justice Student Loan Repayment Program, funded through a grant from the United States Department of Justice, serves a limited number of eligible recipients geared towards supporting students who choose particular occupations.

Strategies:

To ensure postsecondary education is financially accessible and relevant postsecondary financial aid program information is available to Minnesotans, the Office of Higher Education:

- Provides financial assistance through need-based programs including:
  - **State Grant:** awards to low and moderate income students using a formula based on price of attendance
  - **State Work Study:** funds on and off campus employment opportunities for students and provides K12 schools, non-profit service agencies and others with no or low cost student assistance
- Provides financial assistance to students from populations historically underrepresented in higher education and those with specific needs including:
  - **Child Care Grant:** aid for low and moderate income students with children to pay for child care
  - **American Indian Scholarship:** awards eligible students who are ¼ or more American Indian
  - **Minnesota GI Bill:** benefits Minnesota veterans and the dependents of deceased or severely disabled veterans who served on or after 9/11/2001
  - **Safety Officer Survivors:** assists spouses and dependents of public safety officers killed in the line of duty

- Provides financial access to attend public institutions in Minnesota and the surrounding region through the **Interstate Tuition Reciprocity Program** to Minnesota residents and the residents of Wisconsin, North Dakota, South Dakota as well as the Canadian province of Manitoba and Iowa Lake Community College
- Provides details on postsecondary financial aid programs by coordinating with partners to provide financial aid presentations and relevant materials so students and families are well-informed consumers

Student Financial Aid works with many partners including: postsecondary institutions and their campus financial aid and reciprocity administrators, Minnesota Association of Financial Aid Administrators, public and private community organizations, foundations, Minnesota State Colleges and Universities, University of Minnesota, Minnesota Private College Council, Minnesota Career College Association, K-12 counselors, Minnesota Indian Affairs Council, Minnesota Department of Veterans Affairs and other state agencies and other divisions within the agency.

Results:

Student Financial Aid evaluates the outcomes of its strategies by:

- Assessing the price students and families pay for postsecondary education
- Evaluating how students and families pay for postsecondary education (using current income or debt)
- Examining where students choose to attend
- Measuring the efficiency of staff responses to inquiries for information

The average net price of attendance for Minnesota Residents attending Minnesota postsecondary institutions increased between 2008 to 2010, thus it can be determined the impact of Student Financial Aid programs declined over this time same period. Additionally, the average cumulative student loan debt for bachelor's degree recipients from most public and non-profit 4-year institutions in Minnesota increased over the same time period, suggesting that the impact of Student Financial Aid programs declined.

Minnesota's undergraduate students attend private institutions at a higher rate than the national average despite the fact that Minnesota has a slightly lower proportion of private to public postsecondary institutions (62 percent) than the nation (64.4 percent). This indicates the financial access provided by programs like the State Grant, which takes into consideration the student's price of attendance and are available at all eligible public and private institutions, help reduce the financial barriers that may prevent students from enrolling in institutions that best meet their postsecondary educational needs.

The price students and families pay and how they pay for postsecondary education is impacted by many factors, including the state appropriations to public institutions, changes in federal financial aid policies and economic changes. In particular, borrowing limits for Federal student loans increased over this time period and those increases may have had more impact on cumulative student loan debt as many borrowers borrow the maximum each year. In addition, increased enrollment at private institutions could be a result of a limited enrollment capacity at public institutions.

Investment in grant and scholarship aid by the state of Minnesota and federal government has not kept pace with increases in the price of attendance. As a result, paying for postsecondary education is and will continue to increasingly be the responsibility of Minnesota students and their families through savings, current income and/or borrowing.

Additionally, providing timely responses to inquiries received by OHE ensures Minnesotans are well informed when making postsecondary education decisions, thus measuring the percentage of inquiries responded to the day of receipt is crucial. The response rate has remained at a high level for a number of years despite a reduction in staff.

Performance Measures	Previous	Current	Trend
1. Average net price of attendance for Minnesota Residents attending a Minnesota postsecondary institution	$15,673	$15,952	Worsening
2. Average cumulative student loan debt of bachelor's degree recipients at Minnesota public and non-profit 4-year institutions and percentage of students who borrow	$25,558	$29,058	Worsening
3. Percent of bachelor's degree recipients at Minnesota public and non-profit 4-year institutions who borrow	72%	71%	Decreasing
4. Enrollment of Minnesota undergraduate students at Minnesota private postsecondary institutions as compared to the national average	28.9% MN 24.5% US	30.3% MN 25.8% US	Improving
5. Percent of inquiries responded to the day of receipt	98%	98%	Stable

Performance Measures Notes:

1. *Previous Data: 2008 / Current Data: 2010.* The Average Net Price of Attendance for Minnesota Residents attending Minnesota institutions is defined as the average annual price of attendance after deducting the average amount of federal, state/local government, or institutional grant or scholarship weighted by the number of students at each postsecondary institution. The price of attendance is the sum of the weighted average of tuition and required fees, books and supplies, and a weighted average for room and board and other education related expenses. The student population used to determine this measure includes only Minnesota resident first-time, full-time degree seeking undergraduate students enrolled in the fall term who were awarded aid grant or scholarship aid from the federal government, state/local government, or the institution. The data used to calculate this measure is gathered from the Student Financial Aid (Net Price) Survey by the US Department of Education's Integrated Postsecondary Education Data System (IPEDS).

2. *Previous Data: 2008 / Current Data: 2010.* Source: Project on Student Debt (http://ww.projectonstudentdebt.org).

   The Project on Student Debt annually collects from institutions, on a voluntary basis, the average cumulative student loan debt of bachelor's degree recipients at 4-year public and non-profit institutions. The data reflects approximately half of all full-time undergraduate students enrolled in Minnesota and does not reflect the average cumulative student loan debt for students who do not graduate. In addition, the statewide average is determined using a weighted average of the averages provided by each participating institution.

3. *Previous Data: 2008 / Current Data: 2010.* Source: Project on Student Debt (http://ww.projectonstudentdebt.org). The Project on Student Debt annually collects from institutions, on a voluntary basis, the average cumulative student loan debt of bachelor's degree recipients at four-year public and non-profit institutions. The data reflects approximately half of all full-time undergraduate students enrolled in Minnesota and does not reflect the average cumulative student loan debt for students who do not graduate.

4. *Previous Data: Fall 2008 / Current Data: Fall 2010.* This measure uses information available from the National Center for Education Statistics (NCES), Fall Enrollment at Postsecondary Institutions for 2008 and 2010. Additional data used to calculate this measure was compiled using the Office of Higher Education's enrollment database for Minnesota postsecondary institutions. For this measure, private postsecondary institutions included both non-profit and for-profit institutions. *Previous: Fall 2008 / Current: Fall 2010*

5. *Previous Data: 2009 / Current Data: 2011.* The Inquiry Response Rate is determined by gathering data from staff on a periodic basis during each year.

Program: Student Financial Aid
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$365,280		$223	$365,503
Current Law Expenditures (FY 2014-15)	$365,598		$146	$365,744
Governor's Recommended Expenditures (FY2014-15)	$466,533		$146	$466,679
$ Change from FY 2014-15 Current Law to Governor's Rec	$100,935		$0	$100,935
% Change from FY 2014-15 Current Law to Governor's Rec	28%		0%	28%

Program: Student Financial Aid
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
REVENUE			$146	$146
TRANSFERS IN	$2,874			$2,874
APPROPRIATION	$463,659		$0	$463,659
SOURCES OF FUNDS	**$466,533**		**$146**	**$466,679**
EXPENDITURES	$466,533		$146	$466,679
PAYROLL EXPENSE	$50		$24	$74
OPERATING EXPENSES	$100		$2	$102
OTHER FINANCIAL TRANSACTIONS			$20	$20
GRANTS, AIDS AND SUBSIDIES	$466,383		$100	$466,483
USES OF FUNDS	**$466,533**		**$146**	**$466,679**

Higher Education, Office of
State Supplemental Loan Program

http://www.selfloan.org

Statewide Outcome(s):

State Supplemental Loans supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Minnesota Student Educational Loan Fund (SELF) is the state's long-term, low-interest educational loan, which supports the ability of students to finance and choose the postsecondary education that best meets their needs. Many students need assistance paying for their education beyond federal grant and loan aid and state grants and scholarships. SELF Loans, federal parent PLUS Loans and other private student loans are alternative sources of funds. The Agency's intent is to make students aware of the advantages of the SELF Loan and to utilize the SELF Loan instead of higher cost loan alternatives.

The primary customers are Minnesota residents attending participating SELF schools either in Minnesota or outside the state and non-residents attending participating Minnesota schools.

The SELF program is funded through an enterprise fund and receives no appropriation from the general fund. Funding is provided by tax-exempt and taxable bonds, payment of loan interest and investment earnings.

Strategies:

The SELF program strives to provide a low-cost funding source to students enabling them to attend postsecondary institutions, while ensuring long-term sustainability of the state's program. Strategies include:

- Maintain a strong financial condition
  - Continue financial growth of program resources
  - Ensure funding is available for a minimum of two years in the future
  - Utilize default collection efforts to minimize program losses
- Maintain a competitive low interest rate
  - Require borrowers to have a creditworthy cosigner
  - Provide a uniform interest rate for all students regardless of institution attended or credit score
  - Utilize automated processes to increase efficiency and minimize staffing needs
  - Minimize program expenses and bond costs
- Increase awareness of the SELF program
  - Implement marketing efforts to inform Minnesota students about the SELF Loan
  - Lead group of 15 states in efforts to exempt state loan programs that meet specified criteria from private loan preferred lender regulations

The SELF Loan works with many partners to carry out these strategies. Partners include campus financial aid administrators, bond financing entities, outside loan servicers, Minnesota Department of Revenue, collection agencies, other state loan programs and other divisions within the agency.

Results:

The success of the SELF Loan is measured by the ability of students to utilize the SELF Loan instead of other more costly alternatives to attend the school of their choice and successfully complete their educational program. Loan volume is an indicator of how many students benefit from the SELF Loan. The volume of SELF Loans has decreased since 2009 when the federal government implemented regulations that restricted schools from providing information to students on private loan programs, including the SELF Loan. Refer to http://www.ohe.state.mn.us/mPg.cfm?pageID=843 for volume data. Within a five-year period, the number of SELF Loans was reduced by 50%--primarily the result of the federal regulations. Rather than decreasing overall debt, the lower cost SELF Loan may have been replaced by the higher interest rate PLUS Loan. From 2009 to 2011, a

$42 million decrease in SELF volume coincided with a $42 million increase in PLUS volume. Unlike restrictions on the SELF Loan, schools are able to advise students of the PLUS Loans without any constraints.

The ability to maintain a competitive interest rate is a key measure of the program's effectiveness. The SELF variable interest rate is lower than other private loans. The fixed rate is above the subsidized and unsubsidized federal Direct Loans but less than the PLUS Loan. While the SELF rate is comparable to private lenders' lowest rates given to a select few with excellent credit, the SELF rate is available to all borrowers, regardless of credit rating, as long as they have a creditworthy cosigner. In addition, most private lenders and the PLUS Loan charge fees, which the SELF program does not.

Finally, the programs' efficiency is also a measure of effectiveness. The Agency developed an online application which reduced staffing needs for the program and made the application process more efficient. In the next year, efforts will focus on further simplification of the application process. The Agency continues to meet the two-year funding goal despite problems in the student loan market which started in 2008 and ended some other states' loan programs.

While the net default rate shows a condition that is worsening, feedback from bond partners indicate the rate is low in comparison to other loan programs and in spite of problems in the economy. Over 97 percent of the loans disbursed are collected.

Performance Measures	Previous	Current	Trend
1. Number of Loans Made	28,302	14,124	Worsening
2. Competitive interest rate	7.0% variable	3.5% variable and 7.25% fixed	Improving
3. Applications processed within 2 business days of receipt	95%	100%	Improving
4. Net default rate	1.82%	2.18%	Worsening

Performance Measures Notes:

1. *Previous Data: 2007-08 / Current Data: 2011-12*

2. *Previous Data: July 2007 / Current Data: July 2012*
   - In July 2007, the SELF variable rate loan had an interest rate of seven percent, while the PLUS Loan had fixed interest rates of 7.9 percent and 8.5 percent
   - In July 2012, SELF had a variable rate 3.5 percent and the fixed rate is 7.25 percent, while PLUS Loan had a rate of 7.9 percent. Other private loan rates range from 3.25 percent to 13.74 percent depending upon the selection of fixed or variable rate and the credit score.
   - Since October 2010, Agency also offers fixed rate loans.

3. *Previous Data: 2007, prior to e-signature / Current Data: 2012*

4. *Previous Data: March 2007 / Current Data: February 2012*

Program: State Supplemental Loans
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)		$184,305		$184,305
Current Law Expenditures (FY 2014-15)		$200,020		$200,020
Governor's Recommended Expenditures (FY2014-15)		$200,020		$200,020
$ Change from FY 2014-15 Current Law to Governor's Rec		$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec		0%		0%

Program: State Supplemental Loans
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$80,293		$80,293
REVENUE		$200,020		$200,020
SOURCES OF FUNDS		**$280,313**		**$280,313**
BALANCE FORWARD OUT		$80,293		$80,293
EXPENDITURES		$200,020		$200,020
PAYROLL EXPENSE		$13		$13
OPERATING EXPENSES		$20,003		$20,003
OTHER FINANCIAL TRANSACTIONS		$180,004		$180,004
USES OF FUNDS		**$280,313**		**$280,313**

Higher Education, Office of
Research, Policy and Analysis Program

http://www.ohe.state.mn.us/research

Statewide Outcome(s):

Research, Policy and Analysis supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Office of Higher Education's Research, Policy and Analysis department exists to provide the public, institutions and policy makers with robust information on postsecondary choice, access and affordability, financial aid, enrollment, and trends. There is a growing expectation on the part of stakeholders that OHE will be able to answer questions about postsecondary finance and performance. The questions are broad-reaching and responses need to be precise and understandable to a variety of stakeholders. Technology has driven an accountability standard that increases expectations to respond to complex questions within a tight timeframe. Specifically, the research department completes the modeling and price-point determination for the aid distribution formula.

Research, Policy and Analysis is funded through general fund agency appropriations, and to a lesser degree, federal or foundation grants.

Strategies:

1. **Data collection, analysis and reporting of higher education.** OHE maintains databases for enrollment, degrees and other awards conferred by Minnesota institutions and databases on state and federal financial aid. The agency publishes both standard enrollment reports and special financial aid analyses. The agency continues to issue *Minnesota Measures (http://www.ohe.state.mn.us/mPg.cfm?pageID=1733)*, an annual report on postsecondary indicators, which is available online at http://www.ohe.state.mn.us/mPg.cfm?pageID=1733. Federal and other sources of information are used to provide answers to questions about Minnesota higher education. Most information is posted on the agency web site (http://ww.ohe.state.mn.us), which is a primary source of information for Minnesotans and policy makers. Topics include financial aid, student enrollment and student demographics. In 2013, the OHE website will be redesigned to reach more audiences, in a timely manner, more comprehensively.

2. **Statewide Longitudinal Education Data System (SLEDS) – a tool to connect existing data from multiple state and federal agencies, institutions and other sources.** To respond to the increasing need for information, OHE is working in conjunction with the Minnesota Department of Education (MDE) and the Department of Employment and Economic Development (DEED) to develop the Statewide Longitudinal Education Data System (SLEDS). Its key purposes are: 1) Identifying the most viable pathways for individuals to achieve successful outcomes in education and work; 2) Informing decisions to support and improve education and workforce policy and practice; and 3) Assisting in creating a more seamless education and workforce system for all Minnesotans, SLEDS will enable educators and policymakers to answer a range of questions that can be used to gauge the effectiveness of programs and strategies and design targeted improvements.
   - **Data analysis.** SLEDS will enable the agency to connect data across systems to answer critical questions around performance and outcomes, and build a comprehensive body of information to inform future decision-making. MN.IT will serve as the data warehouse servicer and will provide the technical support needed to maintain the database. The primary customers are policymakers, state and local educators, postsecondary stakeholders and both internal and external researchers. Summary information will become available to the public.
   - **Analysis.** The analysis of information will be widely shared as OHE answers individual, media, and stakeholder requests for information.

3. **Analysis of state student financial aid programs and other student financing issues**
   - **OHE analyzes preparation for and entry into postsecondary education**, including high school academic preparation, the percentage of students who enroll in college, tuition and fees, and financial aid application rates.
   - **OHE provides information on student experiences during postsecondary education,** including enrollment trends, retention, transfer, undergraduate borrowing, grants and scholarships and student employment.
   - **OHE researches student outcomes of postsecondary education,** including the percentage of Minnesotans with postsecondary degrees, graduation rates, types of degrees earned and student loan default rates.
   - **OHE projects Minnesota State Grant costs** to guide program planning, administration and budget for state financial aid.
   - **OHE analyzes tuition reciprocity** agreements between Minnesota and its neighboring states.

Key Partners: State policy makers; students and their families, public, and private postsecondary institutions; Minnesota Department of Education (MDE); Department of Economic and Educational Development (DEED); financial aid administrators; student advisory committees; MN.IT and Minnesota Management and Budget (MMB).

Results:

General Student Data Collection: Using educational attainment data on Minnesota adults aged 25 to 64 from the U.S. Census; the agency is able to measure the extent to which Minnesota includes people with the skills and education to achieve their goals. The agency uses several measures to evaluate the effectiveness of strategies utilized, including: 1) calculating the net price of attendance (the average price of attending a Minnesota public four-year institution after subtracting all grants and scholarships) 2) calculating the average cumulative educational debt of Bachelor's degree recipients from public four-year institutions, and 3) calculating the percentage of recent graduates who work full time and earn $29,000 a year or more.

In addition, studies to examine the impact of data collection and analysis strategies have been implemented. In 2010, the agency contracted with consultants Ross and McCallum to examine public satisfaction with the Minnesota Measures document and the Gear Up program was evaluated by both internal staff and external third party consultants. The studies resulted in revisions to the document and program implementation.

The communication strategies used to distribute the collected data are vital to increasing public awareness. Reports were written and distributed on paper, placed on the OHE website, and verbally delivered at conferences and meetings.

SLEDS: The beta version of SLEDS is operating effectively. Seven priority data sources have been merged and tested. The SLEDS phase 1 planning and testing phase has been completed. Initial analysis is focused on transitions from high school to postsecondary education and from postsecondary education into the workforce. Once fully functional, SLEDS will provide matched student data from pre-kindergarten through completion of postsecondary and into the workforce. One immediate advantage of SLEDS is the capacity to measure how students fare after they graduate from high school and postsecondary institutions.

Financial Data: Financial aid data are collected and analyzed continuously to enable distribution of Minnesota state aid to as many students as possible, increasing postsecondary access and attainment to support a thriving economy.

Performance Measures	Previous	Current	Trend
1. Average net price of attendance for Minnesota residents attending a Minnesota postsecondary institution	$15,673	$15,952	Worsening
2. Average cumulative student loan debt of bachelor's degree recipients at Minnesota public and non-profit four-year institutions	$25,558	$29,058	Worsening
3. Percentage of bachelor's degree recipients at Minnesota public and non-profit four-year institutions who borrow	72%	71%	Decreasing

Performance Measures	Previous	Current	Trend
4. Percentage of recent graduates who work full time and are employed at the median wage rate of $21.45 per hour	N/A	47%	N/A
5. State grant cost projections are predicted to be equal to appropriations within two percent each year	17%	0.4%	Improving
6. The percent of Minnesota resident undergraduates who complete the Federal Application for Student Aid (FAFSA)	71.5%	76.9%	Improving
7. Number of requests for SLEDS data	N/A	20	N/A

Performance Measures Notes:

1. *Previous Data: 2008 / Current Data: 2010.* Net price of attendance-The average net price of attendance for Minnesota residents attending Minnesota institutions is defined as the average annual price of attendance after deducting the average amount of federal, state/local government, or institutional grant or scholarship weighted by the number of students at each postsecondary institution. The price of attendance is the sum of the weighted average of tuition and required fees, books and supplies, and a weighted average for room and board and other education related expenses. The student population used to determine this measure includes only Minnesota resident first-time, full-time degree seeking undergraduate students enrolled in the fall term who were awarded aid grant or scholarship aid from the federal government, state/local government, or the institution. The data used to calculate this measure is gathered from the Student Financial Aid (Net Price) Survey by the US Department of Education's Integrated Postsecondary Education Data System (IPEDS).

2. *Previous Data: 2008 / Current Data: 2010.* Average cumulative student loan debt-The Project on Student Debt annually collects from institutions, on a voluntary basis, the average cumulative student loan debt of bachelor's degree recipients at four-year public and non-profit institutions. The data reflects approximately half of all full-time undergraduate students enrolled in Minnesota and does not reflect the average cumulative student loan debt for students who do not graduate. In addition, the statewide average is determined using a weighted average of the averages provided by each participating institution. Source: Project on Student Debt (http://www.projectonstudentdebt.org).

3. *Previous Data: 2008 / Current Data: 2010.* The data reflects approximately half of all full-time undergraduate students enrolled in Minnesota and does not reflect the average cumulative student loan debt for students who do not graduate. Source: Project on Student Debt (http://www.projectonstudentdebt.org).

4. *Previous Data: OHE has not previously calculated this measure / Current Data: 2012.* Percentage of recent graduates who work full time and their earnings - The percentage (under current) is for all graduates with a wage record. It is assumed that over time, this newly developed variable may need to be adjusted; thus the 'Trend' is listed as unknown.

5. *Previous Data: 2010 / Current Data: 2011.* For 2010, the state grant cost projection was 17 percent over the appropriation, due in part to a surge in enrollment. For 2011, the projection was 0.4 percent over the appropriation. The accuracy of the predictions is determined by calculating the ratio of spending to appropriations.

6. *Previous Data: 2009 / Current Data: 2010.*

7. *Previous Data: OHE has not previously calculated this measure because the SLEDS system is new / Current Data: 2012.*

Program: Research Policy and Analysis
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$190	$113		$303
Current Law Expenditures (FY 2014-15)	$190	$62		$252
Governor's Recommended Expenditures (FY2014-15)	$1,954	$62		$2,016
$ Change from FY 2014-15 Current Law to Governor's Rec	$1,764	$0		$1,764
% Change from FY 2014-15 Current Law to Governor's Rec	928%	0%		700%

Program: Research Policy and Analysis
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$62		$62
APPROPRIATION	$1,954	$0		$1,954
SOURCES OF FUNDS	**$1,954**	**$62**		**$2,016**
BALANCE FORWARD OUT				
EXPENDITURES	$1,954	$62		$2,016
PAYROLL EXPENSE		$22		$22
OPERATING EXPENSES	$1,954	$40		$1,994
USES OF FUNDS	**$1,954**	**$62**		**$2,016**

Higher Education, Office of
Postsecondary Access and Outreach Programs

http://www.ohe.state.mn.us and http://ww.getreadyforcollege.org

Statewide Outcome(s):

Office of Access and Outreach Activities supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

By 2018, 70 percent of Minnesota jobs will require some postsecondary education attainment. Historically, the population groups rapidly growing in Minnesota have not participated in postsecondary education in great numbers. After the 2007 recession, job growth has been in jobs requiring some postsecondary attainment. High school graduates and dropouts will find themselves largely left behind in employment opportunities in the coming decade. The statutory responsibility of the Office of Higher Education (OHE) to provide experiences and planning information for postsecondary education is particularly critical at this time to ensure that Minnesota has an educated workforce prepared to fill the 902,000 new and vacant jobs predicted to occur between 2008-2018.

Strategies:

Program services contribute to statewide outcomes by providing Minnesotans with the necessary experiences, information and opportunity to learn skills essential for postsecondary success, career awareness and K-12 teacher effectiveness. Through the programs listed below, OHE works to help Minnesotans:

- Understand the academic requirements necessary to be successful in a postsecondary program
- Learn about sources of financial aid, postsecondary planning, financial literacy, and college savings
- Attend early college awareness and planning presentations
- Learn about various types of postsecondary options
- Complete career exploration activities, college field trips and summer academic programming
- Learn how to navigate the postsecondary application process

Intervention for College Attendance Program (ICAP): A state appropriation of $621,000 each year of the current biennium provides matching grants for programs that increase the access and success of groups traditionally under-represented in higher education. Programs provide instructional and support services that strengthen academic preparation and aptitude for postsecondary success. Programs serve students in grades six through 12 and undergraduate students who met the student eligibility criteria as sixth through 12th graders.

Get Ready/GEAR UP: The Get Ready Program is an early intervention and college awareness program that works with low income students and those under-represented in postsecondary education to prepare them for educational opportunities beyond high school. The program serves over 4,700 students (5th through 12th grade) annually in 9 Title I Minneapolis, St. Paul and Brooklyn Center schools; and an additional 3,000 students throughout Minnesota. The program is funded primarily through a federal six-year ($18M/$3.1M annually) GEAR UP grant. An annual $180,000 state appropriation helps leverage federal funds and fulfill the required federal match. http://www2.ed.gov/programs/gearup/index.html

Student and Parent Information: The agency provides information to students and citizens of Minnesota by developing and distributing publications, maintaining several websites, giving presentations related to postsecondary planning and financing, and participating in special events. Postsecondary participation is encouraged by providing information about college and how to pay for it. These efforts are funded through an annual state appropriation of $122,000.

Midwest Higher Education Compact (MHEC): MHEC is one of four statutorily-created interstate compacts, serving Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South

Dakota and Wisconsin. MHEC core functions are: 1) cost savings and cost containment; 2) student access and success; and 3) policy research and analysis. The OHE receives an annual state appropriation of $95,000 for payment of Minnesota's MHEC membership dues. http://www.mhec.org.

Minnesota Minority Education Partnership (MMEP), Inc.: MMEP is a non-profit collaborative founded in 1987 that seeks to increase the success of students of color and American Indian students in Minnesota schools, colleges and universities. The OHE receives an annual pass-through state appropriation of $45,000 for MMEP to help fund its operation, services and activities. http://www.mmep.org/.

College Access Challenge Grant Program: An annual federal matching award of $1.5M fosters partnerships between federal and state government to increase the number of low-income students prepared for postsecondary success. Funding focuses on enhancing counseling so that more students receive clear and consistent advising; increasing the number of low-income students and families with a working knowledge of educational opportunities, planning for postsecondary education, financial literacy, and financial aid; and increasing participation of low-income third- through 11th grade students in summer academic enrichment activities to prepare for college success. www.ed.gov/programs/cacg

Improving Teacher Quality State Grant Program: This federal program helps states and school districts ensure that teachers have content knowledge and teaching skills to help all students achieve to high academic standards, regardless of individual learning styles or needs. Through formula funding, OHE receives approximately $1 million annually for a grant program allowing institutions of higher education to conduct teacher professional development in core academic areas. www.ed.gov/programs.teacherqual

Minnesota College Savings Plan: is a tax-advantaged 529 college savings plan to help families save for higher education tuition and expenses. The Plan is administered by the Office of Higher Education and managed by TIAA-CREF Tuition Financing, Inc. There is no state appropriation.

Key partners include: Minnesota K-12 schools, postsecondary institutions and systems, community and professional organizations, the U.S. Department of Education, the Minnesota Department of Education, and the Minnesota Department of Employment and Economic Development.

Results:

- **Get Ready/GEAR UP:** For the period 2005-2011, Get Ready (GR) served 26,942 in 11 Minneapolis and St. Paul Title I schools. Key outcomes include: improved academic performance of Get Ready students; and increased high school graduation rates and postsecondary participation rates.
- **ICAP:** Since 2006, this program has fostered postsecondary attendance and success by increasing students participation, has served 3,000 students in grades six through 12 as well as 300 postsecondary students, and has increased high school graduation and postsecondary enrollment for program participants.
- **College Access Challenge Grant Program:** School counselors at 82 sites received professional development to increase their use of a web-based system to increase students' college and career readiness. Counselors from 267 districts increased their understanding, analysis and use of data to guide students to postsecondary readiness. Over 500 low-income students participated in academically rigorous summer courses to enhance college readiness. Junior and senior high school students learned about financial literacy.

Performance Measures	Previous	Current	Trend
1.Get Ready: Number of students completing Algebra by 9th grade—a key predictor of postsecondary success	<80%	87%	Improving
2.Get Ready: Low income/underrepresented students enrolled in a postsecondary institution following high school graduation	N/A	59%	N/A
3. Number of postsecondary institutions, school districts and professional/community organizations that provide and receive outreach for teachers and students.	N/A	1,243	N/A
4. Number of students served through ICAP grants	2010: 2,018	2012: 3,289	Increasing

Performance Measures	Previous	Current	Trend
5. High school graduation and college enrollment for low income/under-represented students in ICAP	<5 Latino students	61 Latino students	Improving
6. Number of College Savings Plan account holders	29,537	31,819	Improving

Performance Measures Notes:

1. *Previous Data: 2007-08 / Current Data: 2010-11.*

2. *Previous Data: no data collected / Current Data: 2011.* In comparison, 79 percent of college freshmen at Minnesota postsecondary institutions are White/Caucasian and 21 percent are students from non-white racial/ethnic backgrounds, which would indicate that Get Ready provides important support for increasing the postsecondary enrollment rates of under-represented students. The Get Ready program did not have high school seniors served under the federal GEAR UP grant prior to 2011.

3. *Previous Data: data not tracked prior to FY 2011 / Current Data: 2010-11.*

4. *Previous Data: 2001-2004 / Current Data: 2006-2011.* Data is specific to one program receiving ICAP funding. In 2012, 18 programs received ICAP funding. Historical ICAP student graduation and postsecondary enrollment data is incomplete, however this type of data is currently being collected. The TORCH program in Northfield, Minnesota targets Latino students. The TORCH program served 80 students in 2006 and 275 students in 2012. In 2004, Northfield had a district-wide graduation rate of 90 percent; while Latino students in the district had a 36 percent graduation rate. In 2012, the district-wide graduation was 91 percent, while the Latino graduation rate was 90 percent.

5. *Previous Data: 2008 / Current Data: 2011.*

Program: Postsecondary Access and Outreach
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$2,387	$194	$10,473	$13,054
Current Law Expenditures (FY 2014-15)	$2,036	$185	$10,947	$13,168
Governor's Recommended Expenditures (FY2014-15)	$2,036	$185	$10,947	$13,168
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Program: Postsecondary Access and Outreach
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$121		$121
REVENUE		$177	$10,947	$11,124
APPROPRIATION	$2,036	$0	$0	$2,036
SOURCES OF FUNDS	**$2,036**	**$298**	**$10,947**	**$13,281**
BALANCE FORWARD OUT		$113		$113
EXPENDITURES	$2,036	$185	$10,947	$13,168
PAYROLL EXPENSE	$406	$117	$2,873	$3,396
OPERATING EXPENSES	$240	$68	$5,695	$6,003
GRANTS, AIDS AND SUBSIDIES	$1,390		$2,379	$3,769
USES OF FUNDS	**$2,036**	**$298**	**$10,947**	**$13,281**

Higher Education, Office of
Technology and Libraries Programs

http://www.minitex.umn.edu

Statewide Outcome(s):

Technology and Libraries supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Context:

The breadth of services provided by libraries today, including access to information technology for all citizens, are even more essential to people from diverse socio-economic and educational backgrounds than they have been in the past. Libraries provide a level playing field for those who would otherwise be at a distinct disadvantage in the ability to access information, resources and services provided by libraries throughout Minnesota. According to a 2010 report entitled, *Perceptions of Libraries,* a third of all Americans (31 percent), or 60 million Americans age 14 and over, see an increase in the value of the library for their communities. And, for Americans who have had a negative job impact, the increased value of the library is an even greater percentage (40 percent), or equal to 14 million economically impacted Americans. Even though library budgets are tightening, expectations for information by consumers will continue to expand.

Strategies:

Minitex and the **MnLINK Gateway** provide statewide support functions to assist academic, public, state government, school and special libraries and provide cost effective, efficient and timely library related services to all Minnesotans. Minitex enhances the effectiveness and efficiency of libraries and user access is expanded through the MnLINK Gateway.

Minitex. Through Minitex, Minnesotans are provided with efficient access to physical and electronic library materials and other information resources. Minitex is an information and resource sharing program of the Minnesota Office of Higher Education (OHE) and the University of Minnesota Twin Cities Libraries (UM). Minitex leverages the resources of all participating institutions, which provides direct benefits to students, educators, the general public and library staff. Minitex serves Minnesotans at no additional cost to the individual. Resources and services provided to libraries through Minitex include:

- Electronic Library for Minnesota (ELM)—a collection of research and information databases that Minnesotans can access, and schools and libraries can link to directly at no additional charge
- Provision of books, articles and other resources (both electronic and physical)
- Overnight courier delivery of physical materials and resource
- Group discounts for access to scholarly and other resources
- MnKnows is the portal through which Minnesotans can access on-line services (http://www.MnKnows.org)
- MnLINK Gateway for searching and requesting materials
- Instruction and training for library staff and public users

The OHE receives an annual appropriation of $5.225 million for Minitex administration that is contractually forwarded to the University of Minnesota where Minitex is housed. Federal grants (LSTA) administered through State Library Services within the Minnesota Department of Education (MDE) help support resource sharing, delivery and instruction. Minitex receives funds from North Dakota and South Dakota to compensate for Minitex services provided to them. In addition, there is reciprocity of services with Wisconsin for resource sharing.

MnLINK Gateway. The MnLINK Gateway is a statewide virtual library that provides access to Minnesota library catalogs and electronic resources by drawing upon the combined collections of Minnesota libraries. Through the MnLINK Gateway, Minnesotans can search catalogs of the University of Minnesota campuses, Minnesota State Colleges and Universities' (MNSCU) libraries, other academic, state government, public and school libraries and request materials for delivery through the Minitex delivery system.

The OHE receives a separate annual appropriation of $380,000 to support the program, and contracts with the University of Minnesota for the administration of the system. These funds, combined with LSTA grant funds from MDE referenced above, support the Minitex staff that process customer requests and the Minitex delivery system that delivers items borrowed through the MnLINK Gateway.

Library-related services contribute to statewide outcomes by providing access to information and resources Minnesotans need to achieve their educational and career goals and develop the ability to contribute towards a vibrant, competitive and growing economy.

Key partners include the University of Minnesota, MNSCU, other academic libraries, K-12 schools, government and public libraries, OHE, MDE's State Library Services, North Dakota and South Dakota libraries and Wisconsin libraries in resource sharing.

Results:

In FY 2012:

- Minitex Resource Sharing and Delivery staff continues to meet increasing demand by processing nearly 400,000 interlibrary loan requests for users; filling 270,636 incoming requests—a new record; filling over 140,000 from U of MN collections; delivering over 88,000 articles directly to requestors' desktops; and shipping more than one million items through the delivery system. If an item is available from the University of Minnesota collection, most articles are delivered to requesters' desktops on the same day the request is received.
- Over 23 million searches were conducted through ELM; staff responded to over 310 ELM support assistance questions submitted by users; ELM was used to help answer 31,329 questions asked through *AskMN*, a 24/7 virtual reference service; 2,500 students, educators, school and library staff, and others attended ELM instructional sessions; and ELM saved libraries an estimated $73 million over what they would have spent if they had purchased the resource licenses individually.
- Through the MnLINK Gateway, over 387,000 requests were submitted, filled and delivered to customers; and staff responded to 730 help desk queries from Gateway users.
- Minitex, MnLINK Gateway and ELM services are available to 100% of the Minnesota population.
- Enhancements to the MnLINK Gateway has streamlined the workload of many library staff using the Gateway by 40 percent.

In addition, staff worked closely with the Online Computer Library Center (i.e., OCLC, a nonprofit cooperative that operates a computerized library network and assists MnLINK in the management of the MnLINK Gateway software and hardware) to enhance functionality for library staff and customers.

Performance Measures	Previous	Current	Trend
1. Requests filled by the Minitex office	246,632	270,636	Increasing
2. Usage of ELM resources	17,700,000+	23,000,000+	Increasing
3. Electronic delivery of articles to users' desktops	84,791	88,378	Increasing
4. Borrowing requests filled on the MnLINK Gateway	365,350	387,253	Increasing
5. Average turn-around-time to fill requests received and filled from the U of MN collection	26.5 hrs.	<24 hrs.	Improving

Performance Measures Notes:

1. *Previous Data: FY 2011 / Current Data: FY 2012.* Source: statistical data from systems used.
2. *Previous Data: FY 2010 / Current Data: FY 2011.* Source: vendors.
3. *Previous Data: FY 2011 / Current Data: FY 2012.* Source: internal database of electronic deliveries.
4. *Previous Data: FY 2011 / Current Data: FY 2012.* Source: data from Inter-Library Loan system.
5. *Previous Data: FY 2011 / Current Data: FY 2012.*

Program: Technology and Libraries
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$11,210			$11,210
Current Law Expenditures (FY 2014-15)	$11,210			$11,210
Governor's Recommended Expenditures (FY2014-15)	$11,210			$11,210
$ Change from FY 2014-15 Current Law to Governor's Rec	$0			$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Program: Technology and Libraries
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
APPROPRIATION	$11,210			$11,210
SOURCES OF FUNDS	**$11,210**			**$11,210**
EXPENDITURES	$11,210			$11,210
PAYROLL EXPENSE				
GRANTS, AIDS AND SUBSIDIES	$11,210			$11,210
USES OF FUNDS	**$11,210**			**$11,210**

Higher Education, Office of
Office of Administration

http://www.ohe.state.mn.us

Statewide Outcome(s):

OHE Administration supports the following statewide outcome(s).

Minnesotans have the education and skills needed to achieve their goals.

Context:

The Minnesota Office of Higher Education (OHE) Administration provides overall management, leadership and administrative support for OHE. The mission of OHE is to "advance the promise of higher education to all Minnesotans and provide critical information to make higher education decisions". We support the operation of eight financial aid programs, the implementation of three federal grants, human resources services to all employees, the registration and licensure of postsecondary schools, and provide leadership, supervision, office space and equipment for 67 FTE staff. We provide policy leadership in higher education through the director's office and through information provided to lawmakers and citizens. Administration includes:

- Financial management and auditing
- Regulatory services for Private Institutional Registration (PIR) and Private Career Schools (PCS)
- Communications and outreach
- Legislative relations
- Human resources

Administrative activities are currently impacted by several factors. First, the number of schools that must either register or be licensed by the state has increased over the past three years due to a dramatic growth in online education across the country. Any school having Minnesota students enrolled, regardless of location, must be registered with the state of Minnesota. In addition, during 2008 - 2012, the number of postsecondary institutions needing review increased. Total audits and reviews completed remained stable during this time, which included the state government shutdown of 2011. This is due in large part to efficiencies realized by a move from manual to online applications for both registration and licensure.

Primary customers include students, postsecondary institutions (in-state and out-of-state), the Governor's office and the legislature, Minnesota Management and Budget, legislators, agency staff and programs, contracted vendors and media.

OHE Administrative services are funded by dedicated revenue, general fund appropriations, indirect cost revenue and the SELF Loan Capital Fund.

Strategies:

OHE Administration contributes to statewide outcomes by providing continuous improvement for effective and efficient organizational operations that support key programming. All programs work to comply with state statute, rule and the policies and procedures set forth by MMB, as well as specific initiatives of the Governor's office such as Better Government for a Better Minnesota.

The Director serves as a member of the Governor's cabinet and advises the Governor on higher education policy and works closely with the legislature to develop postsecondary education policies. The Deputy Director is responsible for internal operations of the agency and for continuous quality improvement of agency services, and policies and procedures.

Financial Management and Auditing implements accounting, auditing, budgeting, fiscal oversight for agency contracts, financial analysis and reporting, purchasing, travel management, disbursement, receipt of funds and repayment processes for programs. Financial services meets generally accepted accounting principles and conducts audits for postsecondary institutions with students receiving financial aid. An independent CPA firm audits OHE financial statements and provides a report annually. The internal audit function includes review and

testing of the internal control environment, conducting risk assessments, and assisting with the documentation and on-going review of control activities.

Regulatory Services provides for registration and licensure for degree-granting private institutions and private career colleges as required by Minnesota Statute, handles college transcript requests, and tracks closed schools, all to ensure consumer protection.

Human Resources provides for hiring, retention, termination, compensation, training, processes insurance and worker's compensation and ensures that we meet standards for laws such as the Americans with Disabilities Act and Affirmative Action.

Communications and Outreach identifies, develops, and distributes information, handles media inquiries on higher education policy issues and develops and maintains web and social media content for the agency.

Results:

Performance Measures	Previous	Current	Trend
1. Certified Audited Financial Statements for OHE – no material findings. Meet accounting standards	100%	100%	Stable
2. Total audits and reviews of postsecondary institutions	87	85	Stable
3. OHE HR practices comply with standards established by state law, the Governor's office, and MMB	100%	100%	Stable
4. Increased public outreach and messaging through traditional and new methods, including website, blog, Twitter account, e-newsletter, editorials, etc.	160,000 printed materials; website	160,000 printed materials plus social media	Increasing

Performance Measures Notes:

1. *Previous Data: 2011 / Current Data: 2012.* The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly, and give a true and fair view in accordance with the financial reporting framework.
2. *Previous Data: 2008-11 / Current Data: 2012.* The purpose of these audits is to provide reasonable assurance that postsecondary institutions are using state financial aid awarded to students properly and in accordance with Minnesota Statute and Rule.
3. *Previous Data: Prior to 2012 / Current Data: 2012.* OHE has successfully resolved one grievance in 2012 and had no lawsuits since 2005; 100 percent compliance with cabinet level required reporting since 2004 when we became a cabinet-level agency; and the employee performance review program has sustained a 100 percent completion rate since 2009.
4. *Previous Data: 2008-11 / Current Data: 2012.* We are building on this and increasing external communication efforts and effectiveness.

Program: OHE Administration
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$5,155	$17,104		$22,259
Current Law Expenditures (FY 2014-15)	$5,152	$18,702		$23,854
Governor's Recommended Expenditures (FY2014-15)	$5,152	$18,702		$23,854
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0		$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%		0%

Program: OHE Administration
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN		$7,614		$7,614
REVENUE		$18,662		$18,662
TRANSFERS IN	$200			$200
APPROPRIATION	$4,982	$0		$4,982
SOURCES OF FUNDS	**$5,182**	**$26,276**		**$31,458**
BALANCE FORWARD OUT		$7,554		$7,554
TRANSFERS OUT	$30	$20		$50
EXPENDITURES	$5,152	$18,702		$23,854
PAYROLL EXPENSE	$3,216	$2,839		$6,055
OPERATING EXPENSES	$1,936	$15,863		$17,799
USES OF FUNDS	**$5,182**	**$26,276**		**$31,458**

Federal Funds Summary

Federal Award Name	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome	Subject to 8% Sequestration Reduction
Federal Fund - Agency Total			**5,151**	**5,546**	**5,546**	**5,546**				
Program Total- Student Financial Aid			**150**	**73**	**73**	**73**				
Budget Activity Total- Student Financial Aid			9	10	10	10				
Budget Activity Total- State Grants			141	63	63	63				
Program Total- Postsecondary Access and Outreach			**5,001**	**5,473**	**5,473**	**5,473**				
GEAR UP			3,210	3,100	3,100	3,100				
College Access Challeng Grant			937	1,506	1,506	1,506				
Improving Teacher Quality State Grant Program			854	867	867	867				
GEAR UP	Ongoing	**GEAR UP** is an intervention program that works with low income students and those under-represented in postsecondary education to prepare them for education after high school. The program serves about 4,700 students (5th through 12th grade) annually. The program has a dollar for dollar matching requirement, in cash or in-kind.	3,210	3,100	3,100	3,100	YES	NO	Education	Yes
College Access Challenge Grant	Ongoing	**College Access Challenge Grant Program:** An annual award of $1.5M fosters activities to increase the number of low-income students prepared for postsecondary success. The program has a maintenance of effort requirement allowing states to show their commitment to providing an affordable college education. In addition, the program requires that 1/3 of the federal award amount be matched	937	1,506	1,506	1,506	YES	YES	Education	Yes
Improving Teacher Quality State Grant Program	Ongoing	**Improving Teacher Quality State Grant Program:** An annual award for state administered grants allowing institutions of higher education to conduct K-12 teacher professional development in core academic areas. In FY2012 the award amount was reduced from $1M to $867,000 due to federal budget cuts. Continued funding is uncertain because this state level grant program is not included in drafts for reauthorization of the No Child Left Behind Act.	854	867	867	867	NO	NO	Education	Yes
John R Justice	Ongoing	**John R. Justice** Student Loan Repayment Grant Program provides awards to 32 public prosecutors and defenders each year. In FY2012, Minnesota received approximately $140,000. The grant award was reduced to $63,000 for FY2013 due to federal budget cuts.	141	63	63	63			Education	No
Paul Douglas Repayment	Ongoing	**Paul Douglas Teacher** Collection of Loan Repayment funds from 4 students each year that did not complete the teaching obligation under this program (which stopped taking new participants in FY 1996).	9	10	10	10	NO	NO	Education	No
			5,151	5,546	5,546	5,546				

The federal maintenance of effort language for the College Access Challenge Grants, requires states to maintain spending for higher education at least at the average amount spent over the past five years. A waiver may be sought as long as