



Minnesota
STATE COLLEGES
& UNIVERSITIES

Higher Education Act

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At its core, the purpose of Higher Education Act is to increase access to higher education, both in terms of enrollment and successful program completion. The Minnesota State Colleges and Universities system is prepared to participate in an open discussion of national policy issues related to reauthorization of the Higher Education Act, with special interest in discussions encompassing both access and quality. The reauthorized Higher Education Act must continue to provide opportunities for quality higher education, especially for those who would not otherwise have such opportunities.

Minnesota State Colleges and Universities can serve as an exemplary model or demonstration site for the following priority issues under discussion in the Higher Education Act reauthorization:

Accountability — The Board of Trustees System-Level Accountability Framework is an exemplary model for higher education. The model was developed to inform stakeholders and enable the Board of Trustees of Minnesota State Colleges and Universities to evaluate system performance and direct strategic improvements by aligning assurances that the system meets expectations of statutes, laws, policies and ethical standards; planning assumptions and scans of higher education's external environment; and assessments of the system's progress on strategic directions and goals relative to benchmarks, targets and stakeholder satisfaction.

Access and Transfer — Minnesota State Colleges and Universities can serve as a demonstration site for transfer-related reform through system models for high school-to-college transitions, articulation agreements, applied bachelor degree programs and the Minnesota Transfer Curriculum.

Affordability — Since the state higher education merger of 1995, Minnesota State Colleges and Universities provides a national model for demonstration of efforts to reduce administrative costs. Consolidation or regionalization of administration, as well as multi-institution purchasing arrangements, are among ways that the system cuts costs and increases efficiencies.

Issues for consideration

In the reauthorization of the Higher Education Act, several points for consideration and discussion are:

Simplification of student aid and institutional aid programs

- Simplification of the formulas without significant adverse effects on program intent, costs, integrity, delivery and distribution of awards
- Reduction in the number of data elements and complexity of questions
- Streamlining applications
- Ability for financial aid applicants to complete limited sections of the application according to their specific circumstances.

Student loan consolidation

Consider examining the feasibility for changes to affect only new loan agreements made after new legislation is put in place. Points for consideration include:

- The intent of the consolidation program was to provide an opportunity for borrowers with multiple loan holders and a high debt level to consolidate that debt with one holder and allow for a single monthly payment.
- Loan consolidation has increased dramatically in recent years, coinciding with the drop in interest rates, resulting in a greater amount of the federal subsidy being directed toward college graduates who already achieved their educational goals.
- There is concern that consolidation results in substantial taxpayer subsidies paid to banks that would be better spent on helping increase access to students.

Transfer within higher education

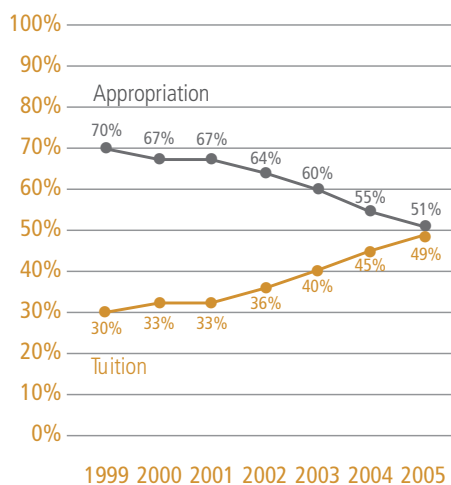
- Two-year colleges are often entry points into higher education for traditionally underserved populations, including minorities and economically disadvantaged students, through "open access, open door" policies.
- The inability of students to transfer credit from one institution to another is often seen as a significant barrier to access and reaching educational goals.

Distance Education — elimination of the 50 percent rule for financial aid

- The current restriction that colleges enrolling more than 50 percent of their students or that offer 50 percent or more of their courses via distance education cannot offer federal student aid is outdated.
- Any changes must address quality assurance, institutional integrity and importance of accreditation as a priority.
- Prevention measures for fraud and abuse in expansion of Title IV eligibility to online programs must be included.
- Default rate restrictions should be continued.
- Revisit the issue of benchmarking or validating academic program time through standards for “time on task” as related to the “12-hour rule” requirement for in-class instruction each week. (In recent years, technology and various adult-student demands and needs have resulted in a variety of alternative academic calendars. Course offerings and terms with multiple start dates, fewer numbers of weeks or other variations do not fit with the traditional instruction/homework configuration of one hour, one day per week, for 12 weeks.)

Tuition has increased as state appropriation has decreased

Tuition now makes up an average of 49 percent of the Minnesota State Colleges and Universities operating budgets (tuition plus state appropriation), up from 30 percent in 1999.



Source: Minnesota State Colleges and Universities Finance Division

Affordability

- State contributions to higher education have shrunk due to state fiscal crises. Almost all states are facing serious problems in their ability to finance higher education, resulting in forced cuts and increased tuition and fees. At the same time, enrollments are increasing and institutions are expected to serve a greater number of students with diverse learning needs.

Quality and accountability

- Accreditation and standards — leverage standards through accreditation, maintaining accrediting bodies as the primary vehicle for assuring program integrity.
- Federal role — performance systems based on any national formula are viewed as problematic when one considers the broad range of institutions, situations and missions.
- Data collection and consumer information — align data elements between those required for Title IV and those carried out under the National Center for Educational Statistics and other Acts such as the Perkins Vocational Technical Education and the Workforce Investment Act.

Change in definition of higher education institutions

- Changing definition to allow for-profit institutions to seek funds from Higher Education Act program sources, which have been stagnant for years, would dilute the goals of the programs across the country.

International education, Title VI

- Recognize the importance of international studies through increased support of Title VI, including programs in language acquisition, foreign affairs and international business skills and increasing underserved minorities in international service.

Fund for the Improvement of Postsecondary Education, or FIPSE

- Continue support to innovation, reform and improvements in higher education.
- Increase focus on technology applications.

For further information:

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