July 15, 2004 Meeting

**Meeting Topic – Review the drafts of committee reports**

Assessment Report – Presentation and Discussion
- Report should suggest actions while addressing the consequences of inaction
- Supply is said to be the individuals who have completed high education
- Demand is defined as how many high education completers are sought by employers
- The proliferation of private institutions represents an increase in supply in response to the individualized needs of an increasingly fragmented workforce
- Focusing on public higher education
- Discussed state support of research, but it often overlooks the embedded support that faculty do as a part of their normal responsibilities that are funded through instructional budgets
- University of Minnesota has competitive advantages over Minnesota State Colleges and Universities
- There may be a need for the Higher Education Services Office to oversee all of higher education in the state
- Need greater emphasis on the public good provided by higher education

Vision Report – Presentation and Discussion
- System roles – help public and private systems understand their role
- Students need to be held accountable for participating and performing in higher education
- Committee needs high impact statement that change is needed. Merely requesting more money will not create the change needed to better serve students and the state

**Evaluation**
- The subcommittees had quite different reports, but they need to be mutually supportive
- The assessment report should look at current state and vision report should define where it should be 20 years form now
- The governor and legislature are the primary customers of the final report
- Key issues: governance, mission differentiation, finance of the two public systems

July 29, 2004 Meeting - Topic – Student Financial Aid and Higher Education Finance
Guest:  David Laird, President and CEO, Minnesota Private College Council

Private College Recommendations
- Improve access to higher education for low income and minority students by providing more state funding to HESO to offer more support for TRIO programs
- Increase retention and success for students with demonstrated financial need – decrease student financial and debt burden by reducing student share in the state grant program; increase cap on state grant funding for private college students and restore and expand child care grants
- Support research at the University of Minnesota – create a freestanding research foundation funded by legislature and private interests to fund research

Guest:  Laura King, Vice Chancellor for Finance, Minnesota State Colleges & Universities
- Providing access is a key priority for MnSCU
- Students need more development skills in high school
- State grant program needs to be re-evaluated

Guest:  Peter Zetterberg, Director of Institutional Research and Reporting – University of Minnesota
- There are two fundamental public goods provided by higher education. It creates an educated citizenry and it provides a ladder to success for the less fortunate. Right now, they are being pitted against each other
- States are reducing funding, expecting student financial aid to make up for it, but the federal government is cutting student aid and threatening to punish institutions that raise tuition
- Minnesota needs to allocate state financial aid in a more sophisticated way so processes are simpler for students and their families.
- Suggests allocating financial aid directly to institutions and letting them allocate their own based on parameters defined by the state.

Response from Kerry Fine to meeting
- Not much discussion regarding article in newspaper of a single system combining MnSCU with University of Minnesota
- Agreement by group that high school students should be better prepared; some thought 12th grade should be reformed
- Lack of agreement on discussion of access and financial aid
- There is a definite division between high tuition/high aid concept and funding students/funding systems – some want voucher system to give students more control over where the money goes

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August 26, 2004 Meeting - Topic – Revised Draft Committee Report

Guest:  Robert Bruininks, President, University of Minnesota
Higher education helped create Minnesota’s strong economy and high quality of life and plays a critical role in Minnesota’s future. This committee should make the case for investing in higher education to keep Minnesota strong.

- Minnesota has some of the best higher education in the country, but has only made an average investment over the last 20 years.
- Universities like the University of Minnesota operate in a global marketplace and need resources to attract the best faculty, students, and research.
- The University of Minnesota is one of Minnesota’s most important assets.
- University faculty attract about $500 million in grants and contracts every year.
- University of Minnesota took a $200 million reduction in state funding in the last biennium, any more cuts will erode the overall quality and its ability to serve Minnesota.

Discussion on Access and Readiness
- Recommendation need to:
  o Address groups like immigrants and low income.
  o Private sector needs to invest in college readiness.
  o Do no tie readiness to funding.
  o Should highlight PSEO.
  o Focus on underperforming 18-25 year olds.
  o Should identify incentives and penalties.

Access and Affordability
- Recommendation to reallocate financial aid resources to P-12 readiness ticket from report.
- If selling higher education assets is intended to raise revenue by closing underutilized campuses, then report should state explicitly.
- Give institutions flexibility to find funds themselves.
- Hold legislature accountable for proving more resources.

Response from Kerry Fine on Draft Citizens League Report
- Emphasis on old political reform movement jargon of “efficiency and effectiveness”.
- They state primary function of higher ed is to be the “development of human capital and capacity” and that “higher education should build wealth and social capital for all citizens”.
- Primary draft recommendations:
  o Increasing excellence at U of M – especially grad ed and research; better faculty salaries, better or at least more predictable funding.
  o Create a new and independent “Knowledge Investment Board”.
  o Redesign current financial aid system.
  o Maximize capacity and use of MnSCU.
  o Higher Ed Trade Mission of the gov leading higher ed folds to China and India to see the competition.