
BOOST FUNDING FOR NEED BASED AID, AND GIVE STUDENTS A CHOICE

BY BRIAN ROSENBERG

College and university presidents across Minnesota engage in a daily balancing act: working to provide excellent educational experiences and, simultaneously, to keep tuition affordable, especially for low- and middle-income students. As costs rise faster than family incomes, state policymakers can help to sustain both the quality and affordability of higher education in Minnesota. The resulting benefits to the state and its taxpayers would be enormous.

College administrators are indeed working hard to control budgets. Yet despite our most ardent energy-conservation measures, it costs more every year to heat residence halls and to light classrooms. Anyone confronted with sharply rising health care costs will understand why faculty and staff compensation and benefits - our largest single expenditure - continue to increase. Each year it costs more to update computer and lab technology and to purchase library books, equipment, supplies and services.

The bottom line, then, is that as prudently as we plan and budget, and as thoughtfully as our dedicated faculties and staffs approach their work, higher education continues to increase in cost. Students and their families bear a large share of the increase, with Minnesotans' borrowing for undergraduate education recently passing the \$1 billion mark.

The state of Minnesota has a compelling interest in increasing the share of students who pursue post-high school education in both two- and four-year colleges. I believe strongly that a democracy functions best through the efforts of an educated citizenry. Beyond that, those who pursue post-high school education enjoy much higher earnings over their lifetimes than do those

who do not, and the gap has been increasing in recent decades. Meanwhile, the number of high school graduates is expected to drop in Minnesota (according to the Office of Higher Education) just as the economy's demand for college-educated employees is expected to double (as reported by the Minnesota Private College Council Research Foundation).

Today, two out of every three Minnesota high-school graduates attend college. Among low-income families, the rate is just one out of three. Clearly, it is in Minnesota's best interests to increase these rates. Just as clearly, we should do all we can to make college an attainable and affordable opportunity for students from low- and middle-income families.

While colleges and universities do their parts - looking to control costs and increase the grants they make to students - how can policymakers target state efforts to be most effective? The answer appears clear: focus on directly assisting students.

Minnesota has a track record on this front. Thirty-five years ago we created need-based aid for college students, to help make higher education affordable for Minnesotans of modest means. Need-based aid, through the State Grant Program, goes directly to the student, who uses it at the institution of his or her choice, an efficient and effective way to help students meet their educational goals. More than 71,000 students - one out of four Minnesota undergraduates - are receiving this assistance to attend both the public and the private colleges and universities in the state.

Unfortunately, funding for this program has been lagging. The value of the average State

Continued on back

Grant award dropped 14 percent, in inflation-adjusted dollars, between 2000 and 2005. As students have been able to rely less on this support, they have had to increase the amounts they borrow. Meanwhile, colleges have increased the amounts they provide in institutional grants. These increases in borrowing and in institutional aid have been attempts to compensate for the decline in state grant support, but they cannot grow endlessly to meet the need. State policymakers must recognize this challenge and take action.

Bills in the Legislature authored by Rep. Joe Atkins, DFL-Inver Grove Heights, and Sen. Rod Skoe, DFL-Clearwater, would recommit the state to need-based aid, targeting new spending on the students who need it the most. Under these bills, thousands more students would become eligible for assistance and the size

of awards would grow, especially for part-time students. Portions of these proposals are incorporated in both Senate and House omnibus higher education bills, but the levels of support need to be higher.

At a time when Minnesota has limited resources and boundless needs, state lawmakers need to sort through policy ideas for the ones that will provide the most benefit to the public good. Helping college students will pay significant dividends, and the best and most efficient approach is properly funded need-based aid.

Brian C. Rosenberg is president of Macalester College and chairman of the Minnesota Private College Council. For more background on need-based aid and the State Grant Program, visit mnprivatecolleges.org.