2024 Legislative Request
Promise Equalization Scholarship

Last session’s major investment in college affordability left out one-third of the low- and middle-income students in our state who attend four-year colleges by focusing the North Star Promise on public colleges and universities. Low- and middle-income students who attend private nonprofit colleges need and deserve similar increases in financial aid.

Low- and middle-income students at nonprofit colleges have the same financial needs as students at Minnesota State and the University of Minnesota who are helped by North Star Promise.

In the 2024 session, legislators can provide financial aid parity for low- and middle-income students at nonprofit colleges by investing in a new component to the Minnesota State Grant program — the Promise Equalization Scholarship. This new scholarship would make a financial aid investment in students at nonprofit colleges that is similar to the investment made in students at the University of Minnesota through the North Star Promise Scholarship program.

For decades the state’s financial aid policy has provided students at nonprofit colleges with the same level of financial aid as students at the University of Minnesota’s Twin Cities campus. This approach treated all students fairly. The Promise Equalization Scholarship will restore financial aid parity for students at nonprofit colleges.

The new scholarship would provide a percentage match to nonprofit students’ State Grant awards. This investment of $13.9 million would be proportionate to the estimated amount University of Minnesota students will receive through the North Star Promise Scholarship ($12.3 million), taking into account the higher number of State Grant recipients attending nonprofit colleges (13,300) than the University of Minnesota (11,700).

Through the Promise Equalization Scholarship, legislators can support low- and middle-income students who need help paying for college but were left out of last year’s investment in college students.

It’s important to empower students to make the best college decision for themselves — one size doesn’t fit all.
Why Students at Nonprofit Colleges Matter to Minnesota

About one-third of recent high school graduates who attend a four-year college in Minnesota choose to enroll in a nonprofit college.1

Nonprofit colleges provide access and success to students of diverse backgrounds:

- 36 percent of Pell Grant recipients pursuing bachelor’s degrees are enrolled at nonprofit colleges.

- 34 percent of students of color and Native American students pursuing bachelor’s degrees in the state attend nonprofit colleges.

- In fact, the share of Pell Grant recipients and students of color at nonprofit colleges is the same or higher than at Minnesota’s public four-year colleges.

- And nonprofit colleges have the highest on-time graduation rates in the state for Pell Grant recipients.

The state can’t fully meet its future workforce needs without graduates from nonprofit colleges. According to the Georgetown Center for Education and the Workforce, Minnesota ranks 6th among all states and the District of Columbia for the share of jobs that will require a bachelor’s degree in 2031.

Annually, nonprofit colleges award about one-third of bachelor’s degrees in the state — and a significant share of degrees in high-demand areas like business, education, nursing, and the STEM disciplines. And a large majority of our graduates stay here and join the workforce after graduating.

Nonprofit colleges provide significant scholarships and need-based grants to students — institutions provide $7 of grant aid for every $1 of state and federal grant aid. But nonprofit colleges are facing the same difficult economic pressures created by declining enrollment as Minnesota’s public institutions.

Need-based financial aid is the main way the state invests directly in students at nonprofit colleges. Even with this new investment, less than 4 percent of state higher education appropriations would go directly to students at nonprofit colleges, with 92 percent of funding going directly to public institutions and students, and the remaining 4 percent going to the Minnesota Office of Higher Education.

With the new Promise Equalization Scholarship, the State of Minnesota would partner with nonprofit colleges to make college more affordable and reduce student debt for those students at nonprofit colleges with the most need — just as the North Star Promise Scholarship has done for low- and middle-income students at public and tribal colleges.

Note

1 Data includes students at all nonprofit colleges in Minnesota.