



Larry Pogemiller, Director, Minnesota Office of Higher Education

Direct aid to postsecondary students garners more support than aid to institutions

A Civic Caucus Focus on Competitiveness Interview

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Present

All by phone: Dave Broden, Audrey Clay, Janis Clay, Pat Davies, Paul Gilje (coordinator), Randy Johnson, Sallie Kemper, Dan Loritz (chair), Larry Pogemiller, Dana Schroeder, Fred Zimmerman.

Summary

Higher education is in a transition period right now, according to Larry Pogemiller, director of the Minnesota Office of Higher Education. He says there's a growing recognition that higher education is basically a market system, not a public system, like K-12. All colleges, he believes, have a vested interest in how we can better facilitate higher attainment and higher quality education. Governor Mark Dayton's budget calls for a balanced new investment of \$240 million in higher education: \$80 million for direct student aid; \$80 million to the Minnesota State Colleges and Universities (MnSCU) system; and \$80 million to the University of Minnesota. But direct student aid, he believes, enjoys more support than aid to institutions. He calls the governor's funding proposal for early childhood education also an investment in postsecondary education. Minnesota baccalaureates who incur debt have the third highest average debt (\$29,800) in the nation. And the percentage of Minnesota students taking on debt (71 percent) is the fifth highest in the nation. As Minnesota moves into the arena of Massive Open Online Courses (MOOCs), Pogemiller believes the state must pass a law to cover the possibility of some MOOC providers offering credit for their classes. He says an effort to redesign grades 11 to 14 is basically dismantling high school and redesigning it to do a better job of personalizing it. A new application for digital devices could help students keep track of their academic accomplishments and explore possible career paths. Finally, Pogemiller is stunned at how challenging it is to create change in higher education.

Introduction

Larry Pogemiller is director of the Minnesota Office of Higher Education, a post to which Governor Mark Dayton appointed him in 2011. He represented northeast Minneapolis districts in the Minnesota Legislature from 1981 to 2011. From 1981 to 1983, he served as a DFL member of the state House of Representatives and, from 1983 to 2011, of the state Senate. He served as the Senate's majority leader from 2007 to 2011. As majority leader, he was chair of the Senate Rules Committee and its subcommittees and also served on the Senate Tax Committee.

Pogemiller was born in Minneapolis and graduated from DeLaSalle High School in 1969. He received his B.S. in transportation engineering from the University of Minnesota and his master's in public administration from the Harvard University John F. Kennedy School of Government.

Discussion

Larry Pogemiller, director of the Minnesota Office of Higher Education, now a cabinet-level agency, said his office:

- Advises Gov. Mark Dayton on higher education policy;
- Manages state financial aid, the state grant program, work-study, child care grants, American Indian scholarships, tuition reciprocity and a subsidized loan program;
- Analyzes data about students and postsecondary education;
- Registers private degree-granting institutions, such as St. Thomas University;
- Licenses non-degree career schools, like beautician schools;
- Is the vehicle for various federal grants for colleges;
- Acts as the pass-through agency for the collaboration of all the postsecondary libraries in the state; and
- Administers United Family Practice grants for medical education and the Minnesota Minority Educational Partnership program that helps minorities enter postsecondary education.

The Office of Higher Education registers, but doesn't license, private, for-profit colleges.

In response to a question, Pogemiller said his office registers the colleges, which is "not quite as heavy as licensure." He said the office compares the faculty and course information the colleges provide to check whether they have enough capacity to do what they say they're doing. It's short of going in and finding out if they're delivering a quality baccalaureate. "We don't have the resources to do that," he remarked.

He commented, though, that "for-profit colleges will drive themselves out of the market if they don't show better graduation rates."

Higher education is in a transition period right now.

Pogemiller commented, "There's a growing recognition that higher education is basically a market

system, not a public system, like K-12. All colleges have a vested interest in how we can better facilitate higher attainment and higher quality education."

Education accounts for about three-fourths of the new investment proposed in the governor's budget. Pogemiller noted that Gov. Mark Dayton is recommending \$1 billion in new investment in his budget and that about three-fourths of that is in education: early childhood, K-12 and higher education. The proposed new investment in higher education is \$240 million, which is the largest percentage increase in any area of the budget.

The governor's budget calls for a balanced investment of \$240 million in postsecondary education, focused on three things:

1. \$80 million for direct financial aid to students. When this increase in direct aid is implemented, he said, there will be over 100,000 students in Minnesota getting a grant, with an average grant increase of \$300. The governor is also recommending putting in enough money to eliminate the 400-person waiting list for American Indian scholarships and assuring adequate funds for tuition reciprocity with Wisconsin, North Dakota and South Dakota. The investment in direct aid to students through the state grant program is the largest percentage increase in the program in 25 years and the largest dollar increase in the history of the program, Pogemiller noted. It expands eligibility to over 5,000 students, including 2,000 students in the \$60,000 to \$120,000 middle-income range. It is targeted to try to increase eligibility to middle-income students.
2. \$80 million to the Minnesota State Colleges and Universities (MnSCU) system. The funding would be used for internships and apprenticeships, machinery at technical schools and retaining faculty by providing pay increases.
3. \$80 million to the University of Minnesota. The funding, contingent on an audit looking at administrative costs, is to be used to freeze tuition for two years and to help fund four research areas the University has recommended: (1) robotics, sensors and advanced manufacturing; (2) neuromodulation, a treatment that delivers either electricity or drugs to nerves in order to change their activity; (3) global food supply; (4) conserving the environment, while also promoting economic development.

Direct student aid enjoys more support than aid to institutions.

Responding to a question, Pogemiller said he thinks the institutional support for MnSCU and the University of Minnesota is more at risk at the Legislature than direct student aid. There is polling that says Minnesota citizens would, by overwhelming numbers, put money into direct student aid, rather than into institutional aid.

"The governor has decided to do this in a balanced fashion," he said. "A real hard-core person would say, 'Why give any money directly to the institutions? Let them figure it out. They're in a market system.'"

An interviewer asked whether an increase in state grant funding would encourage colleges to increase prices. Pogemiller answered that about 25 percent of students get state grants and that's not enough to drive price. He said that research at the federal level has found that the federal Pell grant, which is a much bigger number, doesn't drive price.

Gov. Mark Dayton sees early childhood funding as part of the investment in higher education.

"Because of our demographics, if you don't have this emerging population of poor kids and kids of color prepared to be successful in K-12, we have no chance of maintaining our high level of postsecondary attainment," Pogemiller said.

He noted that the governor has taken a balanced approach of direct aid to students and institutional aid in both higher education and early childhood. In early childhood education, the governor has funded scholarships (direct aid) and matched that with funding for all-day kindergarten (institutional aid). "I think this tension between institutional support and direct aid is in play in both postsecondary and early childhood," Pogemiller commented.

Minnesota needs a law accommodating the possibility of credit being given for free online courses.

In response to a question about the University of Minnesota announcing a partnership with Coursera, a major provider of Massive Open Online Courses (MOOCs), Pogemiller said Coursera is moving rapidly toward credit and accreditation for the courses. "We have to draw a Minnesota statute that accommodates the possibility that there might be credits here," he said. "Currently, if you offer credits and if you charge somebody, you have to pay a fee to Minnesota to be registered. That would have been several hundred thousand dollars for Coursera. We have some kind of responsibility for consumer protection, so we're going to try to find a balance between registration and openness that allows the University to partner with these emerging providers."

Pogemiller said we should use MOOCs in a blended-learning approach to enrich classroom learning. This should lead to a much richer combination of technology and face-to-face mentoring that will allow better education for more people. "Faculty will be what they've always said they wanted to be: Socrates in the cave," he said. "They'll be guiding and, in a Socratic way, helping students learn."

Pogemiller's office is recommending to the Legislature that the governor be given the power to appoint the chair of the Higher Education Advisory Committee.

The Committee currently has five members: the director of the Office of Higher Education; the president of the University of Minnesota; the chancellor of MnSCU; a private, nonprofit college representative and a for-profit college representative. The University and MnSCU decide who chairs it.

In addition to recommending that the governor appoint the chair, Pogemiller's office is recommending that the Commissioner of the Department of Employment and Economic Development (DEED) be added to the Advisory Committee.

"It's more likely the governor will follow the advice of the committee if he appoints the chair," Pogemiller said. In response to a question, he said neither he nor the governor would oppose having generalist citizens on the board. "If the group gets too large, it can't go anywhere," he continued. "We must try to find the correct balance between key players and public input. Twenty or thirty people are way too many."

Elected officials have less control than they might assume over the amount of tuition postsecondary institutions charge.

An interviewer asked about student debt and the discounting of list-price tuition through scholarships. He commented that with steep rises in tuition, families now feel that even the discounted tuition is too high. Some schools have already discounted their tuition by 50 percent, which the interviewer called unsustainable.

Pogemiller responded that over the last 10 years, growth in tuition has outpaced both inflation and growth in family income by three times. Through the state grant program, elected officials can provide some semblance of access to low- and moderate-income people.

"If you believe in student choice, let's protect lower- and lower-moderate-income people with the state grant program to allow them to choose the best college for them," he said. "Let the institutions take care of their own price model. We try to put out the best information to consumers to allow the market forces to work. Collecting data about who is successful and in what environment will help us understand that more directly helping families get to the institution that best fits their students' needs is the right path."

Average debt for Minnesota baccalaureates who incur debt is \$29,800, third highest in the nation. Pogemiller said Minnesota is fifth highest in the percentage of people who take out debt: 71 percent.

He noted that \$7 billion is spent in Minnesota on higher education. Of that amount, between 75 percent and 82 percent comes out of families' pockets. The bulk of the money is not public money. The fastest growing part of the family contribution is debt.

Pogemiller, MnSCU Chancellor Steven Rosenstone and Commissioner of Education Brenda Cassellius are working on a redesign of grades 11 to 14.

"We're basically dismantling high school and redesigning it to make it more personalized for students," Pogemiller said.

He outlined three kinds of students in high school:

1. The high flyers, those students involved in postsecondary enrollment options, college-in-high-school, and Advanced Placement and International Baccalaureate;
2. The middle-range students, for whom the academic and social challenge of high school is about right; and
3. The underachieving and undergrading students, who are, by-and-large, kids in poverty and kids of color.

The grades 11 to 14 concept, Pogemiller said, is to:

1. Align the assessment system. Focus not on the high school diploma, but on whether students are ready to do postsecondary work. "We'd like to slow down the number of people needing remedial courses at college, by assessing earlier and intervening as early as ninth or tenth grade," he said.
2. Target earlier the students not on course. This also includes an investment in early childhood, not just waiting till they get into ninth grade.

3. Open up access to advanced learning for high school students . Examples include post-secondary enrollment options, Advanced Placement, International Baccalaureate and concurrent enrollment.
4. Provide realistic learning and career planning using digital devices . An application for phone or iPad would keep records of students' educational experience and outline their job possibilities based on that experience.

"The technology is absolutely out there to create this application," Pogemiller said. "This is going to be a living, breathing, evolving plan that the students own. It empowers the young person to see some vistas they might not otherwise see. This is not a panacea; it's in addition to counseling and adult faculty input."

This would allow schools and faculty, he said, to personalize what they're doing with each individual student in order to make the time they're spending with students productive. It could lead to faculty designing particular types of courses for their cohorts of students.

Change in higher education is challenging.

In conclusion, Pogemiller said, "As someone who spent most of his time in the Legislature on K-12 education issues, I'm stunned at how challenging it is to create change in higher education."