



Larry Pogemiller, commissioner of the Minnesota Office of Higher Education

Eliminate inequities in postsecondary education or risk stifling Minnesota's economy

A Civic Caucus Focus on Human Capital Interview

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Present

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Summary

The fundamental issue for Minnesota is completion of postsecondary education and attainment of certificates and degrees by students of color, asserts Larry Pogemiller, commissioner of the Minnesota Office of Higher Education (OHE). We must overcome the inequities in postsecondary education or we'll stifle the economy, he says, because we'll just run out of people to do the work. He calls it a moral and economic imperative.

Minnesota students of color, Pogemiller points out, are much less likely to complete high school on time and to complete postsecondary education than white students. And students of color, who now make up 24 percent of Minnesota graduates, are more likely to attend two-year colleges part-time than white students, meaning they are less likely to complete a certificate or degree program. These disparities, he says,

constitute "a scandal" and are creating a tiered system that is a major problem for our society in the long-term.

And students attending two-year colleges are much more likely to be enrolled in developmental (i.e., remedial) postsecondary courses than those attending four-year colleges, he says. Rates of

enrollment in developmental courses—a measure of lack of readiness for college—differ widely by racial /ethnic group. The greatest difference is between white high school graduates, with 24 percent enrolling in developmental courses, versus black or African American graduates with 55 percent.

Pogemiller believes strongly that a critical step toward addressing these postsecondary inequities is to focus scarce resources on those most in need through targeted financial aid. He states that using targeted financial aid rather than free college or low tuition for everyone is a "no-brainer" policy issue. Targeted financial aid allows students to get to their best-fit institutions and increases their odds of success, he says.

We must start at the pre-K level in order to solve the postsecondary problem, because inequities snowball, he says, even at the lowest grade levels. He believes we don't intervene effectively enough through the early years for a lot of students who are lagging behind in basic skills. Those students start to believe they can't succeed.

Biography

Larry Pogemiller is commissioner of the Minnesota Office of Higher Education (OHE), a position he has held since November 2011. Prior to becoming commissioner, Pogemiller served in the Minnesota House from 1981 to 1982 and in the Minnesota Senate from 1983 to 2011, representing Districts 58 and 59 in Minneapolis. He served as Senate Majority Leader from 2007 to 2010, after previously serving as chair of the Senate Tax and Senate Education Committees.

Pogemiller graduated from the University of Minnesota with a B.S. degree in transportation engineering and earned a Master of Public Administration degree from Harvard's John F. Kennedy School of Government. He studied for his doctorate at the University of Minnesota's Graduate School of Economics, but did not complete the degree.

About the Minnesota Office of Higher Education (OHE). OHE is a cabinet-level state agency that provides students with financial aid programs to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data and research and analysis on postsecondary enrollment, financial aid, and finance and policy trends. It administers up to \$180 million in need-based grants to Minnesota residents attending eligible institutions in the state. It manages the Minnesota student loan program, known as the SELF Loan, and oversees other state scholarship programs, tuition reciprocity programs, Minnesota's 529 College Savings Plan, licensing, an early college awareness program and initiatives for youth.

Background

The Civic Caucus has released two recent statements on human capital: [one in September 2014](#) laying out the human-capital challenges facing the state today and in coming years and [a follow-up paper in January](#) offering recommendations for maintaining a high-quality workforce in Minnesota. The Civic Caucus interviewed Larry Pogemiller to learn more about the role of Minnesota's Office of Higher Education in helping Minnesota prepare students for the workforce.

Discussion

For Minnesota, the fundamental issue is ensuring that more students of color complete postsecondary education and attain certificates or degrees. If we don't do that, we will suffocate our economy and our economic growth, said Larry Pogemiller, commissioner of the Minnesota Office of Higher Education (OHE). "All the other issues around it are very important," he said. "But fundamentally, the issue for Minnesota is equity in education at the postsecondary level. We have to overcome the inequities in postsecondary education or we'll stifle the economy. We'll just run out of people to do the work."

Minnesota has to figure out how to take the homegrown cohort we have and be successful with them. Inequities dominate education in Minnesota, Pogemiller said. The growth in our population will come almost entirely from cohorts of color. "If we're not successful in having those students complete high school, get into postsecondary and complete postsecondary, we're just not going to be what we were," he said. "It's a moral imperative and an economic imperative."

Minnesota students of color are less likely to complete high school on time and to complete postsecondary education. Pogemiller referenced 2013 [Minnesota data from OHE](#) that show the following:

- Students of color are less likely to complete high school on time than white students: for example, only 49 percent of American Indian students and 58 percent of black students do so, compared with 85 percent of white students.
- Students of color are less likely to complete postsecondary education: 65 percent of white students graduate from four-year institutions in six years or less, compared to 51 percent of black students and 42 percent of American Indian students. And 54 percent of white students graduate or transfer from two-year institutions within three years, compared with only 41 percent of black students and 21 percent of American Indian students.
- Students of color, who now make up 24 percent of Minnesota undergraduates, are more likely to attend two-year colleges part-time than white students, meaning that they are less likely to complete a certificate or degree program.

"It's pretty apparent that for every group other than white Anglo-Saxons, we're just not doing what we need to do," Pogemiller said.

Even among high-achieving students, socioeconomic factors have a major impact on who completes a four-year postsecondary degree. Pogemiller referenced a recent longitudinal study by the National Center for Education Statistics that showed that among students in the study scoring in the top 25 percent on a math achievement test while in high school, 74 percent of those students in the top socioeconomic quartile completed a bachelor's degree by the time they were in their late 20s. In contrast, only 41 percent of the poorest students with the top math scores did so—a completion gap of 33 percentage points.

"That's got to be fixed," Pogemiller said. "That's not the only issue in postsecondary education, but it's the paramount issue. If you fix that, a lot of the other issues fade away."

We do really well with Lake Wobegon kids: they have high rates of graduation from high school, of entrance into postsecondary education and of attaining a degree. Pogemiller asserted that we must look at some obvious disparities, like male/female and race, because we aren't taking care of everybody. "I think this may not be a deficit of the person or the cohort we've described," he said. "It may be a fundamental issue about the way we deliver services. There's a lot of evidence in chartering and other activity going on in education that we can resolve this. It's a question of whether we have the will to resolve it."

"Minnesota is a state that cares," Pogemiller continued. "But apparently we don't care enough to resolve these issues, which have been going on for 30, 40 or 50 years here. It should be unacceptable for Minnesota to peacock itself until it solves this problem."

"We spend money for these systems under the notion that they create upward social and economic mobility," he said. "We just simply are not delivering that at the level we need to. We are delivering it for individual people. There's evidence that there's been a lot of movement. But there's a lot of economic evidence that it has stalled out."

The issue of free college or low tuition versus putting money into need-based aid is a "no-brainer" policy issue. Pogemiller said the evidence is we need more investment in need-based aid. "But now President Obama is talking about free college," he said. "Harvard's going to take care of itself. I don't think we have to worry about whether Harvard's too expensive or not. I would put the University of Minnesota (U of M) in that same group. There are a lot more people trying to get in there than they let in. Apparently, it's not over-priced."

The issue, he said, is who goes to which college. "If you're a kid of color or a young adult of color, you go to a two-year college and you go part-time," he stated. "And the part-time students at two-year colleges are the group least likely to attain a certificate or degree." OHE data show that the three-year graduation and transfer rate from Minnesota's public two-year institutions was 50 percent in 2013.

The way you fix that is through need-based aid, Pogemiller maintained. Financial aid allows students to get to their best-fit institutions and increases their odds of success, he maintained. "We should be investing more in need-based aid than in low tuition."

There's not an access problem in Minnesota to postsecondary education, because pretty much everybody can get to college, even without a high school diploma. Today, we actually have free college in Minnesota, Pogemiller said. If a student's family income is under about \$40,000, he or she can go to any community college in Minnesota for free and also likely get some money for living expenses. "What's not free is the U of M or private colleges," he said. "That's the way the world is. People with money send their kid to the U of M or a private college, not to a two-year community or technical college."

Getting a degree is an issue of risks and probabilities. The risks are not as great if you come from a high-income family, Pogemiller said. Eventually, someone will help you get a job. If you're a low-income kid and you take on \$40,000 or \$50,000 of debt, you're at great risk, he said. "If you don't land that job right out of college," he said, "your entire life has changed. You now have to make choices that limit your upward mobility. The highest risk people are the lowest income people, who tend to be people of color."

The problem is our inability to deliver equal opportunity and erase inequities in postsecondary degree attainment; the goal is to eliminate them. The way to do that, Pogemiller believes, is to focus scarce resources on those most in need through targeted financial aid. He asserts the same is true in pre-K education-target the kids most in need first, rather give it to everybody for free.

To solve the postsecondary problem, we must start at pre-K, because these inequities snowball. If you can't read in third grade, it's harder to graduate on time. If you can't graduate on time, it's harder to attain a degree, Pogemiller said. We need to invest in pre-K education, so students are progressing in their elementary years, instead of just biding time. "We won't get equity at the postsecondary level unless we fix the K-12 situation," he asserted.

In the K-12 system, he said, we need to intervene earlier for students who are lagging behind in basic skill areas. "We don't intervene effectively enough through the early years for a lot of students," he believes. "We lose them along the way. They lose interest. They start to believe they can't succeed."

Minnesota white high school students taking the ACT college-entrance exam in fall 2014 were significantly more likely to score as college-ready than their cohorts of color . Data from OHE show that among Minnesota high school students taking the ACT in fall 2014, 44 percent of white students scored as college-ready, compared with 24 percent of Asian students, 19 percent of Hispanic students, 13 percent of American Indian students, and 10 percent of black students.

The odds are students will be taking developmental classes if they're at community colleges, but not if they're at the U of M or a private college. "The U of M and the private colleges need to do more in that area," Pogemiller said. "Let's set up systems where everybody picks up a little bit more of the burden."

"There needs to be a rework of postsecondary education to take students as they are," he continued. "Co-requisite programming, where students get developmental (i.e., remedial) help while also taking some classes for credit, works for some people, but not for all. And we need to make an investment at the postsecondary level in support services for students, such as intrusive advising, counseling, mentors and additional faculty supports."

According to **OHE data** , 24 percent of Minnesota's 2013 public high school graduates enrolled in developmental education at a Minnesota college in fall 2014.

But for 2011 Minnesota public high school graduates, rates of enrollment in developmental education at a Minnesota college differed widely by racial/ethnic group: white graduates, 24 percent; Asian graduates, 39 percent; black or African American graduates, 55 percent; Hispanic or Latino graduates, 45 percent; and American Indian graduates, 38 percent.

And low-income students (as measured by participation in free or reduced-price lunch programs in high school) enroll in developmental education at higher rates than higher income students: graduates not taking part in the lunch programs, 24 percent in developmental education; graduates enrolled in reduced-price lunch, 37 percent; and graduates enrolled in free lunch (the lowest-income group), 47 percent.

There are lots of efforts going on around the state aimed at matching education and training to the needs of employers, such as:

- The Job Skills Partnership ;
- "Earn While You Learn" dual-education initiative;
- The occupational scholarships pilot program at the Minnesota State Colleges and Universities (MnSCU) system;
- The Real-Time Talent Project at MnSCU.

Postsecondary institutions are doing some of this, he said. "There's a lot of innovation going on, especially on rural campuses."

The skills misalignment issue is a lot more complex than people want it to be. We think higher education should work to fix that misalignment, Pogemiller said. "But we need to be realistic about what postsecondary institutions can do versus what is out of their control," he said. We don't control which jobs are available. And there's always a time lag when an institution is starting a new training or educational program.

Most students who are not succeeding in the K-12 system don't have classrooms set up that accommodate who they are. "We can fix that," Pogemiller said. "We know that the interpersonal connection of teacher to student is critical. We must create faculty-student connections that matter."

Let postsecondary institutions decide on their own policies for out-of-state tuition rates. The U of M has low out-of-state tuition, because it's trying to attract top out-of-state students, Pogemiller said. "We shouldn't necessarily say that we'll take care of Minnesota students first," he said. "That could be very shortsighted. The U of M is supposed to be competitive internationally. We need high-quality Minnesota and non-Minnesota kids to be that kind of institution."

He noted that among Minnesota students going on to postsecondary education, 72 percent stay in Minnesota for college; 21 percent go to border states with tuition reciprocity; and only seven percent go to other states.

The market will tell us if postsecondary institutions are being well run. "Don't intervene in that market with free-tuition ideas, because that's anti-efficiency," Pogemiller said. "The U of M bases tuition on what they think they can set it at to attract the cohort of kids they want. They view the Legislature as a revenue source in a market system. I'm for more investment in higher education, but we must stop getting diverted by things unrelated to results for students."

The Office of Higher Education doesn't have the capacity to be doing policy analysis on possible disruptions to the higher education system. But, Pogemiller said, a lot of work on this topic is going on in postsecondary institutions. He pointed out that one disruptive development is the use of online technology as part of students' learning. He believes that even with the new technology,

people need human interaction to learn in some type of blended mechanism of online and in-person learning. But we'll have to wait for the market response to this technology, he said. "If people can get jobs with total online degrees, they'll do that."

"This new learning technology is more pervasive than baby boomers think," he asserted. "It's not either-or. Institutions must effectively use it or die. And I think some will die."

An interviewer commented that he believes the institutions will survive, but the professoriate is really threatened by the new technology. "Professors will adapt," Pogemiller responded. "Some say they're having a more intimate experience with students online, where they feel they're interacting in a personalized manner that affects the students' learning."

When looking at the quality of K-12 teachers, the path forward politically is to look at whether we have the right teachers with the right students. Pogemiller said we must ask whether we're getting the right people into the teaching profession. He noted that Finland is very intentional about who they attract and put into teaching, while the U.S. is not.

"On the front end, let's decide who we think would be good teachers and try to attract them," he said. "This would raise the cultural understanding of who teachers are, which is very important. I think we'd be better served and we'd have more teachers of color. Teachers are working hard and trying to change, but we seem stuck somehow."

"Let's start from the basics: how to get the right teacher with the right students," he continued. "Why do we want a system where the highest paid teachers are in classrooms with the least challenging kids? The highest paid teachers should be those with the toughest jobs. Are you the right teacher for the kids we have? There's a lot of great stuff going on, but we must make sure it's everywhere for every kid."

The prevalence of part-time attendance at two-year colleges by kids of color is a problem for our society. Pogemiller said what we're doing is creating a tiered system that is not in our best interest long-term. "Whether it's intentional or not, it's a problem for our society, since most of our emerging population are kids of color."

There are way too many kids of color in two-year colleges and working in blue-collar jobs, he said. "Racial inequities are not right. This is a scandal. The U of M, the private colleges and MnSCU are not off the hook."