

**Susan Heegaard, Executive Director, Minnesota Higher Education Services Office**

- Minnesota has a strong decentralized system of public, private and proprietary postsecondary education.
- The missions of the public systems and their types of institutions are outlined in state statute.
- About 73% of Minnesota's postsecondary students attend public institutions.
- Online learning is growing.
- Enrollment has been growing over the last decade. During this time there has been an increase in students of color, women, and traditionally –aged students (aged 18-24).
- Minnesota has a higher postsecondary education participation rate than most other states.
- Minnesota ranks high in educational attainment and relatively high in graduation and retention of postsecondary students.
- The cost of higher education is going up for both the state and students. However, students now pay a higher percentage of the cost than in the past.
- Financial aid helps low and moderate income students pay for postsecondary education. Federal tax benefits help too.
- The increasing diversity and aging population as well as other significant demographic trends will affect the future of Minnesota's higher education.
- Large academic achievement gaps exist between students from different backgrounds.
- Academic success will be tied to the ability of students to advance educationally from one level of school to the next.
- Increasing demands will be placed on higher education to develop human capital that will ensure economic competitiveness for individuals and the state.
- The growth of for-profit higher education is affecting non-profit and public higher education.
- Barriers to postsecondary participation for low and moderate income families include (1) lack of financial resources, (2) inadequate academic preparation, (3) lack of college and career awareness, (4) low parental college attendance, and (5) language skills.
- There will be increasing emphasis on accountability in higher education.

**Committee Member Observations about Susan Heegaard's Presentation**

- There is a need to reestablish the former Higher Education Coordinating Board's function of coordinating the missions and offerings of the different higher education providers.
- Students who attend more expensive institutions in Minnesota get more public financial aid.
- Many students and their families experience "sticker shock" over the price of a college education without ever investigating their funding options. These families cannot imagine taking on the debt load that might be needed to finance a college education.
- How can the committee measure the percentage of students who fail to enroll because they cannot afford the cost?

**Minnesota Career College Association (MCCA)**

- Minnesota has a strong career college sector.
- Several of the career colleges are looking into offering baccalaureate degrees.
- The goal of these schools is to be seen as an equal provider of higher education that offers a variety of learning options to students.
- About half of the MCCA institutions are accredited by the Higher Learning Commission.

**Note** – There was no committee discussion about this presentation.

**Tim Lehmann, Director of Financial Aid, Capella University**

- Capella was founded in 1993 to be a world-class university for working adults.
- Capella uses a technology-mediated asynchronous process to provide education.
- Capella is accredited by the Higher Learning Commission and enrolls 11,000 students from all 50 states as well as ten countries.
- The vast majority of Capella's students come from the United States and Canada. About 16% of the university's students are military personnel and 90% are over age 25. Around 1,000 of the university's students are Minnesotans.
- Capella keeps course enrollment to about 10-15 students per section.
- Capella is the preferred educational provider for Wal-Mart Corporation.
- Capella primarily offers graduate programs but is ramping up its undergraduate offerings. About half of the spring 2004 graduates are receiving master's degrees.
- Around 68% of Capella's students receive financial aid.
- Most faculty are adjunct and are currently teaching at other colleges and universities. All new Capella faculty must go through a one-year training program to learn how to effectively deliver online education.
- Capella is starting to look at how well its graduates do in the workplace as a result of their Capella degree. Some employers seem to still have a bias against online degrees.
- Online learning is not for everyone and Capella assesses first semester students to make sure they have the writing, critical thinking and course management skills to succeed.
- Capella has articulation agreements with other colleges and universities.
- The cost of a Capella education is competitive with "bricks and mortar" providers.

**Committee member Observations about Tim Lehmann's Presentation**

- Capella is proof that online learning is here to stay and will continue to grow at a rapid pace. A lot of higher education is not offered in the traditional classroom-based manner that people think typifies attending a college or university.
- Students without access to high speed internet connections cannot attend Capella.
- Online learning is great for adult students, however, it keeps traditionally-aged students from the cultural interaction provided by an on-campus learning experience.

- Learning often requires human interaction. A sense of community can be created through online processes.
- Some students actually interact more because they feel less intimidated by the online format.
- Corporate education is growing rapidly.

**Preliminary Outline of the Citizens League Higher Education Report**

- There is a draft outline of the report that is very open to change. The primary components of the report are (a) assessment of the current higher education system in Minnesota, (b) vision for the future of higher education, and (c) recommendations and alignment.
- At this stage, the outline is very general and needs much more detail.

**Overall Comments from May 21, 2004 meeting**

- A significant amount of money has been spent on higher education reform. This achieved some useful results. It is important for the committee to recognize that the University of Minnesota and the Minnesota State Colleges and Universities are doing many things well. This committee must not damage those operations.
- The United States must continue to support higher education if it wants to educate the people who become innovators and keep the economy strong and diverse.

*Leo Christenson  
May 24, 2004*