

November 15, 2006



Impact of the Minnesota Grant Tuition and Fee Maximums on Tuition, Student Debt & Financial Aid



Authors

George R. Roedler, Jr.

Manager, Institutional Registration & Licensing
Tel: 651-642-0585
George.Roedler@state.mn.us

Tricia Grimes

Senior Policy and Research Analyst
Tel: 651-642-0589
Tricia.Grimes@state.mn.us

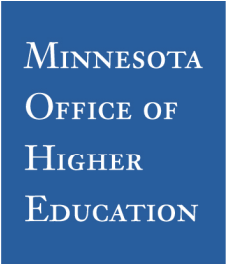
About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to post-secondary education. The agency serves as the state's clearinghouse for data, research and analysis on post-secondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program for Minnesota students. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Program, licensing and an early awareness outreach initiative for youth. Through collaboration with systems and institutions, the agency assists in the development of the state's education technology infrastructure and shared library resources.

Minnesota Office of Higher Education

1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
Tel: 651.642.0567 or 800.657.3866
TTY Relay: 800.627.3529
Fax: 651.642.0675
E-mail: info@ohe.state.mn.us
www.getreadyforcollege.org
www.ohe.state.mn.us



MINNESOTA
OFFICE OF
HIGHER
EDUCATION

reach higher

Introduction

In the 2005 Minnesota legislative session there were changes in the tuition maximums used in computing Minnesota State Grants. These changes in the tuition and fee maximums resulted in directions to the Office of Higher Education (formerly the Higher Education Services Office) to conduct a study of the maximums and the various schools and/or programs that took part in the Minnesota State Grant Program.

The Higher Education Services Office must study the for-profit postsecondary education sector licensed or registered in Minnesota. The study must examine tuition levels and program offerings, student debt load, financial assistance, and the impact of the tuition and fee maximums set in law on this postsecondary sector and its students. The study must also analyze the relationship of the tuition and fee maximums and tuition levels. The office must report findings to the legislative committees responsible for higher education finance by November 15, 2006.
(Laws of Minnesota 2005 Chapter 107, Section 2 Subd. 2)

In doing this study, information relating to the not-for-profit and public institutions of higher education were also reviewed to provide a basis for comparison. In reviewing these data, the only schools that were consistently at or below the actual tuition and fee “cap” for their programs were the public institutions, both two-year and four-year. Tuition and required fees at almost all private for-profit institutions exceeded the cap level for student in two-year and four-year programs. Only five not-for-profit institutions were below the “cap” at either level.

There was a proposal to reduce the tuition and fee maximum to \$4,315 for students in two-year programs during the 2005 legislative session. One of the arguments for the reduction was that the tuition and fee maximum for students in two-year programs was a greater percentage of actual tuition and required fees than the tuition and fee maximum for students in four-year programs. When the final Omnibus Appropriations Act passed, the tuition and fee maximum for students in two-year programs decreased was reduced five percent in Fiscal Year 2006 (to \$6,567) and another two percent in Fiscal Year 2007 (\$6,436). In contrast to the reduction in the maximum for students in two-year programs, the tuition and fee maximum for students in four-year programs increased 2.5 percent for 2006 (to \$9,208) and another 2.5 percent for Fiscal Year 2007 (to \$9,438).

The process for determining a student’s State Grant award begins with determining the recognized price. Recognized prices vary by the institution the student attends and the number of credits for which a student registers. It represents the total amount that needs to be assigned to students, families and taxpayers. Recognized price includes two components:

- Recognized tuition and fees
- Living and miscellaneous expenses.

For students registered for less than two semesters or less than 15 credits per term, the recognized price is pro-rated.

Recognized Tuition and Fees

Recognized tuition and fees used to calculate Minnesota State Grants are defined as the lesser of:

- Average tuition and required fees paid by undergraduates registering for full-time loads.¹
- Tuition and fee maximums are set as part of the appropriations process. Also known as “caps”, these maximums limit how much of the tuition and fees at certain institution types will be recognized for purposes of calculating financial aid.

Recognized tuition and fees used to calculate Minnesota State Grants:

- Vary by institution attended, and
- Are set at the same amount for all students attending the same institution.

Currently, there are more than 130 Minnesota institutions eligible to participate in the State Grant program. These institutions have been aggregated into five groups to provide examples of prices charged to Minnesota undergraduates, as shown in the table to the right. These are the prices for resident undergraduates registering for 15 credits per semester for two semesters (or the equivalent). Posted and recognized tuition and fee values are weighted means based on the number of applicants.²

| Institutional Grouping | Average Posted Tuition and Fees, Fiscal Year 2007 | Average Recognized Tuition and Fees, Fiscal Year 2007 | Difference |
|-------------------------------|--|--|-------------------|
| MnSCU 2-Year Colleges | \$4,255 | \$4,255 | \$0 |
| MnSCU 4-Year Universities | \$5,952 | \$5,952 | \$0 |
| University of Minnesota | \$9,449 | \$9,395 | \$54 |
| For-Profit Institutions | \$14,538 | \$6,929 | \$7,608 |
| Non-Profit Institutions | \$20,954 | \$9,148 | \$11,806 |

These are the prices for resident undergraduates registering for 15 credits per semester for two semesters (or the equivalent). Posted and recognized tuition and fee values are weighted means based on the number of applicants.²

This study seeks to answer several questions:

1. What are the actual tuition and required fees levels at different types of institutions?
2. What are the tuition maximums (caps) as a percentage of the tuition and required fees at each type of institution?
3. What types of programs are offered at the different types of institutions?
4. What are the characteristics of students at for-profit institutions?
5. What percentage of students have student loans at each type of institution and what is the average cumulative amount borrowed when students complete their programs?
6. What other types of financial assistance are available to students at each type of institution?
7. What impact do the tuition and fee maximums have on students at each type of institution?

¹ This was changed during Fiscal year 2003 to be actual tuition and fees charged by the institutions. The change was rescinded starting in Fiscal year 2004.

² Information from *State Grant Review 2006*, Minnesota Office of Higher Education, page 2.

Schools Licensed or Registered by the Office of Higher Education That Participate in the State Grant Program

Following is a breakdown of the schools that participated in the Minnesota State Grant program in the 2004-2005 academic year, including public institutions and private institutions licensed or registered by the Office of Higher Education and/or which are licensed or otherwise regulated by other Minnesota state agencies:

For-Profit Schools:

| | | |
|----------------|----|---|
| 2 year or less | 27 | No Degree |
| 2 year degree | 6 | Associate Degree Granting Only |
| 4 year or more | 16 | Bachelor Degree or higher Degree Granting |

Not-For-Profit Schools:

| | | |
|----------------|----|---|
| 2 year or less | 5 | No Degree |
| 2 year degree | 1 | Associate Degree Granting Only ³ |
| 4 year or more | 28 | Bachelor Degree or higher Degree Granting |

Public:

| | | |
|------------------------------|----|---|
| 2 year or less | 30 | Associate Degree Granting |
| 4 year or more (state univ.) | 7 | Bachelor Degree or higher Degree Granting |
| 4 year or more (U of M) | 4 | Bachelor Degree or higher Degree Granting |

Approximately 15,100 undergraduate students attend for-profit institutions that participate in the Minnesota State Grant Program and about 48,500 undergraduate students attend not-for-profit institutions.⁴ The enrollment in for-profit institutions has been the fastest growing segment of higher education over the past several years.

Some of the schools licensed or registered by the Office of Higher Education are also licensed by other state agencies. An example would be the cosmetology schools, which are regulated by the Board of Barbers and Cosmetology Examiners. These schools often must also license or register with the agency due to the use of the term “college”, “university”, “academy”, or “institute” in their name. In addition, some cosmetology and barber schools must license or register with the agency because they have a program or programs that are not covered by the Board of Barbers and Cosmetology Examiners license, such as the many massage therapy programs offered by cosmetology schools.

Post-secondary Private Institutions Not Licensed or Registered by the Office of Higher Education

Included in the review were the cosmetology, truck driving, and barbering schools, which do not offer degrees and are subject to the two-year “cap.” About nineteen of these schools participate in the Minnesota State Grant Program. Their total enrollment is about 1,200 and they had approximately 850 State Grant recipients in 2004-2005. Only two of these schools have tuition that is below the current “cap” and even these are within \$900 of the cap.

³ This school began offering a four-year program in 2006-2007.

⁴ Minnesota Office of Higher Education, Post Secondary Enrollment Data, Fall 2005

The information used in this report was from data supplied by the schools, from Minnesota Office of Higher Education data, both current and historical, as well as other data sources identified herein.

1. Average Tuition and Fees

The tuition and fees amounts reported below are based on 30 semester or 45 quarter credits or the equivalent for an academic year and/or annual tuition for institutions participating in the State Grant Program.⁵ The “cap” being used is for 2006-2007, \$6,436 (rounded to \$6,400) for two-year schools and \$9,438 rounded to \$9,400 for four-year schools.

| | <u>Tuition & Fees</u> <u>(T & F)</u> | <u>% of Cap.</u> | <u>Diff. Between</u> <u>Cap & T&F</u> |
|--|---|------------------|--|
| For-profit certificates-no degrees | \$8,800 | 137% | \$2,400 |
| For-profit 2 years or less degree granting | \$14,200 | 222% | \$7,800 |
| For-profit 4 year or higher | \$14,200 | 151% | \$5,000 |
| Not-for-profit certificates-no degrees | \$7,000 | 109% | \$600 |
| Nor-for-profit 2 years or less degree granting | \$10,800 | 169% | \$4,400 ⁶ |
| Not-for-profit 4 year or higher | \$17,600 ⁷ | 187% | \$8,200 |
| Public 2 years or less | \$4,200 | 65% | -\$2,200 |
| Public 4 year (state universities) | \$5,900 | 63% | -\$3,500 |
| Public 4 year (University of Minnesota) | \$9,400 | 100% | 0 |

The above figures represent the posted tuition or the “sticker price” of the schools. Schools offering both two-year and four-year programs will usually charge the same tuition on a yearly basis for both the two-year and four-year programs. In the case of the not-for-profit schools the actual average price of attendance is often lower because the schools are able to reduce the price by providing institutional scholarships or tuition reductions through endowments or donated funds (other private sources) which may not be available to for-profit institutions. To a much lesser degree, the actual average price of tuition and fees at public institutions may be discounted due to institutional scholarships. Following is a breakdown of the approximate tuition and fees at schools after adjusting for average institutional grants and scholarships.

⁵ Tuition and Fees Chart – Minnesota Office of Higher Education, Exhibit A

⁶ This category has only 1 school which began offering a four-year program in 2006-2007.

⁷ This figure is for all not-for-profit four-year institutions. The 17 schools which make up the Private College Council list an average cost for tuition and fees of \$24,000.

| | <u>Tuition & Fees</u> <u>Adjusted</u> | <u>% of Cap.</u> | <u>Diff. Between</u> <u>Cap & Adj. T&F</u> |
|--|--|------------------|---|
| For-profit no degrees | \$8,800 | 137% | \$2,400 |
| For-profit 2 years or less degree granting | \$14,200 | 222% | \$7,800 |
| For-profit 4 year or higher | \$14,200 | 151% | \$4,800 |
| Not-for-profit no degrees | \$6,000 | 93% | -\$400 |
| Not-for-profit 2 years or less degree granting | \$10,400 | 163% | \$4,000 ⁸ |
| Not-for-profit 4 year or higher | \$11,600 | 123% | \$2,200 |
| Public 2 years or less | \$4,000 | 62% | -\$2,400 |
| Public 4 year (state universities) | \$5,400 | 57% | -\$4,000 |
| Public 4 year (University of Minnesota) | \$7,500 | 80% | -\$1,900 |

Many private institutions, both for-profit and not-for-profit, do not participate in the State Grant Program either because they do not have programs that qualify or because they do not wish to participate. The numbers above include only those institutions that participate in the State Grant Program.

Even at the lower tuition and fee levels after adjusting for institutional grants, a reduction in the cap at either two year or four year levels would reduce student eligibility at virtually all private institutions. Tuition levels at the private four-year for-profit and not-for-profit institutions are substantially higher than the cap. Reductions in the “caps” would result in qualifying students at private institutions receiving less assistance. Small decreases in the “cap” would have little or no effect on the eligibility of students at most public institutions.

| | <u>% Receiving</u> <u>State Grant</u> |
|--|--|
| For-profit no degrees | 44% |
| For-profit 2 years or less degree granting | 54% |
| For-profit 4 year or higher | 51% |
| Not-for-profit no degrees | 34% |
| Nor-for-profit 2 years or less degree granting | 68% (1 School) |
| Not-for-profit 4 year or higher | 67% |
| Public 2 years or less | 35% |
| Public 4 year (State universities) | 33% |
| Public 4 year (University of Minnesota) | 27% |

Source: National Center for Education Statistics, Integrated Postsecondary Education System (IPEDS), Peer Analysis System

Please refer to Exhibit B for a listing of the schools participating in the State Grant Program in Fiscal Year 2005, the number of recipients from each school, and the total amount awarded to each school.⁹

⁸ There is only one school in this category.

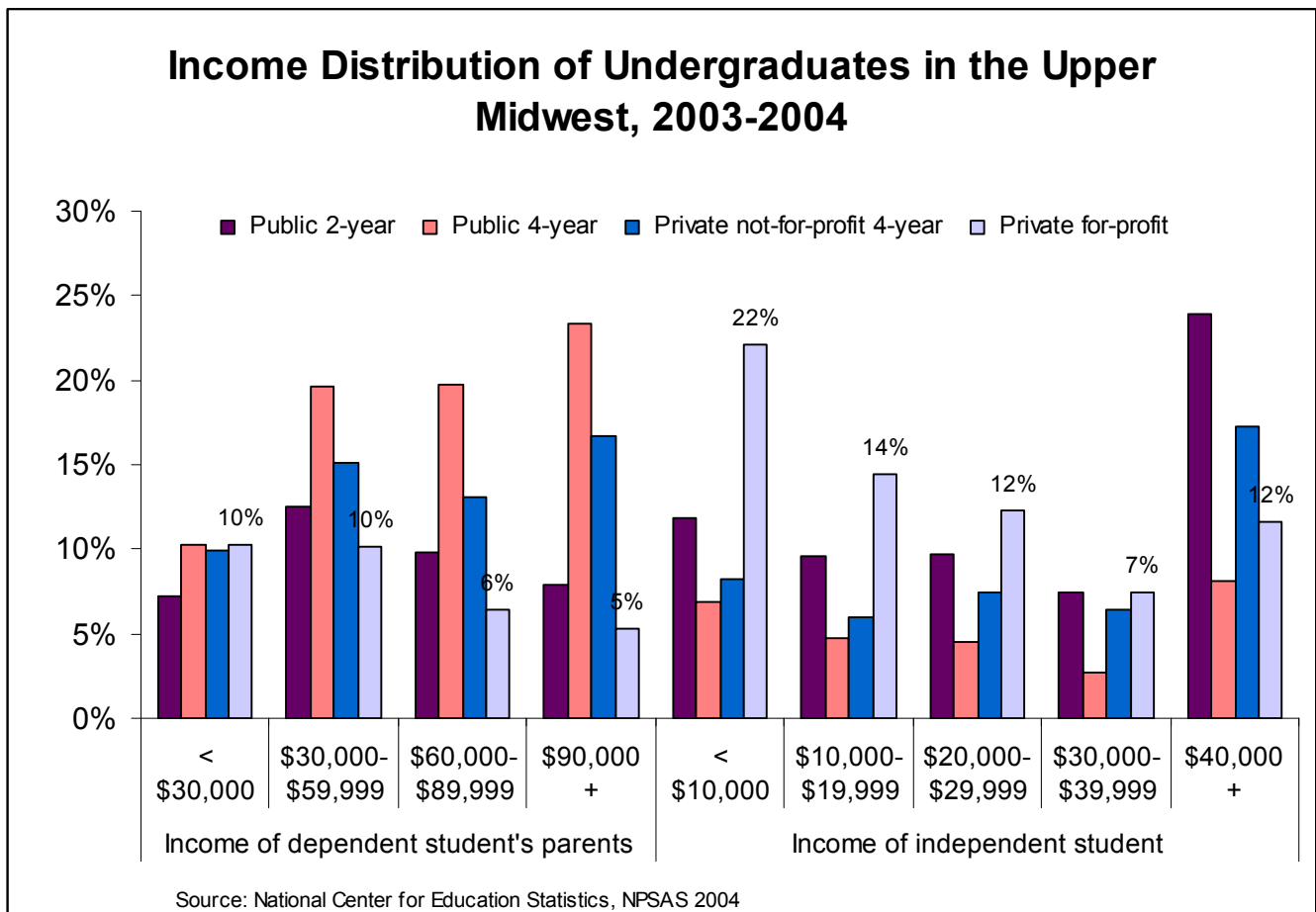
⁹ The full Minnesota State Grant Review 2006 report published by the Minnesota Office of Higher Education is available at www.ohe.state.mn.us/pdf/StateGrantReview.pdf.

2. Program Offerings

The for-profit, not-for-profit and public institutions provide various certificate, diploma, associate, baccalaureate, masters and doctoral level programs. Many programs of study are offered by all three types of institutions, in areas such as business, information technology and allied health fields. The public institutions have by far the majority of doctoral level and first professional degree programs (except for law) and the public and not-for-profit institutions have a large number of liberal arts and business degrees. The for-profit institutions have many business and information technology programs at all degree levels and also offer many specialized non academic (non-degree-granting) programs.¹⁰

3. Characteristics of Undergraduates Attending Private Institutions

Twenty-two percent of independent undergraduates attending private for-profit institutions in the Upper Midwest have incomes of less than \$10,000 per year, whereas only about 10 percent of the students attending not for profit institutions earn less \$10,000.



¹⁰ Auctioneering, horseshoeing, bartending and piano tuning which are offered only by private for-profit schools and in many instances are not offered by public institutions. Many of these specialized programs offered by the for-profit institutions are short term programs that do not qualify for participation in the State Grant Program.

Forty-one percent of undergraduates attending for-profit institutions are age 20 to 24, 27 percent are age 25 to 34 and 14 percent are 35 and older.

Age Distribution of Minnesota Resident Undergraduates Attending Institutions Participating in the State Grant Program, Fall 2004

| | State Universities | University of Minnesota | Community and Technical Colleges | Private For-Profit Career Schools | Private Not for Profit Colleges & Universities |
|--------------|---------------------------|--------------------------------|---|--|---|
| Under 20 | 27% | 30% | 23% | 18% | 30% |
| 20-24 | 53% | 59% | 36% | 41% | 54% |
| 25-34 | 12% | 8% | 21% | 27% | 9% |
| 35 and older | 7% | 3% | 20% | 14% | 7% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: Minnesota Office of Higher Education, Student Enrollment Data Base

In racial/ethnic background, 81 percent of undergraduates attending for-profit institutions are white, 10 percent are Black, and nine percent are Asian, American Indian or Hispanic.

Race/Ethnicity of Minnesota Resident Undergraduates Attending Institutions Participating in the State Grant Program, Fall 2004

| | State Universities | University of Minnesota | Community and Technical Colleges | Private For-Profit Career Schools | Private Not for Profit Colleges & Universities |
|-----------------|---------------------------|--------------------------------|---|--|---|
| White | 92% | 85% | 84% | 81% | 90% |
| Black | 3% | 4% | 8% | 10% | 3% |
| American Indian | 1% | 1% | 2% | 1% | 1% |
| Asian | 3% | 9% | 4% | 5% | 4% |
| Hispanic | 1% | 2% | 2% | 2% | 2% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: Minnesota Office of Higher Education, Student Enrollment Data Base

Sixty percent of undergraduates attending for-profit institutions attend on a full-time basis, 40 percent attend on a part-time basis.

Full-Time/Part-Time Status of Minnesota Resident Undergraduates Attending Institutions Participating in the State Grant Program, Fall 2004

| | State Universities | University of Minnesota | Community and Technical Colleges | Private For-Profit Career Schools | Private Not for Profit Colleges & Universities |
|-----------|--------------------|-------------------------|----------------------------------|-----------------------------------|--|
| Full Time | 84% | 90% | 54% | 60% | 91% |
| Part Time | 16% | 10% | 46% | 40% | 9% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: Minnesota Office of Higher Education, Student Enrollment Data Base

4. Student Debt Load

The Minnesota Office of Higher Education has published a report on *Undergraduate Borrowing in Minnesota*.¹¹ The average annual total student debt load for one year of attendance for the 2003-04 school year, not including Plus Loans, was:

- \$4,800 for dependent students (range \$4,300 to \$5,50 depending on income)
- \$7,800 for independent students (range \$7,400 to \$8,600 depending on income)

Independent students tend to borrow more. This may be due to the need to borrow for living expenses as well as the fact that independent students are allowed to borrow more under federal borrowing limits.

Dependent students tend to borrow substantially less even when their cost of attendance is about the same, or even higher than independent students. They also have lower federal borrowing limits.

Data available from the National Postsecondary Student Aid Study (NPSAS) for the Midwest Region (no individual state data for students enrolled at for-profit institutions is available) shows cumulative borrowing by graduates in various categories and income levels. (See Exhibit C attached for these figures.)

Actual cumulative student debt loads, however, (based on information provided by the schools) are about \$43,100 for graduates of four-year programs in for-profit Schools and \$23,400 for graduates of four-year programs in not-for-profit schools. The percentage of students with loans at the time of graduation was not reported.

Average annual debt levels reported by the schools for all programs of less than four years were \$8,900 for the for-profit sector and \$11,700 for the not-for-profit sector. (These figures include both degree granting and non degree granting institutions). Average debt levels for just the degree granting institutions for less than four-year programs were \$16,500 for for-profit schools and \$15,700 for not-for-

¹¹ *Undergraduate Borrowing in Minnesota*, www.ohe.state.mn.us/pdf/UndergradBorrowingMN.pdf

profit schools. (Many degree granting institutions also offer programs that are less than two years but still these students qualify for federal and/or state financial aid grants and loans.)

Based on the Cohort Default Rates for Fiscal Year 2004 from the U. S. Department of Education, Minnesota graduates from all private institutions have performed substantially better than the national averages in repaying their loans. Minnesota's overall rate was 3.2 percent, with Minnesota not-for-profit institutions having a cohort default rate of 1.21 percent as compared to a national average of 2.6 percent, and Minnesota for-profit institutions having a cohort default rate of 3.96 percent compared to a national average of 7.3 percent. No Minnesota institutions have default rates that would incur penalties or increased oversight by the U.S. Department of Education. With these default rates, it appears that a large majority of student loan borrowers are able to repay their loans.

5. Income of Graduates

The report from the National Center for Higher Education Management Systems indicates that median income in Minnesota for an individual, age 22-29, with an associate degree is about \$4,000 more, on an annual basis, than a high school graduate's (\$24,000 vs. \$19,800) and about \$10,000 more if a bachelor's degree is earned (\$30,000 vs. \$19,000). This earnings gap increases somewhat as the graduates age. Between the ages of 30 and 64, the gap between high school graduates and those with an associate degree increase to \$7,000 (\$32,000 vs. \$25,000) and there is an \$18,000 difference if a bachelor's degree is earned (\$43,000 vs. \$25,000).

6. Financial Assistance

Students attending all types of postsecondary institutions in Minnesota participate to varying degrees in Federal, State and private or alternative financial aid programs, including Pell Grants, Minnesota State Grants, Federal and State loan programs and private lending programs, work-study programs, veterans programs and other public and private programs. See Exhibit D. In addition the not-for-profit institutions often have private donated and/or institutional scholarship funds available to assist students with tuition and other educational expenses. The for-profit institutions generally do not have funds from donations available, and therefore their institutional scholarships are very limited.

Students at for-profit schools often participate in "alternative loan" programs which have fewer limits on amounts borrowed and (usually) higher interest rates. This results in higher debt loads upon graduation.

Findings

The tuition and fee maximums for Fiscal Year 2007 are \$6,436 for students in two-year programs and \$9,438 for students in four-year programs. Some students at private institutions receive grants and scholarships from institution funds. Average tuition and required fees, adjusted by subtracting the average amount received in institutional aid by all students enrolled (including students who received nothing) in institutional grants are:

For-Profit Institutions

- \$8,800 at for-profit institutions offering diplomas or certificates, but no degrees. The \$8,800 amount is about \$2,400 more, or 137 percent of the tuition maximum for students in two-year programs.
- \$14,200 at for-profit institutions offering associate degrees. The \$14,200 amount is about \$7,800 more, or 222 percent of the tuition maximum for students in two-year programs.
- \$14,200 at for-profit institutions offering bachelor's degrees. The \$14,200 amount is about \$4,800 more, or 151 percent of the tuition maximum for students in four-year programs.

Not-for-Profit Institutions

- \$6,000 at not-for-profit institutions offer diplomas or certificates, but no degrees. The \$6,000 amount is about \$400 less, or 93 percent of the tuition maximum for students in two-year programs.
- \$10,400 at not-for-profit institutions offering associate degrees (adjusted by subtracting average institutional grants). The \$10,400 amount is about \$4,000 more, or 163 percent of the tuition maximum for students in two-year programs.
- \$11,600 (adjusted by subtracting average institutional grants) at not-for profit institutions offering bachelor's degrees. The \$11,600 amount is about \$2,200 more, or 123 percent of the tuition maximum for students in four-year programs.

Public Institutions

- \$4,000 at public two-year institutions. The \$4,000 amount is \$2,400 less, or 62 percent of the tuition maximum for students in two-year programs.
- \$5,400 at State Universities. The \$5,400 amount is \$4,000 less, or 57 percent of the tuition maximum for students in four-year programs.
- \$7,500 (after adjusting for institutional grants) at the University of Minnesota. The \$7,500 amount is \$1,900 less, or 80 percent of the tuition maximum for students in four-year programs.

Forty-four to 54 percent of students at for-profit institutions that participate in the State Grant program receive State Grants. Thirty-four to 68 percent of students at not-for-profit institutions receive State Grants. Twenty-seven to 35 percent of students at public institutions receive State Grants in addition to the lower tuition they pay as a result of state general fund appropriations to the public institutions. While many students at private institutions receive State Grants, students at public institutions generally pay lower tuition because of the operating funds the state appropriates to the public institutions.

The tuition and fee maximums are different percentages of adjusted tuition and fees at different kinds of institutions. Adjusted tuition and fees at for-profit institutions offering associate degrees exceed the tuition and fee maximum for students in two-year programs by \$5,900 – more than any other category of institutions.

Students attending private for-profit and not-for-profit institutions borrow more than those who attend public institutions. However, student loan default rates are low for all categories of institutions in Minnesota. While many student loan borrowers may not enjoy the necessity of repaying their loans, nearly all of them seem to be coping with the payments.

An increase in either of the tuition maximums would make more students eligible for State Grants. A decrease would make fewer students eligible for State Grants and would reduce the amount of grants in almost all instances. The amount of reduction in State Grant eligibility for independent students at the lowest income levels would be approximately \$1,153 per student. (See examples of grant awards attached as Exhibit E.)

A student who receives the maximum combined Federal Pell Grant and State Grant received about \$7,900 in Fiscal Year 2006. State and federal governments thus spend a maximum of \$7,900 in Federal Pell and State Grant funds on students who attend private institutions. Government spends a maximum of approximately \$12,200 in Federal Pell and State Grant funds and instructional appropriations per student for students who attend the University of Minnesota-Twin Cities (the public institution with the highest posted tuition and fees).¹² In addition, for-profit institutions return money to the state through state and local taxes. The most the government spends on a student attending private institutions is substantially less than the most the government spends on a student attending the University of Minnesota-Twin Cities.

The number of private institutions with tuition and fees exceeding the existing cap, often by thousands of dollars, indicates that tuition and fees are not based on the cap, and that any reduction or increase in the cap is therefore unlikely to cause tuition rates in the private sector to go up or down.

¹² \$7,900 in combined Federal Pell and State Grant plus \$4,300 per student in appropriations for instruction per students. The \$4,300 amount is \$245 million in state appropriations for instruction in Fiscal Year 2004 divided by 57,000 students.

Exhibit A

2005-2006 Tuition and Fees (Undergraduate based on 30 semester/45 quarter credits)

| MN State Grant Program | | Resident | Resident | Resident |
|------------------------|---------------------------------------|----------|----------------|----------------|
| SCHOOL NAME | | Tuition | Fees | Tuition & Fees |
| Public 2 Year | | | | |
| | Alexandria Technical College | \$3,810 | \$369 | \$4,179 |
| | Anoka Technical College | \$4,042 | \$422 | \$4,464 |
| | Anoka-Ramsey Community College | \$3,390 | \$414 | \$3,804 |
| | Central Lakes College | \$3,760 | \$478 | \$4,238 |
| | Century College | \$3,810 | \$434 | \$4,244 |
| | Dakota County Technical College | \$4,082 | \$504 | \$4,586 |
| | Fond Du Lac Community College | \$3,764 | \$451 | \$4,215 |
| | Hennepin Technical College | \$3,760 | \$187 | \$3,947 |
| | Hibbing Community & Tech College | \$3,778 | \$459 | \$4,237 |
| | Inver Hills Community College | \$3,962 | \$406 | \$4,368 |
| | Itasca Community College | \$3,844 | \$459 | \$4,303 |
| | Lake Superior College | \$3,450 | \$477 | \$3,927 |
| | Mesabi Range College | \$3,779 | \$474 | \$4,253 |
| | Minneapolis Comm & Tech College | \$3,922 | \$362 | \$4,284 |
| | Minnesota State College - Southeast | \$3,994 | \$357 | \$4,351 |
| | Minnesota State Comm & Tech College | \$3,990 | \$341 | \$4,331 |
| | Minnesota West Comm & Tech College | \$4,085 | \$375 | \$4,460 |
| | Normandale Community College | \$3,868 | \$452 | \$4,320 |
| | North Hennepin Community College | \$3,948 | \$309 | \$4,257 |
| | Northland Comm & Tech College | \$4,170 | \$420 | \$4,590 |
| | Northwest Technical College - Bemidji | \$4,226 | \$264 | \$4,490 |
| | Pine Technical College | \$3,645 | \$426 | \$4,071 |
| | Rainy River Community College | \$3,815 | \$510 | \$4,325 |
| | Ridgewater College | \$3,896 | \$459 | \$4,355 |
| | Riverland Community and Tech College | \$3,915 | \$512 | \$4,427 |
| | Rochester Comm & Tech | \$3,930 | \$568 | \$4,498 |
| | South Central College | \$3,824 | \$399 | \$4,223 |
| | St. Cloud Technical College | \$3,899 | \$403 | \$4,302 |
| | St. Paul College | \$3,835 | \$299 | \$4,134 |
| | Vermilion Community College | \$3,863 | \$504 | \$4,367 |
| | | | Average | \$4,285 |

Public 4 Year - MNSCU

| | | | | |
|--|--------------------------------------|---------|----------------|----------------|
| | Bemidji State University | \$5,700 | \$789 | \$6,489 |
| | Metropolitan State University | \$4,830 | \$252 | \$5,082 |
| | Minnesota State University, Mankato | \$5,104 | \$736 | \$5,840 |
| | Minnesota State University Moorhead | \$4,888 | \$832 | \$5,720 |
| | Southwest Minnesota State University | \$5,400 | \$840 | \$6,240 |
| | St. Cloud State University | \$5,044 | \$674 | \$5,718 |
| | Winona State University | \$5,386 | \$1,733 | \$7,119 |
| | | | Average | \$6,030 |

University of Minnesota

| | | | |
|----------------------|---------|----------------|----------------|
| U of M - Crookston | \$6,225 | \$2,343 | \$8,568 |
| U of M - Duluth | \$7,650 | \$1,843 | \$9,493 |
| U of M - Morris | \$8,720 | \$1,592 | \$10,312 |
| U of M - Twin Cities | \$7,588 | \$1,822 | \$9,410 |
| | | Average | \$9,446 |

For-Profit 4 year

| | | | |
|----------------------------------|----------|----------------|-----------------|
| Academy College | \$17,898 | \$0 | \$17,898 |
| Argosy University | \$12,750 | \$178 | \$12,928 |
| Art Institute International - MN | \$15,738 | \$0 | \$15,738 |
| Brown College | \$18,397 | \$0 | \$18,397 |
| DeVry University | \$12,908 | \$60 | \$12,968 |
| Globe College | \$15,750 | \$0 | \$15,750 |
| Herzing College | \$11,628 | \$25 | \$11,653 |
| ITT Technical Institute | \$18,225 | \$0 | \$18,225 |
| McNally Smith College of Music | \$15,240 | \$150 | \$15,390 |
| Minnesota School of Business | \$15,750 | \$0 | \$15,750 |
| National American University | \$13,455 | \$500 | \$13,955 |
| Rasmussen College - Eagan | \$14,175 | \$0 | \$14,175 |
| Rasmussen College - Mankato | \$14,175 | \$0 | \$14,175 |
| Rasmussen College - Minnetonka | \$14,175 | \$0 | \$14,175 |
| Rasmussen College - St. Cloud | \$14,175 | \$0 | \$14,175 |
| University of Phoenix | \$12,090 | \$600 | \$12,690 |
| | | Average | \$14,878 |

For-Profit Less than 4 year Degree

| | | | |
|---|----------|----------------|-----------------|
| Duluth Business University | \$13,005 | \$45 | \$13,050 |
| High-Tech Institute | \$11,156 | \$0 | \$11,156 |
| Institute of Production and Recording | \$14,040 | \$0 | \$14,040 |
| Le Cordon Bleu College of Culinary Arts | \$23,994 | \$0 | \$23,994 |
| Minneapolis Business College | \$12,240 | \$610 | \$12,850 |
| NTI School of CAD Technology | \$14,160 | \$25 | \$14,185 |
| | | Average | \$14,879 |

For Profit Non-Degree

| | | | |
|------------------------------------|----------|------|----------|
| Allure School of Cosmetology | \$8,160 | \$0 | \$8,160 |
| Aveda Institute | \$13,416 | \$0 | \$13,416 |
| Bryman Institute | \$11,025 | \$0 | \$11,025 |
| Center Point Massage | \$12,537 | \$0 | \$12,537 |
| Central Beauty School - Cambridge | \$9,264 | \$0 | \$9,264 |
| Central Beauty School - Eagan | \$9,264 | \$0 | \$9,264 |
| Classy Beauty School | \$7,224 | \$0 | \$7,224 |
| Cosmetology Trng Ctr - Mankato | \$8,804 | \$0 | \$8,804 |
| Hastings Beauty School | \$7,980 | \$0 | \$7,980 |
| Hi-Class Beauty School - Richfield | \$6,936 | \$0 | \$6,936 |
| Hi-Class Beauty School - St. Paul | \$7,356 | \$0 | \$7,356 |
| Ingenu Beauty School | \$5,689 | \$0 | \$5,689 |
| Midwest Beauty School | \$7,176 | \$0 | \$7,176 |
| Midwest Career Institute | \$9,270 | \$50 | \$9,320 |
| Minnesota School of Barbering | \$6,264 | \$0 | \$6,264 |

| | | | |
|---|----------|----------------|----------------|
| Minnesota School of Beauty | \$8,736 | \$0 | \$8,736 |
| Minnesota School of Cosmetology | \$8,145 | \$50 | \$8,195 |
| Model Hair Design | \$11,672 | \$0 | \$11,672 |
| Moler Barber | \$6,516 | \$0 | \$6,516 |
| Northern Cosmetology Institute | \$6,000 | \$125 | \$6,125 |
| NovaAcademy of Cosmetology | \$8,916 | \$0 | \$8,916 |
| Park Avenue School of Cosmetology | \$7,656 | \$0 | \$7,656 |
| Professional Salon Academy | \$7,146 | \$0 | \$7,146 |
| Pro-Image Beauty School | \$9,636 | \$0 | \$9,636 |
| Regency Beauty Institute | \$10,740 | \$0 | \$10,740 |
| Rochester School of Cosmetology | \$7,908 | \$0 | \$7,908 |
| Salon Professional Academy-Waite Park | \$11,990 | \$200 | \$12,190 |
| Scot Lewis School of Cosmetology - Bloomington | \$13,900 | \$100 | \$14,000 |
| Scot Lewis School of Cosmetology - Crystal | \$13,900 | \$100 | \$14,000 |
| Scot Lewis School of Cosmetology - St. Paul | \$13,900 | \$100 | \$14,000 |
| SPA a School, Inc. | \$8,793 | \$0 | \$8,793 |
| Transportation Center for Excellence | \$18,792 | \$0 | \$18,792 |
| | | Average | \$9,590 |

Not-For-Profit 4 year

| | | | |
|--------------------------------------|----------|----------------|-----------------|
| Augsburg College | \$22,900 | \$493 | \$23,393 |
| Bethany Lutheran College | \$16,248 | \$260 | \$16,508 |
| Bethel University | \$22,590 | \$110 | \$22,700 |
| Cardinal Stritch University | \$9,225 | \$220 | \$9,445 |
| Carleton College | \$34,083 | \$189 | \$34,272 |
| College of St. Benedict | \$24,448 | \$476 | \$24,924 |
| College of St. Catherine | \$22,620 | \$260 | \$22,880 |
| College of St. Scholastica | \$20,868 | \$140 | \$21,008 |
| College of Visual Arts | \$19,436 | \$500 | \$19,936 |
| Concordia University - St. Paul | \$22,378 | \$0 | \$22,378 |
| Concordia College - Moorhead | \$20,816 | \$164 | \$20,980 |
| Crossroads College | \$10,740 | \$286 | \$11,026 |
| Crown College | \$14,700 | \$0 | \$14,700 |
| Embry-Riddle Aeronautical University | \$4,584 | \$0 | \$4,584 |
| Gustavus Adolphus College | \$26,310 | \$130 | \$26,440 |
| Hamline University | \$24,586 | \$454 | \$25,040 |
| Macalester College | \$30,870 | \$168 | \$31,038 |
| Martin Luther College | \$9,380 | \$0 | \$9,380 |
| Minneapolis College of Art & Design | \$25,980 | \$130 | \$26,110 |
| North Central University | \$12,060 | \$788 | \$12,848 |
| Northwestern College | \$13,080 | \$0 | \$13,080 |
| Northwestern Health Sciences Univ | \$6,864 | \$310 | \$7,174 |
| Oak Hills Christian College | \$17,690 | \$0 | \$17,690 |
| Pillsbury Baptist College | \$7,350 | \$916 | \$8,266 |
| Presentation College | \$9,000 | \$40 | \$9,040 |
| St. John's University | \$24,448 | \$476 | \$24,924 |
| St. Mary's University of MN | \$20,294 | \$425 | \$20,719 |
| St. Olaf College | \$28,200 | \$0 | \$28,200 |
| University of St. Thomas | \$22,845 | \$440 | \$23,285 |
| | | Average | \$19,033 |

Not-For-Profit Less Than 4 year Degree

| | | | |
|--|----------|----------------|----------------|
| Dunwoody College of Technology | \$10,217 | \$1,203 | \$11,420 |
| White Earth Tribal and Community College | \$2,700 | \$160 | \$2,860 |
| | | Average | \$7,140 |

Non-Degree

| | | | |
|----------------------------|----------|----------------|----------------|
| American Indian OIC | \$4,050 | \$140 | \$4,190 |
| East Metro OIC | \$6,795 | \$0 | \$6,795 |
| Minneapolis Sch of Massage | \$10,707 | \$179 | \$10,886 |
| Summit Academy OIC | \$6,600 | \$0 | \$6,600 |
| | | Average | \$7,118 |

Exhibit B

Minnesota State Grant Number of Recipients and Amount Awarded by Institution, Fiscal Year 2005

| Participating Post-Secondary Institutions | Number of Minnesota State Grant Recipients | Minnesota State Grants, Amount Awarded |
|--|---|---|
| Minnesota State Colleges and Universities Colleges (Two-Year) | | |
| Alexandria Technical College | 879 | \$1,013,000 |
| Anoka Technical College | 516 | \$402,000 |
| Anoka-Ramsey Community College | 1,047 | \$750,000 |
| Central Lakes College | 1,215 | \$1,031,000 |
| Century College | 1,510 | \$966,000 |
| Dakota County Technical College | 637 | \$589,000 |
| Fond du Lac Tribal and Community College | 384 | \$215,000 |
| Hennepin Technical College | 998 | \$639,000 |
| Hibbing Community College | 555 | \$428,000 |
| Inver Hills Community College | 803 | \$636,000 |
| Itasca Community College | 460 | \$418,000 |
| Lake Superior College | 914 | \$680,000 |
| Mesabi Range Community and Technical College | 420 | \$345,000 |
| Minneapolis Community and Technical College | 2,352 | \$1,303,000 |
| Minnesota State College-Southeast | 485 | \$385,000 |
| Minnesota State Community and Technical College | 1,508 | \$1,517,000 |
| Minnesota West Community and Technical College | 878 | \$844,000 |
| Normandale Community College | 1,670 | \$1,202,000 |
| North Hennepin Community College | 1,419 | \$994,000 |
| Northland Community and Technical College | 873 | \$780,000 |
| Northwest Technical College | 415 | \$371,000 |
| Pine Technical College | 151 | \$88,000 |
| Rainy River Community College | 102 | \$90,000 |
| Ridgewater College | 1,652 | \$1,695,000 |
| Riverland Community College | 917 | \$743,000 |
| Rochester Community and Technical College | 1,392 | \$1,172,000 |
| Saint Cloud Technical College | 1,199 | \$1,226,000 |
| Saint Paul College | 1,123 | \$572,000 |
| South Central Technical College | 846 | \$742,000 |
| Vermilion Community College | 167 | \$178,000 |
| Sub-Total | 27,487 | \$22,014,000 |
| Minnesota State Colleges and Universities (Four-Year) | | |
| Bemidji State University | 1,291 | \$2,241,000 |
| Metropolitan State University | 858 | \$664,000 |
| Minnesota State University Moorhead | 1,443 | \$2,189,000 |

| | Number of Minnesota State Grant Recipients | Minnesota State Grants, Amount Awarded |
|--|---|---|
| Participating Post-Secondary Institutions | | |
| Minnesota State University, Mankato | 3,126 | \$5,146,000 |
| Saint Cloud State University | 3,436 | \$5,256,000 |
| Southwest Minnesota State University | 884 | \$1,455,000 |
| Winona State University | 1,343 | \$2,749,000 |
| Sub-Total | 12,381 | \$19,700,000 |
| University of Minnesota | | |
| University of Minnesota Crookston | 342 | \$851,000 |
| University of Minnesota Morris | 613 | \$1,872,000 |
| University of Minnesota Duluth | 2,377 | \$6,440,000 |
| University of Minnesota Twin Cities | 6,360 | \$17,984,000 |
| Sub-Total | 9,692 | \$27,147,000 |
| Not-for-Profit Post-secondary Institutions | | |
| American Indian OIC School of Business and Office Technology | 54 | \$22,000 |
| Augsburg College | 739 | \$2,026,000 |
| Bethany Lutheran College | 211 | \$720,000 |
| Bethel University | 812 | \$2,551,000 |
| Cardinal Stritch University | 46 | \$63,000 |
| Carleton College | 120 | \$413,000 |
| College of Saint Benedict | 586 | \$1,938,000 |
| College of Saint Catherine | 1,174 | \$2,694,000 |
| College of Saint Scholastica | 925 | \$2,855,000 |
| College of Visual Arts | 50 | \$141,000 |
| Concordia College Moorhead | 774 | \$2,555,000 |
| Concordia University Saint Paul | 457 | \$1,276,000 |
| Crossroads College | 75 | \$208,000 |
| Crown College | 339 | \$828,000 |
| Dunwoody College of Technology | 755 | \$1,410,000 |
| East Metro Opportunities Industrialization Center | 80 | \$76,000 |
| Gustavus Adolphus College | 674 | \$2,222,000 |
| Hamline University | 744 | \$2,436,000 |
| Macalester College | 131 | \$435,000 |
| Martin Luther College | 78 | \$266,000 |
| Minneapolis College of Art and Design | 152 | \$463,000 |
| Minneapolis School of Massage and Body Works | 26 | \$29,000 |
| North Central University | 277 | \$817,000 |
| Northwestern College | 809 | \$2,386,000 |
| Northwestern Health Sciences University | 23 | \$36,000 |
| Oak Hills Christian College | 93 | \$280,000 |
| Pillsbury Baptist Bible College | 77 | \$203,000 |

| | Number of Minnesota State Grant Recipients | Minnesota State Grants, Amount Awarded |
|--|---|---|
| Participating Post-Secondary Institutions | | |
| Presentation College | 46 | \$70,000 |
| Saint John's University | 490 | \$1,577,000 |
| Saint Mary's University of Minnesota | 273 | \$857,000 |
| Saint Olaf College | 502 | \$1,677,000 |
| Summit Academy Opportunity Industrialization Center | 73 | \$94,000 |
| University of Saint Thomas | 1,119 | \$3,627,000 |
| Sub-Total | 12,784 | \$37,251,000 |
| For-Profit Post-secondary Institutions | | |
| Academy College | 121 | \$152,000 |
| Argosy University Twin Cities | 356 | \$513,000 |
| Art Institute International Minnesota | 675 | \$1,564,000 |
| Aveda Institute Minneapolis | 189 | \$358,000 |
| Brown College | 1,425 | \$3,322,000 |
| Bryman Institute | 245 | \$255,000 |
| Central Beauty School | 19 | \$27,000 |
| Central Beauty School Cambridge | 28 | \$38,000 |
| Cosmetology Training Center Mankato | 42 | \$71,000 |
| DeVry University Edina Center | 3 | \$1,000 |
| Duluth Business University | 294 | \$375,000 |
| Globe College | 743 | \$948,000 |
| Hastings Beauty School | 18 | \$43,000 |
| Herzing College | 309 | \$480,000 |
| Hi-Class Beauty and Massage School Richfield | 21 | \$30,000 |
| Hi-Class Beauty and Massage School Saint Paul | 43 | \$49,000 |
| High Tech Institute Saint Louis Park | 658 | \$1,342,000 |
| Ingénue Beauty School | 9 | \$13,000 |
| Institute of Production and Recording | 115 | \$221,000 |
| ITT Technical Institute | 102 | \$130,000 |
| Le Cordon School of Culinary Arts Minneapolis St. Paul | 41 | \$42,000 |
| McNally Smith College of Music | 137 | \$301,000 |
| Midwest Career Institute | 29 | \$22,000 |
| Minneapolis Business College | 217 | \$452,000 |
| Minnesota School of Barbering | 24 | \$39,000 |
| Minnesota School of Beauty | 39 | \$106,000 |
| Minnesota School of Business | 2,071 | \$2,507,000 |
| Minnesota School of Cosmetology | 47 | \$36,000 |
| Model College of Hair Design | 91 | \$188,000 |
| Moler Barber School of Hairstyling | 37 | \$66,000 |
| Nail Tech & Beauty School | 2 | \$2,000 |
| National American University | 533 | \$830,000 |
| Northern Cosmetology Institute | 23 | \$34,000 |

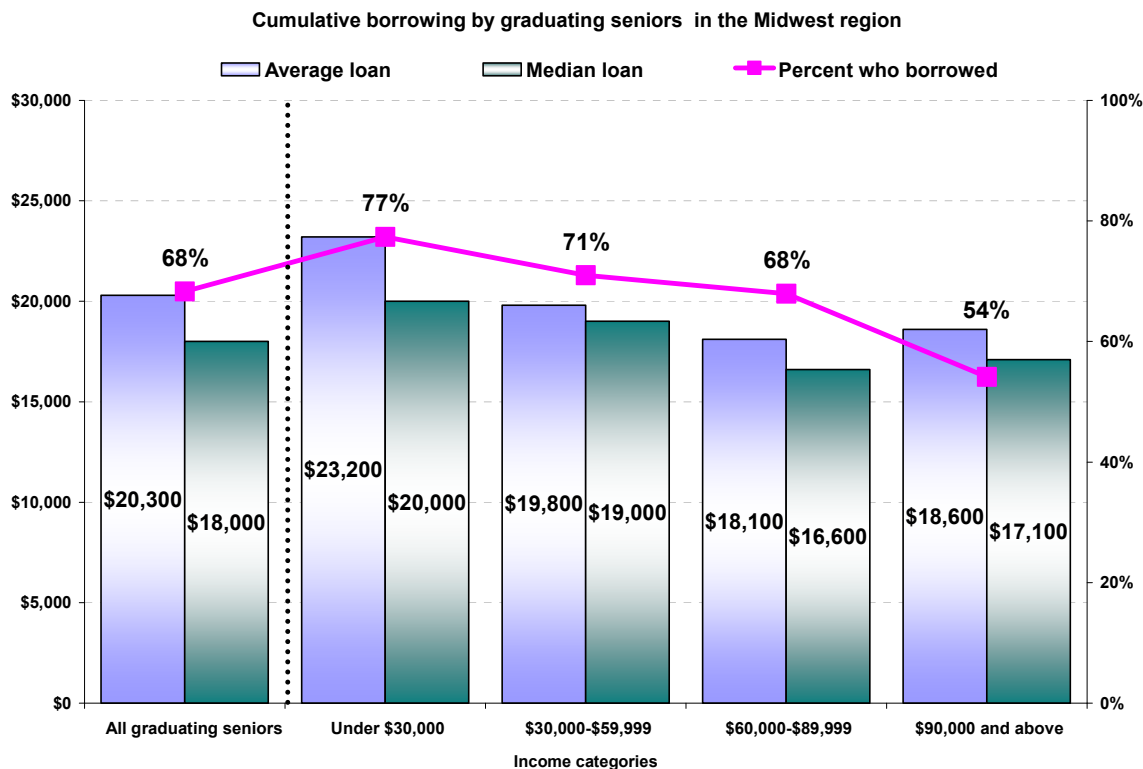
| Participating Post-Secondary Institutions | Number of Minnesota State Grant Recipients | Minnesota State Grants, Amount Awarded |
|--|---|---|
| NTI School of CAD Technology | 46 | \$103,000 |
| Professional Salon Academy | 11 | \$13,000 |
| Pro-Image Beauty School | 19 | \$20,000 |
| Rasmussen College Eagan | 350 | \$454,000 |
| Rasmussen College Mankato | 382 | \$473,000 |
| Rasmussen College Minnetonka | 335 | \$498,000 |
| Rasmussen College Saint Cloud | 469 | \$673,000 |
| Regency Beauty Institute Burnsville | 83 | \$177,000 |
| Regency Beauty Institute Maplewood | 51 | \$110,000 |
| Regency Beauty Institute Saint Cloud | 99 | \$239,000 |
| Regency Beauty Institute Blaine | 123 | \$222,000 |
| Rochester School of Cosmetology | 41 | \$70,000 |
| Scot Lewis School of Cosmetology Bloomington | 113 | \$234,000 |
| Scot Lewis School of Cosmetology Plymouth | 112 | \$243,000 |
| Scot Lewis School of Cosmetology Saint Paul | 95 | \$211,000 |
| Transportation Center for Excellence | 31 | \$27,000 |
| Sub-Total | 11,066 | \$18,324,000 |
| Total | 73,410 | \$124,438,000 |

Source: Minnesota Office of Higher Education

Exhibit C

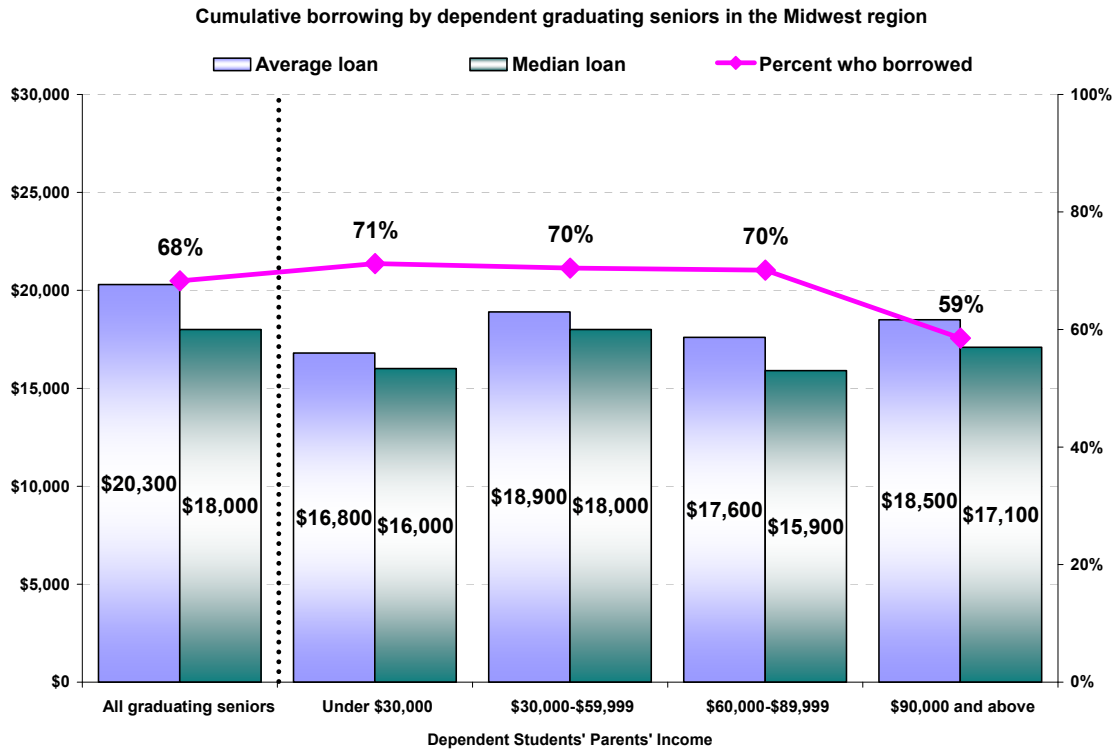
The following graphs illustrate borrowing, both annual and cumulative, for undergraduate students in the Midwest region. These data are from the National Postsecondary Student Aid Study (NPSAS). NPSAS did not oversample students at for-profit institutions at the state level, so NPSAS data is not representative for the for-profit sector. The respondents from this sector comprise a small percentage of the samples at the state level. To produce more valid and robust estimates, we analyze the pooled data for the following Midwest states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

Figure 1: Cumulative Borrowing by graduating seniors in the Midwest region



Cumulative borrowing by graduating seniors in the Midwest Region (Figure 1) is, on average, greater for students in the lower income categories. Overall, these students are more likely to borrow, and borrow larger amounts, than those in higher income categories. Both dependent and independent students are included in this graph.

Figure 2: Cumulative borrowing by dependent graduating seniors in the Midwest region



Dependent students in the lower income category borrow slightly less than those in the higher income categories (Figure 2).

Lower income independent students borrow more than the higher income students (Figure 3). Overall, independent students borrow more because they have higher borrowing limits in the Stafford loan programs.

Figure 3: Cumulative borrowing by independent graduating seniors in the Midwest region

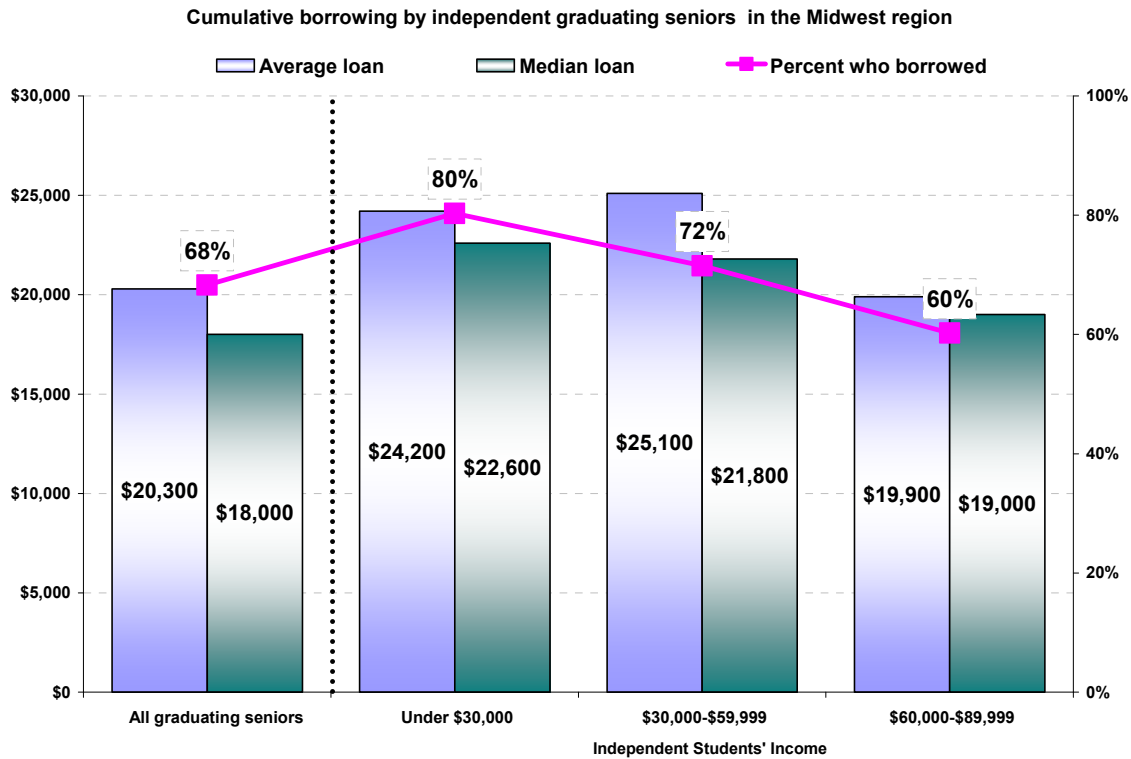


Figure 4: Median cumulative borrowing by class level and sector in the Midwest region

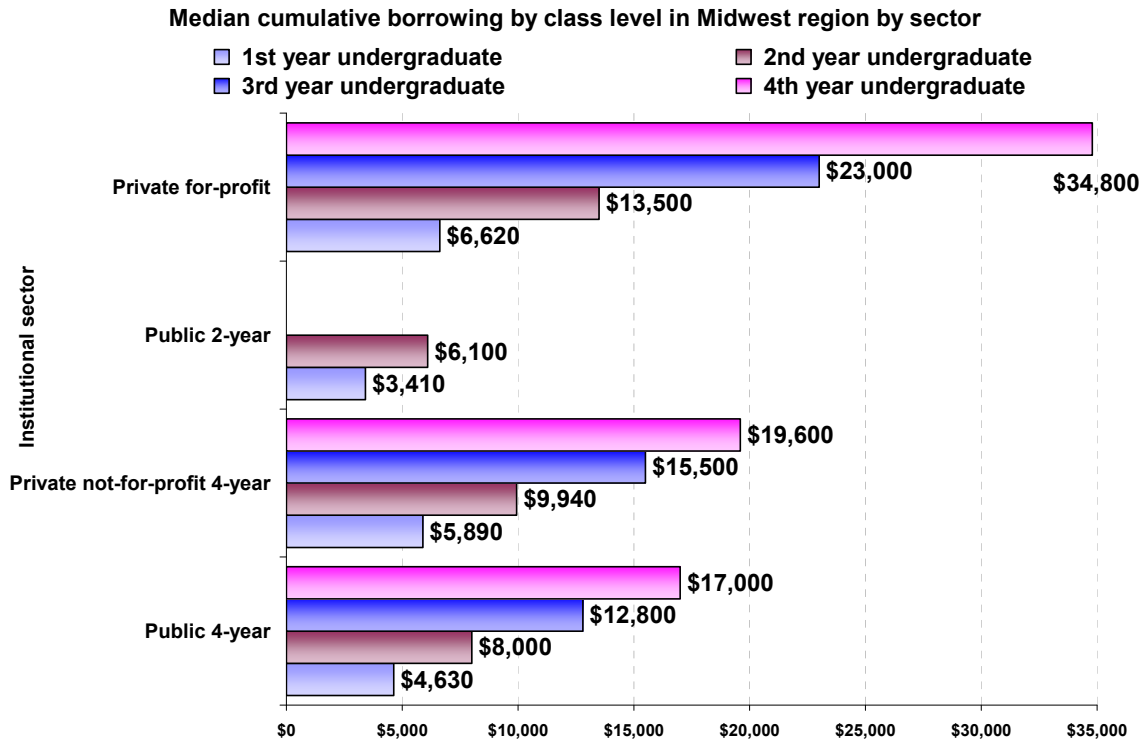


Figure 4 illustrates the median cumulative amount borrowed by undergraduates in the various sectors by class level (first year through fourth year or more).

Average cumulative borrowing in the private for-profit sector in the Midwest region (Figure 5) is only available for first and second year students by income level. Figures 5 and 6 include data for both dependent and independent students.

The standard error is high for the first year higher-income group and the second year middle income (\$60,000-\$89,999) group. Respondents from the for-profit sector comprise seven percent of the national NPSAS sample. A large percentage of them borrow; almost 100 percent of students in the second year have loans (Figure 6). They are borrowing approximately the same amounts across the income categories. In the second year, lower income students are borrowing approximately 50 percent of their parents' income (for dependents) or their own or their spouses' income (for independents), if they earn at the upper bound of this category.

Figure 5: Average cumulative borrowing by first-year students in the for-profit sector in the Midwest region

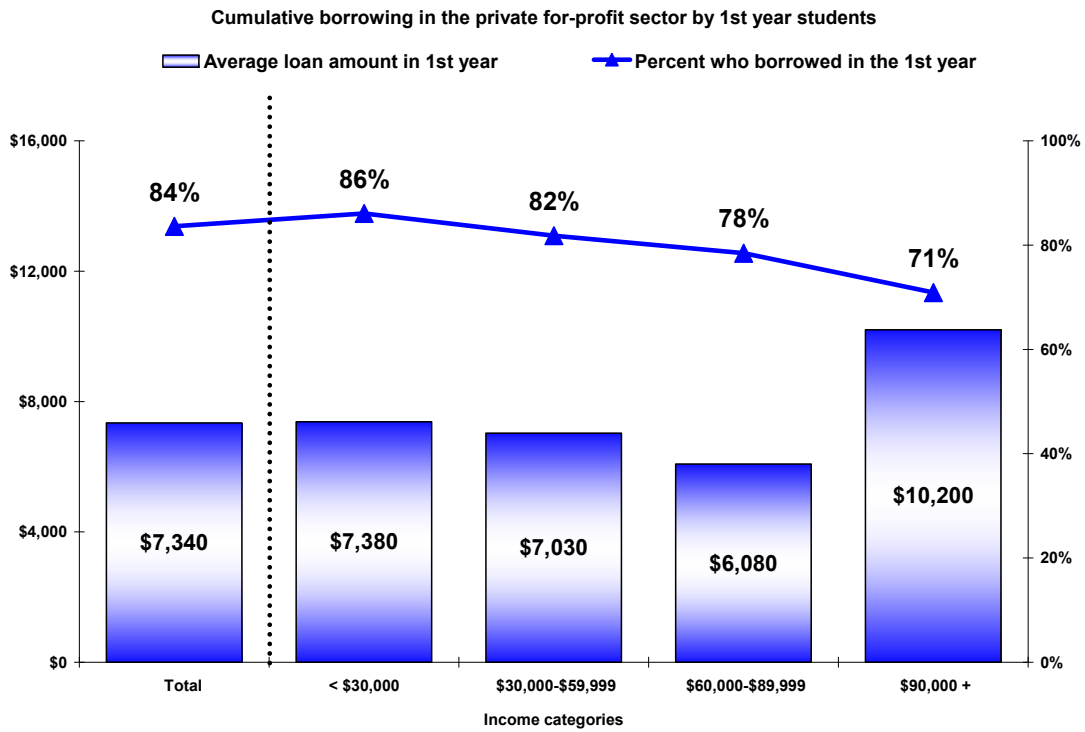


Figure 6: Average cumulative borrowing by second-year students in the for-profit sector in the Midwest region

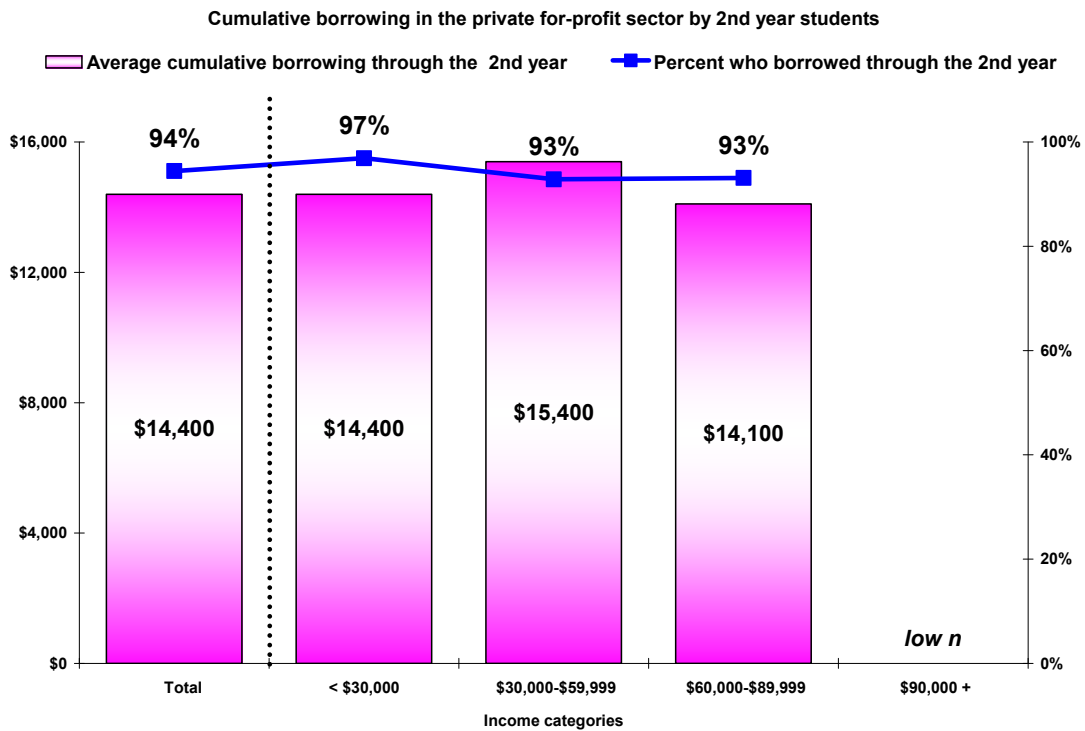
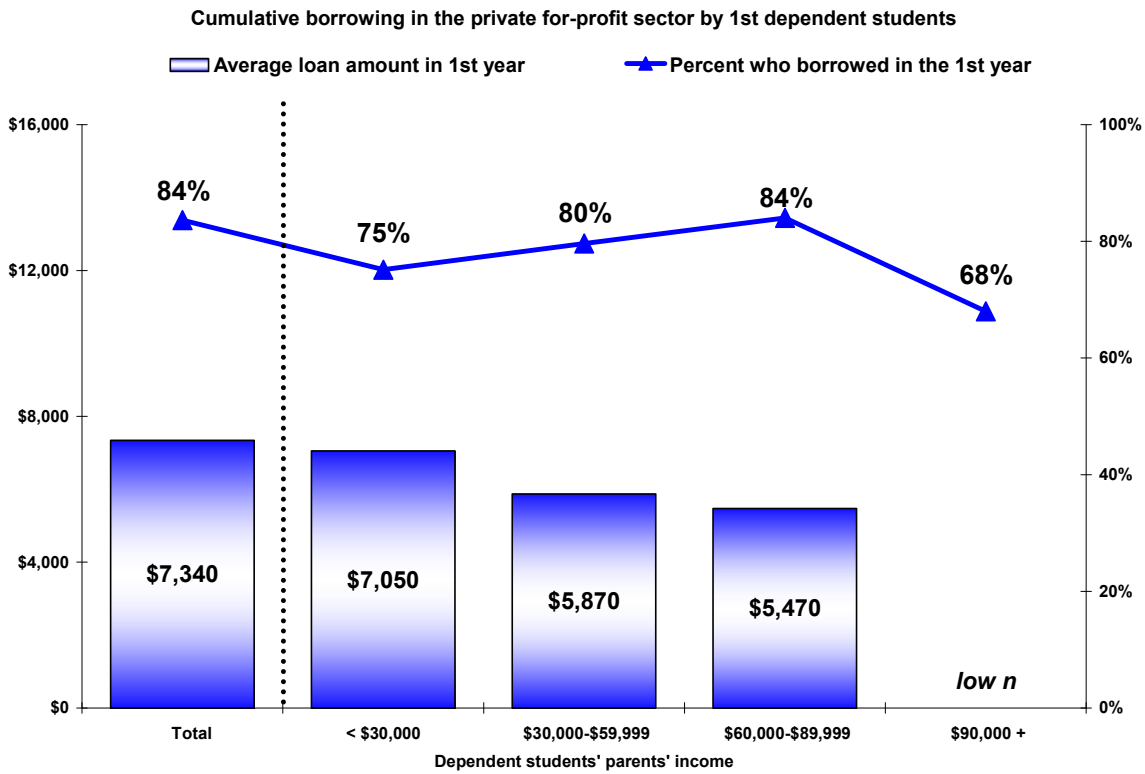
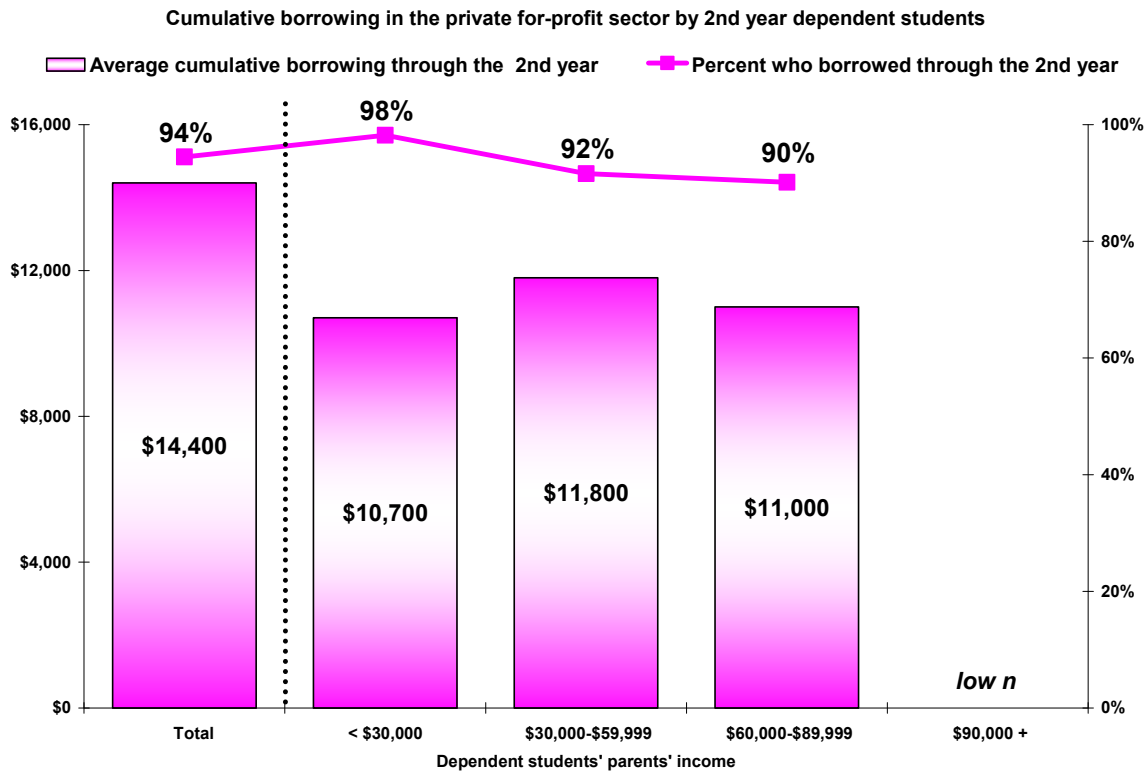


Figure 7: Average cumulative borrowing by first-year dependent students in the for-profit sector in the Midwest region



In the private for-profit sector, dependent students are borrowing less than the total average loan amounts for the sector (Figures 7 and 8). Approximately the same percentage of dependent students borrow as the overall student population (in Figures 5 and 6).

Figure 8: Average cumulative borrowing by second-year dependent students in the for-profit sector in the Midwest region



Independent students tend to borrow higher amounts, across all income categories, than dependent students in the private for-profit sector (Figures 9 and 10).

Figure 9: Average cumulative borrowing by first-year independent students in the for-profit sector in the Midwest region

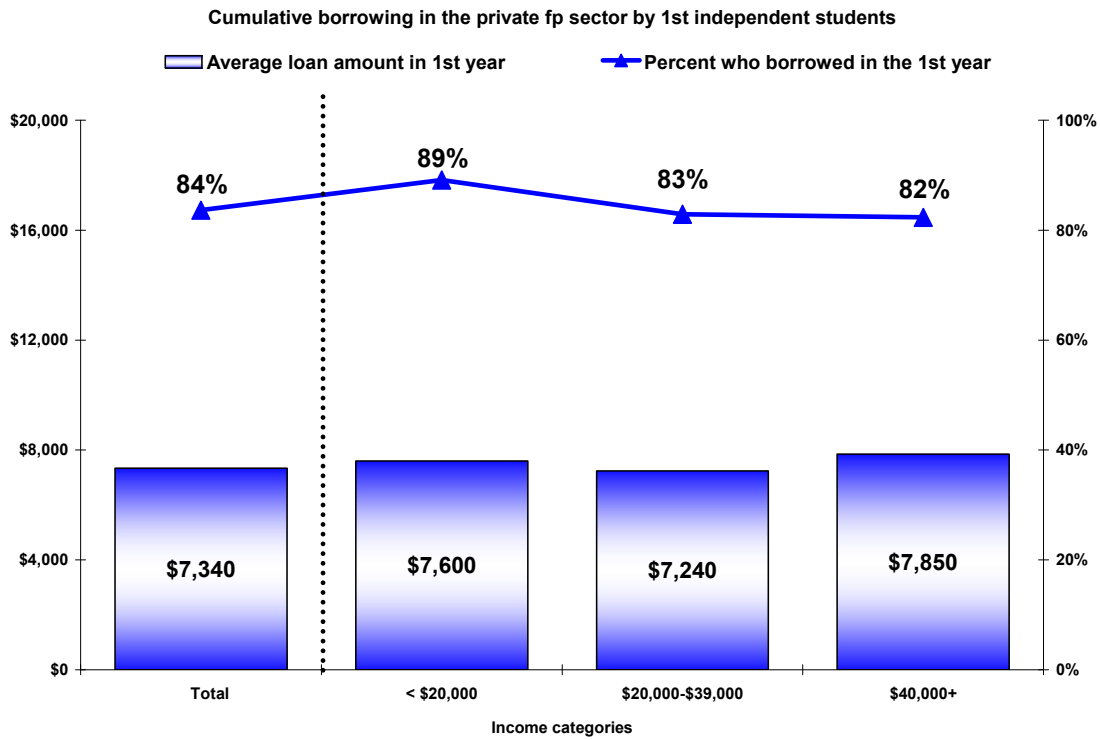
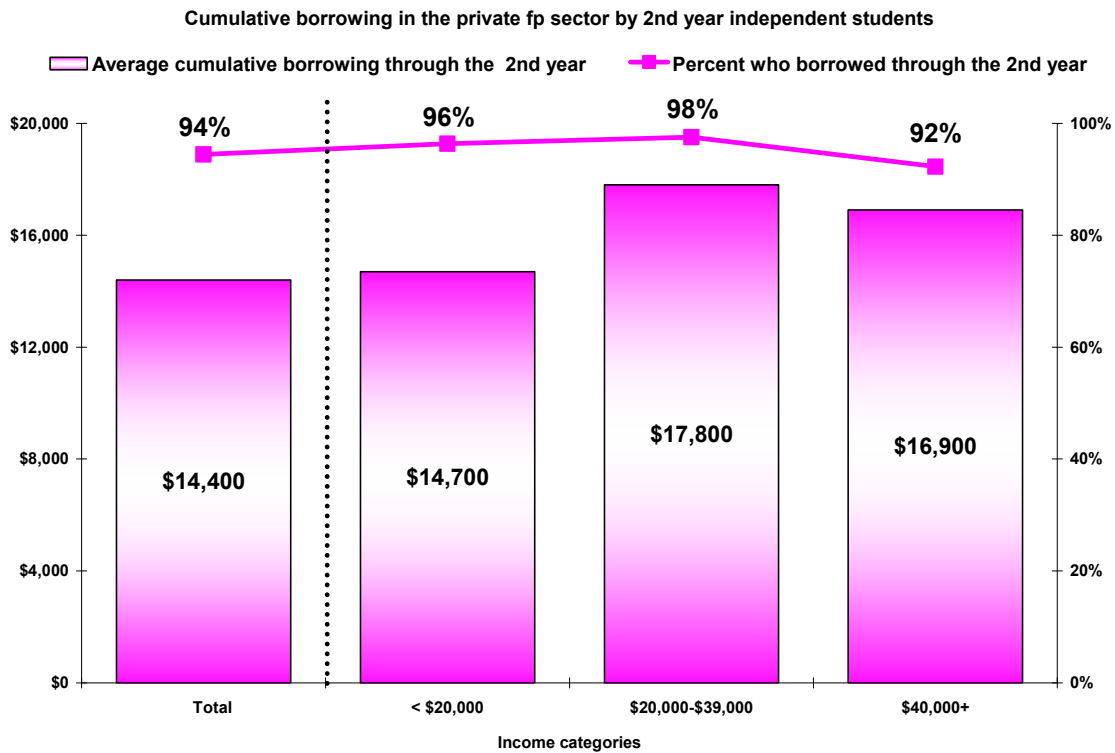


Figure 10: Average cumulative borrowing by second-year independent students in the for-profit sector in the Midwest region



While the public two-year sector is much less expensive than the other sectors, students still borrow to help cover costs. Here are some estimates of borrowing in this sector.

Figure 11: Average cumulative borrowing by first-year students in the public two-year sector in the Midwest region

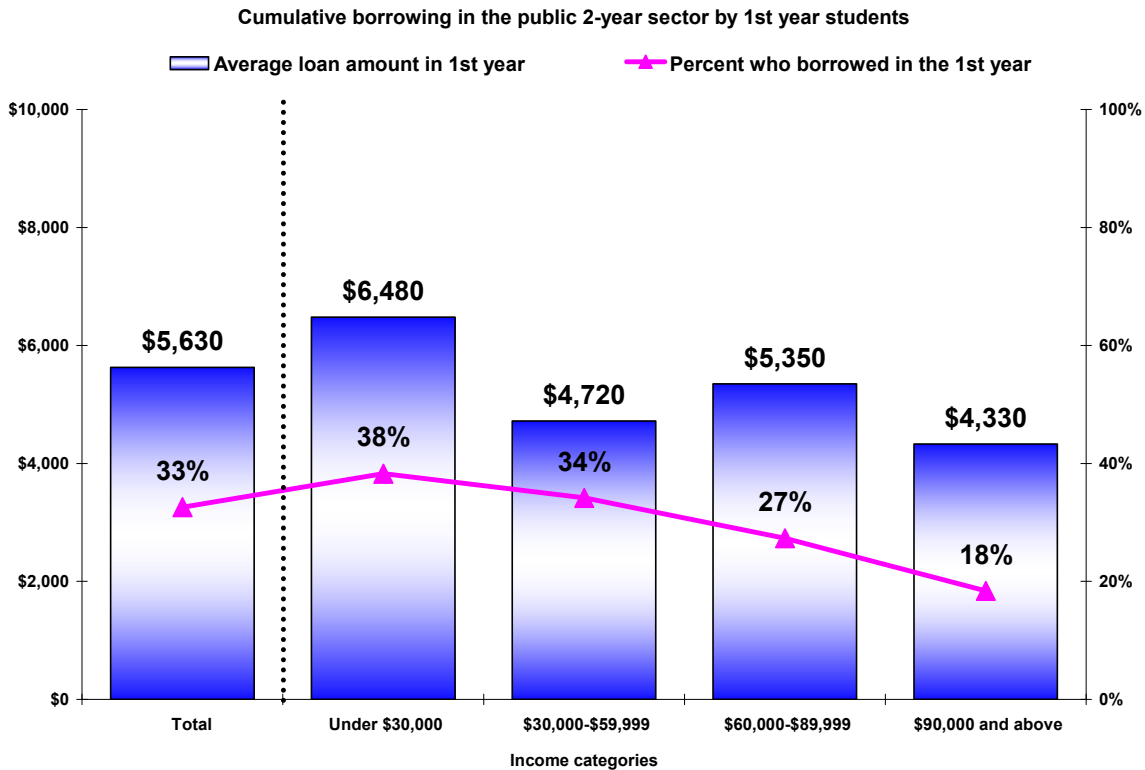


Figure 12: Average cumulative borrowing by second-year students in the public two-year sector in the Midwest region

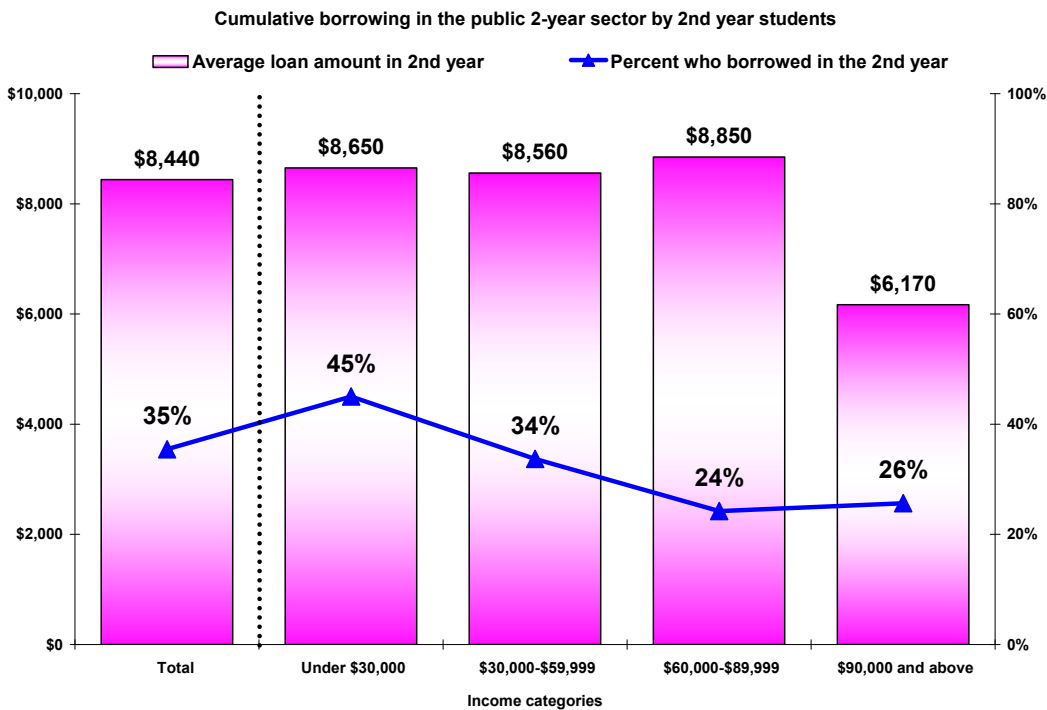


Figure 13: Average cumulative borrowing by first-year dependent students in the public two-year sector in the Midwest region

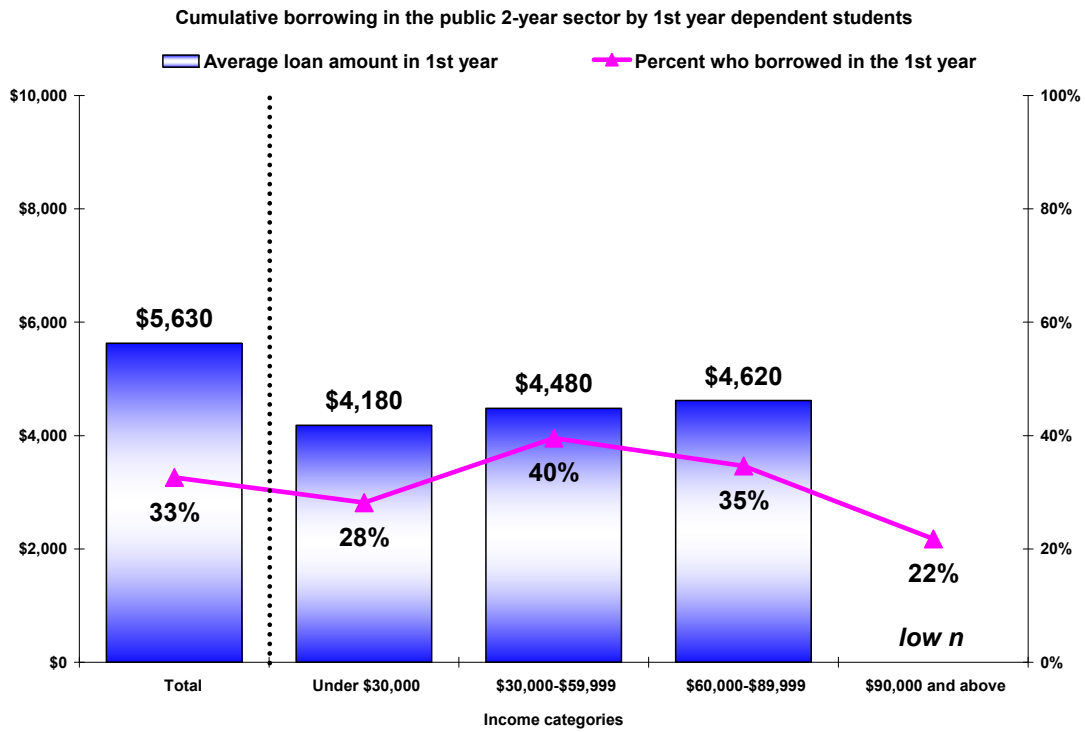


Figure 14: Average cumulative borrowing by second-year dependent students in the public two-year sector in the Midwest region

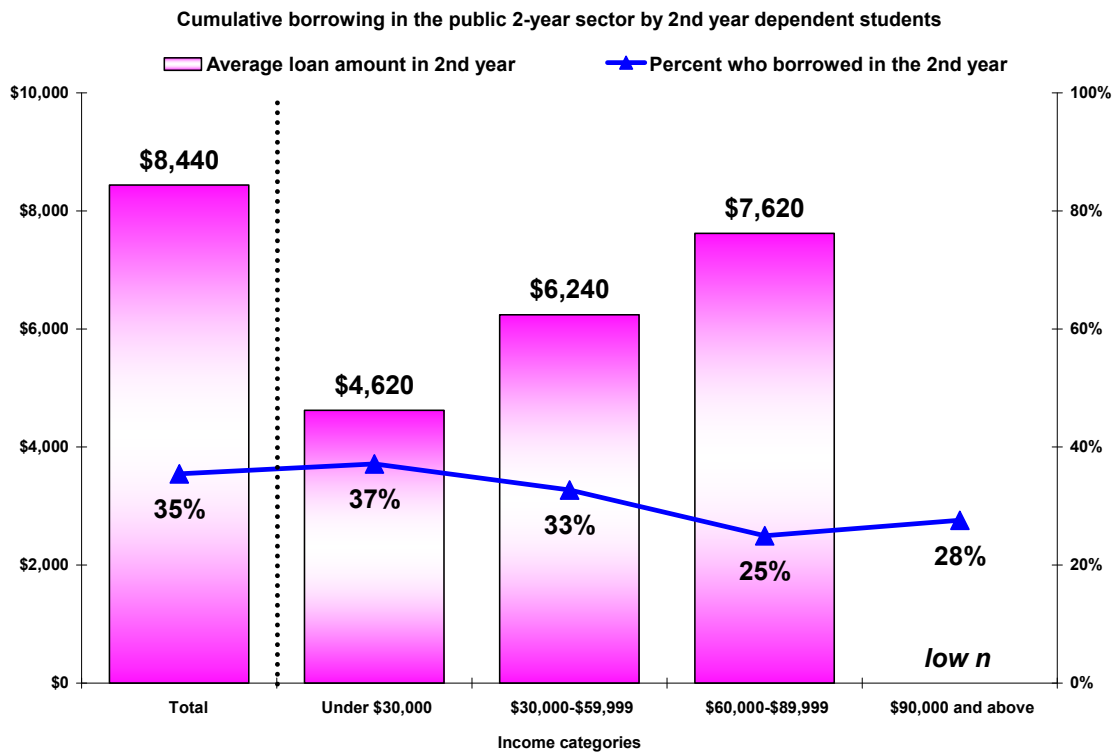


Figure 15: Average cumulative borrowing by first-year independent students in the public two-year sector in the Midwest region

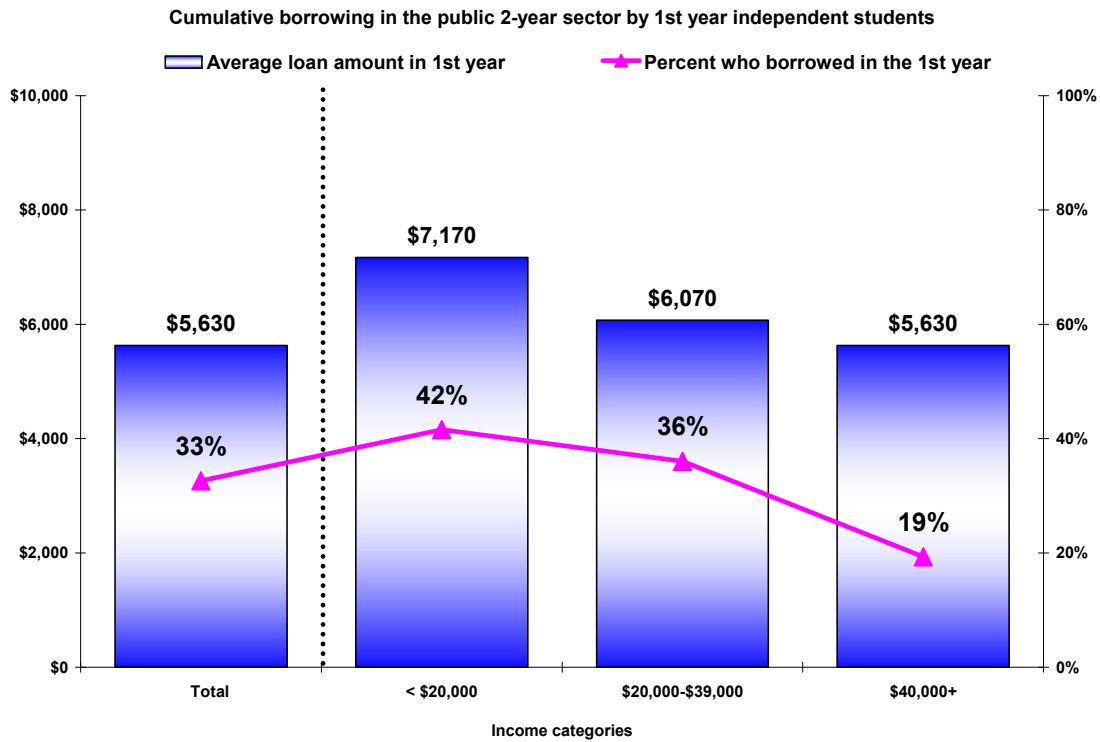


Figure 16: Average cumulative borrowing by second-year independent students in the public two-year sector in the Midwest region

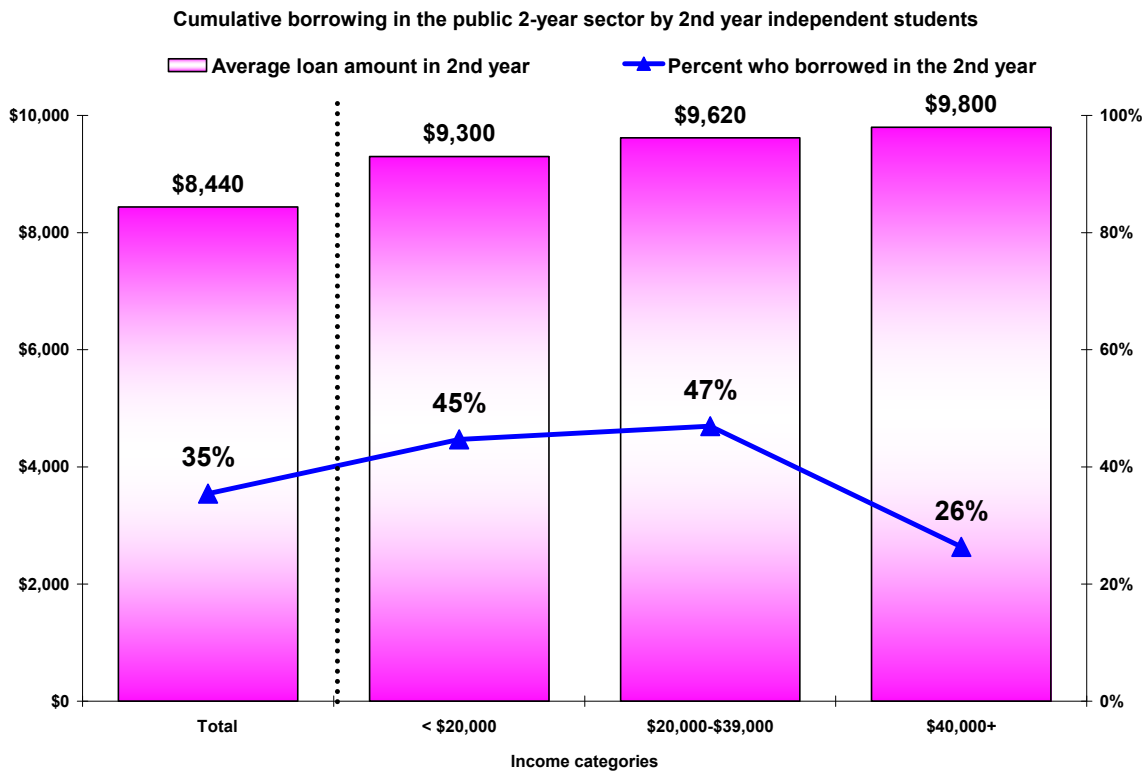
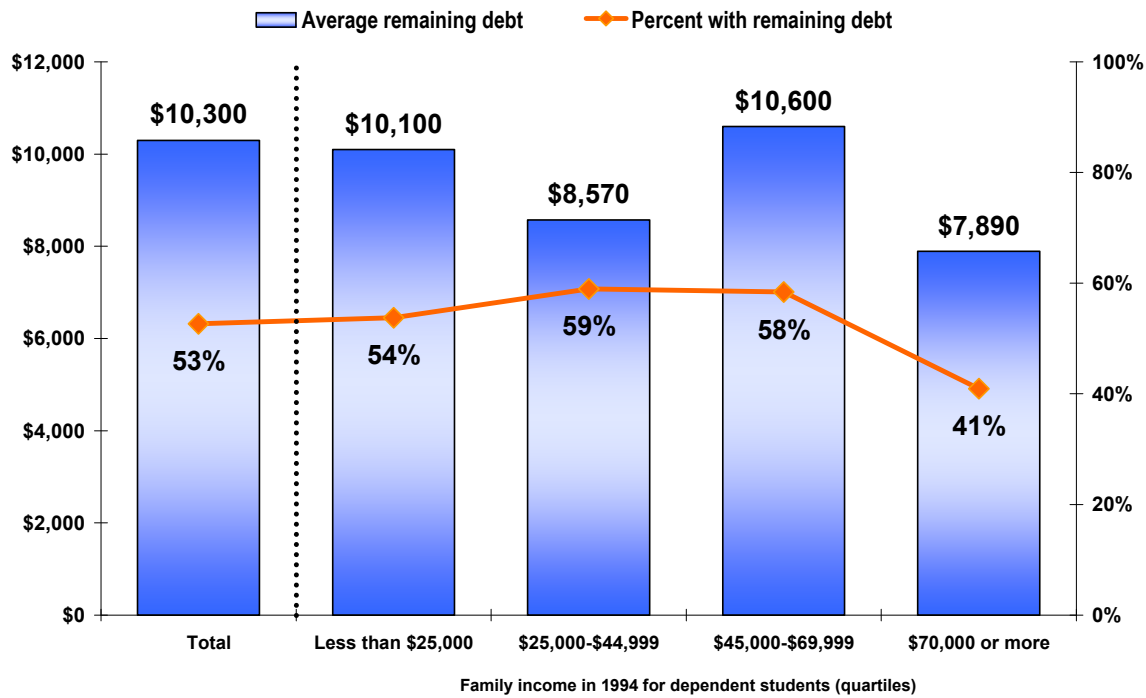


Figure 17

Average debt in 2001 for graduates attaining their Associates' degree in 2001



The Beginning Postsecondary Students' Study samples students during the first year of their postsecondary studies. The 1996 cohort of students was surveyed again in 1998 and 2001 to gather various sociodemographic, financial and attainment data. This data can provide information on the debt burden of graduating students and the rate at which they are able to relieve this burden after graduating. A large number of students who completed their Associates' degree in 2001 have educational debt after completing this degree (Figure 17). The income categories are for the family income for those students who were dependents in 1994 prior to their commencement of postsecondary education.

Exhibit D

Demographic and Financial Aid Data for the U.S. and Minnesota

This table contains demographic statistics on undergraduates enrolled in the 2003-2004 academic year for the U.S. and Minnesota. It also provides information on financial aid received by undergraduate students in the three major institutional sectors: public two-year, public four-year and private not-for-profit four-year.

| | Total | | Public Two-Year | | Public Four-Year | | Private Not-for-Profit | |
|--|----------|---------|-----------------|---------|------------------|---------|------------------------|----------|
| | National | MN | National | MN | National | MN | National | MN |
| Percent of undergraduates who: | | | | | | | | |
| Were Dependent Students | 50% | 59% | 39% | 43% | 66% | 71% | 62% | 76% |
| Lived on campus | 14% | 20% | 2% | 1% | 25% | 31% | 39% | 55% |
| Lived with parents | 24% | 15% | 34% | 27% | 20% | 8% | 16% | 6% |
| Were 30 years old or older | 26% | 21% | 35% | 32% | 13% | 13% | 21% | 12% |
| Were married | 21% | 21% | 27% | 31% | 14% | 12% | 17% | 12% |
| Had children | 25% | 21% | 33% | 34% | 13% | 10% | 18% | 12% |
| Were single parents | 13% | 8% | 17% | 12% | 6% | 4% | 9% | 5% |
| Reported a disability | 11% | 9% | 12% | 12% | 10% | 7% | 10% | 8% |
| Were first generation to attend college | 34% | 26% | 40% | 36% | 26% | 19% | 27% | 17% |
| Performed any community service in 2003-2004 | 41% | 47% | 34% | 32% | 47% | 52% | 57% | 70% |
| Percent of undergraduates who: | | | | | | | | |
| Were enrolled full-time, full year | 41% | 47% | 22% | 43% | 59% | 46% | 58% | 58% |
| Took a distance education course in 2003-2004 | 16% | 13% | 18% | 14% | 13% | 14% | 12% | 8% |
| Took one or more remedial courses in 2003-2004 | 11% | 10% | 17% | 14% | 6% | 7% | 5% | 3% |
| Ever enrolled at a community college | 68% | 64% | 100% | 100% | 42% | 32% | 37% | 33% |
| Were employed while enrolled (including work-study) | 78% | 83% | 80% | 87% | 75% | 76% | 76% | 87% |
| Were employed 35+ hours per week while enrolled | 34% | 28% | 42% | 38% | 23% | 20% | 28% | 21% |
| Financial Aid: | | | | | | | | |
| Applied for any aid* | 74% | 87% | 63% | 86% | 78% | 85% | 88% | 92% |
| Received any aid* (includes grants, loans, work-study) | 63% | 72% | 47% | 65% | 69% | 73% | 83% | 90% |
| Median total aid* per student who received aid | \$5,499 | \$6,610 | \$2,205 | \$4,000 | \$6,500 | \$7,259 | \$11,069 | \$15,275 |
| Applied for federal aid* | 59% | 75% | 45% | 75% | 63% | 73% | 72% | 76% |
| Received any federal aid* (includes grants, loans, work study) | 46% | 53% | 29% | 45% | 52% | 57% | 63% | 67% |
| Median federal aid* per student who received federal aid | \$5,320 | \$5,200 | \$2,625 | \$3,500 | \$5,500 | \$5,425 | \$6,624 | \$6,500 |
| Received any state aid* | 16% | 28% | 12% | 24% | 20% | 31% | 23% | 34% |
| Median total state aid* per student who received state aid | \$1,498 | \$2,646 | \$898 | \$1,374 | \$1,994 | \$2,936 | \$2,498 | \$4,008 |
| Received any grants (fed., state, institution, priv., other) | 51% | 52% | 40% | 46% | 52% | 46% | 74% | 84% |
| Median tot. grants/ student with grants/scholarships | \$2,799 | \$2,996 | \$1,600 | \$1,999 | \$3,117 | \$2,600 | \$5,783 | \$6,896 |
| Received any loans (fed., state, institution, priv., other) | 35% | 49% | 12% | 36% | 45% | 59% | 56% | 65% |
| Median total loans per student who received loans | \$5,499 | \$5,460 | \$2,625 | \$3,450 | \$5,499 | \$5,460 | \$5,500 | \$6,222 |
| Received state grants | 15% | 19% | 11% | 18% | 19% | 18% | 22% | 24% |
| Received state loans** | 0% | 10% | 0% | 5% | 1% | 15% | 1% | 13% |

| | Total | | Public Two-Year | | Public Four-Year | | Private Not-for-Profit | |
|---|----------|---------|-----------------|---------|------------------|---------|------------------------|---------|
| | National | MN | National | MN | National | MN | National | MN |
| Received institution grants | 18% | 20% | 8% | 2% | 21% | 18% | 50% | 74% |
| Median total institution grant per student with inst. grants | \$2,141 | \$4,050 | \$544 | low n | \$1,740 | \$1,325 | \$5,897 | \$5,730 |
| Had earnings from work-study job (fed., state, institution) | 8% | 16% | 4% | 9% | 9% | 10% | 21% | 45% |
| Median total work-study earnings per student with w/s earnings | \$1,650 | \$2,000 | \$1,689 | \$2,400 | \$1,700 | \$2,100 | \$1,650 | \$1,900 |
| Received a Federal Pell Grant | 27% | 22% | 23% | 23% | 26% | 21% | 27% | 20% |
| Median Federal Pell Grant per student who received a Pell grant | \$2,457 | \$2,100 | \$2,025 | \$2,125 | \$2,800 | \$2,025 | \$2,686 | \$1,950 |
| Received a Federal Stafford Loan in 2003-2004 | 33% | 45% | 11% | 33% | 42% | 53% | 53% | 60% |
| Median Federal Stafford Loan Annual Amount per student | \$4,769 | \$3,500 | \$2,625 | \$3,000 | \$4,910 | \$3,500 | \$5,266 | \$5,250 |
| Received a Federal Perkins Loan | 4% | 6% | 0% | 1% | 6% | 6% | 10% | 16% |
| Median Federal Perkins Loan per student | \$1,800 | \$2,375 | \$1,812 | low n | \$1,700 | \$2,375 | \$1,994 | \$2,164 |

*Includes grants, scholarships, loans, work study and other aid

**Most states do not operate state-funded loan programs. Minnesota and four other states are the only states with substantial state loan programs.

Exhibit E

Comparison of Federal Pell Grant and Minnesota State Grant Awards Using Current \$6,436 Two-Year Cap vs. \$4,300 Two-Year Tuition Cap, September 7, 2006

| Dependency | Family Income | EFC | \$6,436 Cap | \$4,300 Cap | Difference with Lower Cap |
|-----------------------|---------------|---------|----------------------------|----------------------------|---------------------------|
| Single Independent | \$6,000 | \$0 | \$4,050 Pell \$2,530 SG | \$4,050 Pell \$1,377 SG | -\$1,153 |
| Dependent Family of 4 | \$35,000 | \$1,000 | \$3,100 Pell \$2,480 SG | \$3,100 Pell \$1,327 SG | -\$1,153 |
| Dependent Family of 4 | \$45,000 | \$2,400 | \$1,700 Pell \$2,480 SG | \$1,700 Pell \$1,327 SG | -\$1,153 |
| Single Independent | \$15,000 | \$3,200 | \$900 Pell \$3,376 SG | \$900 Pell \$2,223 SG | -\$1,153 |
| Single Independent | \$20,000 | \$4,900 | \$0 Pell \$3,052 SG | \$0 Pell \$1,899 SG | -\$1,153 |
| Dependent Family of 4 | \$60,000 | \$5,800 | \$0 Pell \$780 SG | \$0 Pell \$0 SG | -\$780 |