

Devinder Malhotra, Chancellor
Lumina State Policy Retreat
October 22, 2018

On behalf of the people of Minnesota and the higher education community here in this great state, I am delighted to welcome you to the Lumina State Policy Retreat.

I am joined today by a member of my team – Ron Anderson, Senior Vice President of Academic and Student Affairs; and by other Minnesota leaders: Larry Pogemiller, Commissioner of the Minnesota Office of Higher Education; Alex Hermida, also with the Office of Higher Education; Bob McMaster, Vice Provost and Dean of Undergraduate Education at the University of Minnesota; Paul Cerkvenik, Minnesota Private College Council CEO. And two members of the Minnesota State Senate Higher Education Finance and Policy Committee: Vice Chair, Sen. Rich Draheim; and Sen. Greg Clausen.

We are all here because of our commitment not just to the organizations we represent but also to the state policy goals we have developed in partnership with the Lumina Foundation – particularly around increasing the percentage of adults with meaningful postsecondary credentials.

The list of Minnesota attendees gives you some sense of the higher education landscape in Minnesota. As a state, we are incredibly fortunate to have so many options available to students: Our state colleges and universities, which I represent; a second public university system: the University of Minnesota; a robust array of non-profit colleges and universities; and for-profit institutions.

In addition to these systems and stand-alone colleges and universities, we all benefit from partnerships with the Minnesota Office of Higher Education, which supports the pursuit and completion of a higher education credential by every Minnesotan, regardless of race, gender, or socio-economic status.

What all these institutions represent is a statewide ecosystem of higher education opportunities for the people of Minnesota.

50 percent of Minnesota's population hold an associate degree or higher. Only Massachusetts, at 52 percent, is higher in the nation.

In Fall 2017, Minnesota higher education providers served more than 400,000 students in credit-bearing programs. Minnesota State's share of that total was over 180,000. Minnesota State also serves 120,000 students in customized training and continuing education.

Drilling down a bit into our demographics, our colleges and universities belonging to our system serve: more than 64,000 students of color and American Indian students; more than 48,000 first-generation college students; more than 77,000 low-income students; more than 95,000 students 25 years or older; and nearly 10,000 veterans and service members.

I am proud that the scale and scope of Minnesota State is serving so many students in these categories.

At first glance, those numbers paint a strong picture of higher education in our state. But there are significant gaps when it comes to equity in higher education. Minnesota has some of the largest racial disparities in the nation: in 5th grade reading, writing, and math scores; in high school graduation rates – 20% of students overall don't graduate on time, but that number is double for students of color; and in measures of college preparedness.

It goes beyond higher education. We have large income, unemployment gaps, and housing gaps. The unemployment rate for African-Americans is 2½ times that of white Minnesotans. African American and American Indian college graduates are more likely to hold temp jobs and earn less than white and Asian counterparts – even when they have attained similar educational credentials.

These are issues that are a focus both for the State of Minnesota and for our system of public colleges and universities. We devote an increasing amount of resources to helping the women and men of traditionally underserved communities access higher education and make it across the finish line. We are dedicating ourselves to diversity, equity, and inclusion, and we are embedding ourselves in those communities. We are creating summer academies and offering PSEO, concurrent enrollment, and developmental education. And we are actively connecting students from diverse communities with services on our campuses designed to keep them in college.

That is simply the right thing to do, because it allows us to deliver on our moral imperative. It is evident that eliminating the opportunity gaps is central to the rest of the strategic priorities for the state's higher education organizations too.

The state's economic productivity is dependent upon helping underserved communities and ensuring that all Minnesotans can thrive. In the decades to come, Minnesota will prosper only if the state as a whole becomes a more socially mobile and equitable place for underserved communities.

There is a growing awareness that the challenge Minnesota faces in addressing equity and the challenge we face around financial sustainability are directly linked. Solving the equity and inclusion piece by dramatically increasing access by underserved communities will have a positive impact on the enrollment challenges our campuses are dealing with.

Minnesota State and every other Minnesota college and university represented here today take very seriously the fact that we have a strong economy. We do not take that for granted, or for that matter the role higher education plays in sustaining our economy.

The University of Minnesota system published its economic impact study last year. That impact is over \$8.6 billion per year.

Minnesota State's own study will be published soon, the results of which show that our 37 colleges and universities have a combined \$8 billion annual economic impact on communities in every region of the state. Over 67,000 jobs are directly or indirectly supported by Minnesota State. Minnesota's return on investment is \$12 generated in the statewide economy for every \$1 the state appropriates to our colleges and universities. Minnesota State serves more than 375,000 students every year: more than 6 out of 10 undergraduates in Minnesota attend one of our institutions (7 out of 10 in

Greater Minnesota). Minnesota State awards 38,000 degrees annually (6 out of 10 graduates are in Greater Minnesota). Nine out of 10 graduates get jobs in their fields, and eight out of 10 stay in Minnesota.

Despite this success, like many states across the country and in this region in particular, Minnesota has been grappling with a skilled workforce shortage. Help wanted signs are everywhere thanks to a very robust economy and low unemployment rate of 3 percent.

The skilled workforce challenge is likely to only worsen, due to four factors. First, a decreasing pool of high school graduates. Second, a shift in the Minnesota population from rural areas to a handful of metropolitan areas, which threatens the economic vitality of the state, particularly in rural areas and farming communities. Third, baby boomers retirements. And fourth, the equity gaps that are keeping the fastest growing segment of society from becoming the skilled workforce Minnesota needs.

To expand the pipeline to meet workforce needs, we are extending our learning landscape beyond our institutions into the workplace and communities, so our students are much better prepared to deal with emergent societal challenges and emergent disruptions.

We are also increasingly meeting postsecondary needs throughout the career lifecycle of an individual. Today's technology-driven economy demands that employees keep their skills current with rapidly changing technology. We offer options for students at any point in their career, including career changers and incumbent workers. We also offer opportunities specifically for mid-career students, such as Credit for Prior Learning and competency-based education.

This is all taking place against a national and regional debate about the value of public higher education. Where higher education was once seen as the best pathway to economic and social mobility, those students and families who have the most to gain from the completion of a post-secondary credential are questioning its value. Employers report that colleges and universities are not delivering the kinds of credentials and number of graduates the nation is asking for. Technology is changing how individuals are acquiring information and revolutionizing the process of teaching and learning.

The question we are all being asked is: What is the value of higher education? Higher education has both private and public benefits. A private benefit is reflected in an individual's income or health or happiness being greater than it otherwise would have been. But a public benefit is what is beneficial to society as a whole. And society at large receives additional benefits from higher education – more benefits than a single individual receives. That's because, when an individual benefits from higher education, there is a positive ancillary effect on society.

This has led Minnesota State to adopt the following value proposition for our system: We are an interdependent network of vibrant colleges and universities committed to working together to nurture, sustain, and enhance a civically engaged, socially mobile, and economically productive society.

Each of those three aspects of society are aligned with the work our campuses do, whether they are a technical college, community college, a community-technical college, or university.

Like all other systems of higher education across the country, ours is facing challenges and disruptions that threaten our ability to deliver on our commitment.

Change is rapidly occurring in three areas that directly affect our colleges and universities: How our students learn, who our students are, and the new budget realities in today's higher education ecosystem that our campuses have faced for some time.

To overcome these changes, we are focused on three related priorities: First, the success of our students, particularly those who learn differently from students in previous generations. Second, our efforts around diversity, equity, and inclusion as we respond to a demographic shift and welcome an increasing number of students from populations traditionally underserved by higher education. And third, ensuring the programmatic and financial sustainability of our campuses.

Lumina's state policy agenda is well-aligned with our own goals. In the area of quality assurance, we have made either significant progress on – or have given a special focus to – a number of areas, including degree pathways, transfer pathways, credit for prior learning, non-credit to credit, and badge laddering or stackable credentials.

Presentations and breakout sessions at this retreat resonate with the work we are doing, in particular: modeling attainment trajectories across priority populations; developing tools to monitor progress of those populations; listening to and serving better today's students; understanding and reframing the public narratives to advance attainment and equity; and student-centered funding formulas to address equity.

As we engage in these sessions and as we approach our work, we are uniquely positioned to learn both from Lumina and from each other because of the diverse, cross-sector nature of our state teams. Every issue on which Lumina's state policy agenda focuses will not be solved by one individual entity in our states. It will require partnerships.

And so I would like to close by thanking three particular groups that make the work we do possible: Legislators – for their funding support and for keeping us accountable. Foundations like Lumina – for helping to provide opportunities for learning beyond high school available to all. And the women and men in higher education who move the dial on these issues: the faculty and staff on our campuses.

Thank you – and again, for those of you not from these parts, welcome to Minnesota!