

**Minnesota State Colleges and Universities
Board of Trustees
Study Session**

**Demographic Trends and Their Implications for Minnesota State Colleges and Universities
March 17, 2015**

Board Members Present: Vice Chair Margaret Anderson Kelliher, Trustees Duane Benson, John Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Elise Ristau, Louise Sundin, Michael Vekich, and Erma Vizenor.

Board Members Absent: Ann Anaya, Kelly Charpentier-Berg, Alexander Cirillo, and Thomas Renier.

The Minnesota State Colleges and Universities Board of Trustees held a study session on March 17, 2015, at Minnesota State Colleges and Universities, 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Board Vice Chair Margaret Anderson Kelliher called the session to order at 10:03 am.

1. Demographic Trends and Their Implications for Minnesota State Colleges and Universities

Presenters:

Steven Rosenstone, Chancellor

Craig Schoenecker, Senior System Director for Research

Chancellor Rosenstone presented on demographic trends in the state, the strategic implications of those trends, and MnSCU actions being taken to address them.

Demographic Trends

- 1) Minnesota's population growth has slowed and will continue to slow over the decades ahead. Migration into the state will sustain Minnesota's population, while natural population growth will decline until 2050. The strategic implication is that Minnesota's public colleges and universities will need to serve and partner in new ways with a growing population of immigrants.
- 2) Fewer Minnesotans will live in greater Minnesota. Over the decades ahead, the proportion of Minnesotans living in greater Minnesota will remain fairly steady, but people will increasingly reside in urbanized areas. As the proportion of people living in rural Minnesota continues to drop, colleges and universities located in rural areas will face continuing enrollment pressures.
- 3) Minnesotans will be increasingly diverse. Over the next 25 years, 70 percent of the state's population growth will be among people of color; 100 percent of the population growth in the Twin Cities metro is predicted to be among people of color.

As the state continues to become more diverse, colleges and universities will need to better serve communities of color, American Indian communities, and immigrant communities. Unless the college preparation and high school graduation achievement gaps are reduced, the pool of students available for and prepared for postsecondary education will decrease dramatically.

- 4) Minnesota's aging population will place extreme pressure on the state's budget, potentially displacing state resources available for higher education. As more Minnesotans retire, their income will dip and this will place downward pressure on state tax revenue. Coupled with ever-rising healthcare costs, state resources available for higher education will be restricted. This trend also will offer greater opportunities for continuing education programs.
- 5) The pool of students that traditionally have been served by MnSCU colleges and universities is shrinking. The number of high school graduates has dipped and will not rebound until approximately 2024. The number of traditional-age college students (students ages 18-34) also will be declining through 2027 and is not expected to rebound until approximately 2033.
- 6) Fewer Minnesota high school graduates are going on to a college or university in Minnesota. In 2013, 46 percent of graduates attended a Minnesota postsecondary institution. Of that number, 21 percent attended an out-state institution and 33 percent did not attend college within the first year after graduating. More students leave the state for college in nearby states than move to Minnesota to attend college. In addition to this migration, there is a growing number of students enrolling in for-profit colleges and universities.

Trustee Benson asked if there is data on the number of students who come back to Minnesota to work after attending a college or university in another state.

Mr. Schoenecker said that data is not readily available, but graduate surveys show 80 percent of Minnesota students who attend higher education in the state continue to live here after graduation. Thirty to 40 percent of students from other states who take advantage of reciprocity with Minnesota schools continue to live in the state after they graduate.

Minnesota loses potential students to the large number of colleges and universities that are close to the state's borders, such as UW-LaCrosse, UW-River Falls, UW-Superior, North Dakota State University, and the University of North Dakota.

Trustee Hoffman said many students attend colleges and universities in neighboring states because of their agribusiness programs. Those students often don't come back to live in Minnesota, he added.

- 7) The dip in population growth, coupled with an aging population and an increasing demand for a highly educated workforce, will produce a shortage of people with postsecondary credentials in the state.

This could lead to a skilled labor shortage and put downward pressure on employment rates, as well as on college and university enrollments.

Strategic Actions to Address Demographic Trends

Chancellor Rosenstone gave an overview of strategic actions being taken by MnSCU to address these trends:

1) Improving student recruitment

Steps are being taken to improve recruitment of students who are considering leaving the state for postsecondary education, planning on attending for-profit schools, or who may otherwise not attend postsecondary education. These steps include expanding and creating clearer pathways from high school to our colleges and universities by:

- Improving position/branding to attract more students
- Growing PSEO and concurrent enrollment
- Increasing secondary school partnerships and student recruitment
- Increasing joint recruitment with business and industry
- Partnering with the Minnesota Department of Education
- Utilizing the federal Perkins grant for career and technical education opportunities
- Deepening partnerships with and better serving immigrant communities, communities of color, communities struggling with poverty, and American Indian communities: this includes the statewide scholarship campaign which is aimed at providing affordability to communities that have previously struggled with access to higher education.
- Creating smoother pathways for students to transfer among colleges and universities.

2) Improving student preparedness

There are ongoing efforts with K-12 to improve college preparedness, to increase high school graduation rates, and to reduce the achievement gap. These include:

- Bolstering partnerships with Minnesota Department of Education
- Enhancing college and university partnerships with K-12
- Using federal Perkins grant funds for career and technical education strategically.
- Working to grow PSEO and concurrent enrollment.

3) Improving student retention and completion

Work to dramatically increase student retention and the success of all learners, especially adult learners, nontraditional students, and students from diverse populations, is being done by:

- Addressing student success and ways to better serve diverse students. This topic is being addressed by a *Charting the Future* team. Other teams are focusing on competency certification, credit for prior learning and academic planning
- Redesigning developmental education
- Promoting reverse transfer and credit for prior learning for military experience initiatives

- Expanding individualized support services available to students.
- 4) Expanding customized training and continuing education
As demand for a well-educated workforce increases, business and industry will have an even greater need to retain incumbent workers, which will create additional opportunities for continuing education and customized training programs.
- A *Charting the Future* team is working on comprehensive workplace solutions;
 - Work is being done through collaborative training consortia.
- 5) Reducing costs
As the number of 18-34 year-olds dips and competition for students increases, there will be continuing efforts to reduce costs to protect affordability.

Trustee Cowles asked how national trends, such as projected low unemployment rates, will impact strategic actions taken by colleges and universities in Minnesota, as well as those in other states.

Chancellor Rosenstone said that national trends are a consideration. The state's expected low rate of population growth, combined with the expectation that the state will need a better educated workforce than many other states, will require shrewd strategic actions. Other states, such as many in the South, likely will experience higher population growth and therefore their colleges and universities could be in a more stable financial position.

Trustees Benson asked if MnSCU has ever done a customer analysis. Chancellor Rosenstone said work now being done on increasing opportunities for baccalaureate degree completion in the metropolitan area will generate useful data on projected student populations and their geographic locations over the next 15 to 20 years.

Trustee Sundin said there will be an increasing number of older people who will want or need to be retrained for different careers. This will be a pool of potential students that could help offset enrollment declines in other areas. Strong partnerships with K-12 and with business and industry are imperative since there already is an acute need for workers in many technical fields, such as construction.

The meeting adjourned at 12:26 pm
Respectfully submitted,
Margie Takash, Recorder