



REDUCING RACIAL DISPARITIES IN COLLEGE COMPLETION

The Case for an Equitable Higher Education Financial Aid System in Minnesota

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An equitable statewide higher education system that supports People of Color and American Indian and/or Indigenous (POCI) students in completing college via certificate or degree attainment is a key indicator of the socioeconomic health of Minnesota. The state needs more highly skilled workers to support a growing economy, and completing a college credential is essential to social and racial justice in our state.



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The racial disparities in Minnesota's higher education system are among the worst in the nation. In Minnesota, and throughout the country, POCI students are less likely to enroll, remain in, and succeed in college.

The racial disparities in Minnesota's higher education system, and more specifically the policies governing the financial aid system, have disproportionately impacted POCI students throughout the state. As a result, POCI students are far less likely to graduate with a college credential in Minnesota than their White peers.

This study explores one aspect of college access and completion: The macro-finance issues within Minnesota's higher education finance system and how they impact the recruitment, retention, and graduation of POCI college students.





Minnesota Education Equity Partnership (MnEEP) examined Minnesota's higher education finance system by collecting, analyzing, and interpreting qualitative and quantitative data. Our findings show that Minnesota's current higher education system, and the financial aid policies that govern it, are leaving POCI students out of opportunities to attend and complete college.

In this brief, MnEEP presents the limitations of Minnesota's higher education financial aid system in reaching racially equitable results and identifies key racial disparities between POCI students and White students in college persistence and completion in Minnesota.

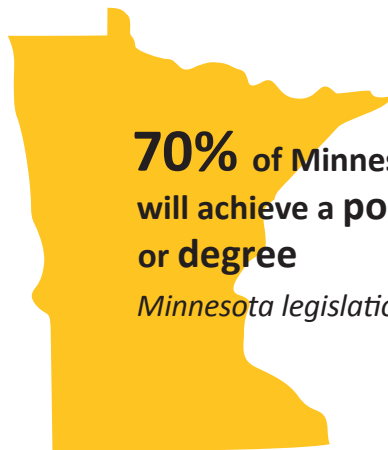
MnEEP believes in fixing systems, not POCI students, and this policy brief reflects that belief and lays out opportunities and policies for building a better system that supports our diverse students.

THIS BRIEF WILL:

- **Present the limitations** of Minnesota's higher education financial aid system in reaching racially equitable results for Students of Color and American Indian and/or Indigenous (POCI) students
- **Identify key racial barriers and disparities** between POCI students and White students in college completion in Minnesota
- **Explore the major consequences** of racial disparities in college completion
- **Provide Minnesota higher education financial aid policy recommendations** for the purpose of increasing college persistence and completion for POCI students

Note: For the purposes of this policy brief, POCI students include: people from non-White racial groups that are African, Asian, Hispanic/Latinx, Pacific Islander, American Indian and/or Indigenous in origin or descent.

Minnesota Educational Attainment GOAL 2025



70% of Minnesota adults in each racial group will achieve a postsecondary certificate or degree

Minnesota legislation passed in 2015

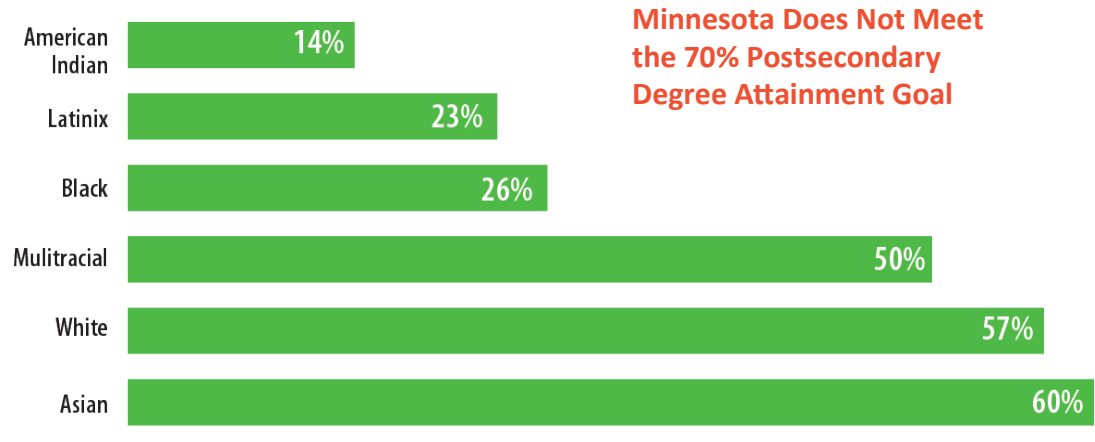
- » The findings show that updating and reforming the higher education financial aid system in Minnesota is essential for unleashing the talents and creativity of all People of Color and American Indian and/or Indigenous students and building a more just and robust Minnesota.



BACKGROUND

Hidden within Minnesota’s high college degree completion rates are persistent and troubling racial disparities between POCI students and their White peers.

FIGURE 1
Minnesota Education Attainment
by Race/Ethnicity,
Percentage of
Associate Degree or
Higher Credential,
ages 25–44
(2015–18)



Source: (http://www.ohe.state.mn.us/sPages/educ_attain_goal_2025.cfm)

Ongoing Racial Disparities in Minnesota’s Higher Education Institutions and Systems

Minnesota ranks third in the nation for higher education degree attainment, with 50 percent of 25 to 64 year old’s holding an associate’s degree or higher (Lumina, 2019). Yet hidden within Minnesota’s high college degree completion rates are persistent and troubling racial disparities between POCI students and their White peers.

For example, only 36 percent of POCI students who graduated from Minnesota high schools in 2011 earned a certificate, associate’s degree, or bachelor’s degree within seven years, compared to 58 percent of White students (Minnesota Statewide Longitudinal Education Data System, 2019a). White students are more than three times as likely as American Indian students and more than twice as likely as Hispanic and Black students to earn an associate’s degree or higher (Minnesota Office of Higher Education, 2019a).

These racial disparities in higher education attainment negatively impact wages, job security, and the health for POCI (Goldrick-Rab, 2016). Additionally, these disparities threaten the economic vitality of Minnesota because the state is not training enough skilled workers to meet the demands of employers.

Minnesota is experiencing a true college completion crisis and it is hurting the state’s students, families, communities, and businesses’ capacity to survive and thrive. Minnesota must address the college completion crisis, collectively, and with concerted focus on the future needs of the people and state.

The demographic make-up of students attending college is changing. College campuses are becoming more diverse, including Minnesota campuses. Yet higher education systems across the country and in Minnesota were not initially designed to serve and meet the needs of highly diverse student populations, and this influences the college completion crisis in negative ways.

When the Minnesota higher education system was designed, the typical student was young, single, White, 18-22 years old, and from a middle or higher income two-parent household. Over time, however, the demographic makeup of Minnesota’s population, and with it the makeup of students found on our college campuses, has dramatically shifted to include more racially, ethnically, linguistically, and culturally diverse learners such as POCI students. Minnesota colleges and universities have been struggling to meet the needs of POCI students as a result of these demographic shifts found throughout the state and within higher education institutions and systems (Schak, 2019).



Although Minnesota college students are more racially diverse than in the past, racial disparities in college completion for Minnesota are well-documented. These realities, along with the economic imperative of obtaining a college degree, make it clear that Minnesota needs to transform higher education financial aid policies in an ongoing effort to close college completion gaps based on race.

Recent shifts in workforce demands mean that 2.8 million of the 2.9 million jobs with high salaries, benefits, paid time off, and health insurance created during the post-recession recovery went to employees with a Bachelor's Degree (Jones & Berger, 2019).

Research has shown there are many individual benefits of college completion, including: higher wages, increased job security, greater life expectancy, and better health (Trostel, 2015). Additionally, there are indisputable societal benefits from having more individuals with college degrees, including lower crime rates, increased rates of philanthropy, and higher civic engagement (Trostel, 2015). While higher education can provide the preparation POCI people need to access more secure and higher paying jobs, historically, POCI students have faced structural barriers in successfully pursuing and attaining a higher education degree (Goldrick-Rab, 2016).

Race Matters in How we Assess Minnesota's Higher Education Financial Aid System

United States' higher education institutions and systems have deep and persistent racial inequities. A review of the origins of higher education show multiple generations' worth of policies and practices that have been overtly and covertly privileging White students to the detriment of POCI students (Dowd, 2015a). Policies and practices, deeply woven into the fabric of our country and state's higher education institutions and systems, have been contributing to and perpetuating structural racism.

Structural racism is “Racial bias across institutions and society. It describes the cumulative and compounding effects of an array of factors that systemically privilege white people and disadvantage people of color.”

(Casey, 2014, p. 5)

The presence of structural racism urges us to review the higher education finance system through a *racial equity* lens: asking deeper questions on what racial disparities we need to eliminate, assessing what groups are most adversely impacted by current policy, engaging those most impacted by the policies, and understanding how proposed solutions get to the root causes of the problem.

The Lumina Foundation has also focused upon the impact of structural racism on POCI students' college completion. For instance, in 2017, Lumina established a goal to have 60 percent of adults earning degrees or certificates by 2025 while, at the state level, policymakers in 43 states have established goals for postsecondary degree attainment (Jones & Berger, 2019). The Lumina Foundation encourages states to reach the overall attainment rate by looking at the specific racial equity goals in that state (Lumina, 2018).

The importance of college degree completion and race equity has also caught the attention of national and state policymakers, who have advocated for increased college degree attainment, overall, and among all racial groups in Minnesota. In 2015 the Minnesota Legislature passed the, “Educational Attainment Goal 2025,” setting the target for 70 percent of Minnesota adults in each racial group to achieve a postsecondary certificate or degree by 2025 (Minnesota Office of Higher Education, 2019q).

This sent a strong and clear message that improving the policies, practices, and approaches to better supporting college completion for POCI students is critical for raising the level of prosperity for all people in Minnesota in the coming years.

Education Trust, a well-known national advocacy group, urges us to use a race equity lens in addressing the systemic and, more specifically, structural racism in higher education systems altogether:

“If states are ever going to... address [these higher education] gaps created by generations of injustice and discrimination, policymakers must take racial equity seriously by pursuing goals and strategies designed to support [POCI students].”

By Tiffany Jones and Katie Berger
in *Aiming for Equity: A Guide to Statewide Attainment Goals for Racial Equity Advocates*, page 2.



I. METHODOLOGY

Overall, the quantitative and qualitative data collection and analysis formed a data-rich and firm, research-based foundation for establishing higher education financial aid policy recommendations that address racial disparities in college completion and also aid in identifying areas of additional focus for future research and/or consideration.

MnEEP utilized a mixed-methods approach to collecting, analyzing, and interpreting qualitative and quantitative data to support this policy brief. MnEEP used a grounded theoretical approach in examining students' financial aid experiences and in exploring the multitude of perspectives of higher education system users. MnEEP also analyzed quantitative data pulled from State and Federal sources that showed significant racial disparities for college completion between POCI students and White students, resulting in: lower POCI college access rates, lower POCI academic success rates, and lower POCI graduation rates.

Additionally, qualitative data from interviews with higher education students, faculty, staff, administrators, and POCI alumni was pulled and aligned with the quantitative data that was collected. Institutional Review Board (IRB) and relevant approvals were obtained. Together, the quantitative and qualitative data collection and analysis provided context to the aforementioned racial disparities in college completion existing between POCI students and White students in Minnesota.

Overall, the quantitative and qualitative data collection and analysis formed a data-rich and firm, research-based foundation for establishing higher education financial aid policy recommendations that address racial disparities in college completion and also aid in identifying areas of additional focus for future research and/or consideration.

For a more in-depth look at the analysis of the quantitative and qualitative data, forming the basis of the current policy brief, go to mneep.org to find the original white paper arising from the current research project funded by the Joyce Foundation.

MnEEP collected the data for this report using a variety of sources. The Integrated Postsecondary Education Data System (IPEDS) was used to collect over 10 years of quantitative data on Minnesota colleges and universities. Financial aid data, student enrollment data, and student degree completion data for institutions, disaggregated by race, were also collected and analyzed. Additional quantitative data sources included the Minnesota Office of Higher Education, Minnesota Statewide Longitudinal Education Data System (SLEDS), and data from The Institute for College Access and Success (TICAS).

Two co-lead researchers worked collaboratively to collect and analyze the data and write the white paper and policy brief with support from MnEEP staff and the MnEEP Research Collaborative Table (RCT). The MnEEP RCT is made up of K-12 and higher education practitioners and researchers. MnEEP staff and the RCT reviewed the analysis of the data between April of 2019 to September of 2019 to provide feedback on the research, the white paper, and the policy brief.

The co-lead researchers also collected qualitative data from several sources. One co-lead researcher interviewed 22 college students enrolled at the University of Minnesota in May of 2019. The interviews were semi-structured and the researcher analyzed the results for primary themes.

One co-lead researcher also conducted confidential, highly structured thematic interviews on what hindered or contributed to POCI student success and degree completion in higher education. Interviews with 25 participants were conducted with 15 administrators, faculty, and staff, 13 of whom self-identified as POCI and two who self-identified as White, as well as two small focus groups with 10 people who self-identified as POCI who were administrators, faculty, staff, or alumni of Minnesota colleges.

To protect the interviewees from potential retaliation, we promised all participants confidentiality and as much anonymity, through the use of pseudonyms, as possible.

For a more in-depth look at the analysis of the quantitative and qualitative data, forming the basis of the current policy brief, go to mneep.org to find the original white paper arising from the current research project funded by the Joyce Foundation.



II. SYSTEMIC LIMITATIONS OF THE HIGHER EDUCATION FINANCIAL AID SYSTEM ON POCI STUDENTS IN MINNESOTA

MnEEP specifically chose to examine the limitations of the higher education financial aid system in Minnesota, first and foremost, because MnEEP believes that it is the system that needs fixing, not POCI students.

MnEEP also recognizes that while individual colleges and universities may have practices to respond to immediate financial challenges student’s face, (e.g. small emergency micro-loans, childcare help, food and home insecurity support) these are at the institutional level, and not at the systems level.

Here, we seek to address the institutional, macro-finance limitations in Minnesota’s higher education student financial aid system that impede improving the recruitment, retention, and graduation of POCI college students.

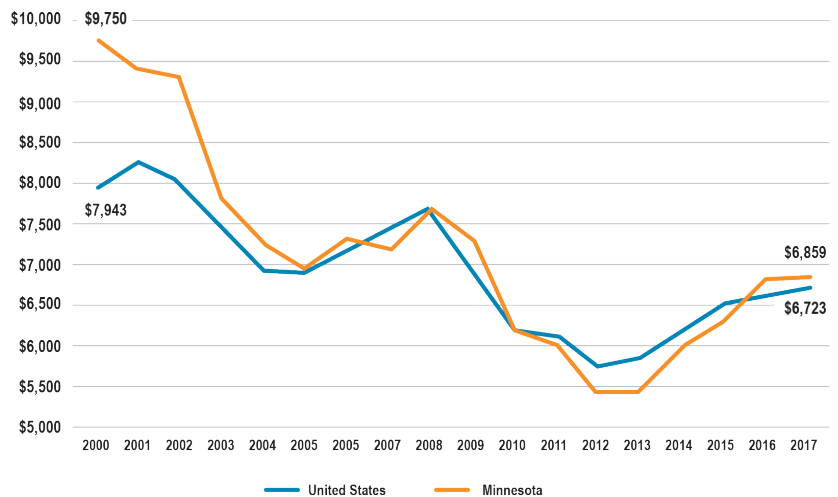
LIMITATION 1 Declining State Aid for Higher Education and Increasing Rates of Tuition

Since 2000, the State of Minnesota has steadily and significantly decreased investments in higher education. Despite recent funding increases in constant dollars, the funding per Full Time Enrolled student (FTE) was almost \$3,000 less in 2017 than in 2000 (Figure 2).

Although state funding for higher education in Minnesota was previously above the national average from 1991 to 2007 (Hiltonsmith & Huelsman, 2014), more recently, funding has fallen dramatically over time. Minnesota’s current funding per Full Time Equivalent (FTE) student ranks 21st in the nation, just slightly above the national average (National Science Board, 2018). Even though Minnesota has maintained an average of 50 percent assigned, student responsibility for tuition costs and living expenses, the state has steadily been decreasing its investments in higher education for nearly a generation (Figure 2).

Between 2009 and 2017
Minnesota funding for full time students
Decreased \$2,891

FIGURE 2
State Support Per Full-Time Equivalent Student
Constant Dollars 2000–2017



National Science Board, 2018 National Science Board, 2018



Coupled with declining state support for higher education, state financial policy decisions have made college increasingly unaffordable for many Minnesotans. Over the past two decades, college tuition rates in Minnesota have been sharply increasing (Hiltonsmith & Huelsman, 2014). Tuition and fees at Minnesota public two-year and four-year institutions have always been higher than the national average, yet, the gap has increasingly widened over time (Figure 3; Hiltonsmith & Huelsman, 2014).

From 1993 to 2013, the average yearly tuition and fees at public four-year institutions in Minnesota rose by 164 percent while the tuition and fees at public two-year institutions rose by 93 percent during the same time frame (Hiltonsmith & Huelsman, 2014).

Tuition and Fee Increase 1993–2013

- + 164% 4 yr Institutions
- + 93% 2 yr Institutions

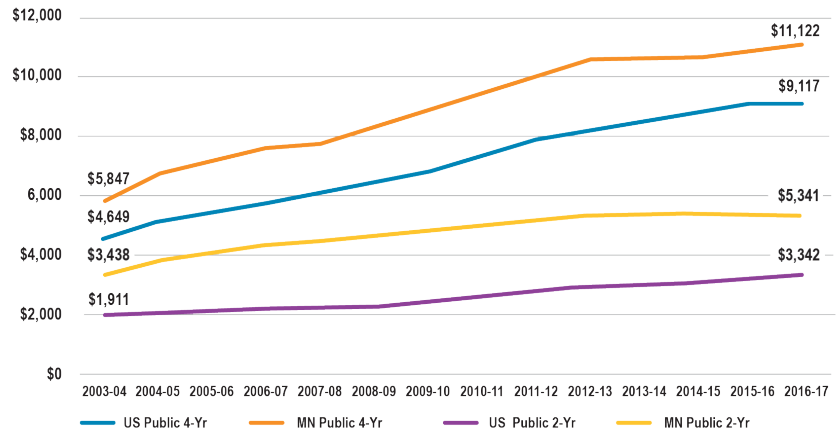
See figure 3

Additionally, compared to the rest of the nation, the Minnesota State Grant covers a lower percentage of the overall cost of attendance at public institutions (Figure 3). Although the State of Minnesota has continued to invest more overall funding into the State Grant program over the last two decades, totaling \$194 million provided to 80,893 students in 2018, the average State Grant awarded to students in 2018 is insufficient for paying the full cost of tuition, fees, and the cost of living expenses at any college (Minnesota Office of Higher Education, 2019i).

Minnesota currently ranks 17th in the nation for total grant aid awarded to students and 16th in the nation for average state grant spending for full-time equivalent students (National Association of State Student Grant & Aid Programs, 2018). Yet, the state also ranks 12th in the nation for average tuition costs at public four-year institutions and 4th in the nation for average tuition costs at public two year institutions (National Center for Education Statistics, 2017).

When conducting a comparative analysis of the average costs of attendance at public four year institutions against the average need-based grant award per full-time equivalent undergraduate, Minnesota does indeed stand out as one of a handful of states that have high public four-year tuition rates and higher than average need-based grants. The trend also holds true for tuition and fees costs at public two-year colleges, with Minnesota having a high tuition and high aid model.

FIGURE 3
Tuition and Fees at Two-Year and Four-Year Institutions, Nationally and in Minnesota, from 2003–2004 to 2016–2017



The Institute for College Access & Success, 2019

Looking more deeply at the data, however, one finds that the total state grant funding, which includes both need-based and non-need-based support, Minnesota’s national comparison changes. Minnesota falls behind other states in total grant spending per FTE when including non-need-based grants, making it one of the few states with higher tuition at public four- and two-year institutions with lower total state grant funding and heavy reliance on student loans. **This results in a high tuition and low state aid model** (St. John, Barnett, & Moronski-Chapman, 2013). For POCI students, many of whom come from a low-income background, the dynamic of increasingly higher tuition rates, coupled with lower total state grant funding, has resulted in significant racial disparities in college completion rates that further perpetuate broader systemic and structural racism across the state (National Association of State Student Grant & Aid Programs, 2018; The Institute for College Access and Success, 2019).

RECOMMENDATION
We recommend that the state reassess financial aid support to be more proportional to today’s students’ income levels and cost of living. See Section V of this brief, Policy Recommendation A.



LIMITATION 2

Faulty Assumptions Underlying the Design for Shared Responsibility

In addition to being a high tuition, low aid state that relies heavily on student loans (St. John et al., 2013), Minnesota also employs a Design for Shared Responsibility. Under the shared responsibility plan, the state maintains that costs for higher education must be shared by students, parents, and taxpayers (State, Federal). Each party is assigned a contribution within state law. The Legislature may make changes or modifications to the contribution required from each party.

Under current state law, all college students applying for a Minnesota State Grant are required to contribute 50 percent of the total costs of college.

Students are required to, “make a significant investment in their own postsecondary education up front” (Minnesota Private College Council, 2019, p. 1). Under current state law, all college students applying for a Minnesota State Grant are

required to contribute 50 percent of the total costs of college, meaning, that they are responsible for paying 50 percent of their tuition, fees, and living expenses from personal and/or private sources. Funding sources can include any grants/scholarships received by the student, savings of the student, working prior to or during college, or borrowing.

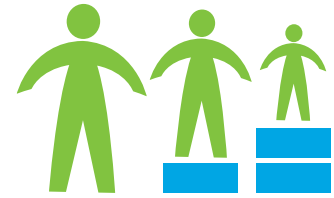
The 50 percent contribution requirement is meant to acknowledge that all students receive a benefit from completing postsecondary education and therefore should share in paying for the costs of that education. Unlike federal financial aid, Minnesota considers all income and assets of the student exempt from the calculation of the parent/family share of costs because the state requires the student pay for 50 percent of costs.

For dependent students, the remaining 50 percent is met by contributions from parents: savings, current income, or parent loans (educational or personal), and taxpayers (the Federal Pell Grant, and the Minnesota State Grant) (Minnesota Office of Higher Education, 2019g). Independent students, however, shoulder an extra burden as they are required to pay the, “assigned family responsibility,” portion of the state grant formula in addition to the 50 percent of the cost of attendance all students are expected to cover (discussed in detail below).

Although the assigned family responsibility is discounted significantly at different rates based upon whether they have dependents or not, independent students have a significant share of college costs to cover.

The significant challenge with the Design for Shared Responsibility is that the 50 percent share may be unreasonable for students at lower incomes. In 2018-2019, the State Grant recognized a maximum of \$24,690 for tuition, fees and living expenses at the University of Minnesota Twin Cities or a private

It’s necessary to adopt a Design for Equitable Responsibility with respect to the financial aid system in Minnesota.



four-year college. Under that model, a student from a family earning less than \$10,000 per year was responsible for paying \$12,345 out of pocket (through other grants and scholarships, savings, current income or borrowing) just the same as a student whose family makes \$100,000 per year.

Lower-income students, many of whom are POCI in Minnesota, are burdened with paying 50 percent of the cost of tuition and living expenses regardless of their family income. The Minnesota State Grant aid model is fundamentally unjust and economically unsound because it falsely assumes that providing all students equal access to the same and/or comparable financial resources needed to pay for college costs will, in fact, result in more racially equitable outcomes in college completion rates between POCI students and White students. Equal, meaning the same, is different from equitable which means providing POCI people, many of whom come from diverse racial and economic backgrounds, what they need to complete college.

Equal is also mutually exclusive from what is equitable when considering the financial inputs needed to obtain more equitable college completion outcomes based on race and income in Minnesota. The future socioeconomic viability of Minnesota, in large part, depends upon providing more equitable access to the State Grant Aid financial resources POCI students are needing to pay for and complete college with an associate’s degree or higher. It’s necessary to shift our thinking away from a Design for Shared Responsibility to a Design for Equitable Responsibility with respect to the financial aid system in Minnesota.

As a consequence of a financial aid system that assumes comparability in the types of income sources as being equal, POCI students from lower-income backgrounds have less financial flexibility and purchasing power in their grant packages, which means they have fewer choices in the institutions they can attend due to a higher education financial aid system that prices them out of college completion.

Lower-income and middle-income POCI students are more likely to take out student loans to finance their half of tuition costs, fees, living, and miscellaneous expenses, further exacerbating



their debt burden and increasing the chances they will have to work while they attend school and, potentially, not complete college by attaining a degree (Sullivan, Meschede, Shapiro, & Escobar, 2019).

This dynamic also limits the choices lower-income and middle-income POCI students have in where they attend college. Over half of Black students took out any type of student loan in 2015-2016 compared to 40 percent of White students and less than one-third of Native Hawaiian/Pacific Islander, Hispanic, Asian, and American Indian or Alaska Native students (Espinosa, Turk, Taylor, & Chessman, 2019). While larger proportions of Black students and American Indian or Alaska Native students were likely to receive federal grant aid, White students and Asian students were more likely to receive institutional grant aid (Espinosa et al., 2019). Black bachelor's degree recipients are also more likely to leave college with higher average debt per student compared to other racial/ethnic groups (Espinosa et al., 2019). Figure 4.

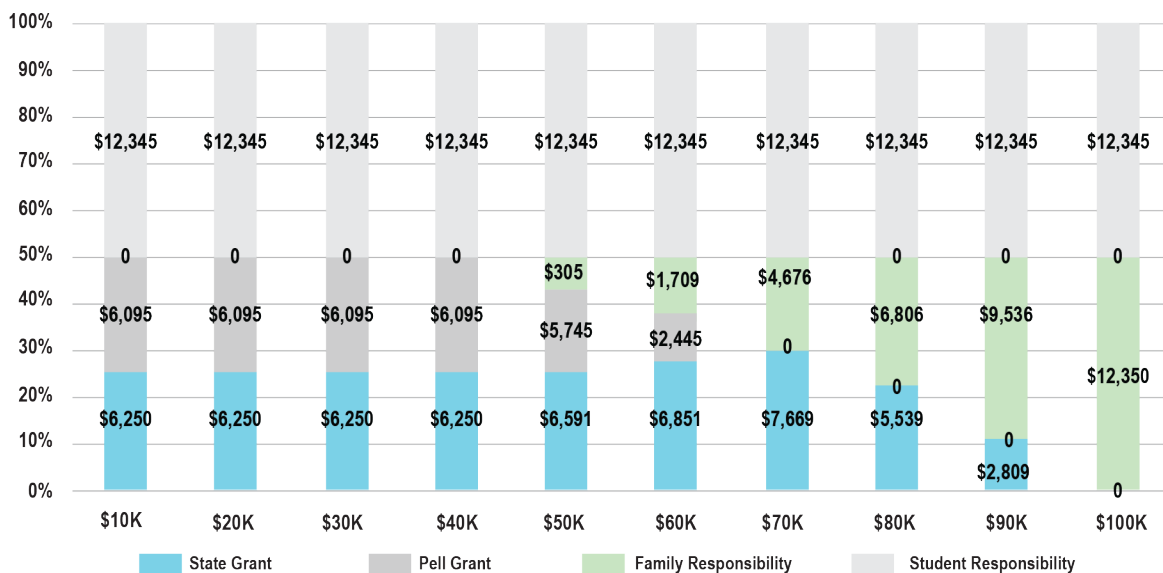
Students interviewed for this study, most of whom qualified for free or reduced price meals in high school and/or identified as a POCI student, reported that their financial aid packages often did not cover the full costs of attending college and completing with the attainment of a degree. The majority of students' aid packages often included: the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant (SEOG), the Minnesota State Grant, work study, subsidized Federal loans, unsubsidized Federal loans, and institutional aid, often in the form of a scholarship.

Yet despite these myriad sources of funding their college costs, the majority of students interviewed for the study reported working multiple part-time jobs approaching 30-40 hours per week, living off campus, at home, or in low cost housing, all factors which correlate to lower retention and graduation rates for POCI students (personal communication, May 6, 2019).

A staff member at a community college, when interviewed for the study, expressed shock and dismay when they learned that a middle-aged POCI student was: working multiple part-time jobs, was the head of household for a family with two dependent children, had a financial aid package that consisted primarily of loans which did not cover the total cost of attending college despite it being inclusive of private, federal loans and state aid. The individual interviewed for the study was dumbfounded that the State of Minnesota expected college students to pay for so much of their education, yet expected racially equitable outcomes pursuant to college completion (personal communication, June 5, 2019).

RECOMMENDATION
We recommend that the state assign a level of student responsibility more proportional to today's students' income levels and cost of living.
 See Section V of this brief, Policy Recommendation A.

FIGURE 4 | Student responsibility, family responsibility, state grant, and Pell grant at four-year colleges/universities



Minnesota Private College Council, 2019



LIMITATION 3

The High Cost of Living in Minnesota as a College Student

In addition to faulty assumptions underlying the, “Design for Shared Responsibility,” model for covering college tuition costs in Minnesota, the Living and Miscellaneous Expenses (LME) recognized by the state in calculating state grants - set at \$9,900 in 2019 - are also significantly lower than most institutions cost’s because they are set at the federal poverty rate. The amount recognized by the state for living and miscellaneous expenses is also significantly lower than the institutions’ established costs for off campus living and miscellaneous expenses and is calculated only for nine months, not for an entire year.

Do we expect students to be successful in higher education and complete college while living in poverty? The cost of living recognized by the Minnesota Department of Employment and Economic Development (2018), for each institution’s county, however, far surpasses the state’s recognized living and miscellaneous expenses afforded college-going students. It also surpasses the level set by all institutions. The lack of socioeconomic stability present in the lives of POCI students, caused by underfunding college-going students’ living and

miscellaneous expenses, also correlates to racial disparities between POCI students and White students with respect to college completion (personal communication, May 31, 2019).

In the words of one male POCI student interviewed for the study, “It’s been kind of a struggle... I’ve been living paycheck to paycheck...because I buy food...I buy necessities for the life around me” (personal communication, May 6, 2019). For many POCI students, the high cost of college tuition, high reliance on student loans, and the unrealistic financial burdens assumed under Minnesota’s Design for Shared Responsibility model of paying for 50 percent of college costs may be significantly contributing to racially inequitable outcomes in college completion and degree attainment between POCI students and White students, based on the quantitative and qualitative data (Goldrick-Rab,2016).

RECOMMENDATION
We recommend that the state calculate Living and Miscellaneous Expenses (LME) for 12 months, instead of the current nine months.

See Section V of this brief, Policy Recommendation B.

LIMITATION 4

The Minnesota State Grant Times Out Too Early for Many POCI Students

The State of Minnesota formally states that students are, “expected to make an investment in their own education,” and that the Minnesota State Grant assigns the first 50 percent of costs to the student. The Minnesota State Grant program embodies a central belief that students are in the, “best position to determine if the benefits from postsecondary investments will meet or exceed the price of their investments over the long run” (Minnesota Office of Higher Education, 2019g, p. 4).

The price of attending a college or university consists of tuition and fees, room and board, books and supplies, and miscellaneous expenses. While tuition rates vary across institutions, Minnesota imposes a limit upon the tuition amounts recognized in calculating the State Grant. The recognized tuition amount at two-year colleges in 2018-2019 was \$5,790, and was \$14,790 at four-year colleges.

The amount of the recognized four-year tuition was set to reflect the highest public institution tuition and fees at a public four-year institution, while the amount recognized at two-year institutions was set to equal tuition and fees at the highest

tuition and fees at a public two-year institution (Minnesota Private College Council, 2019). Additionally, Minnesota includes the previously discussed living and miscellaneous allowance.

Minnesota awards state grants after Federal Pell grants, which reduces the overall obligation of the state. Full grant award eligibility is available to full-time students only. Part-time students are eligible for the grant, but the student and parent contribution amounts used in the award formula is not reduced, so students taking fewer than 15 credits may not qualify for a state grant at a lower enrollment level. This disproportionately has a negative impact on POCI students who are working part or full-time to support themselves and/or their families because the policy undermines the ability of lower-income students to make college affordable by enrolling at lower levels, assuming students will borrow less.

The eight full-time semester limitation means that many students who take more than 120 credits to graduate are left without state grant resources at a time when they are critically close to graduating. 120 credits are the equivalent of a bachelor’s degree. This includes students who start college by taking developmental education courses and transfer students, both of whom are more likely to be POCI students. Pell Grants have a similar policy but the max time limit is 180 credits.



Some of the students interviewed for the study discussed losing their state grant eligibility because they were transfer students who took more than 120 credits to graduate and this negatively impacted their college completion. For example, one transfer student maxed out on his eligibility for the state grant and had to take out loans and work 30 hours a week to make up the difference. Roger, a transfer POCI student noted that, “I did have the Minnesota State Grant, but I guess I have been in school for too long, so I am not getting that anymore” (personal communication, May 6, 2019).

Clearly, the limitation of funding only the equivalent of eight full-time semesters represents a negative impact on POCI students who are more likely to be placed in developmental education courses and/or are more likely to transfer schools and lose credits in that process.

Minnesota increased the State Grant limit to 150 credits in 2008 to recognize the need for students to complete additional courses to receive a bachelor’s degree but the limit was reduced back to 120 credits during the budget shortfall years of 2010 and 2011.

RECOMMENDATION

We recommend that the State of Minnesota extend state grant eligibility to the equivalent of 10 full-time semesters (or 150 credits) and Developmental Education Courses Should Not Count Against State Grant Eligibility.

See Section V of this brief, Policy Recommendation C.

**LIMITATION 5
Complexity of and Access to FAFSA program**

Another key factor in the higher education system is the FAFSA program. Minnesota ranks 39th in the nation for the percentage of 2018 high school graduates, 55.91 percent, who applied for financial aid (FAFSATracker, 2019).

Completing the Free Application for Federal Student Aid (FAFSA) is an important step in determining students’ eligibility for financial aid, including state financial aid programs such as the Minnesota State Grant. Additionally, an association exists between college attendance and completion of the FAFSA.

Over half, or 59.5 percent, of the students who did not attend college in 2013 cited that they did not complete the FAFSA because they did not know they could complete the application, 56.2 percent, of students reported that they did not have enough information about how to complete the FAFSA, and 60.7 percent of students believed their grades or test scores were too low to qualify for financial aid (National Center for Education Statistics, 2016).

The lack of information about the FAFSA and how to complete it represents a problem in the sharing of information and results in POCI students in Minnesota leaving millions of federal student aid dollars on the table.

Nationally, FAFSA completion rates tend to be lower in school districts with higher levels of poverty (Page, Lowry, & Nurshatayeva, 2017). Although experts suggest that up to one-third of students who do not complete the FAFSA would

be eligible for Pell grants (Page & Scott-Clayton, 2016), many students who attend high poverty schools do not complete the FAFSA because they assume that they would not be eligible for financial aid (Davidson, 2013).

Common barriers to FAFSA completion include lack of student information about the FAFSA application, misconceptions about the costs of education, which deter students from even considering college as an option, and the complexity of the FAFSA application form (Davidson, 2013). Each of these barriers relating to the completion of the FAFSA negatively have an impact on POCI students’ college enrollment and completion rates and further perpetuates a system that is systemically and structurally racist in nature.

Minnesota financial aid application rate ranks just 39th in the nation

55.91%

Minnesota students completed FAFSA in 2019



Many interviewed for the study were first-generation students who conveyed that their parents were not able to help them with their applications. Students therefore turned to their older siblings or college counselors for assistance (MnEEP, 2010). One interviewee, a POCI student whose pseudonym is Yalise, shared that, “Most of my knowledge is from my brother and my cousin because they both went to the U of M and they...graduated” (personal communication, May 6, 2019).

For higher education administrators and staff interviewed, they all expressed shock at how many POCI students did not know to fill out their FAFSA forms and consequently missed qualifying for financial aid, despite being excellent candidates for aid. They all expressed a deep hope for increases in institutional support and the funding needed to better communicate with and assist POCI students in high schools, on their campus, or in the community in completing, and even knowing about the existence of, the FAFSA.

RECOMMENDATION

We recommend providing more state funding, specifically to support more K-12 College and Career School Counselors to help encourage and support more POCI students attending high poverty school districts to apply for financial aid.

See Section V of this brief, Policy Recommendation D.

LIMITATION 6

Inadequate Work Study Programs

An additional source of state support for students is work-study, a need-based program for Minnesota state residents to work on or off campus and earn wages. Although the number of students receiving work study has decreased over the last decade, the percentage of Minnesota residents who receive work study has not fluctuated much over the last decade, hovering around 5 percent of all students (Minnesota Office of Higher Education, 2019m). The average amount of Minnesota Work Study funds awarded per student has increased by 40.74 percent over the last decade from \$1,274 in 2009-2010 to \$1,793 in 2016-2017.

Faculty, staff, and alumni interviewed all noted the importance of campus jobs for students because of the flexibility, geographic convenience, and easier access to campus resources they provide. Additionally, expanding the Minnesota Work Study program is a way for Minnesota to increase its investment in higher education, while providing a means for students to cover unmet needs present in their financial aid package.

Faculty, staff, and alumni note the value of work study in providing flexibility, geographic convenience, and easy access to campus resources.

RECOMMENDATION

We recommend expanding Minnesota Work Study.

See Section V of this brief, Policy Recommendation E.



III. KEY RACIAL DISPARITIES THAT IMPACT COLLEGE COMPLETION

Minnesota's key racial disparities in college completion reflect and reinforce Minnesota's other racial disparities that are among the worst in the nation for K-12 education, health, and employment*. These disparities reflect the historic and systemic racial inequalities in the United States' (U.S) higher education system, however, Minnesota's racial disparities in the higher education system are worse.**

For POCI students aspiring to attend and complete college with the attainment of a credential, the negative cumulative effect of Minnesota's key racial disparities is pervasive and remain with them throughout their college-going experiences. POCI students, different from their white peers, experience systemic barriers to college access and credential completion, including lower high school graduation rates, lower family incomes, and higher placement into developmental education courses in college that result in no college credits earned towards a credential.

More POCI Students Come From Low-Income Backgrounds

Economics, race/ethnicity, and higher education are intertwined in ways that continually reproduce social stratification (Soria, 2015). Proportionally, POCI students are more likely to qualify for free or reduced price meals in high school compared to White students (Minnesota Office of Higher Education, 2019c). POCI students who qualify for free or reduced price meals, at any time in high school, are significantly less likely to enroll in Minnesota higher education institutions compared to their peers who did not qualify for free or reduced price meals (Minnesota Office of Higher Education, 2019c).

The resulting effects mean that, of the POCI students attending college, the number of POCI students who qualified for free or reduced price meals during high school and are now attending college (5,152) is more than double that of those who did not qualify for free or reduced price meals during high school (2,380). Of the 7,532 POCI students attending higher education, 68 percent qualified for a free or reduced price meal during high school compared to 19 percent of White students attending higher education who qualified for a free or reduced price meal during high school (Minnesota Office of Higher Education, 2019c).

Age

POCI students also tend to be older than White students across all institutional types, with more pronounced differences at state universities (Minnesota Office of Higher Education, 2019b). The differences in students' ages are also reflected in recent 2017 graduation rates (Minnesota Statewide Longitudinal Education Data System, 2019d). POCI Minnesota residents who recently graduated with a higher education credential in 2017 are more likely to be older than White students, with some significant variation by race/ethnicity.

For instance, 31 percent of recent Black graduates were 35 years of age or older compared to 28 percent of American Indian or Alaska Native students, 12 percent of Asian students, 15 percent of Hispanic students, 26 percent of Hawaiian or Pacific Islander students, 13 percent of multiracial students, and 17 percent of White students. The older age of POCI students, contributes to more adult responsibilities with additional non-college demands on their finances and time compared to their White peers.

* *Minnesota Department of Education, 2018a; MN Community Measurement 2015; Minnesota Employment and Economic Development, 2018*

** *Dowd, 2015; Pyawasay, 2017*



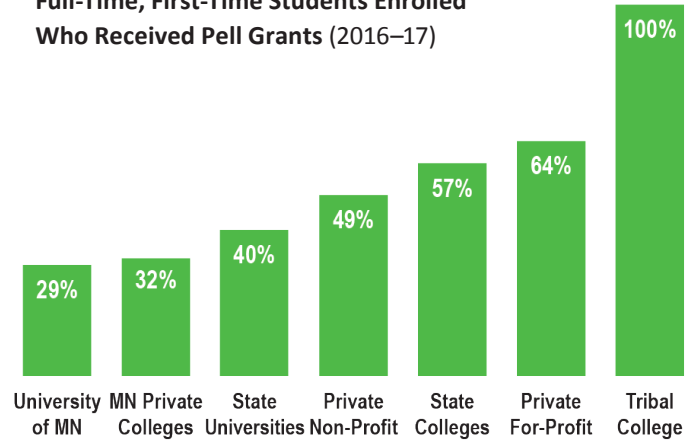
Where Students Attend College in Minnesota

While POCI students and White students enroll in all types of Minnesota’s higher education institutions, POCI students are much more likely to be enrolled in two-year state colleges than their White peers. POCI students are more likely to attend two-year state colleges than all other institutions combined and much more so than White students (Table 1).

Tribal colleges, private for-profit institutions, state colleges, and private non-profit institutions are most likely to enroll higher percentages of students who qualify for Pell grants (Figure 5; Integrated Postsecondary Data System, 2019). Among Minnesota FAFSA-filers, the median family income for students who attended private for-profit institutions and two-year state colleges was significantly lower, \$25,900 and \$31,900, than the median family income at state universities, \$62,800, non-profit colleges, \$75,900, and the University of Minnesota, \$87,300, (Minnesota Office of Higher Education, 2019i).

At two-year state colleges, 33 percent of students had family incomes less than \$20,000 and, at for-profit institutions, 38 percent of students had family incomes less than \$20,000. Those numbers compare to 18 percent of Minnesota FAFSA-filers at state universities, 15 percent of applicants at non-profit institutions, and 12 percent of applicants at the University of Minnesota (Minnesota Office of Higher Education, 2019i). Lower

FIGURE 5
Full-Time, First-Time Students Enrolled Who Received Pell Grants (2016–17)



Minnesota Office of Higher Education, 2019i

income is correlated with increased enrollment at state colleges and for-profit institutions (Figure 5). Private for-profit institutions, however, are, expensive, provide little to no institutional grant aid, and have low college completion rates.

TABLE 1 | Fall 2017 Enrollment Rates by race/ethnicity

	WHITE STUDENTS		POCI STUDENTS/ REPORTED		RACE NOT REPORTED		INTERNATIONAL STUDENTS		TOTAL
	n	%	n	%	n	%	n	%	
State Colleges	59,287	68.24	24,867	28.62	1,684	1.94	1,045	1.20	86,883
State Universities	34,670	74.57	8,092	17.40	530	1.14	3,202	6.89	46,494
University of Minnesota	32,550	73.25	7,581	17.06	734	1.65	3,570	8.03	44,435
Minnesota Private Colleges	29,692	71.64	8,656	20.89	1,379	3.33	1,719	4.15	41,446

Note: Minnesota Private Colleges include only the 17 members of the Minnesota Private College Council

Minnesota Office of Higher Education, 2019b



Benefits for Part-time versus Full-time Students

POCI students are more likely to enroll part-time at two-year state colleges, state universities, and the University of Minnesota compared to White students, who are more likely to enroll full-time at each of those institutions (Minnesota Office of Higher Education, 2009b). POCI students are also less likely than White students to enroll part-time at private colleges or universities. By enrolling part-time, POCI students are much more likely to: receive less financial aid, less likely to be academically successful, more likely to pay more for their academic studies, and are more likely to go into early repayment on their loans due to discontinuing their studies. Each of these factors create obstacles to college completion.

College Persistence and Completion Rates

Minnesota POCI high school graduates also have lower college persistence and completion rates in higher education compared to White high school graduates. Among the 2011 Minnesota high school graduates, only 23 percent of POCI students persisted or graduated with a four-year degree from college compared to 42 percent of White students. Some groups, such as American Indian or Alaskan Native, Hispanic, and Black students, had the lowest four-year graduation rates of any student group (Figure 7).

Type of Degree Earned

There are, additionally, disparities with regards to the types of credentials earned by POCI students in Minnesota. POCI students are much less likely to earn a bachelor’s degree in Minnesota compared to White students. Among the 2011 Minnesota high

school graduating class, 53 percent of White students earned a bachelor degree in six years compared to 31 percent of students of color (Figure 7).

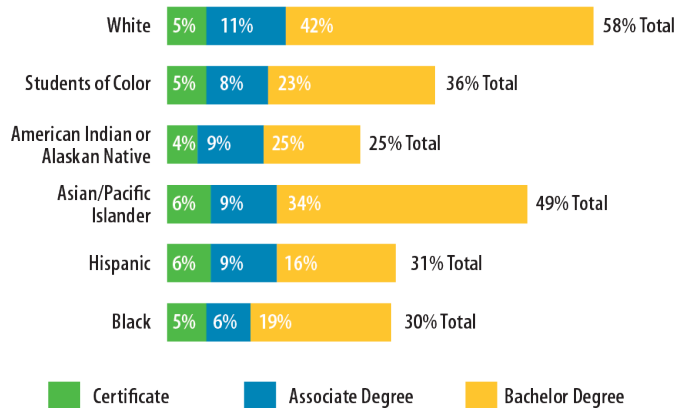
Although median wages can vary considerably by academic program or field, on average, graduates who earn a bachelor’s degree in Minnesota have higher median wages than those who earn associate degrees or a certificates (Minnesota Office of Higher Education, 2019e; Schneider, 2016). Disparities in the types of credentials earned can also contribute to long-term disparities in social and economic mobility.

Cost of Completion for Transfer Students

Transfer students are students who transfer from one higher education institution to another. For instance: 56 percent of Native Hawaiian or Pacific Islander new undergraduate students were transfer students, 48 percent of Black students were transfer students, 39 percent of American Indian or Alaska Native students were transfer students, 36 percent of multiracial students were transfer students, 34 percent of Asian students were transfer students, and 33 percent of Hispanic students were transfer students compared to 36 percent of White students who were transfer students (Minnesota Statewide Longitudinal Education Data System, 2019c).

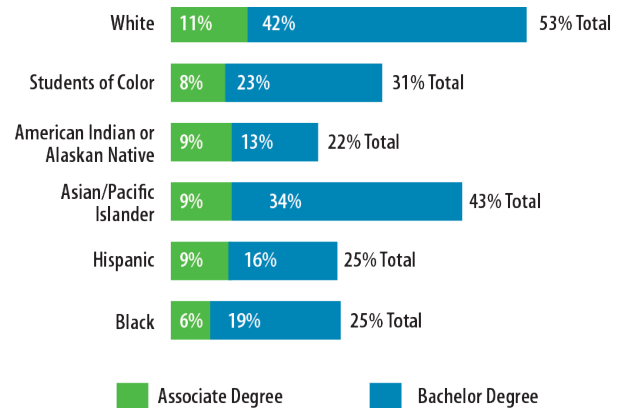
Transfer students generally take longer to complete their degrees, often because they may experience difficulty in transferring credits or because they may change majors, which requires extra classes, and more tuition costs, to complete. Students who attend part-time and receive Pell grants tend to have the lowest graduation rates across institutional types

FIGURE 6
Postsecondary Persistence or Completion Rates Among 2011 Minnesota High School Graduates by race/ethnicity



Minnesota Statewide Longitudinal Education Data System, 2019a

FIGURE 7
Degree Attainment by race/ethnicity



Minnesota Office of Higher Education, 2009d



(National Center for Education Statistics, 2019b). The group with the third lowest rates of graduation across all institutional types, however, are transfer students, followed by part-time transfer students.

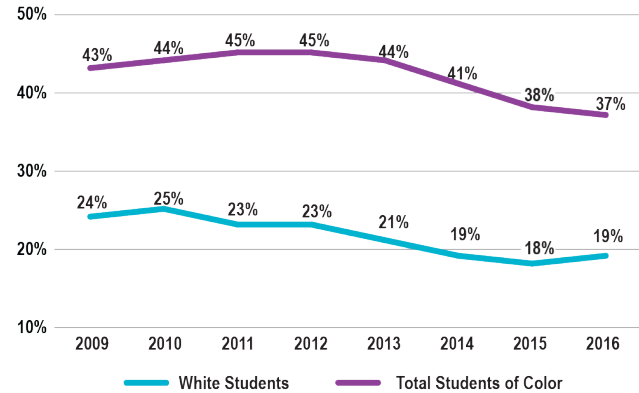
In general, students who attend part-time, receive the Pell grant, and have transferred from another institution have among the lowest eight-year graduation rates across all institutional types compared to their peers. POCI students are represented in all of these categories at significantly higher rates than their White peers and face these additional barriers to successfully pursuing a higher education degree and completing college.

Roadblocks in Developmental Education Trajectory

POCI students are more likely to enroll in developmental education courses, which can serve as a roadblock to their degree completion or delay degree completion (Figure 8 and Figure 8, Minnesota Office of Higher Education, 2019p; Minnesota Statewide Longitudinal Education Data System, 2019b). Students from lower-income backgrounds (as measured by participation/eligibility for free and reduced price lunch in high school) are also more likely to enroll in developmental education courses compared to White students (Figure 8, Minnesota Statewide Longitudinal Education Data System, 2019a).

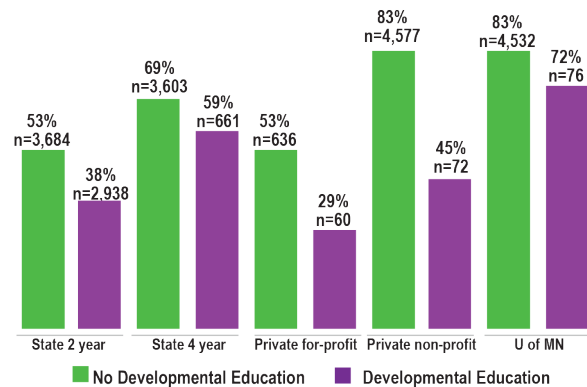
Students who enroll in developmental courses tend to have lower second-year persistence rates compared to their peers across all institutional types (Minnesota Office of Higher Education, 2019o). Furthermore, students who enroll in developmental education have lower six-year completion rates at four-year institutions compared to their non-developmental education peers (Figure 9).

FIGURE 8
Students Enrolled in Developmental Education by race/ethnicity and high school graduation year



Minnesota Office of Higher Education, 2019o

FIGURE 9
6-Year Completion Percent of Students who Enrolled in Developmental Education 2011



Minnesota Office of Higher Education, 2019p

SUMMARY OF BARRIERS

- When contrasted with White college students in Minnesota, POCI students are more likely to come from low income households, are older and often head of households, are more likely to go to two-year state colleges, and attend college part-time. POCI students are also more likely to be a transfer students and enrolled in developmental education courses.
- To make progress at increasing the enrollment, persistence, and completion rates of POCI students, Minnesota must consider the reality of who POCI students are and not assume they are a typical college student from another era (Lumina, 2019a).



IV. MAJOR CONSEQUENCES OF RACIAL DISPARITIES IN COLLEGE COMPLETION

MAJOR CONSEQUENCE 1

Limited Enrollment Choices for POCI Students

Given the cost of attending college, which includes tuition, fees, and the cost of living, POCI students who mostly come from low-income backgrounds are more likely to enroll at two-year institutions and for-profit institutions, both of which have the lowest graduation rates in Minnesota.

In addition, state colleges and private for-profit institutions tend to have the highest percent of students enrolled who receive Pell grants while also having the lowest 150 percent time graduation rates (Integrated Postsecondary Data System, 2019). Similarly, state colleges and private for-profit institutions tend to have the highest percentages of POCI students enrolled and the lowest percentages of graduation rates (Integrated Postsecondary Data System, 2019; Minnesota Office of Higher Education, 2019b).

Conversely, Minnesota private non-profit colleges tend to enroll the second highest number of POCI students and also have the highest graduation rates of POCI students in the state higher education system.

MAJOR CONSEQUENCE 2

POCI Students and Families Shoulder More of the Financial Burden

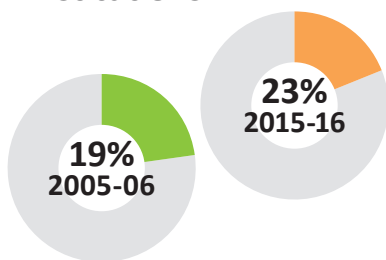
The median household income in Minnesota has remained relatively flat from 2006, \$62,976, to 2016, \$65,599, adjusted for inflation (Minnesota Management and Budget, 2019). Meanwhile tuition rates at all institutional types have increased during the same time frame.

Consequently, the average costs at public four-year institutions have increased from 26 percent of median household income in 2005-2006 to 35 percent of household income in 2015-2016. The average costs at public two-year institutions have increased from 19 percent of median household income in 2005-2006 to 23 percent of household income in 2015-2016.

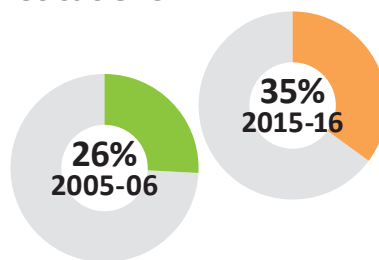
Additionally, the average costs at private non-profit institutions have increased from 49 percent of median household income in 2005-2006 to 75 percent of median household income in 2015-2016. As a result, college is increasingly unaffordable for many students and many of those students are POCI. These changes have forced many students to borrow more money to pay for increasingly higher costs of attending college (Hiltonsmith & Huelsman, 2014).

Tuition rates as a percent of Minnesota household income

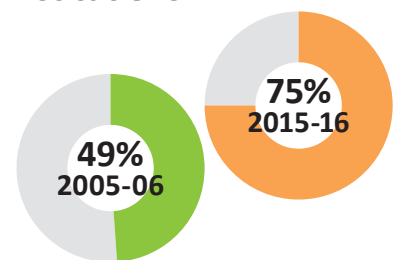
Public 2yr Institutions



Public 4yr Institutions



Private Non-Profit Institutions





MAJOR CONSEQUENCE 3 Increasing Loan Debt for POCI Students

Over the last two decades, the percentage of students who receive state grants has remained relatively flat while higher percentages of students have taken out federal subsidized and unsubsidized Stafford loans (Figure 10; Minnesota Office of Higher Education, 2019k).

Minnesota currently ranks fourth in the nation with the percentage of students who graduate with student loan debt, although the survey is voluntary and does not include all Minnesota colleges or all colleges nationally (The Institute for College Access & Success, 2019). Minnesota also ranks ninth in the nation for the average debt of college graduates with Bachelor’s degrees, at \$31,734 (The Institute for College Access & Success, 2019). Minnesota also ranks 10th in the nation for the percentage of graduates’ total debt that is comprised of non-federal student loans (The Institute for College Access & Success, 2019).

While Minnesota had the sixth lowest student loan default rate in the nation, 8.3 percent compared to 10.4 percent in 2015 (Minnesota Office of Higher Education, 2019l), default rates vary by institutional type. In particular, two year state colleges, which enroll the highest numbers of low-income students and POCI students, tend to have higher default rates ranging from 8.1percent, Alexandria Technical and Community College, to 24.5 percent, Fond Du Lac Tribal and Community College, in 2015 (Minnesota Office of Higher Education, 2019l). Institutions that have higher graduation rates tend to have lower default rates (Integrated Postsecondary Education Data System, 2019).

The result of increasing loan debt hits POCI students particularly hard, as they tend to have lower family incomes, more frequently are placed in developmental course work, often have to work multiple jobs or go further in debt, and are unable to engage in campus life, which is positively correlated with succeeding and graduating from college.

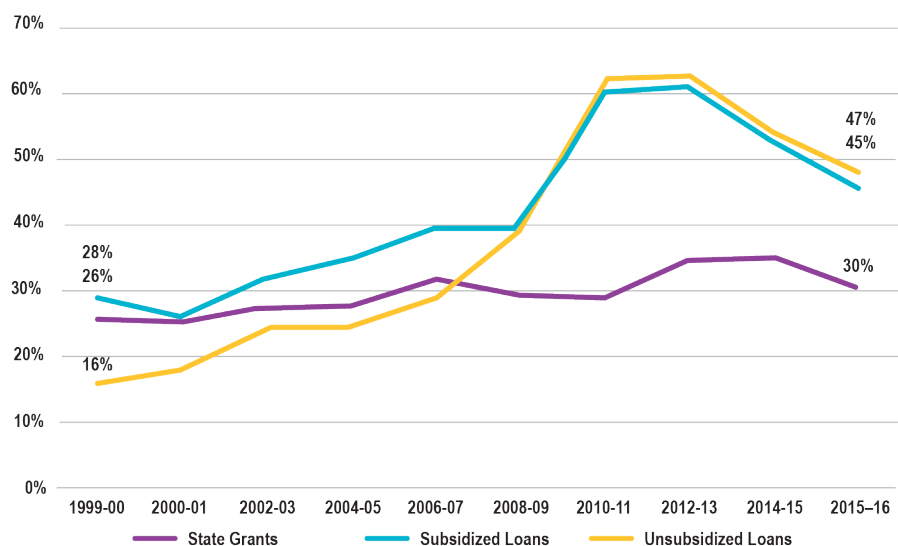
All of the higher education faculty, staff, administrators and alumni noted in their interviews without being prompted that POCI students today were facing huge financial debt for getting an education. One alumni of color from a metro area private four year college noted that, “50 years ago, even as a dirt poor student, I worked fulltime over Summer breaks and at my campus work study job and graduated without needing a loan” (personal communication, June 8, 2019). That, however, is no longer a reality in Minnesota for POCI students.

SUMMARY OF CONSEQUENCES

The consequences of these key racial disparities in Minnesota’s higher education system are wide-ranging and deeply felt by POCI students, their families, and their communities. The current system of higher education financial aid and policy is no longer meeting the needs of its students and, especially, POCI students. Minnesota’s POCI students deserve better. Minnesota, as a state, deserves better. In the final section of the brief we highlight a number of higher education financial aid policies that we know will improve outcomes for POCI students’ college completion rates and degree attainment.

FIGURE 10
Students Receiving
State Grants, Subsidized
Stafford Federal Loans,
and Unsubsidized Stafford
Federal Loans, 1999-2000
to 2015-2016.

Note. Early financial aid award reports did not include numbers of Minnesota residents enrolled, so all undergraduates enrolled were included in the calculations of state grants, although only Minnesota residents qualify for a state grant.



Minnesota Office of Higher Education, 2019k



V. KEY POLICY RECOMMENDATIONS

The following policy recommendations serve to address the nature of racial disparities that perpetuate ongoing systemic and structural racism against POCI students, their families, and their communities. These policy recommendations are to develop new, innovative, and more supportive higher education financial aid policies, designed to help eliminate systemic and structural barriers for POCI students and reduce racial disparities.

This policy brief identifies several limitations and key racial barriers and disparities in Minnesota’s higher education financial aid system, and the negative and disproportionate major consequences they have on POCI students.

The following policy recommendations serve to address the nature of these pervasive racial disparities that, as the data and analysis demonstrate, perpetuate ongoing systemic and structural racism against POCI students, their families, and their communities. These policy recommendations are to develop new, innovative, and more supportive higher education financial aid policies, designed to help eliminate systemic and structural barriers for POCI students and reduce racial disparities.

By using a race equity lens to shift higher education financial aid policies we can produce greater racial equity in college completion and degree attainment that will lead to greater prosperity for POCI students and Minnesota.

POLICY RECOMMENDATIONS

A Reduce Student Responsibility for the Minnesota State Grant

B Increase the Calculation for the Cost of Living Allowance for Financial Aid

C Extend the State Grant Eligibility to the Equivalent of 10 Full-Time Semesters (150 credits) and Developmental Education Courses Should Not Count Against State Grant Eligibility.

D Encourage More POCI Students to Apply for Financial Aid

E Expand Minnesota Work Study

A » Reduce Student Responsibility for the Minnesota State Grant

POCI students in Minnesota are more likely to be lower income, have more issues persisting in college, and are burdened with more student loan debt. Therefore, addressing the contribution we require students to pay in state policy could address equity outcomes.

We recommend that the state assign a level of student responsibility proportional to today’s students’ income levels

and cost of living. Currently, the state assumes that students are responsible for paying 50 percent of the cost of attendance regardless of their family income level. Such a change will increase POCI student eligibility, who are disproportionately from lower-income families, for state grant funding and decrease their need to take out student loans.

B » Increase the Calculation for the Cost of Living Allowance for Financial Aid

POCI students tend to be lower income, older, and head of households who attend a community college part-time. **We recommend that the state calculate living and miscellaneous expenses for 12 months, instead of the current nine months.**

Increasing the calculated living allowance allows the systemic economic barriers POCI students disproportionately face, to be decreased and will increase their attainment of a college degree by providing them more time and more financial aid.



C » Extend the State Grant Eligibility to the Equivalent of 10 Full-time Semesters and Developmental Education Courses Should Not Count Against State Grant Eligibility

POCI students are more likely than White students to take longer to complete their degree. Therefore, **we recommend that the State of Minnesota extend state grant eligibility to the equivalent of 10 full-time semesters (150 credits).** Currently, the state policy limits grant eligibility to 120 credits of enrollment, the equivalent of eight full-time semesters. In addition, developmental education courses should continue to be covered by state grants funds, but those courses should no longer count against state grant eligibility. With this policy change if a student takes 12 credits of developmental education courses, that student would still have 150 credits of state grant eligibility

remaining. POCI students are more likely than White students to take developmental courses and be transfer students who have lost credits in the transfer process. As a result, bachelor degree completion for these students can require more than 120 credits. Changing the existing policy to provide more time and aid will more proportionally support POCI students and transfer students to complete college and attain a degree. This policy change will also better support students whose bachelor degree programs take more than 120 credits to complete, such as those pursuing teaching, nursing and engineering.

D » Encourage More POCI Students to Apply for Financial Aid

Minnesota has the fourth worst counselor-to-student ratio in the nation at 723:1 and the unrealistic expectation is that school counselors help students fill out the FAFSA and college financial aid forms (American School Counselor Association, 2015). The lack of school counselors is often exacerbated in school districts with high POCI concentrations in Minnesota, which often struggle financially to provide educational resources and support for their students compared to wealthier suburban districts. Providing more funding for school counselors in high poverty K-12 schools will increase POCI students' FAFSA completion rates. **We recommend providing more funding for K-12 school counselors to help encourage and support more POCI Students to apply for federal financial aid.**

We also recommend that the State of Minnesota hire part-time staff, such as current college students, who can temporarily work within high schools and assist students and families with completing the FAFSA from February through June of each school

year. College students can serve as, “near-peer mentors,” to provide connections with high school students (Argenti, 2017). We recommend that staff work within the most racially diverse school districts that have lower FAFSA completion rates: St. Paul, Minneapolis, North St. Paul, Robbinsdale, Columbia Heights, Osseo, Roseville, Willmar, and Brooklyn Center.

Additionally, **we recommend that Minnesota provide incentives and support to schools with over 80 percent FAFSA completion rates for POCI students** to implement and institutionalize this key variable for POCI student success and graduation by establishing metrics and goals within the schools for measuring FAFSA completion rates for POCI students (Argenti, 2017). Along with programs like financial aid completion weeks, intensive outreach to students, and social media coverage, individualized assistance is a key strategy that will help more POCI students to complete FAFSA applications (Selingo, 2017).

E » Expand Minnesota Work Study

The average total Minnesota Work Study wages received by students each year, \$1,793, is insufficient to pay for the costs of tuition, living, and miscellaneous expenses. The ability for students to work a part-time or full-time position to pay for their college education has significantly diminished over time (Goldrick-Rab, 2016). **We recommend expanding Minnesota Work Study or a financial aid model that meets the needs full time work provides. We also recommend a three-fold increase in the amount of work study funds awarded to students up to \$10,000,** an increase in the hourly wages to \$14/hour, and an increase in the total number of students who receive work study funds. Students whose family income is less than \$85,000, which is the mean adjusted gross income of families at Minnesota State Universities (Minnesota Office of Higher Education, 2019i)

per year, should automatically qualify for \$10,000 in work study funding, which, at an average wage of \$14/hour, means students are eligible to work approximately 20 hours a week for nine months.

We estimate that the income levels established for qualification would result in approximately 72,000 additional students who qualify for work study opportunities, based upon estimates of Minnesota State Grant recipients by income (Minnesota Office of Higher Education, 2019i). Such a strategy would provide more meaningful employment and wage-earning opportunities to students, reduce the necessity for students to work multiple jobs, and reduce the need for students to juggle both on- and off-campus employment.



APPENDIX A KEY TERMS DEFINED

Financial Aid Packages the amount and type of financial assistance awarded to a student to pay for college (federal grants, state grants, institutional grants, loans, and work study).

Open Access in college admissions is a non-competitive process that accepts all applicants, if they meet a basic set of criteria, e.g. a high school degree or it's equivalent.

People of Color and Indigenous people (POCI) includes non-White racial groups of African, Asian, Hispanic/Latinx, and American Indian and/or Indigenous origin.

Racial Disparities are when POCI racial and ethnic groups perform significantly different, often less, than another racial group, usually White.

Race Equity brings about clear remedies for historic and present-day structural and policy barriers producing racial disparities and disparate impacts. Race equity is actualized fairness and justice.

Structural Racism is, "Racial bias across institutions and society. It describes the cumulative and compounding effects of an array of factors that systemically privilege white people and disadvantage people of color." (p. 5 Annie E. Casey "Race Equity and Inclusion Action Guide," John Powell research).

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APPENDIX C QUALITATIVE INTERVIEWS

- Alumnus. (2019, June 8). Personal Interview.
- Staff member. (2019, June 5). Personal Interview.
- Brandon. (2019, May 6). Personal Interview.
- Roger. (2019, May 6). Personal Interview.
- Yalise. (2019, May 6). Personal Interview.



Name	Year	Average Income of Students Receiving Title IV Federal Financial Aid									
		< \$30K	\$30K-\$48K	\$48K-\$75K	\$48K-\$75K	>\$110K	Change <\$30K	Change \$30K-\$48K	Change \$48K-\$75K	Change \$75K-\$110K	Change >\$100K
NATIONAL	2016-17	11909	12462	15908	20553	26286	-3630	-2481	-1732	884	2630
	2008-09	15539	14943	17640	19669	23656					
Public, 4-year or above	2016-17	9336	10985	14730	18824	21406	1185	1112	1141	2885	4289
	2008-09	8151	9873	13589	15939	17117					
Private nonprofit, 4 year or above	2016-17	19661	20033	22779	268484	34135	3685	2683	2102	2420	4205
	2008-09	15976	17350	20677	24064	29930					
Private for profit, 4 year or above	2016-17	20214	21955	24729	26518	28674	-3529	-4282	-3755	-3920	-5599
	2008-09	23843	26237	28484	30438	34273					
MINNESOTA	2016-17	9589	10153	13217	18293	21271	1692	1253	431	2213	4144
	2008-09	7897	8900	12786	16080	17127					
Public, 2-year	2016-17	10048	10262	11662	14103	15465	-240	-493	-1250	-307	623
	2008-09	10288	10755	12912	14410	14842					
Private nonprofit, 4-year or above	2016-17	16985	17462	19930	23957	30755	180	726	366	886	3088
	2008-09	16805	16736	19564	23071	27667					
Private, for-profit	2016-17	14205	14258	15990	19982	20297	-7740	-7836	-8209	-6438	-6983
	2008-09	21945	22094	24199	26420	27280					

Citation: The institute for College Access & Success, College Insight, [Http://www.college-insight.org](http://www.college-insight.org)
 Most college-level data are taken directly from U.S. Department of Education sources and the Common Data Set (CDS).
 Derived variables and aggregate figures for states, sectors, and other groupings of colleges were calculated as described under "About the Data."
 Student debt and undergraduate financial aid data are licensed from Peterson's Undergraduate Financial Aid and Undergraduate databases, (c) 2019 Peterson's LLC, all rights reserved.
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A Note About this Study

We encountered a few limitations to the study. Time was a limiting factor and had an impact on our capacity to interview more individuals who work in the higher education financial aid system. Institutional administrators can provide insight on how policies relating to financial aid affects students. Another limitation, connected to time, was our capacity to conduct a deep analysis of what other states have been doing with respect to increasing college completion rates for POCI students.

Due to the limitation of time, we aligned our research to focus on the higher education financial aid system and what changes might bring about more equitable outcomes for POCI students' college completion. We acknowledge and affirm that other states are engaging in important work on college completion for POCI students. A consideration for future research, therefore, might be a deep landscape survey and comparative analysis of what is happening across multiple states, including Minnesota, with regard to college completion for POCI students.



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