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ABSTRACT

The nature and scope of the enrollment problem in Minnesota, plans and policies to deal with the problem, statewide policy implication of the problem and ways to effectively meet the challenges posed by the problem are discussed. A summary and analysis of enrollment trends in Minnesota are provided in Chapter 1, including specific projected enrollment trends for the community college system, the University of Minnesota system, area vocational-technical institutes, private collegiate institutions, and private vocational schools. Chapter 2 presents an overview of Minnesota's four public post secondary systems, private colleges, and the Minnesota Association of Private Vocational Schools plans and policies for dealing with fluctuating enrollment trends. Recommendations on planning procedures and policy development are discussed in Chapter 3. The appendices contain projected high school graduates by region, institutional enrollment projections, a summary of responses from systems and institutions for information on their plans and policies for dealing with fluctuating enrollments, and papers presented at the annual Minnesota Governing Boards Meeting. (SPG)

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PLANNING FOR FLUCTUATING ENROLLMENTS

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PLANNING FOR FLUCTUATING ENROLLMENTS
A WORKING PAPER FOR THE ANNUAL MEETING
OF POST-SECONDARY EDUCATION GOVERNING BOARDS

Prepared by the Staff

of the

Higher Education Coordinating Board

December 7, 1977

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INTRODUCTION

The Higher Education Coordinating Board, in its report to the 1977 Legislature, identified the statewide projected enrollment decline as the most serious policy and planning issue confronting post-secondary education in Minnesota. The Board said that responsible action to accommodate changing post-secondary education enrollment patterns requires that policies and plans be initiated immediately in order to avoid crisis decisionmaking and institutional turmoil caused by unanticipated retrenchment.

The Board believes that all segments of post-secondary education, both public and private, must work cooperatively on the enrollment issue. The primary goal must be the

development of sound policies that anticipate the effects of fluctuating enrollments on all aspects of post-secondary education.

To stimulate planning, the Board requested that systems and institutions provide the Board with information on their plans and policies for addressing the issue. Because of the issue's importance, the Board also proposed that fluctuating enrollments serve as the topic for the annual meeting with post-secondary education governing boards. The systems and institutions responded promptly and thoughtfully, and the Board appreciates this cooperation. System and institutional replies form the basis for this paper on fluctuating enrollments.

The working paper intends (1) to brief readers on the nature and scope of the enrollment problem, (2) to share information on plans and policies to deal with the problem, (3) to better understand the statewide policy implications of the problem and (4) to consider ways to effectively meet the challenges posed by the problem.

More than 100 people including governing board members, state officials and others involved in public affairs attended the annual meeting December 7, 1977 at the St. Paul Arts and Science Center. John D. Millett, senior vice president of the Academy for Educational Development and Chancellor Emeritus of the Ohio Board of Regents delivered the

keynote address. Terry Montgomery, executive assistant to Governor Perpich, spoke on behalf of the governor who was unable to attend due to an emergency. Representatives of the governing boards and state decisionmakers participated in a panel discussion. Proceedings of the annual meeting are included in Appendix D.

The Coordinating Board views this

paper and the annual meeting as the first step in a joint planning effort designed to respond effectively to changing enrollment conditions and resulting policy issues. To adjust to changing enrollment patterns while attempting to assure access for the state's residents, preserve quality, maintain adequate support and meet unmet needs is a formidable challenge. The difficulties of coping

with complex enrollment problems already have been demonstrated in some parts of Minnesota. But the Board is optimistic that by working together, post-secondary education board members and state decisionmakers will succeed in developing and implementing creative, systematic policies to resolve the problem.

CHAPTER I: SUMMARY AND ANALYSIS OF ENROLLMENT TRENDS IN MINNESOTA

A. Statement of the Problem

The most serious issue facing post-secondary education is how to effectively accommodate projected statewide enrollment declines after 1981. The number of high school graduates in Minnesota peaked in 1977 at 73,400 and is projected to decline steadily until 1991 when there will be 35 percent fewer graduates. Since high school graduates form the traditional pool of students in post-secondary education, enrollment trends in higher education will follow those of elementary and secondary schools. Institutional enrollment projections prepared by the Higher Education Coordinating Board (HECB) suggest

that those who claim new sources of students can be found to offset the projected enrollment decline in the traditional college-bound pool are unrealistic.

Projected enrollment trends, which include an increase in the total number of students enrolled in post-secondary education between 1977 and 1981, reveal that the decline will affect systems and institutions differentially according to their geographical location and mission. Some institutions will experience declines much earlier than others. The severity of the decline will be greatest for those institutions which experience declines the earliest. For

others, the decline will begin later and be less severe.

These projected enrollment trends have serious implications for many state post-secondary education policies including tuition, interstate reciprocity, student financial aid, aid to private institutions, student access to institutions and programs, capital construction and state funding mechanisms.

If enrollment trends were projected to be uniform in all systems, institutions and regions of the state, the management of post-secondary education would be greatly simplified. This is not the case, however. While governing boards will be re-

quired to manage some institutions in a stable and declining mode, they will also be confronted with other campuses and programs experiencing growth during the next five years. The governance of higher education

is further complicated by the fact that there is a large variation in the size of institutions, ranging from out-state campuses enrolling less than 400 students to a large, comprehensive university serving more than

40,000 students in undergraduate, graduate and professional programs. Management alternatives are more limited in small institutions than in larger institutions.

B. An Analysis of Projected Enrollment Trends

The most recent enrollment projections prepared by the HECB reveal that in the aggregate, post-secondary education in Minnesota is projected to experience enrollment increases until the early 1980s followed by a 12-year decline before enrollments increase. The projected increase in the 1990s will not reach current enrollment levels before 2000.

While the total number of high school graduates in Minnesota is projected to decline after 1977, the trends within each planning region vary significantly, as shown in Figure 1. It shows for each planning region in the state, the number of high school graduates in 1977, the projected high and/or low point during the next 30 years and the percent change of that point from 1977. While some regions of the state have already begun to experience declines, including planning regions 3, 4, 8, 10 and 11, some others will continue to have greater numbers of high school graduates until 1981. The numbers of high school graduates in two planning regions, 7E and 7W, are projected to increase over the next 30 years by 50 percent and 21 percent respectively.

The projected numbers of high school graduates have been prepared by the staff of the HECB

and are contained in Appendix A. The projections were developed in consultation with the state demographer and incorporate the most recent county migration patterns and grade-to-grade advancement rates.

Total public and private post-secondary education enrollments are portrayed in Figure 2. Full-time equivalent enrollments* are projected to reach a peak of 174,434 to 185,495 students in 1981. After 1982, total full-time equivalent enrollments are projected to decline until 1988, increase slightly and then plunge to a low point of 131,092 to 140,154 in 1994. The projected enrollment trends for each system vary with respect to both the total enrollment decrease and the year in which the low point will occur. For example, enrollments at the area vocational-technical institutes are projected to decline in 1992 by about 10 percent over their 1981 peak of 33,920; the University of Minnesota is expected to reach its lowest point in 1995, about 30 percent short of its peak of 50,480 which is projected to occur in 1981; the State University System is projected to experience its lowest enrollment in 1994, about 26 percent below its 1981 high; and the Community College System is expected to drop 23 percent by 1992 from its peak of 21,801 in 1981.

Enrollment projections prepared by the staff of the HECB for each public institution and for the private college system are contained in Appendix B. The projections are for full-time equivalent enrollments and are based on fall 1976 attendance rates** for new entering freshmen at each institution. An enrollment range is provided rather than a point

prediction. The range is established by increasing and decreasing the fall 1976 attendance rate by 5 percent. Enrollments in the private collegiate system are estimated as a percentage of public enrollments based on the average during the last five years. All comparisons in the following discussion are made from the midpoint of the range projections for a given year to actual fall 1976 enrollments.

STATE UNIVERSITY SYSTEM

Total full-time equivalent enrollments for the State University System are projected to increase by approximately 9 percent in 1981 over the 1976 total of 31,672. This projection shows that the system will then experience a gradual decline, and by 1994, it will reach its lowest full-time equivalent enrollment of 25,596 students, as shown in Figure 3.

The projected decline of full-time equivalent enrollments will affect the state university institutions differently. It is projected that Bemidji State University will increase from 4,302 in 1976 to a high of 4,924 in 1981, an increase of 15 percent. Bemidji's enrollment is projected to decline gradually and by 1995 reach its lowest total of 3,637 students, a decline of 15 percent from 1976. Moorhead and Southwest State universities are projected to show constant decreases from present enrollment levels. St. Cloud enrollments are projected to increase until 1983 and then decline to slightly below present levels. Mankato likely will experience relative enrollment stability for the next 5 to 7 years before enrollments decline significantly.

*A full-time equivalent student is derived by dividing total student credit hours in a quarter by 15 except for graduate credit hours at the University of Minnesota, which are divided by 10. These projections are for on-campus students only.

**Attendance rates for new entering freshmen are estimated by dividing the total number of first-time freshmen enrollees by the number of previous spring high school graduates in Minnesota. These rates can be computed on a county, regional and statewide basis.

FIGURE 1
MINNESOTA HIGH SCHOOL GRADUATES IN 1977 AND THE
YEAR OF LARGEST PROJECTED PERCENT CHANGE FROM 1977

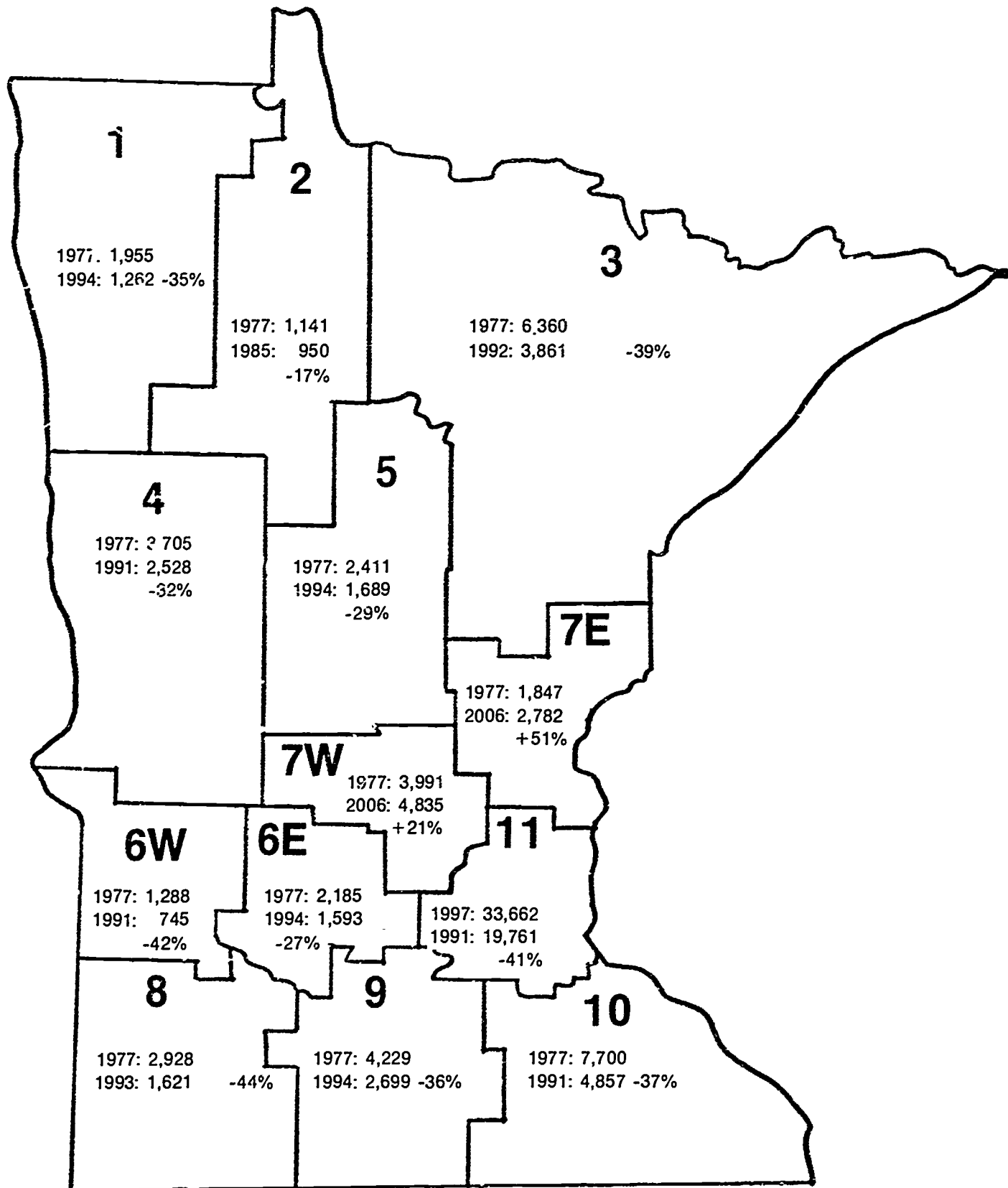


FIGURE 2
 ALL SYSTEMS
 PROJECTED FULL-TIME EQUIVALENT ENROLLMENTS, 1977-2000
 (BASED ON FALL 1976 ENTRANCE RATE)

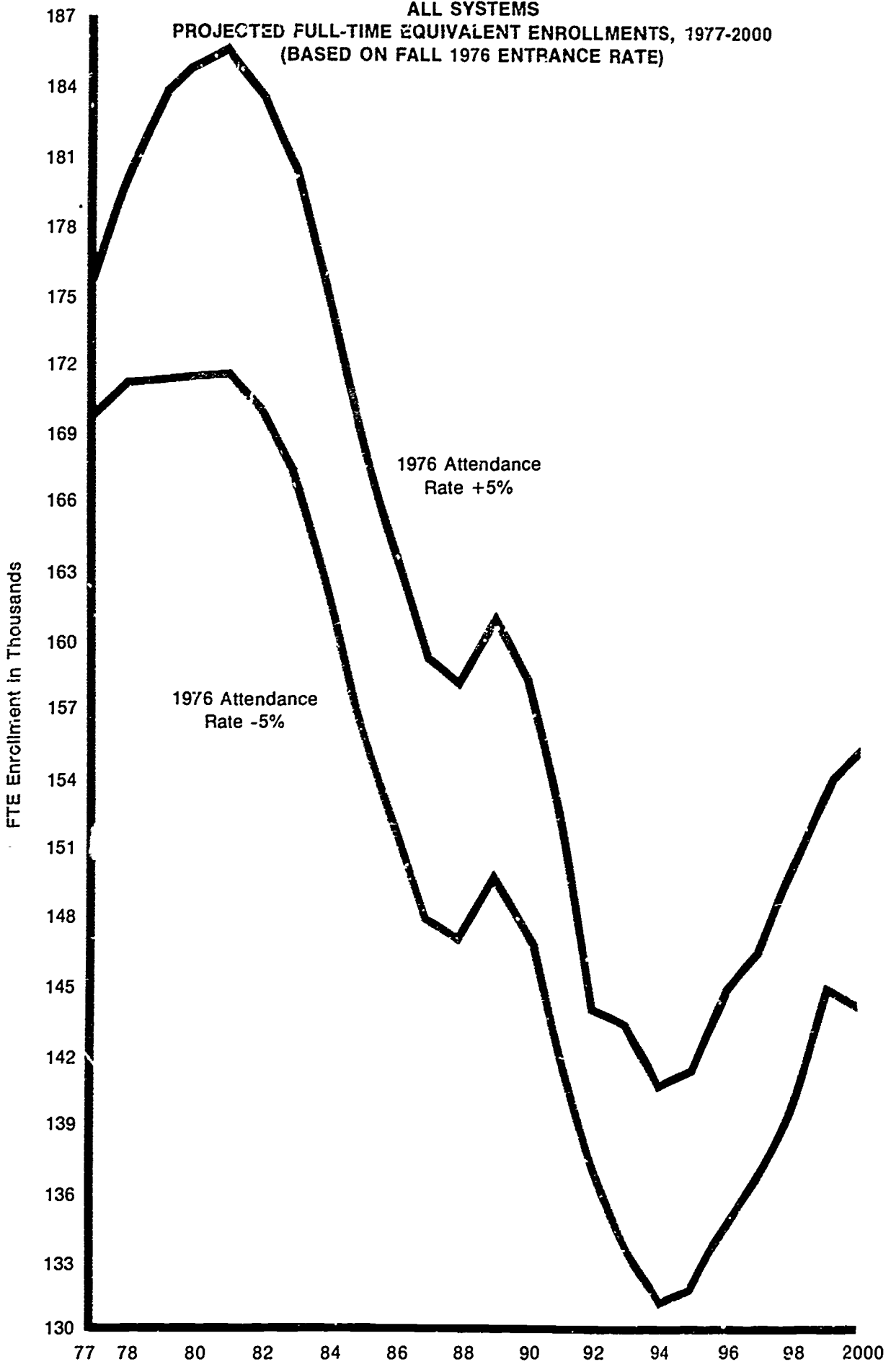
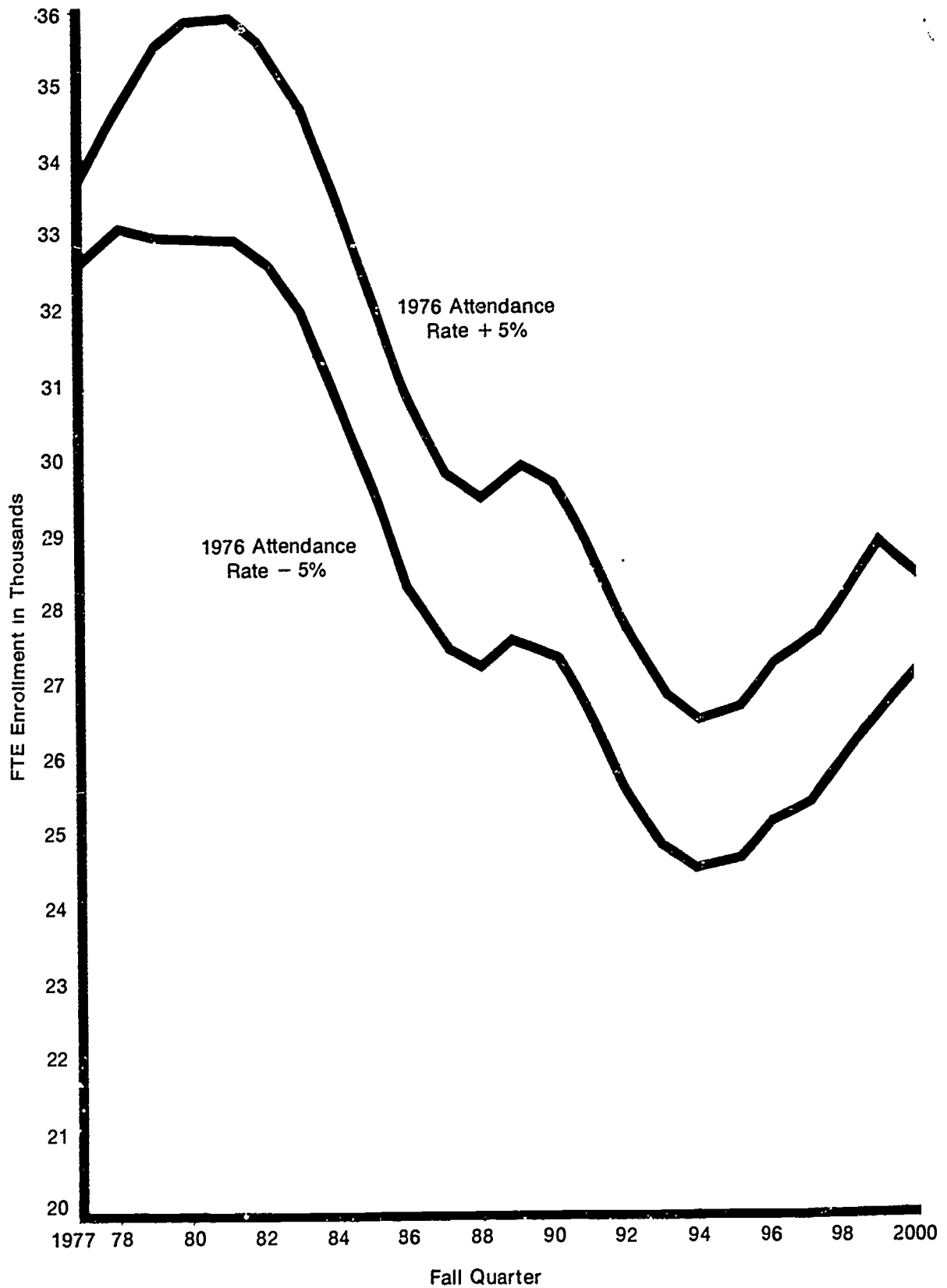


FIGURE 3
STATE UNIVERSITY SYSTEM
PROJECTED FULL-TIME EQUIVALENT ENROLLMENTS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE)



COMMUNITY COLLEGE SYSTEM

In the Community College System, total full-time equivalent enrollments are projected to peak in 1981 and then decline gradually, reaching their lowest point in 1992. The long-term decline will be interrupted by a period of two years in which enrollments will increase slightly. Total full-time equivalent enrollments will increase from 20,417 in 1976 to 21,810 in 1981, an increase of almost 7 percent. It is projected that total full-time equivalent enrollments will drop to 16,882 in 1992, a decrease of 17 percent below 1976 levels, as shown in Figure 4.

Projected enrollment trends in the metropolitan and outstate community colleges are similar. Because of the range in size of institutions, the impact of these trends may be felt more severely at some institutions than others.

UNIVERSITY OF MINNESOTA

The University of Minnesota system is projected to peak in 1981 with 50,480 students, an increase of 7 percent over the 1976 total full-time equivalent enrollment of 47,299, as shown in Figure 5. Its enrollment is projected to drop to 34,915 by 1995. About 80 percent of the students in the University system will be enrolled at the Twin Cities campus. The Twin Cities campus is projected to peak around 1981-82 when it will enroll 40,635 students. This represents a 7 percent increase over the 1976 enrollment of 37,933. It

is projected that enrollment in the Twin Cities campus will decline to about 27,828 by 1995, or 27 percent below fall 1976 levels. Of the coordinate campuses of the University, Morris is projected to decline by 33 percent from fall 1976 enrollments by 1995, and Duluth changes from fall 1976 are projected as an increase of 14 percent followed by a decline of 21 percent in 1995. Enrollment projections for Crookston and Waseca are less certain as these institutions are new. However, it is assumed that they will be subject to enrollment decreases like other post-secondary institutions in the state.

AREA VOCATIONAL-TECHNICAL INSTITUTES

The area vocational-technical institutes are projected to increase by 22 percent in 1981, the year of peak enrollment, as shown in Figure 6. In this year, the 33 institutions are projected to enroll some 33,920 students as opposed to 27,745 in 1976. This enrollment will decline to 30,367 by 1992, but remain 9 percent above 1976 levels.

Enrollment in the six metropolitan AVTIs in 1976 was 10,535, which represents 34 percent of the enrollments in the system. Of the 33 AVTIs, only Minneapolis and St. Paul are projected to remain relatively stable during the next five years. All other institutions are projected to have enrollment increases prior to 1982 or 1983 when total enrollments in the system will begin to decline.

PRIVATE COLLEGIATE INSTITUTIONS

Approximately 26 percent of the students enrolled in collegiate post-secondary education in Minnesota attend private institutions. While the HECB does not project private institutional enrollments, it is possible to estimate aggregate private collegiate enrollments if they are related to public enrollments and general demographic trends.

If private institutions continue to attract the same proportion of students in the future as they have during the last five years, their total enrollment will peak in 1981 and range between 36,250 and 39,350, as shown in Figure 7. After 1981, a decline will follow and in 1994, private collegiate enrollments will be about 73 percent of current levels. By 2000, enrollments will have increased again to 85 percent of present levels and range between 29,600 and 32,000.

PRIVATE VOCATIONAL SCHOOLS

The Board does not prepare enrollment projections for private vocational schools. In their response to the Board's request for a summary of enrollment projections, the private vocational schools indicated that their enrollments are a function of labor market demand. Not all private vocational schools in Minnesota participate in the HECB fall enrollment survey. In 1976 total enrollment among those who did report was 5,712.

FIGURE 4
COMMUNITY COLLEGE SYSTEM
PROJECTED FULL-TIME EQUIVALENT ENROLLMENTS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE)

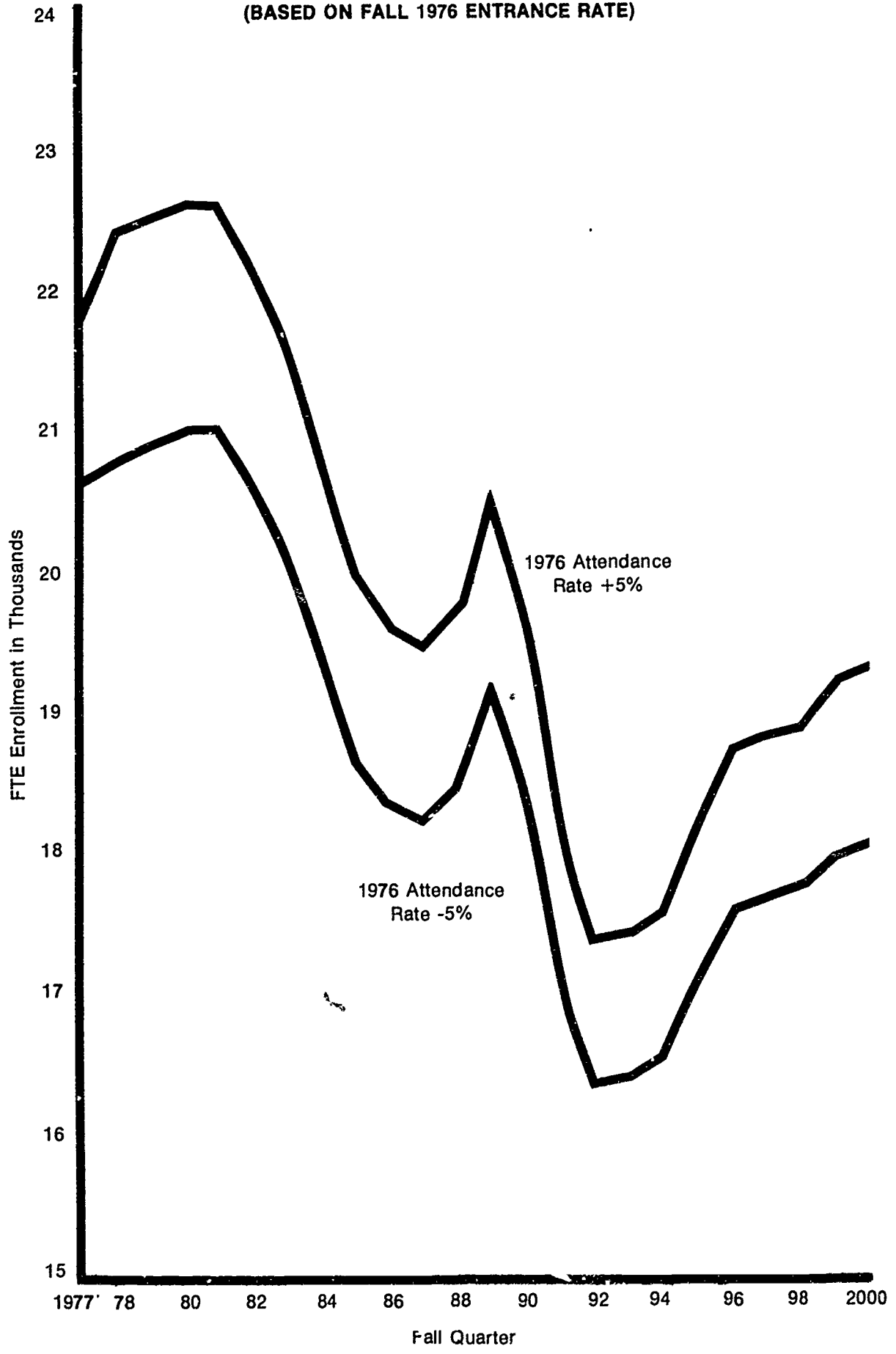


FIGURE 5
UNIVERSITY OF MINNESOTA
PROJECTED FULL-TIME EQUIVALENT ENROLLMENTS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE)

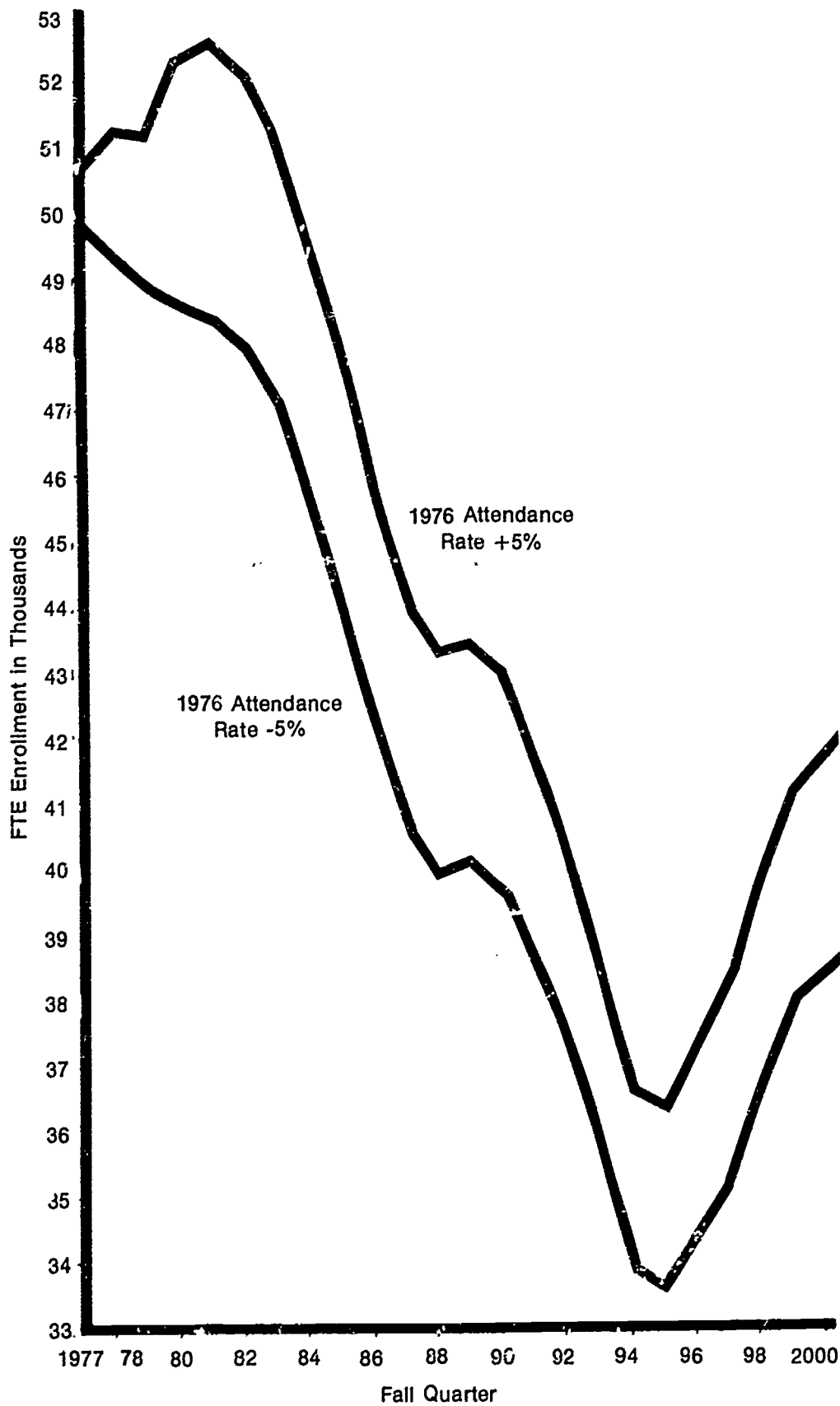
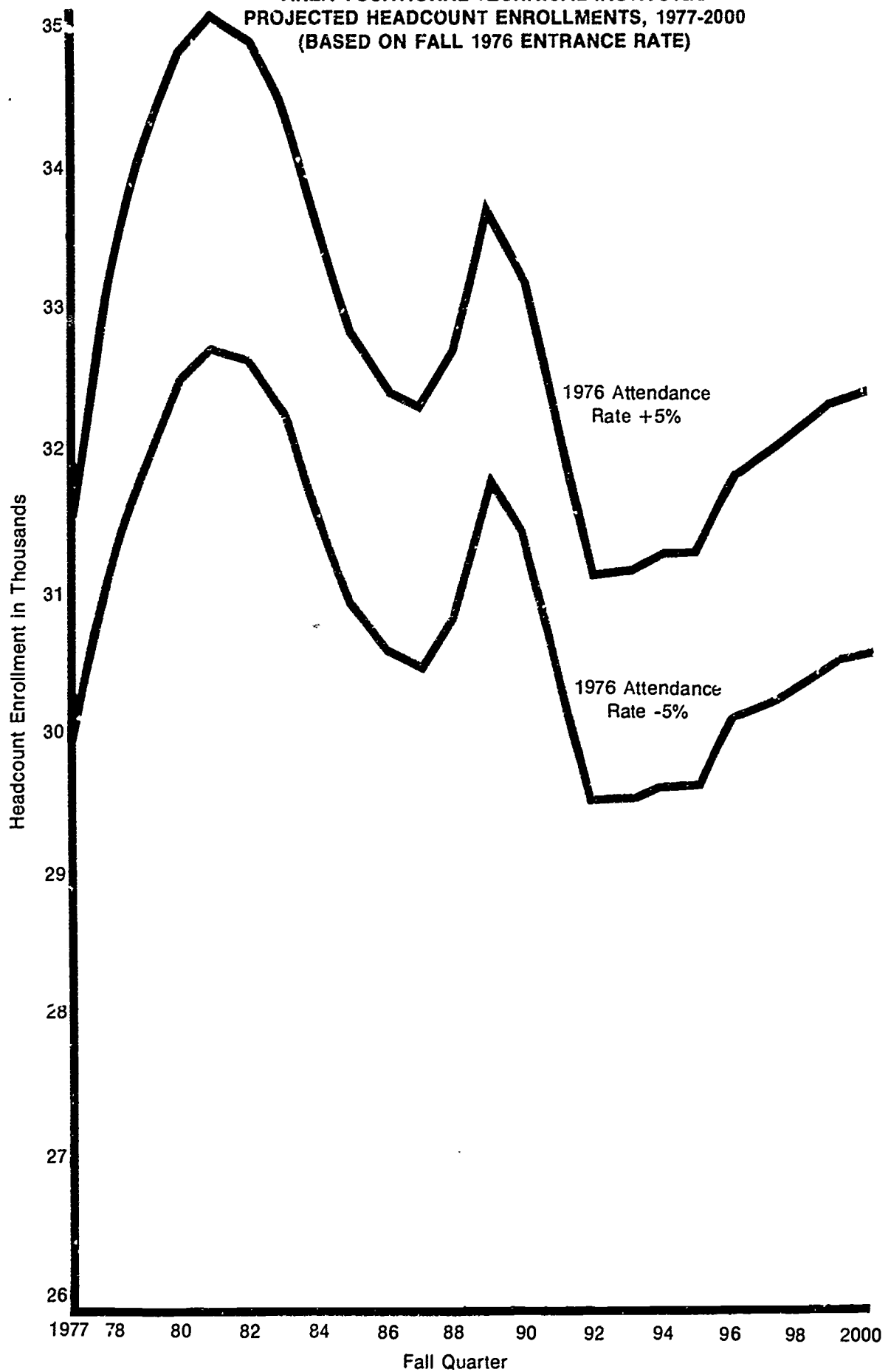
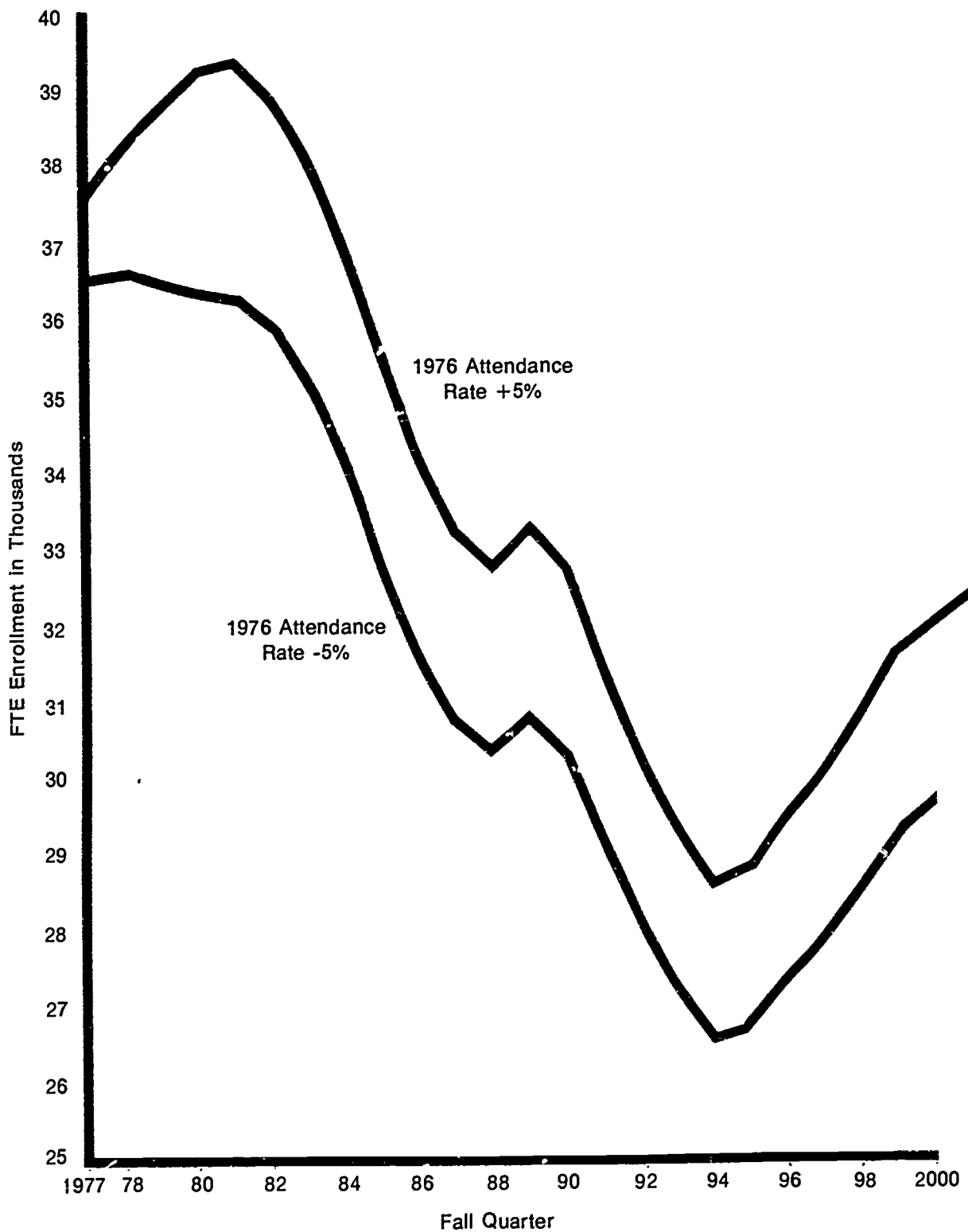


FIGURE 6
AREA VOCATIONAL-TECHNICAL INSTITUTES
PROJECTED HEADCOUNT ENROLLMENTS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE)



Fall Quarter

FIGURE 7
PRIVATE COLLEGIATE INSTITUTIONS
PROJECTED FULL-TIME EQUIVALENT ENROLLMENTS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE)



CHAPTER II: SYSTEM AND INSTITUTIONAL RESPONSES: OVERVIEW AND COMMENTARY

If the state is to deal effectively with fluctuating enrollments, a major share of the responsibility for developing plans and adjusting program and resource requirements will be placed on the systems and institutions.

In order to assure that each institution and system focuses attention on preparing for changing enrollments and to receive assistance in assessing the need for state policy action, the Coordinating Board requested that systems and institutions provide information on their plans and policies.

Seven points to guide the preparation of responses were outlined by the Board. They are (1) summary of mission statement, (2) institutional enrollment projections

and assumptions considered, (3) description of any planning mechanisms, either underway or proposed, aimed at developing policies or plans, (4) a review of plans or adjustments in programs, staffing, funding requirements and facilities due to fluctuating enrollments, (5) a summary of budgetary, programmatic or staffing changes to be implemented in Fiscal Years 1978 and 1979, (6) evaluation of any current state policies requiring review or modification as a result of enrollment declines and (7) a summary of views on major challenges confronting institutions as a result of enrollment changes.

The Board received responses from the four public post-secondary systems, most of the private colleges

and the Minnesota Association of Private Vocational Schools. Although the responses vary in length and specificity, they provide a substantial amount of information from which to assess the views and plans of systems and institutions.

A complete summary of the responses is contained in Appendix C. Because of the large number and variety of responses from the private colleges, it was not possible to include detailed replies from each institution. For some points, responses were consolidated; for others, several examples were extracted.

This chapter provides an overview of the responses to the seven points followed by comments on them.

A. A Summary of Your Mission Statement (Appendix C-1)

OVERVIEW

The four public post-secondary education systems and most of the private institutions provided mission statements. These statements generally outline the purposes of the

system or institution, the types and levels of programs offered, and the clientele served. The mission statements vary in format, style, length and detail; some have been updated

recently while others have existed for several years. Within some systems, individual institutions have developed their own mission statements.

COMMENTARY

The mission statement forms the basis for sound planning. Unless a system or institution knows where it is, where it is going and where it stands in relation to other institutions, the most carefully conceived planning efforts may be counter-productive.

A mission statement for each system is an important tool in planning programs and relating to other systems. The statement should specify the system's role in the total pattern of Minnesota post-secondary education and should be widely communicated.

role and mission of each component. They must know how each system fits into the total state picture in order to justify program and budgetary decisions and to meet state needs effectively.

A clear delineation of mission is essential for both systems and institutions. An institution requires a well developed mission statement in order to establish its programs and to guide its internal planning. A mis-

Both governing officials and citizens should share an understanding of the purposes and goals of post-secondary education in Minnesota. State planners and policymakers should agree on the

The institutions, systems and the state have examined role and mission at various times and developed statements. Nevertheless, in light of changing conditions, particularly declining enrollments, all parties have a responsibility and an opportunity to reassess and perhaps revise their missions.

B. Institutional Enrollment Projections Prepared by Your Staff. Please Outline Pertinent Assumptions or Planning Factors Taken into Consideration Which Would Be Helpful in Understanding Your Projections (Appendix C-2)

OVERVIEW

With few exceptions, the institutions and systems of Minnesota post-secondary education recognize the need for effective enrollment forecasting. They agree with the general demographic trends and aggregate enrollment projections prepared by the Coordinating Board. Those trends and projections show (a) the shape of the future enrollment curve, (b) the magnitude of the decline in the traditional college-age clientele, (c) the phases and timing of the enrollment fluctuations.

All public systems prepare bien-

ennial enrollment estimates for use in the appropriations process. For long-range enrollment forecasting, the community colleges and area vocational-technical institutes use HECB projections, the State University System prepares projections based on HECB forecasts that are modified to include off-campus enrollments. The University of Minnesota prepares its own long-range enrollment projections. In the private sector, some institutions prepare 5 and 10 year projections while others prepare none.

Those systems and institutions

which project enrollments rely primarily on demographic and participation rate data; some systems attempt to incorporate assumptions about national, state, local and institutional conditions.

Although they recognize the value of long-range projections in identifying trends, some systems say they are wary of institutional projections that go beyond a few years. Some systems revise their projections either by using updated information or by developing new methods which include additional variables.

COMMENTARY

The implications of fluctuating enrollments for many institutions are not clear. The failure to forecast enrollments and anticipate their effects arises when institutions and systems which endorse the need for planning do not commit sufficient resources to accomplish the task. While some institutions engage in systematic enrollment analysis and relate their projections to institutional plans and programs, others do little or nothing at all.

As institutions and systems prepare enrollment forecasts and analyses, they may use different assumptions and methodologies. Consequently, it is important to understand and identify the objective of the projections.

Enrollment projections prepared by the Coordinating Board staff are intended to provide a long-range trend that reflects the most recent enrollment conditions in each public institution. The projections assume

no change in major policy or governance, rather, they are an extrapolation of current circumstances against future demographic conditions. These enrollment projections can be used by individual institutions to interpret their enrollment forecasts. They also can be used by executive and legislative decision-makers to provide a perspective on the implications of short-range requests. The data used in the HECB projections are collected in an annual fall enrollment survey and are comparable over time.

Effective enrollment forecasting is equally important at the institutional level for two purposes. (1) short-term enrollment predictions for internal budget planning and (2) long-range enrollment projections for assessing the probable effect of major developments, such as a decline in live births.

Short-term enrollment predictions, which are intended to be

precise point forecasts, should incorporate the effects of current trends or conditions affecting enrollments, such as tuition policies and student financial aid programs. Long-range projections, which are intended to reveal the effects of major trends and assumptions, should be based on accurate demographic statistics and include additional relevant variables such as the economic factors and state educational policies.

Enrollment forecasting should be included as a regular part of institutional planning; the long-range projections and short-term predictions should be updated regularly; institutional assumptions about the future should be stated explicitly, and the results should be integrated into the larger planning and decisionmaking process of the institution or system.

C. A Description of Any Planning Mechanisms Either Underway or Proposed Which Have as Their Goal the Development of Policies, Procedures or Plans to Deal With Fluctuating Enrollments at the Institutional and Interinstitutional Level (Appendix C-4)

OVERVIEW

Systems and institutions indicate that they now use or are developing a variety of mechanisms and procedures to plan for fluctuating enrollments. The planning generally involves many participants including trustees, administrators, consul-

tants, faculty members, students, alumni and residents of the community. Usually, the planning is conducted through an office of planning or some type of long-range planning committee. However, the planning horizon varies, some systems and

institutions focus on the biennial budget period while others look ahead 5 or 10 years. Products of the planning effort include special enrollment studies, facility studies, policy statements, contingency plans and three or five year plans.

COMMENTARY

The commitment of the institutions and systems to planning varies substantially. In some cases, planning is viewed as an essential ingredient in the development of both long-range goals and short-term decisionmaking. Other institutions and systems seem content to re-endorse long-standing assumptions

about their mission and role which may no longer be valid in view of projected enrollment trends.

Those institutions which conduct effective planning processes exhibit the following features:

1. Planning is supported by and linked to senior administrative policymakers.

2. Planning is integrated into the ongoing management and decisionmaking procedures of the institution or system.
3. Planning is budgeted and staffed as a permanent office within the institution or system.
4. Planning results in the publication of regular reports and

analyses about the objectives, programs and plans of the institution or system.

The motivation for sound planning is concern about the future. The goals of the planning process should include a clear statement of the role and objectives of the institution, the development of measures based on stated objectives, evaluation of results achieved and systems of tracking progress toward objectives;

a reliance on information as a primary coordinating agent, and an increased ability to predict the effects of multiple variables in order to minimize undesirable consequences or achieve their stated objectives.

The elements of a planning process are identical for institutions, systems and coordinating boards. However, the substance and perspective on planning issues vary among these groups. Institutions are

concerned primarily with planning for programs and students. Some governing boards are responsible for managing and coordinating individual institutions or multi-campus systems. Coordinating boards are responsible for broader statewide planning, for identifying and analyzing the long-term educational needs of the entire state and region.

D. A Review of Plans or Adjustments in (a) Programs, (b) Staffing, (c) Funding Requirements, and (d) Facilities Due to Fluctuating Enrollments (Appendix C-7)

OVERVIEW

Both public and private institutions have begun to review plans and make adjustments to cope with fluctuating enrollments. These actions which systems and institutions reported are summarized below:

(a) Programs

- joint programming and sharing of resources with neighboring institutions.
- expansion of mission to better serve part-time, off-campus and non-traditional clientele
- imposition of enrollment ceilings
- review of existing programs
- expanded and improved use of educational technologies to better deliver services

(b) Staffing

- curtailment or reduction of number of permanent employees
- use of part-time or temporary appointments to meet present teaching load and projected temporary enrollment bulge
- modification of tenure policy and limitations on the number or percent of tenured faculty
- tenure granted in a system rather than at a campus
- use of "transition funds" for faculty who desire time or special training to enter a new field

(c) Funding

- less than 100 percent allocation of spending plan

- use of unanticipated tuition receipts to finance temporary increases in instructional demand
- development of financial emergency plans to cope with unanticipated revenue or enrollment decreases
- launching of major fund raising effort, increase endowment

(d) Facilities

- re-evaluation of the need for future capital expansion
- use of rented facilities
- sharing of facilities with nearby institutions
- emphasis on recycling buildings for new uses
- improvement of physical plant and energy efficiency

COMMENTARY

These preparations to deal with fluctuating enrollments represent a serious attempt by institutions and systems to plan for and manage resources. But these efforts repre-

sent individual or isolated actions predicated on current and perceived enrollment conditions. As recognition of the implications of fluctuating enrollments grows, it will be

necessary to organize and sustain a planning process involving all institutions, systems and the Coordinating Board.

E. Summary of Budgetary, Programmatic or Staffing Changes to be Implemented in Fiscal Years 1978 and 1979 Which Are Intended to Deal with Fluctuating Enrollments (Appendix C-11)

OVERVIEW

Changes being implemented this biennium at the University of Minnesota and the State University System are based on budgetary decisions by the 1977 Legislature. The systems are allowed to meet needs from enrollment increases through the use of additional tuition revenues. Budget adjustments and hiring decisions are being made after fall quarter enrollment data and tuition estimates are reported.

Allocations to programs in all systems fluctuate with enrollments. Prior to the 2 percent reduction in personnel mandated by Governor Perpich, the legislature had increased the staffing complement in the community colleges and state universities based on enrollment increases during the 1975-77 biennium. The legislature cut 147 academic positions from the University of Minnesota's base comple-

ment because it felt that the student-faculty ratio was richer than intended by the 1975 appropriations act. Since some positions were added, the net result was 115 fewer teaching positions than the 1977 base. Private colleges indicated no major budgetary, programmatic or staffing changes for Fiscal Year 1978 and 1979.

COMMENTARY

Budgetary decisions which recognize the reality of fluctuating enrollments were made by the 1977

Legislature. Additional decisions which account for changing enroll-

ment patterns will need to be made in future sessions of the legislature.

F. An Evaluation or Identification of Any Current State Policies Which Will Require Review or Modification as a Result of Fluctuating Enrollments or Substantial Declines (Appendix C-13)

OVERVIEW

System and institutional responses identified several state policies which may require review or modification due to changing enrollment conditions. The public systems indicated major concern about funding policies. The private sector focused on state policies affecting

access, choice, and facilities.

Among the issues listed were financing, statewide tuition policy, financial aid policy, non-traditional students and programs, geographic access, considerations of size and efficiency, interstate tuition reciprocity, Private College Contract

Program, system management and personnel policies, use of facilities, coordination of post-secondary education and the relationship of manpower needs and post-secondary education.

COMMENTARY

A discussion of the issues identified is provided below and is followed by some comments on them.

1. Financing: Appropriations Formulas and Program Considerations.

The general concerns expressed of the public post-secondary systems are twofold: (1) in a period of enrollment fluctuations, what will be the general guidelines for financing pos.-secondary

education and (2) what specific mechanisms or formulas will be used to implement these policies? All the public systems expressed fear about the guidelines to be used by the state in ap-

proprlations decisions. The justification, appropriateness, and use of funding formula reflect the possibility that declining enrollments may be followed by corresponding reductions in funding without regard for the complexity of systems' missions and services.

A primary concern is the perceived need for different funding mechanisms to reflect the variety of programs and services offered. The systems think that research and public service programs should not be funded strictly on the basis of enrollment formulas. They argue that there is a need for funding distinctions on at least two different levels. First, a distinction between funding for instruction, research and public service programs; and second, within the instructional component, a distinction between funding for traditional full-time students and for non-traditional part-time students.

2. Statewide Tuition Policy

The public collegiate systems agree that the state should review and/or establish a statewide tuition policy. The private sector also is concerned about this issue. Despite past recommendations by the Coordinating Board, no state tuition policy has been adopted. Tuition policy is made during the appropriations process in determining tuition revenue as an offset to state funding. This practice focuses on tuition as a source of institutional revenue and fails to consider the impact of tuition on a student's choice of whether to attend post-secondary education and which institution to attend. Private institutions are concerned about the extent to which the current gap between private and public tuition

rates will remain and how the continuation of this differential will affect the private colleges.

3. State Financial Aid Policy

Studies of state financial aid policies are being conducted. In light of enrollment fluctuations, both the public systems and private institutions expressed concern about possible changes in these policies. There was apprehension that declining enrollments could result in financial aid reductions and adversely affect student access and institutional choice. No specific suggestions or recommendations emerged, but the systems agreed that the role financial aid policies play in encouraging or redirecting students to specific institutions or systems should be explored more fully.

4. Non-Traditional Students and Programs

While both public and private sector responses indicated plans to expand services to non-traditional clientele, the public systems were especially concerned about the lack of precise state policies for the delivery of these services. Particular concern was expressed about how the non-traditional instructional areas are to be defined, how these programs are to be financed, how to provide geographic access to these programs, and how to avoid unnecessary duplication.

5. Geographic Access

The state has made a strong commitment to access for students to post-secondary education. But the public systems agreed that in a time of constrained resources and declining enrollments, the state may need to re-examine its policies on geographic access. The University of Min-

nesota said that whether community services are sufficient to justify keeping institutions open will have to be determined by thoughtful analyses encompassing many considerations. The State University System said that given the political realities associated with attempts to close or consolidate institutions, it would appear that a realistic approach might be to address the issue in terms of scope of programs (and, consequently, unit costs) appropriate for institutions of various sizes.

6. Considerations of Size and Efficiency

Since enrollment fluctuations will be felt differentially, the public collegiate systems are concerned about what policies will be used in reaching "cost-effectiveness" decisions at the institutional and program level. The Community College System noted that support for small institutions is not only related to geographic access, but also involves policy in regard to breadth of program, size of staff and unit costs.

The state must begin to establish policies concerning the maintenance of small, relatively high cost institutions and programs.

7. Interstate Tuition Reciprocity

The public higher education systems indicated that the state may need to review policies governing tuition reciprocity. The state has had a long-standing interest in promoting the greatest possible range of choices for its students and encouraging interstate cooperation and planning in the delivery of post-secondary education. During a period of declining enrollments, the state may need to re-examine and

perhaps recommit itself to these policies and programs.

8. Private College Contract Program

This program is important to many private institutions. The private institutions are concerned that pressures may be placed on the state to reconsider its commitment to this program. Any such reconsideration must take into account possible cost savings, restrictions on student choice and fiscal harm to the private sector.

9. System Management and Personnel Policies

The public systems and some private institutions indicated that they are taking steps to promote and enhance management flexibility in dealing with institutional personnel. Management options are limited in some systems and institutions due to collective bargaining agreements. Because of the extreme labor

intensiveness of post-secondary education, all systems are searching for policies which allow them to respond to staffing issues. The state needs to assist the systems to develop staffing policies.

10. Facilities

The private institutions noted that energy conservation and efficient use of existing buildings will dictate the continuation of bonding through the Higher Education Facilities Authority. Careful planning by both the public and private sectors will be required to avoid excess in physical plants.

11. Coordination of Post-Secondary Education

The Community College System questioned whether the coordination activity is worth the effort, or would the state now be better served if it put the emphasis on prudent operation of separate

systems. It asked whether the state can afford the large number of people in state government who are not involved in the actual provision of services.

The issue of coordination, governance and structure has arisen in recent legislative sessions, and changes have been proposed but not approved. Since the most effective structure will be necessary to plan for enrollment related problems, the governance issue deserves attention.

12. The Relationship Between Manpower Needs and Post-Secondary Education

Pressure to pay more attention to labor market supply and demand will increase as funding decisions are made, the University of Minnesota pointed out. Improved manpower information will be needed to assist in future decisions about programs.

G. A Summary of Your Views Regarding the Major Challenges Confronting Your Institution as a Result of Fluctuating Enrollments (Appendix C-18)

OVERVIEW

The systems and institutions list several major challenges resulting from fluctuating enrollments. To the University of Minnesota the major challenge is the development of a new mechanism for legislative funding. To the Community College System, the major challenge is convincing state policymakers that deci-

sions made to place institutions in sparsely populated areas of the state were good decisions and that quality programs of limited breadth can be provided in those locations at reasonable costs. The State University System emphasized the need for policies and processes that provide the internal flexibility to address

programmatic developments while accommodating the fiscal consequences of fluctuating enrollments. To private institutions, major challenges exist in maintaining high staff morale, in developing effective planning, in funding, in maintaining program quality and in recruiting effectively.

COMMENTARY

The systems display a variety of opinions about the major challenges presented by enrollment fluctuations. While they agree on many of the important issues confronting the

state, they differ in their judgments as to which issues will present their systems with the greatest problem. The state's response should be to set priorities among the multiple in-

terests of the systems and to provide the guidance necessary to effectively respond to these challenges.

CONCLUSION

All institutions and systems will be affected by any modifications in state policies which result from enrollment fluctuations in any one system. The response to some of the issues will require state level review while the response to others will be handled by each system or institution. But responsible action to effectively solve problems will call for state-system-institutional cooperation.

The internal governance and management issues include personnel management, staffing alternatives and collective bargaining. While some general statewide policy guidelines may be needed, the differences in system and institutional personnel and collective bargaining agreements may preclude a single

state policy.

Public institutions are especially concerned about funding decisions, and this issue will require state policy action on funding guidelines, appropriations mechanisms and levels of support for research, public service and continuing education.

While funding issues are viewed as the key issue by public systems, this concern should not overshadow the need to address other issues such as the financial aspects of student access to post-secondary education and choice of where to attend. The development of a state tuition policy and the review of current state financial aid policies are first steps in examining this subject.

Issues related to geographic access, program quality and

economic efficiency will need to be addressed not only at those systems and institutions which will experience substantial enrollment declines, but also in the broader statewide context. The final decision as to the numbers and locations of publicly supported institutions will have to be made at the state level.

Issues of program access are complicated by the lack of an explicit state policy concerning the nature and distribution of educational services offered to the non-traditional part-time student. Policies which may have been appropriate when the predominant instructional activity of public institutions was directed toward traditional, full-time students may require evaluation, given the growing emphasis on life-long learning and part-time enrollment.

CHAPTER III: RECOMMENDATIONS ON PLANNING PROCEDURES AND POLICY DEVELOPMENT

A. Introduction

To address the challenges posed by declining enrollments, the Higher Education Coordinating Board proposes the development of an early-warning planning process and a reassessment and possible revision of major state policies affected by the new enrollment conditions.

Components of the proposed planning process will include (1) the development of a 5-year plan by each system to lengthen the planning horizon and (2) the identification of indicators to annually check the condition of Minnesota post-

secondary education. Together, they will provide improved information for planning and policy development.

The state needs to anticipate the impact of substantially fewer students on key existing policies and consider modifications in them. With the implementation of the planning process, the state and systems will be able to plan for possible policy changes in post-secondary education.

Resolving the problems caused by declining enrollments while achieving the Board's long-standing goals for post-secondary education is the major challenge.

These goals are: to provide an educated citizenry and trained manpower; to influence economic, social

and cultural progress; to ensure expansion of access through diverse learning opportunities; to extend knowledge through research; to foster excellence in teaching and research; to facilitate lifelong learning through continuing education of adults; and to serve the community through teaching and research.*

In their responses, the institutions and systems of post-secondary education identified several issues which they think warrant review by the state. Some of the issues apply to particular institutions, others cross system boundaries or touch every post-secondary institution.

In light of the projected enrollment trends, the state may need to re-examine the following major policy concerns:

*Minnesota Higher Education Coordinating Commission, *A Philosophy of Minnesota Higher Education, A View of Higher Education, Some Fundamental Principles, Goals for Higher Education* (March 1988), pp. 15-16.

1. The mission and role of systems and institutions.
2. The number, size and location of institutions.
3. The number, size and location of programs.
4. The role of tuition and financial aid policy and their

relationship to each other.

5. The magnitude, pattern and mechanism of state support for post-secondary education and its relationship to tuition and financial aid policy.
6. The relationship of state government to private post-

secondary education.

7. The nature and scope of Minnesota's commitment to interstate and regional planning and reciprocity.
8. The relationship of manpower needs to program planning.

B. Recommendations for the Planning Process

The Board recommends that the public systems and private institutions engage in a cooperative planning process to deal with fluctuating enrollments and related problems. The intent of the proposal is to establish an explicit process in which issues affecting post-secondary education and the goals of institutions and systems can be identified, reviewed, modified or developed.

Through this planning process, the Board hopes to establish an early-warning system to alert the state to emerging issues and to provide a context in which systems and institutions can plan for the future on a systematic basis. Part of this planning process should be the development of a 5-year plan by each system which includes a review of mission, role and scope of systems and institutions and the development of a set of post-secondary education indicators to support policy planning.

1. Development of 5-Year System and Institutional Plans

The proposal that public systems and private institutions develop 5-year plans reflects the need to assess the implications of current decisions in the future and to relate individual decisions to the larger context of a system. Now, planning tends to focus on the two-year budget cycle, and decisions made each biennium may not take into account long-range ramifications.

The proposed planning process would result in the

publication by each public system and private institution of a 5-year plan. The plan would specify the mission, role and scope of each system and institution and the programs which it offers. It would provide short-term enrollment predictions and long-range enrollment forecasts, by institution, for the public post-secondary systems. The plan would outline assumptions used to develop the 5-year plan and the enrollment projections. A major outcome of the plan would be an attempt to consider and integrate priorities and programs with the mission of the institution and system and to set priorities among them. In doing so, the plan would relate existing programs, personnel, facilities and financing to the upcoming biennial requests and the 5-year plans.

The 5-year plan would be updated each biennium and published prior to the submission of the biennial appropriations request. It is recommended that the first 5-year plan be completed by December 1979 to be available for the legislative session beginning in January 1980.

With the 5-year plans, the Coordinating Board and executive and legislative branches of state government would have a tool to evaluate the use of resources and the biennial appropriations request. It would provide an im-

portant addition to the current resource allocation procedure; namely, the provision of a longer planning horizon which identifies goals and priorities and provides a context for evaluating current decisions and proposals. The 5-year plan also would provide the state with a comprehensive summary of post-secondary education services and would permit it to identify areas of mutual concern to institutions and systems. Through this process, the Coordinating Board would also be able to identify and consult with the systems of post-secondary education on matters that require statewide planning and coordination.

2. Development of Indicators for Post-Secondary Education

The Coordinating Board proposes to develop a set of indicators to monitor the health of Minnesota's post-secondary education. These indicators would be used as the basis for an annual report on the condition of post-secondary education and would help establish a context for modifying statewide goals for post-secondary education. Agreement about the state's goals will enable systems and institutions to develop their missions and programs.

There is an increasing interest in the development and use of indicators in many areas of economic and social activity. This phenomenon

has extended into post-secondary education and relates most directly to demands for accountability. The large amount of public funds invested in post-secondary education and the competition for limited dollars also have contributed to this situation.

Indicators are statistics and other types of information that describe where we are and where we are going in terms of our values and goals. Once goals and objectives have been clearly specified, indicators can be used to assess the extent to which these ends are being realized. Such descriptive indicators as changes in enrollment, part-time to full-time student ratios, and expenditure per student can provide the state with relevant empirical information for planning and decisionmaking. Indicators should provide a basis for anticipating future conditions as the state re-examines plans and policies.

As post-secondary education moves into a period of declining resources, the need for indicators of health and performance will become more imperative. These indicators should be directed toward broad policy issues at the state level and should focus the debate on important and relevant alternatives.

The information base to support policy planning should be improved. Institutions, systems, state agencies and the federal government collect vast amounts of statistical information for reporting, planning, managing and evaluating post-secondary education. Some data is collected on an ad hoc basis; some is collected routinely. Most of the information is related to specific issues; some information is useful for long-range planning. Unfortunately, most of this data is poorly defined and not organized for broad use.

The planning information which is needed includes data on the demand for post-secondary education, the availability of post-secondary education, the resources available to

support post-secondary education, the financing of post-secondary education, the outcomes of post-secondary education and information about Minnesota and the region. More specifically, the data categories include such topics as numbers of high school graduates, population, current enrollments, program inventories and descriptors, institutional characteristics, financial resources, personnel resources, facilities, financial aid for students, support for institutions, degrees granted, projected state revenues and migration patterns of students.

Efforts should be made to select, define and organize this data in a form that is useful to planners, decisionmakers and the public. The Coordinating Board intends to continue to develop an information system to support planning at the state level. While systematic data collection can be accomplished apart from the development of indicators, indicators cannot be developed and effectively used in the absence of a systematic information base.

C. Recommendations for Policy Development

The state will need to review the implications of several major state policies as a result of the enrollment situation. Some policies will have to be examined prior to the 1979 legislative session; other policies will require attention as soon as possible.

1. Guidelines for Financing Post-Secondary Education

As enrollments decline, it is anticipated that both unit costs and total costs will continue to increase and there will be pressure for additional funds to operate post-secondary education. As mentioned earlier, it will be necessary to finance temporary enrollment increases before the long-term enroll-

ment decline begins. Consequently, the state will need to develop a set of guidelines for financing which will be responsive to both short-term and long-range enrollment changes. The guidelines should provide a rationale for specific appropriations decisions.

2. Adoption of a Statewide Tuition Policy

Although the Coordinating Board recommended a tuition policy in 1973, no statewide policy now exists. Current policy can be described as attempting to keep tuition as low as possible while recognizing that students must contribute to the cost of

their education and absorb part of the annual increase of that cost.

Future tuition policy discussions should attempt to relate these factors to (1) state financial aid policies, (2) the effects of price of tuition levels on access and choice of institutions, and (3) the pattern of state appropriations for post-secondary education.

Alternatives to past practices need to be examined and evaluated so that decisions can be reached concerning the adequacy of the present approach and the benefits (if any) of adopting an alternative policy. The Coordinating Board intends to review its tuition policy and

make recommendations to the 1979 Legislature.

3. Student Financial Aid Policies

Minnesota financial aid activity is entering a new phase in which increasing demands will be made to justify the amount of state funds committed to financial aid and the type and mixture of aid programs. The rapid increase in state appropriations and sheer dollar volume demand that the state stop and take stock of its presence in financial aid, particularly in light of changing conditions. Several state agencies, including the Coordinating Board, are now studying state financial aid policies. A study of the role and size of financial aid programs is timely and should be related to the development of a tuition policy and the overall financing of post-secondary education in the future. State agencies, the financial aid community, and the post-secondary education community should continue to work together to evaluate financial aid programs and assess whether the state efforts are achieving their objectives. Based on this study, the Board will make recommendations to the 1979 Legislature on student financial aid policies.

4. Physical Plant Construction and Use

With few exceptions, need of physical plant expansion has ended. Future efforts should be directed at meeting new and emerging physical plant requirements. Some of these new issues have been identified; they include: (1) energy conservation, (2) accommodating the handicapped, (3) remodeling existing facilities to meet new program needs, and (4) meeting

federal OSHA (Occupational Safety and Health) requirements. In order to avoid additional excess physical plant capacity, future construction to increase the capacity of institutions should be approved only after thorough justification which recognizes projected enrollment declines and the availability of underused facilities at other institutions.

5. Implications for Instructional Programs

With fewer students and limited funds, it is imperative that instructional programs be monitored and reviewed carefully. Most systems and institutions have developed program review mechanisms. At the state level, the Coordinating Board has developed and is refining its program review process. The Coordinating Board will need to implement fully its responsibility to review both new and existing programs in relation to mission, need, duplication and costs. During the next few months, the Board will conduct a review on the status of program review activity. It will propose a process for review of program expansion and recommend a program audit process for existing programs.

6. Number of Institutions, Size and Efficiency

Minnesota has established 49 post-secondary institutions outside the metropolitan area. These institutions were built in order to meet regional demands for educational services and to provide geographical proximity to post-secondary institutions for people living in sparsely populated rural areas. There are 35 public institutions which enroll fewer than 1000 full-time equivalent students. There are 16 public post-

secondary institutions which enroll fewer than 500 full-time equivalent students. While these institutions are small, many are larger in 1977 than at any time in their history. Nonetheless, some are severely underenrolled in terms of their physical plant capacity. In general, small institutions are less efficient than large institutions and, by their very nature, offer a reduced curriculum. It may be necessary for the state to assess its commitment to maintain many small institutions as enrollments decline.

This issue has been identified by the public post-secondary systems as one which will require state review. The problem is complicated by the fact that there are areas of the state which are projected to experience population increases. As a result, the state is confronted with the conflicting pressures to curtail and/or consolidate some institutions and simultaneously provide additional services in other regions. The state should consider the need to consolidate some institutions and simultaneously provide additional services in other regions. The state should consider the need to consolidate small institutions into larger regional institutions. In making such a review, the state needs to take into account additional financial burdens placed on students who can no longer commute to a local institution.

7. Private College Contract Program

While the governing authority and structures vary among the various post-secondary education systems and institutions in Minnesota, it must be assumed for plann-

ing and coordinating purposes that all institutions represent public resources dedicated to meeting the educational needs of individuals and contributing to social welfare.

Minnesota has long recognized that it was in the state's long-range interest to contribute to the continued health of a strong private post-secondary education sector. This view has been manifest in the establishment of and support for the Private College Contract Program. These funds to private collegiate institutions in Minnesota which enroll state residents represent a relatively small percentage of the total state investment in post-secondary education. They have, however, provided the collegiate institutions with an important source of revenue.

Nevertheless, as enrollments decline and use of state post-secondary education facilities decreases, the state should review the objectives of the Private College Contract Program.

8. Review Interstate Tuition Reciprocity

Minnesota has sought to increase access to post-secondary education and to maximize real choices for students. As a result, the state has developed tuition reciprocity agreements with Wisconsin, North Dakota and has a proposed agreement for South Dakota. The Board

believes that these programs have been effective in extending to students an opportunity to choose among a wider variety of institutions. Moreover, these programs have served to improve interstate cooperation and planning, and in the long run result in more economical, efficient delivery of programs to residents of participating states. The state should review the benefits of interstate tuition reciprocity in relationship to the cost of the program.

9. Funding Formulas for Post-Secondary Education

The state provides appropriations to post-secondary education differently for each system. The public systems of post-secondary education have expressed some concern over the current appropriations methods and have suggested that changes be made in the linear, enrollment-driven funding formulas. The current approach can be described in the following way: (a) the use of differentiated staffing ratios for the State University System, (b) the use of one staffing ratio for the Community College System, (c) the use of a per student appropriation for the AVTIs, (d) modified undifferentiated funding formulas for the University of Minnesota, (e) the use of state appropriations to supplement the maintenance and expenditure budget for

each system, and (f) the use of separately determined increase guidelines for supplies, expenses, utilities and related support expenditures. A primary problem is that this process is based on enrollments, does not recognize fixed costs associated with programs, and that some functions, such as research, are not enrollment related. Current funding formulas should be evaluated for their implications during a period of fluctuating enrollments.

10. Continuing Education and Extension

With systems and institutions placing greater emphasis upon non-traditional students, policy issues relating to adult and continuing education take on added importance. These issues include access to adult post-secondary education, purposes and objectives of continuing education, unnecessary duplication, financing, role of academic credit, quality, competition among those providing programs and coordination. The need and demand for adult or continuing education should be related to post-secondary and secondary resources and statewide financing policies in both sectors. The HECB will be conducting a comprehensive study of adult and continuing education to assess fully these activities and to form the basis for relevant policy proposals.

D. Conclusion

The challenges to post-secondary education in the future have been identified in this report and by other national bodies. The difficult problems now being confronted in local school districts may be a

preview of what will happen in post-secondary education. In addition to the problems caused by declining enrollments, during the next 10 to 20 years post secondary education and other sectors of the public economy

will be forced to operate under new and adverse conditions. Vital resources like energy may be in short supply. It has been predicted that there will be a decline in the rate of economic growth, that the cost of

goods and services will increase at rates greater than personal income, that there will be increased competition for limited public dollars from other high priority programs like housing and health care, and that the public will continue to expect to receive effective and efficient public services. All these developments

confirm the need for sound planning and a willingness to make new and difficult decisions about the use of resources in post-secondary education.

This document is a tentative agenda for beginning to address these problems through (1) systematic and coordinated in-

stitutional, system and state-level planning, (2) the development of indicators to assess the changing conditions of Minnesota post-secondary education, and (3) specific policy studies providing the detailed analysis necessary to support difficult policy decisions.

APPENDIX A
PROJECTED HIGH SCHOOL GRADUATES BY REGION

Year	State Total		Region 1		Region 2		Region 3		Region 4	
	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977
1977	73,402		1,955		1,141		6,360		3,705	
1978	73,366	-.05	2,022	3.43	1,160	1.67	6,228	-2.08	3,737	.86
1979	73,199	-.28	2,073	6.04	1,226	7.45	6,105	-4.01	3,655	-1.35
1980	72,373	-1.40	1,890	-3.32	1,214	6.40	6,067	-4.61	3,671	-.92
1981	69,904	-4.77	1,924	-1.59	1,221	7.01	5,835	-8.25	3,546	-4.29
1982	66,534	-8.87	1,770	-9.46	1,122	-1.67	5,541	-12.88	3,467	-6.42
1983	62,535	-14.80	1,723	-11.87	1,106	-3.07	5,035	-20.83	3,039	-17.98
1984	59,116	-19.46	1,650	-15.60	1,024	-10.25	4,771	-24.98	2,977	-19.65
1985	57,530	-21.62	1,551	-20.66	932	-18.32	4,479	-29.56	2,872	-22.48
1986	56,665	-22.80	1,514	-22.56	950	-16.74	4,435	-30.27	2,866	-22.65
1987	57,805	-21.25	1,639	-16.16	950	-16.74	4,676	-25.48	2,964	-20.00
1988	60,895	-17.04	1,696	-13.25	988	-13.41	4,768	-25.03	2,979	-19.60
1989	55,600	-24.25	1,620	-17.14	1,089	-4.56	4,450	-30.03	2,939	-20.67
1990	50,170	-31.65	1,611	-17.60	993	-12.97	4,020	-36.79	2,619	-29.31
1991	47,845	-34.82	1,485	-24.04	986	-13.58	3,891	-38.82	2,528	-31.77
1992	49,599	-32.43	1,554	-20.51	995	-12.80	3,861	-39.29	2,598	-29.88
1993	50,230	-31.57	1,507	-22.92	1,060	-7.10	4,185	-34.20	2,732	-26.26
1994	51,927	-29.26	1,262	-35.45	945	-17.18	3,884	-38.93	2,756	-25.61
1995	53,535	-27.07	1,345	-31.20	1,006	-11.83	4,099	-35.55	2,930	-20.92
1996	55,152	-24.86	1,370	-29.92	1,024	-10.25	4,139	-34.92	2,979	-19.60
1997	56,770	-22.66	1,424	-27.16	1,065	-6.66	4,265	-32.94	3,089	-16.63
1998	58,389	-20.45	1,479	-24.35	1,105	-3.16	4,394	-30.91	3,202	-13.58
1999	59,424	-19.04	1,522	-22.15	1,126	-1.31	4,450	-30.03	3,255	-12.15
2000	60,457	-17.64	1,557	-20.36	1,149	.70	4,506	-29.15	3,318	-10.45
2001	61,494	-16.22	1,597	-18.31	1,170	2.54	4,563	-28.25	3,377	-8.85
2002	62,527	-14.82	1,637	-16.27	1,191	4.38	4,619	-27.37	3,435	-7.29
2003	63,561	-13.41	1,678	-14.17	1,215	6.49	4,681	-26.40	3,497	-5.61
2004	63,491	-13.50	1,670	-14.58	1,208	5.87	4,621	-27.34	3,468	-5.40
2005	63,421	-13.60	1,660	-15.09	1,200	5.17	4,562	-28.27	3,440	-7.15
2006	63,354	-13.69	1,651	-15.55	1,193	4.56	4,503	-29.20	3,411	-7.94

PROJECTED HIGH SCHOOL GRADUATES BY REGION

Year	Region 5		Region 6E		Region 6W		Region 7E		Region 7W	
	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977
1977	2,411		2,185		1,288		1,847		3,991	
1978	2,549	5.72	2,122	-2.88	1,358	5.43	1,840	-.38	4,035	1.10
1979	2,578	6.93	2,280	4.35	1,335	3.65	1,992	7.85	4,089	2.46
1980	2,530	4.94	2,190	.23	1,339	3.96	1,973	6.82	4,022	.78
1981	2,571	6.64	2,136	-2.24	1,147	-10.95	1,971	6.71	4,116	3.13
1982	2,359	-2.16	2,063	-5.58	1,142	-11.34	1,922	4.06	4,060	1.73
1983	2,270	-5.85	1,950	-10.76	1,041	-19.18	1,798	-2.65	3,887	-2.61
1984	2,209	-8.38	1,857	-15.01	1,040	-19.25	1,756	-4.93	3,767	-5.61
1985	2,092	-13.23	1,774	-18.81	962	-25.31	1,732	-6.23	3,678	-7.84
1986	2,141	-11.20	1,707	-21.88	939	-27.10	1,833	-.76	3,514	-11.95
1987	2,121	-12.03	1,769	-19.04	915	-28.96	1,810	-2.00	3,603	-9.72
1988	2,271	-5.81	1,874	-14.23	896	-30.43	2,111	14.29	3,824	-4.18
1989	2,207	-8.46	1,781	-18.49	899	-30.90	2,125	15.05	3,793	-4.96
1990	2,093	-13.19	1,802	-17.53	827	-35.79	2,035	10.18	3,438	-13.86
1991	1,843	-21.48	1,650	-24.49	745	-42.16	1,880	1.79	3,530	-11.55
1992	2,049	-15.01	1,823	-16.57	878	-31.83	2,042	10.56	3,591	-10.02
1993	2,182	-9.50	1,868	-14.51	918	-28.73	2,102	13.81	3,816	-4.38
1994	1,689	-29.95	1,593	-27.09	749	-41.85	1,826	-1.14	3,436	-13.91
1995	1,809	-24.97	1,699	-22.24	801	-37.81	1,955	5.85	3,489	-12.35
1996	1,852	-23.19	1,731	-20.78	820	-36.34	1,998	8.18	3,750	-6.04
1997	1,933	-19.83	1,800	-17.62	854	-33.70	2,083	12.78	3,924	-1.68
1998	2,015	-16.42	1,871	-14.37	890	-30.90	2,169	17.43	4,089	2.46
1999	2,076	-13.89	1,922	-12.04	917	-28.80	2,263	22.52	4,210	5.49
2000	2,137	-11.36	1,973	-9.70	943	-26.79	2,357	27.61	4,331	8.52
2001	2,197	-8.88	2,023	-7.41	970	-24.69	2,451	32.70	4,452	11.55
2002	2,258	-6.35	2,074	-5.08	995	-22.75	2,545	37.79	4,573	14.58
2003	2,322	-3.69	2,127	-2.65	1,022	-20.65	2,641	42.99	4,700	17.76
2004	2,319	-3.82	2,127	-2.65	1,015	-21.20	2,689	45.59	4,745	18.89
2005	2,318	-3.86	2,127	-2.65	1,007	-21.82	2,735	48.08	4,790	20.02
2006	2,315	-3.98	2,127	-2.65	999	-22.44	2,782	50.62	4,835	21.15

PROJECTED HIGH SCHOOL GRADUATES BY REGION

Year	Region 8		Region 9		Region 10		Region 11	
	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977	Number of Graduates	% Change From 1977
1977	2,928		4,229		7,700		33,662	
1978	2,875	-1.81	4,262	.78	7,674	-.34	33,504	-.47
1979	2,845	-2.83	4,156	-1.73	7,682	-.23	33,183	-1.42
1980	2,737	-6.52	4,156	-1.73	7,494	-2.68	33,090	-1.70
1981	2,514	-14.14	4,006	-5.27	7,256	-5.77	31,661	-5.94
1982	2,417	-17.45	3,771	-10.83	7,066	-8.23	30,194	-10.30
1983	2,320	-20.77	3,542	-16.24	6,547	-14.97	28,277	-16.00
1984	2,130	-28.18	3,426	-18.99	6,119	-20.53	26,417	-21.52
1985	2,095	-28.45	3,195	-24.45	5,886	-23.56	26,282	-21.92
1986	2,057	-29.75	3,199	-24.59	5,519	-28.32	26,002	-22.76
1987	1,999	-31.73	3,128	-26.03	5,840	-24.16	26,391	-21.60
1988	2,022	-30.94	3,121	-26.20	6,202	-19.13	28,143	-16.40
1989	1,849	-36.85	3,061	-27.62	5,648	-26.65	24,148	-28.26
1990	1,700	-41.94	2,873	-32.06	4,975	-35.39	21,184	-37.07
1991	1,937	-33.85	2,703	-36.08	4,857	-.92	19,761	-41.30
1992	1,924	-34.29	2,951	-30.22	4,987	-35.23	20,346	-39.56
1993	1,621	-44.64	2,926	-30.81	5,139	-33.26	20,175	-40.07
1994	1,753	-40.13	2,699	-36.18	5,256	-31.74	24,079	-28.47
1995	1,869	-36.17	2,821	-33.29	5,535	-28.12	25,177	-25.21
1996	1,906	-34.90	2,821	-33.29	5,574	-27.61	25,188	-25.17
1997	1,981	-32.34	2,882	-31.85	5,733	-25.55	25,737	-23.54
1998	2,031	-30.64	2,943	-30.41	5,895	-23.44	26,306	-21.85
1999	2,077	-29.06	2,975	-29.65	6,000	-22.08	26,631	-20.89
2000	2,124	-27.46	3,005	-28.94	6,104	-20.73	26,953	-19.93
2001	2,170	-25.89	3,036	-28.21	6,209	-19.36	27,279	-18.96
2002	2,218	-24.25	3,066	-27.50	6,313	-18.01	27,603	-18.00
2003	2,199	-24.90	3,099	-26.72	6,424	-16.57	27,956	-16.95
2004	2,180	-25.55	3,065	-27.52	6,411	-16.74	27,973	-16.90
2005	2,161	-26.20	3,032	-28.30	6,398	-16.91	27,991	-16.85
2006	2,144	-26.78	2,999	-29.08	6,386	-17.06	28,009	-16.79

**APPENDIX B
INSTITUTIONAL ENROLLMENT PROJECTIONS**

**STATE UNIVERSITY SYSTEM
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Bemidji		Moorhead		St. Cloud		Southwest	
	High	Low	High	Low	High	Low	High	Low
1977	4,592	4,444	5,024	4,887	9,777	9,427	1,489	1,443
1978	4,804	4,559	5,044	4,834	10,169	9,620	1,500	1,426
1979	5,013	4,687	4,999	4,652	10,488	9,585	1,518	1,423
1980	5,130	4,710	5,019	4,650	10,534	9,629	1,529	1,417
1981	5,137	4,711	5,023	4,668	10,587	9,653	1,519	1,409
1982	5,114	4,691	4,986	4,623	10,513	9,615	1,481	1,374
1983	5,002	4,589	4,870	4,530	10,355	9,448	1,441	1,339
1984	4,830	4,432	4,686	4,348	9,986	9,141	1,392	1,294
1985	4,622	4,242	4,487	4,179	9,620	8,786	1,330	1,238
1986	4,398	4,038	4,275	3,971	9,223	8,453	1,289	1,201
1987	4,252	3,905	4,165	3,883	9,032	8,255	1,258	1,173
1988	4,186	3,844	4,153	3,861	8,958	8,218	1,240	1,157
1989	4,230	3,885	4,213	3,929	9,217	8,429	1,247	1,164
1990	4,227	3,882	4,241	3,943	9,171	8,415	1,223	1,143
1991	4,112	3,777	4,128	3,850	9,018	8,250	1,173	1,096
1992	3,981	3,657	3,950	3,674	8,521	7,825	1,156	1,080
1993	3,876	3,561	3,819	3,564	8,323	7,620	1,145	1,069
1994	3,830	3,519	3,799	3,533	8,293	7,619	1,111	1,038
1995	3,791	3,483	3,801	3,546	8,437	7,724	1,107	1,034
1996	3,873	3,557	3,887	3,612	8,557	7,857	1,113	1,039
1997	3,937	3,616	3,892	3,628	8,708	7,968	1,116	1,040
1998	4,002	3,675	4,014	3,728	8,932	8,197	1,138	1,060
1999	4,124	3,786	4,106	3,824	9,214	8,426	1,159	1,079
2000	4,216	3,870	4,916	3,893	9,415	8,634	1,174	1,092

STATE UNIVERSITY SYSTEM
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)
(Continued)

Year	Mankato		Winona		Total	
	High	Low	High	Low	High	Low
1977	8,669	8,430	4,192	4,071	33,743	32,702
1978	8,907	8,511	4,345	4,161	34,769	33,111
1979	9,203	8,675	4,277	4,021	35,498	33,043
1980	9,377	8,658	4,284	3,975	35,873	33,039
1981	9,385	8,636	4,263	3,954	35,914	33,031
1982	9,270	8,534	4,196	3,893	35,560	32,730
1983	9,069	8,352	4,102	3,807	34,839	32,065
1984	8,780	8,091	3,937	3,655	33,611	30,961
1985	8,432	7,775	3,751	3,483	32,242	29,703
1986	8,084	7,459	3,593	3,337	30,862	28,459
1987	7,800	7,201	3,440	3,197	29,947	27,614
1988	7,633	7,050	3,402	3,162	29,572	27,292
1989	7,612	7,032	3,456	3,212	29,975	27,651
1990	7,488	6,921	3,370	3,133	29,720	27,437
1991	7,246	6,698	3,229	3,003	28,906	26,674
1992	7,024	6,494	3,069	2,855	27,701	25,585
1993	6,860	6,343	2,943	2,738	26,966	24,885
1994	6,692	6,188	2,885	2,685	26,610	24,582
1995	6,643	6,143	2,956	2,750	26,735	24,680
1996	6,773	6,260	3,062	2,848	27,265	25,173
1997	6,824	6,304	3,137	2,916	27,614	25,472
1998	6,911	6,382	3,226	3,000	28,225	26,042
1999	7,054	6,510	3,298	3,064	28,955	26,689
2000	7,147	6,594	3,350	3,112	29,498	27,195

COMMUNITY COLLEGES
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)

Year	Anoka Ramsey		Austin		Erainerd		Fergus Falls		Hibbing	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	1,407	1,356	872	819	520	488	540	508	597	560
1978	1,325	1,256	901	827	534	490	554	507	608	559
1979	1,342	1,273	904	830	553	508	561	514	605	557
1980	1,357	1,288	907	833	567	521	559	512	600	552
1981	1,370	1,301	898	825	566	520	559	513	599	552
1982	1,364	1,297	879	808	571	525	552	507	588	543
1983	1,349	1,285	861	793	549	506	541	497	570	526
1984	1,326	1,265	822	757	528	487	502	462	537	497
1985	1,302	1,245	779	719	517	477	482	444	515	478
1986	1,298	1,242	752	695	501	463	470	433	494	459
1987	1,303	1,248	722	668	503	466	467	431	488	453
1988	1,318	1,263	737	681	508	470	477	440	504	468
1989	1,361	1,303	775	717	531	491	486	448	517	480
1990	1,325	1,271	749	693	532	493	485	447	502	467
1991	1,254	1,207	683	633	510	472	453	413	467	435
1992	1,214	1,170	653	605	477	442	429	396	447	417
1993	1,216	1,172	658	610	486	450	431	398	441	411
1994	1,218	1,173	672	622	510	472	446	411	458	426
1995	1,266	1,217	683	633	456	423	447	412	443	412
1996	1,289	1,236	703	651	445	413	460	424	446	414
1997	1,284	1,231	711	657	454	420	470	433	448	416
1998	1,282	1,227	720	665	464	429	480	442	453	420
1999	1,283	1,227	733	677	476	440	494	454	459	425
2000	1,280	1,223	743	685	485	448	502	461	461	426

**COMMUNITY COLLEGES
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Inver Hills		Itasca		Lakewood		Mesabi		Metropolitan	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	1,610	1,526	492	461	2,383	2,247	659	617	1,361	1,298
1978	1,703	1,589	503	459	2,501	2,321	671	617	1,426	1,348
1979	1,714	1,600	500	457	2,513	2,334	665	612	1,434	1,356
1980	1,719	1,606	495	453	2,517	2,339	657	604	1,437	1,360
1981	1,726	1,614	492	450	2,523	2,346	655	603	1,443	1,366
1982	1,699	1,590	483	442	2,477	2,306	641	591	1,417	1,343
1983	1,659	1,555	464	426	2,410	2,247	619	571	1,382	1,311
1984	1,605	1,508	436	400	2,322	2,168	580	536	1,335	1,269
1985	1,550	1,459	414	380	2,231	2,087	554	512	1,287	1,225
1986	1,536	1,447	395	363	2,208	2,067	529	490	1,279	1,218
1987	1,535	1,446	388	357	2,204	2,065	521	483	1,279	1,218
1988	1,551	1,463	399	367	2,228	2,087	539	500	1,294	1,233
1989	1,611	1,518	411	378	2,321	2,173	553	513	1,347	1,283
1990	1,531	1,445	400	368	2,188	2,053	535	496	1,265	1,207
1991	1,411	1,337	370	341	2,003	1,884	495	459	1,165	1,114
1992	1,344	1,276	352	324	1,899	1,790	474	440	1,110	1,063
1993	1,346	1,277	348	321	1,904	1,795	466	433	1,115	1,068
1994	1,346	1,278	362	334	1,906	1,796	487	452	1,113	1,067
1995	1,445	1,367	351	323	2,063	1,939	470	436	1,209	1,156
1996	1,500	1,416	352	324	2,150	2,016	475	440	1,252	1,194
1997	1,500	1,414	358	329	2,154	2,018	478	443	1,249	1,191
1998	1,504	1,417	364	334	2,166	2,028	484	448	1,254	1,195
1999	1,514	1,425	372	341	2,187	2,046	492	455	1,263	1,203
2000	1,517	1,427	376	345	2,197	2,054	495	457	1,266	1,204

**COMMUNITY COLLEGES
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Normandale		North Hennepin		Northland		Rainy River		Rochester	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	3,645	3,442	2,742	2,600	389	369	362	342	2,475	2,347
1978	3,734	3,466	2,815	2,613	400	370	369	340	2,558	2,373
1979	3,753	3,486	2,830	2,629	411	380	366	338	2,572	2,388
1980	3,759	3,494	2,838	2,638	424	392	363	335	2,588	2,404
1981	3,769	3,505	2,847	2,648	411	381	362	334	2,573	2,392
1982	3,700	3,445	2,802	2,610	409	379	355	328	2,529	2,354
1983	3,601	3,357	2,731	2,547	396	368	343	317	2,487	2,316
1984	3,471	3,242	2,637	2,463	391	363	322	299	2,390	2,230
1985	3,337	3,123	2,538	2,376	380	354	307	285	2,287	2,137
1986	3,304	3,094	2,510	2,351	364	339	293	272	2,221	2,078
1987	3,298	3,091	2,507	2,350	357	333	288	268	2,152	2,017
1988	3,334	3,124	2,532	2,374	370	346	296	275	2,193	2,054
1989	3,471	3,250	2,632	2,466	386	361	304	283	2,296	2,150
1990	3,272	3,071	2,506	2,353	386	360	297	276	2,237	2,097
1991	2,999	2,824	2,301	2,166	378	353	276	257	2,063	1,938
1992	2,845	2,684	2,18	2,058	362	338	263	245	1,979	1,861
1993	2,854	2,692	2,182	2,058	361	338	260	242	1,991	1,872
1994	2,855	2,692	2,187	2,063	360	336	269	251	2,024	1,901
1995	3,089	2,904	2,345	2,206	329	308	262	244	2,050	1,925
1996	3,216	3,017	2,445	2,255	320	300	263	244	2,096	1,966
1997	3,219	3,018	2,452	2,299	325	304	266	247	2,112	1,978
1998	3,235	3,031	2,463	2,308	329	307	269	250	2,130	1,994
1999	3,264	3,055	2,485	2,327	335	312	274	254	2,159	2,019
2000	3,277	3,065	2,496	2,335	340	316	276	256	2,177	2,034

**COMMUNITY COLLEGES
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Vermillion		Willmar		Worthington		System Total	
	High	Low	High	Low	High	Low	High	Low
1977	351	330	828	777	575	546	21,808	20,633
1978	359	327	849	775	589	545	22,399	20,782
1979	357	325	853	779	589	546	22,522	20,912
1980	353	322	872	797	589	546	22,601	20,996
1981	351	320	870	795	582	541	22,596	21,006
1982	343	313	834	763	559	521	22,202	20,665
1983	330	301	809	740	542	505	21,643	20,168
1984	309	282	772	707	531	496	20,816	19,431
1985	292	267	744	682	509	476	20,025	18,726
1986	278	255	717	657	499	467	19,648	18,390
1987	273	250	697	640	498	467	19,480	18,251
1988	279	256	700	642	494	464	19,753	18,507
1989	289	264	719	660	498	468	20,508	19,206
1990	279	256	712	654	486	457	19,687	18,464
1991	256	235	690	634	457	430	18,231	17,137
1992	242	222	655	602	467	439	17,393	16,372
1993	240	220	682	627	476	447	17,457	16,431
1994	249	228	708	650	443	417	17,613	16,569
1995	247	226	653	600	435	409	18,243	17,141
1996	250	229	649	596	447	420	18,758	17,595
1997	255	233	665	611	451	423	18,851	17,665
1998	260	237	682	626	454	425	18,993	17,783
1999	266	243	703	645	458	428	19,217	17,976
2000	270	247	719	659	459	428	19,336	18,070

**UNIVERSITY OF MINNESOTA
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATE3)**

Year	Twin Cities		Duluth		Morris		Crookston	
	High	Low	High	Low	High	Low	High	Low
1977	40,930	40,340	6,432	6,250	1,552	1,500	911	868
1978	40,965	38,728	6,891	6,559	1,522	1,432	935	859
1979	40,988	39,169	7,064	6,621	1,505	1,390	945	868
1980	41,785	38,903	7,158	6,574	1,525	1,391	960	882
1981	42,122	38,793	7,147	6,548	1,520	1,387	946	869
1982	41,803	38,510	7,054	6,465	1,493	1,363	926	850
1983	41,159	37,930	6,897	6,324	1,455	1,329	896	823
1984	40,168	37,032	6,646	6,098	1,392	1,271	856	787
1985	38,659	35,662	6,345	5,825	1,326	1,211	818	753
1986	37,138	34,278	6,053	5,561	1,272	1,162	780	718
1987	35,773	33,036	5,819	5,349	1,232	1,126	760	699
1988	34,824	32,174	5,747	5,285	1,220	1,115	774	712
1989	34,858	32,211	5,801	5,335	1,236	1,130	805	741
1990	34,485	31,876	5,743	5,284	1,222	1,118	802	738
1991	33,547	31,018	5,546	5,103	1,175	1,075	765	706
1992	32,607	30,158	5,322	4,899	1,128	1,032	726	668
1993	30,827	28,532	5,080	4,676	1,110	1,015	724	667
1994	29,091	26,945	4,972	4,577	1,105	1,010	739	680
1995	28,893	26,763	4,960	4,565	1,104	1,010	705	649
1996	29,741	27,531	5,052	4,647	1,130	1,033	695	640
1997	30,619	28,327	5,151	4,735	1,151	1,052	717	660
1998	32,013	29,593	5,231	4,806	1,180	1,078	734	675
1999	33,097	30,576	5,348	4,911	1,216	1,111	757	696
2000	33,557	30,990	5,426	4,979	1,246	1,138	776	713

**UNIVERSITY OF MINNESOTA
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Waseca		Total	
	High	Low	High	Low
1977	819	781	50,644	49,739
1978	851	779	51,164	49,357
1979	854	781	51,356	48,829
1980	855	783	52,283	48,533
1981	850	778	52,585	48,375
1982	829	760	52,105	47,948
1983	801	734	51,208	47,140
1984	764	701	49,826	45,889
1985	726	666	47,874	44,117
1986	697	640	45,940	42,359
1987	677	622	44,261	40,832
1988	676	621	43,241	39,907
1989	694	638	43,394	40,055
1990	684	629	42,936	39,645
1991	636	585	41,669	38,486
1992	601	553	40,384	37,310
1993	606	557	38,347	35,447
1994	619	569	36,526	33,781
1995	613	564	36,275	33,551
1996	622	572	37,240	34,423
1997	637	585	38,275	35,359
1998	646	594	39,804	36,746
1999	661	607	41,079	37,901
2000	673	618	41,678	38,438

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Albert Lea		Alexandria		Anoka		Austin		Bemidji	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	482	462	1,599	1,475	2,182	2,080	671	641	452	432
1978	495	468	1,627	1,514	2,304	2,167	721	680	496	469
1979	504	475	1,673	1,548	2,362	2,212	745	700	523	493
1980	512	482	1,699	1,571	2,398	2,244	760	714	548	517
1981	515	485	1,712	1,584	2,419	2,264	765	719	562	530
1982	514	485	1,705	1,579	2,408	2,256	763	719	575	543
1983	513	485	1,682	1,559	2,376	2,228	761	718	571	541
1984	504	477	1,615	1,500	2,318	2,177	747	706	572	543
1985	495	469	1,579	1,468	2,258	2,125	732	693	568	540
1986	490	466	1,548	1,442	2,240	2,111	724	687	560	534
1987	483	460	1,541	1,437	2,233	2,106	713	678	564	538
1988	492	469	1,559	1,455	2,253	2,125	726	691	570	545
1989	508	484	1,597	1,490	2,331	2,197	749	713	584	558
1990	503	480	1,599	1,493	2,273	2,146	742	707	602	575
1991	488	467	1,546	1,447	2,172	2,056	718	686	597	571
1992	478	458	1,495	1,399	2,098	1,989	704	673	588	562
1993	477	457	1,501	1,405	2,095	1,987	703	672	585	560
1994	479	459	1,524	1,425	2,102	1,993	705	674	591	565
1995	481	460	1,481	1,385	2,161	2,046	707	676	569	545
1996	487	466	1,499	1,401	2,215	2,095	718	685	569	544
1997	486	465	1,513	1,412	2,236	2,112	717	684	567	542
1998	486	454	1,536	1,432	2,257	2,130	717	683	568	542
1999	486	463	1,562	1,454	2,277	2,147	718	683	570	543
2000	484	461	1,580	1,469	2,290	2,157	716	681	570	542

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Brainerd		Canby		Dakota County		Detroit Lakes		Duluth	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	903	857	402	382	1,340	1,280	823	788	1,156	1,110
1978	992	929	408	381	1,388	1,306	905	856	1,219	1,156
1979	1,051	981	411	381	1,412	1,323	954	900	1,246	1,178
1980	1,088	1,015	417	386	1,424	1,333	986	931	1,261	1,192
1981	1,105	1,032	416	386	1,435	1,343	1,009	954	1,277	1,209
1982	1,124	1,051	403	374	1,420	1,331	1,023	969	1,281	1,214
1983	1,111	1,041	395	367	1,396	1,310	1,027	974	1,276	1,212
1984	1,097	1,030	384	357	1,358	1,277	1,012	963	1,251	1,191
1985	1,090	1,025	372	347	1,318	1,242	1,009	962	1,237	1,181
1986	1,080	1,018	365	341	1,307	1,233	1,007	962	1,227	1,174
1987	1,092	1,031	360	337	1,302	1,229	1,016	972	1,228	1,176
1988	1,108	1,047	360	337	1,314	1,241	1,036	991	1,254	1,262
1989	1,150	1,087	366	343	1,357	1,281	1,059	1,014	1,281	1,227
1990	1,163	1,100	360	338	1,305	1,235	76	1,031	1,273	1,222
1991	1,152	1,092	352	331	1,237	1,174	1,063	1,020	1,245	1,198
1992	1,117	1,060	347	326	1,187	1,128	1,041	1,000	1,216	1,170
1993	1,124	1,066	354	332	1,180	1,122	1,035	993	1,194	1,149
1994	1,144	1,084	348	327	1,176	1,118	1,039	997	1,201	1,154
1995	1,080	1,026	335	315	1,238	1,175	1,019	977	1,171	1,126
1996	1,076	1,022	339	318	1,281	1,213	1,023	980	1,168	1,122
1997	1,071	1,016	339	318	1,290	1,221	1,018	974	1,153	1,106
1998	1,074	1,017	343	321	1,297	1,226	1,017	972	1,140	1,092
1999	1,078	1,019	346	323	1,303	1,231	1,018	971	1,128	1,079
2000	1,079	1,019	348	325	1,306	1,232	1,013	965	1,111	1,061

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	East Grand Forks		Eveleth		Faribault		Granite Falls		Hibbing	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	374	364	344	325	489	468	457	430	381	362
1978	394	381	368	342	530	502	486	450	403	377
1979	411	396	374	346	550	519	496	458	410	382
1980	427	411	374	346	562	530	506	466	412	384
1981	428	413	375	347	568	536	504	464	415	387
1982	436	422	371	343	568	537	486	448	412	385
1983	437	422	362	336	568	538	475	423	405	379
1984	442	428	346	321	559	531	459	424	391	366
1985	442	429	334	311	550	524	442	409	381	358
1986	443	430	323	301	547	521	431	400	372	350
1987	446	434	318	297	541	517	424	394	369	348
1988	460	447	326	304	551	527	423	393	377	356
1989	474	462	333	311	469	543	429	399	386	364
1990	480	467	326	305	564	539	422	392	380	359
1991	483	471	312	292	548	526	411	383	366	347
1992	474	462	301	282	537	516	405	377	355	337
1993	472	460	295	277	537	516	414	385	349	331
1994	467	455	302	283	538	516	407	379	354	335
1995	448	437	293	275	540	518	391	364	347	326
1996	444	434	295	276	548	525	396	369	346	327
1997	437	426	295	276	546	523	399	371	344	325
1998	432	421	297	277	545	521	405	376	344	324
1999	428	416	299	279	544	520	411	381	344	324
2000	422	410	299	279	542	517	416	385	342	322

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Hutchinson		Jackson		Mankato		Minneapolis		Moorhead	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	611	583	649	618	1,165	1,109	1,169	1,126	979	936
1978	650	612	665	624	1,181	1,105	1,167	1,108	1,013	956
1979	673	632	674	630	1,198	1,115	1,174	1,111	1,041	979
1980	694	651	678	633	1,201	1,117	1,183	1,119	1,057	993
1981	705	662	677	633	1,208	1,123	1,195	1,130	1,065	1,001
1982	705	664	664	621	1,196	1,114	1,189	1,126	1,065	1,001
1983	705	664	651	611	1,170	1,091	1,177	1,116	1,055	994
1984	697	658	639	601	1,137	1,062	1,155	1,098	1,016	959
1985	693	657	622	586	1,114	1,043	1,132	1,078	997	943
1986	690	655	616	581	1,086	1,018	1,130	1,078	981	929
1987	692	658	614	580	1,077	1,011	1,132	1,080	979	928
1988	702	668	614	580	1,073	1,008	1,144	1,092	999	948
1989	722	688	621	587	1,080	1,015	1,177	1,123	1,019	966
1990	726	692	613	581	1,072	1,009	1,143	1,093	1,025	973
1991	722	689	597	567	1,045	985	1,097	1,052	997	947
1992	704	673	599	569	1,012	954	1,062	1,021	966	919
1993	712	680	603	572	1,027	968	1,057	1,016	963	916
1994	717	684	580	551	1,025	966	1,053	1,012	972	923
1995	693	662	570	541	995	938	1,099	1,054	956	908
1996	693	662	576	546	999	941	1,130	1,082	970	921
1997	690	658	574	544	995	937	1,133	1,084	975	924
1998	688	655	574	543	997	938	1,134	1,084	985	933
1999	688	653	574	541	1,001	940	1,135	1,083	997	943
2000	685	650	571	538	1,001	940	1,132	1,080	1,002	947

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Pine City		Pipestone		Ramsey-Washington		Red Wing		Rochester	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	282	270	523	498	1,865	1,762	464	448	1,104	1,046
1978	302	286	559	526	1,974	1,834	505	484	1,201	1,123
1979	315	297	574	538	2,015	1,863	525	502	1,242	1,156
1980	328	309	583	546	2,027	1,872	538	515	1,264	1,176
1981	335	317	583	546	2,035	1,878	545	522	1,266	1,179
1982	344	325	571	536	1,998	1,845	547	524	1,256	1,170
1983	349	331	563	529	1,944	1,797	548	526	1,244	1,160
1984	349	331	551	519	1,867	1,728	542	521	1,207	1,129
1985	350	333	536	506	1,786	1,655	536	516	1,169	1,096
1986	353	336	531	502	1,757	1,630	534	515	1,146	1,076
1987	356	340	529	501	1,741	1,616	531	513	1,117	1,051
1988	364	347	531	503	1,753	1,628	541	523	1,137	1,069
1989	381	363	540	512	1,820	1,689	559	540	1,177	1,107
1990	390	372	532	505	1,722	1,600	555	537	1,155	1,088
1991	388	371	518	492	1,595	1,485	542	526	1,103	1,041
1992	386	369	518	493	1,504	1,403		517	1,072	1,014
1993	390	373	520	495	1,492	1,393		515	1,071	1,013
1994	398	380	503	478	1,485	1,386	5	516	1,078	1,019
1995	388	371	496	472	1,597	1,488	534	518	1,086	1,026
1996	389	373	502	477	1,672	1,556	541	524	1,109	1,046
1997	394	377	503	476	1,696	1,577	539	522	1,113	1,049
1998	399	381	504	477	1,719	1,597	537	519	1,119	1,054
1999	405	386	505	477	1,742	1,617	535	517	1,127	1,060
2000	410	390	505	476	1,756	1,630	532	513	1,131	1,063

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	St. Cloud		St. Paul		Staples		Suburban Hennepin	
	High	Low	High	Low	High	Low	High	Low
1977	1,748	1,665	1,946	1,867	586	561	3,216	3,028
1978	1,872	1,759	1,912	1,805	602	568	3,454	3,200
1979	1,950	1,826	1,908	1,792	620	582	3,550	3,540
1980	2,025	1,895	1,912	1,793	635	596	3,566	3,283
1981	2,062	1,931	1,922	1,803	644	604	3,578	3,294
1982	2,104	1,972	1,901	1,784	653	613	3,511	3,234
1983	2,118	1,957	1,866	1,754	648	610	3,411	3,144
1984	2,101	1,976	1,815	1,709	641	605	3,272	3,019
1985	2,093	1,973	1,760	1,661	636	602	3,124	2,887
1986	2,092	1,975	1,747	1,650	631	599	3,071	2,840
1987	2,106	1,991	1,742	1,647	638	606	3,041	2,814
1988	2,141	2,025	1,758	1,663	651	619	3,061	2,833
1989	2,240	2,119	1,815	1,716	674	641	3,179	2,941
1990	2,286	2,163	1,742	1,651	680	648	3,001	2,780
1991	2,263	2,145	1,648	1,566	673	643	2,771	1,573
1992	2,236	2,123	1,579	1,508	657	627	2,607	2,425
1993	2,265	2,150	1,568	1,494	657	627	2,586	2,406
1994	2,316	2,196	1,561	1,487	665	634	2,572	2,393
1995	2,238	2,126	1,652	1,569	641	612	2,776	2,578
1996	2,245	2,123	1,711	1,623	642	613	2,912	2,701
1997	2,275	2,158	1,724	1,634	638	608	2,956	2,740
1998	2,312	2,192	1,733	1,641	636	606	2,997	2,776
1999	2,352	2,227	1,743	1,648	636	604	3,040	2,813
2000	2,387	2,257	1,746	1,650	633	601	3,067	2,837

**AREA VOCATIONAL-TECHNICAL INSTITUTES
FALL HEADCOUNT ENROLLMENT PROJECTIONS, 1977-2000
(BASED ON FALL 1976 ENTRANCE RATES)**

Year	Thief River Falls		Wadena		Willmar		Winona		System Total	
	High	Low	High	Low	High	Low	High	Low	High	Low
1977	427	410	519	494	1,599	1,508	796	763	31,663	30,148
1978	430	407	562	528	1,674	1,552	864	820	33,323	31,275
1979	441	415	593	555	1,711	1,577	895	846	34,211	31,972
1980	454	427	613	573	1,752	1,612	914	864	34,798	32,496
1981	451	425	622	582	1,755	1,615	919	870	35,072	32,768
1982	457	431	633	593	1,711	1,577	917	868	34,911	32,654
1983	452	427	626	588	1,679	1,549	914	867	34,475	32,294
1984	453	430	617	581	1,622	1,498	895	850	33,631	31,565
1985	449	426	612	578	1,578	1,460	875	833	32,869	30,916
1986	444	423	606	573	1,538	1,426	864	824	32,481	30,600
1987	445	424	611	579	1,514	1,405	849	811	32,341	30,509
1988	457	436	620	587	1,518	1,410	865	827	32,738	30,896
1989	471	450	640	606	1,552	1,441	895	855	33,735	31,832
1990	476	454	649	615	1,540	1,432	884	846	33,259	31,428
1991	476	455	641	609	1,510	1,405	853	818	32,129	30,430
1992	466	446	621	591	1,460	1,360	834	801	31,158	29,547
1993	465	445	623	592	1,495	1,391	832	799	31,171	29,557
1994	460	440	632	600	1,508	1,402	836	803	31,270	29,634
1995	439	420	598	569	1,430	1,330	841	807	31,288	29,640
1996	436	418	596	567	1,438	1,337	855	819	31,820	30,116
1997	431	412	592	561	1,445	1,343	855	819	31,939	30,195
1998	429	410	592	561	1,465	1,359	856	819	32,134	30,343
1999	428	407	594	562	1,489	1,379	858	820	32,361	30,510
2000	425	404	593	560	1,507	1,394	857	818	32,453	30,573

PRIVATE COLLEGIATE INSTITUTIONS
FULL-TIME EQUIVALENT ENROLLMENT PROJECTIONS
1977-2000

(BASED ON CURRENT ATTENDANCE PATTERNS IN MINNESOTA COLLEGIATE INSTITUTIONS)

Year	Hign	Low
1977	37,593	36,488
1978	38,350	36,551
1979	38,719	36,386
1980	39,208	36,309
1981	39,328	36,254
1982	38,893	35,875
1983	38,122	35,178
1984	36,906	34,083
1985	35,450	32,761
1986	34,143	31,580
1987	33,166	30,691
1988	32,768	30,340
1989	33,232	30,767
1990	32,689	30,283
1991	31,437	29,133
1992	30,259	28,061
1993	29,301	27,178
1994	28,585	26,526
1995	28,764	26,682
1996	29,475	27,326
1997	29,998	27,788
1998	30,806	28,522
1999	31,595	29,228
2000	32,041	29,631

APPENDIX C

INSTITUTIONAL AND SYSTEM RESPONSES

I. A SUMMARY OF YOUR MISSION STATEMENT

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>The mission of the University is to serve the people of the state, wherever they may be, through teaching, research and public service. Beyond this is the commitment to contribute as fully as resources permit to needs both national and international.</p> <p>See "A Mission and Policy Statement for the University of Minnesota" adopted by the Board of Regents, July 11, 1975.</p>	<p>Primary mission to provide accessible, moderate cost educational programs: full range of baccalaureate level programs in the liberal arts and sciences, teacher education, business and technology, fine arts and selected occupational areas; selected graduate programs to serve specific regions and to meet unmet needs of advanced students.</p> <p>In addition, each state university provides certain regional services — educational, cultural and community services to the particular region.</p>	<p>Comprehensive institutions with community-oriented approach; offerings include short courses, institutes, conferences, clinics, forums, concerts, exhibits, studies, basic college work, and continuing education, all related to community needs.</p> <p>Provide comprehensive commuting opportunities and to offer two years of work applicable to the baccalaureate degree, technical programs leading to the associate degree, vocational certificate, continuing education for adults and community service programs. Provide within commuting area of each college, approximately equal distribution between terminal occupational programs (including both those leading to a certificate) and programs which provide the first two years of study which may be applied to meeting requirements for a baccalaureate degree in a four-year institution.</p>	<p>Provide post-secondary instructional programs for occupations not requiring baccalaureate degree. Programs are geared to meet the needs of current and future manpower requirements of business and industry within Minnesota and the nation. Each of the 33 AVTIs has its own mission statement.</p>	<p>Virtually every private institution has a statement of its mission, identity, role and scope. These statements may be obtained from the institutions or from the HECB.</p>	<p>Private post-secondary institutions in Minnesota, which are members of the Minnesota Association of Private Vocational Schools, are operated as proprietary enterprises, with the exception of one non-profit school. In every case, the schools are established and have institutional missions which reflect an interest and/or expertise of the founders or founding organizations.</p>

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II. INSTITUTIONAL ENROLLMENT PROJECTIONS PREPARED BY YOUR STAFF. PLEASE OUTLINE PERTINENT ASSUMPTIONS OR PLANNING FACTORS TAKEN INTO CONSIDERATION WHICH WOULD BE HELPFUL IN UNDERSTANDING YOUR PROJECTIONS.

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>University is developing new projection methods. Current estimates are tentative set of point forecasts for registration headcount for second week of fall quarter. They are based on current (summer 1977) demographic information and enrollment and transition rates. They contain little or no provision for growth in numbers of "non-traditional" students. They also assume:</p> <ul style="list-style-type: none"> — no new institutions opened, none closed. — same numbers enrolling from urban and rural areas. — constant ability profiles. — constant ratios of tuition among institutions. — financial aids available in same pattern as before. <p>HECB and University projections may vary for variety of reasons — some of which have to do with differing assumptions and methods of projecting. University estimates take into account collegiate enrollment patterns, some of which are state controlled</p>	<p>System projections are used for budget allocations and HECB projections for long term considerations. System finds that institutional projections that try to forecast developments beyond a 2-3 year period are of little value for long-range policy development purposes. They have proven to be notoriously unreliable. Aggregate statewide projections have been reasonably accurate and clearly indicate the need to examine the consequences of the general decline for the 1980s. Comments on system ability to cope with fluctuating enrollments are predicated on new HECB projections. The projections have been adjusted to "budgetary full-time equivalent students" by the following measures:</p> <ul style="list-style-type: none"> — on-campus FTE for each campus have been computed as the mean of the HECB high and low figures. — off-campus undergraduate FTEs have been added as a constant number. 	<p>Use HECB projections for system as whole. For biennial budget purposes, also use projections of HECB for individual colleges. For allocations to colleges, achieved figures of previous year are used. In spring preceding academic year, system makes allocations to colleges which use 95% of dollars and 95% of positions appropriated for that year. These allocations become the "floor" for each institution, so an institution could handle a 5% drop in enrollment. After 10th day of fall quarter, supplementary allocations using full-year equivalent projections are made. These allocations are monitored during winter and spring quarters and a final adjustment is made after the 10th day of spring quarter. Total allocations for the system don't use the entire legislative authorization unless the total enrollment for the system is equal to that used as a base in the appropriation. If total enrollment for the system exceeds the legislative base, then colleges which</p>	<p>Includes headcount and average daily membership through Fiscal Year 1979 prepared by State Department of Education staff. Projections beyond FY 1979 are not prepared in view of fact that HECB has made long-range projections that we feel are a vast improvement over previous projections. With minor exceptions, we are willing to use these. HECB projections over next decade show a student increase well beyond our ability to house students, and over the next two decades a continued enrollment well beyond the single shift capacity of our institutions.</p>	<p>Considerable variety in projections submitted. Some institutions see significant decreases in the 1980s. Others, due to "smallness by design" or special purpose of mission, project steady enrollments. And some institutions project increases. Reports show considerable variation in nature of projections. Some schools project up to 5, 10 or 15 years. Others appear to do little in way of projecting. Several institutions presented extensive list of assumptions including national, state and local and institutional assumptions. These include such factors as inflation, tuition gap, federal and state aid, private gifts anticipated, number of students by age, role of continuing education, faculty salaries, state governance and coordination, articulation, role of women, tax reform, family factors, state population, tuition and fees, economy, state growth, relationship to community, nature of competition with public and private institutions and other assumptions. One institution, for exam-</p>	<p>Enrollment projections are dictated by market demand. This demand is measured not only in terms of student interest, but more by the demand of employers for personnel.</p>

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II. INSTITUTIONAL ENROLLMENT PROJECTIONS PREPARED BY YOUR STAFF (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>and some of which fluctuate for unpredictable reasons. HECB estimates are applied to the total Twin Cities campus while University estimates attempt to aggregate a variety of individual collegiate constraints.</p> <p>In sheer numbers, either estimates can be used provided the assumptions are borne in mind. For university budgeting purposes, the variations among the collegiate enrollments are far more important than the aggregated estimate.</p> <p>The University is re-estimating enrollment with new method which allows consideration of variables such as economic factors and tuition policies. It will encourage range rather than point forecasts.</p> <p>The University believes that it will illustrate that the error probabilities are such that enrollment predictions for periods as long as 10-20 years in the future are too uncertain to have reasonable policy uses. First forecasts with this method should be ready by end of fall quarter.</p>	<p>(not percent of on-campus) based on actual 1976-77 experience.</p> <p>— off-campus graduate FTEs have been added as a constant number based on anticipated 1977-78 levels.</p> <p>System emphasizes that long-range institutional projections are subject to substantial errors. Key variables such as economic conditions are held constant but experience shows variables often undergo major changes.</p> <p>By November 15, 1977 state universities will have prepared long-range institutional projections which reflect fall quarter 1977 enrollment data and its probable impact on short-term enrollments and indicate the various assumptions used, how they differ from those used in the HECB projections and consequence of each differing assumption on the end results.</p>	<p>exceed the previous year's enrollment are allowed to hire additional staff with additional receipts from students. When it becomes obvious to college officials that they are going to exceed the 95% or 100% figures, they plan accordingly. They assume that they will get their fair share of the 5% held back and that receipts from additional students will take care of staff needs above that.</p>		<p>ple, does 10 year projections with a model which takes into account birthrate, participation rate and patterns in key market areas, impact of changing clientele, job market, financial aid policies, and participation of children of alumni. Emphasis is on birthrate and participation patterns.</p> <p>Another Institution makes three projections. One based on constant assumptions. A second based on a 5% decrease in attendance and assuming such adverse factors as general population decrease, increased tuition cost and competition from other colleges. A third projection used is based on a 5% increase in attendance based on testing of various markets in admissions effort.</p>	

C-3

III. DESCRIPTION OF ANY PLANNING MECHANISMS, EITHER UNDERWAY OR PROPOSED, WHICH HAVE AS THEIR GOAL THE DEVELOPMENT OF POLICIES, PROCEDURES OR PLANS TO DEAL WITH FLUCTUATING ENROLLMENTS AT THE INSTITUTIONAL AND INTERINSTITUTIONAL LEVEL.

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>University's Planning Council (composed of administrators, faculty representing key committees of the University Senate, and students) is involved in development of several policy statements aimed at dealing with problem of fluctuating enrollments:</p> <p>A. Management of enrollment decline policy deals with following possible changes:</p> <ul style="list-style-type: none"> - use of limited non-tenure appointments. - intensification of use of existing space. - increased use of rental space. - implications of rank and tenure patterns. - marginal cost analyses justify less than proportional resources release as enrollment declines. - faculty retraining and reassignment. - increased non-traditional enrollments. - increased internal reallocation of resources. 	<p>Chancellor and staff in cooperation with chief administrative officers of institutions are developing policies and procedures to accomplish following goals for FY 79. Most may relate to enrollment shifts from program to program some of which relate to significant increases or decreases in enrollments.</p> <ul style="list-style-type: none"> - integrate programmatic goals and objectives with budget process. - develop comprehensive plan for increasing value and use of libraries despite rising costs, declining enrollments. - improve teaching skills and assignment flexibility of tenured faculty. - reallocate or reassign resources appropriately to meet particular needs of various system clientele. 	<p>Procedure under II is main tool.</p> <p>Allocation documents include number of approvals and limitations. Occupational programs, academic disciplines and activity programs approved for colleges are listed.</p> <p>Limits are imposed on full-time equivalence of staff that can be hired and as to number of full-time unlimited staff than can be hired. Number of full-time unlimited staff allowed is considerably lower than legislative base. Fact that rest of staff are on temporary appointments provides flexibility in dealing with staff needs.</p> <p>Contract with Faculty Association provides that full-time unlimited staff can be placed on lay-off status with a year's notice. Procedures are in effect regarding supplemental allocation to college transfers, leaves and other opportunities for faculty given notice.</p> <p>System developing procedure for long-range planning by institutions to provide for five-year plans with annual updating.</p>	<p>Intend to continually monitor system in light of changing population patterns with major concern being that fluctuating enrollment phenomenon may only mean that fewer students are unable to attend the vocational program of their choice.</p>	<p>Private colleges have variety of planning mechanisms underway. Following are samples:</p> <ul style="list-style-type: none"> - Establish office of planning, appoint director and staff, expand institutional research program and management information system. Publish annual planning document. - Use college long-range planning committee; begin contingency budget planning process to identify strategies and areas of expenditure reduction that may be required by fluctuating enrollments. - Conduct comprehensive enrollment planning study; refine current projections and analyze marketing strategies. - Prepare comprehensive statement of policies regarding financial exigency and guidelines to be followed in achieving financial recovery. Include definition of financial and enroll- 	<p>Market demand is measured or anticipated several ways. The successful placement of recent graduates is the most notable; projections of job market demands by surveys of industry and/or U.S. Department of Labor/ Minnesota Department of Employment Services are another. The recruitment of students to private vocational schools is accomplished through paid advertisements and through visits to schools and participation in high school career days.</p>

C-4

III. DESCRIPTION OF ANY PLANNING MECHANISMS, EITHER UNDERWAY OR PROPOSED (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>— early retirement.</p> <p>— implications of mandatory retirement age to age 70.</p> <p>B. Effect of the stabilizing of student numbers within Health Sciences program.</p> <p>C. Development of more effective occupational counseling and placement activities in academic units, as well as projections of manpower needs; encouragement of "cooperative" (internship) educational program with external agencies.</p>	<p>— better use of educational technologies to serve more students with fewer resources.</p> <p>— cooperate where feasible with other institutions or programs to enhance academic programs available to students.</p> <p>— monitor effects of rank, tenure and promotion decisions as well as retirement policies and laws.</p> <p>— develop comprehensive legislative tuition plan for state university students.</p>	<p>System working on uniform format so they can be reviewed easily by staff and Board members.</p>		<p>ment exigency, administrative guidelines, dismissal procedures for faculty, dismissal procedures for administrators.</p> <p>— Develop institutional guidelines to foster thoughtful and short and long-range allocation of resources. State objectives and assumptions of guidelines.</p> <p>— Long-range planning committee to re-examine college's reason for existing and long-range objectives, possibly develop master plan.</p> <p>— Long-range planning involving regents, faculty, staff, students, administrators; set priorities, goals, policies, and procedures to deal with issue.</p> <p>— Third year of structured planning process to include long-term contingency plan. Objective is to develop planned response to fluctuating enrollments.</p>	

C-5

III. DESCRIPTION OF ANY PLANNING MECHANISMS, EITHER UNDERWAY OR PROPOSED (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
				<ul style="list-style-type: none"> - Use cyclical long-range planning process and planning committee to complete initial five-year plan and update each year. - Use corporate strategy concept developed for private sector organization in designing and testing strategic plan for both college and appropriate planning units. - Conduct space use study. 	

C-6

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IV. A REVIEW OF PLANS OR ADJUSTMENTS IN (A) PROGRAMS, (B) STAFFING, (C) FUNDING REQUIREMENTS, AND (D) FACILITIES, DUE TO FLUCTUATING ENROLLMENTS.

C-7

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>Various administrative units are developing policies or mechanisms for dealing with these matters. Included are:</p> <p>A. Development and publication of space management procedures including mechanisms for determining priorities for capital improvement requests, maintenance, remodeling and design projects.</p> <p>B. Development of realistic long-range plan for development of physical facilities closely coupled to program developments, including realistic assessment of space needs, plans for more effective use. Possibility of renovating or remodeling existing facilities. Such re-examination of priorities is reflected in current capital budget request.</p> <p>C. Planning for possible extension of video transmission facilities between various units of University.</p>	<p>Several efforts underway to address issues.</p> <p>A. Programs — comprehensive review of many existing programs (program review is ongoing process).</p> <p>B. Staffing — 3 policies have evolved.</p> <ul style="list-style-type: none"> — positions required to meet temporary enrollment needs are filled with faculty on fixed-term/non-probationary contracts with no expectation of employment beyond end of academic year. — to extent possible, filling of positions is delayed until fall quarter enrollment data is available. — to extent possible, instructional needs are staffed with part-time employees, teaching assistants and contract employees. <p>C. Funding Requirements — 1977-79 budget request structured on incremental cost model and proposed new programs through reallocations of</p>	<p>Review of programs, disciplines, activities, staffing is made annually. If program, discipline or activity is to be dropped, that fact is noted in Board approval one year before termination date. That's time for students to complete program and for notice to affected faculty.</p> <p>Funding requirements are keyed to enrollments in some areas cut budget, and are lowered or raised depending on enrollments. Other areas are not related to enrollments.</p> <ul style="list-style-type: none"> — Most facilities highly used. Some enrollment at several out-state campuses have not reached projections made when facilities were planned. Lease of space arranged to other agencies in some cases. Several of larger campuses are extremely crowded and need more space. — Studying possibility of combining colleges into single administrative units to save on staff and equipment. Most of 	<p>Legislature did not fund AVTIs at a level enabling them to provide new programs. Anticipated growth will be confined to larger classes and efficiencies in delivery of services such as individualized instruction and open entry-open exit enrollment.</p> <p>As net result, we cannot address remainder of requests because they don't impact the system or the institutions significantly at this time.</p>	<p>Private colleges list a variety of planned adjustments which relate to mission of institution and whether enrollments are projected to rise, decline or remain stable. Following are some examples:</p> <p>A. Programs — expand curricular offerings to meet anticipated increases in enrollment.</p> <ul style="list-style-type: none"> -- Develop liberal studies program and strengthen academic majors. -- Increase coordination of programs with those of neighboring colleges. -- Increase role of life-long learning in programs. -- Clarify and strengthen relationship of theological studies to university program. -- Design liberal arts program to attract more prospective students. -- Develop program of life enrichment opportunities for mature adults. 	<p>Private vocational schools adapt to enrollment changes as would a general business to market fluctuations. Since tuition charges to students represent the total cost of education provided, including profit to owners, the increase or decrease in enrollments is automatically proportionate to total operational cost.</p> <p>Teacher personnel are employed without tenure rather with the same employee benefits and liabilities normally found in private enterprises; faculty is enlarged or laid off directly in ratio to student enrollments. Most private vocational schools operate well within the maximum potential capacity of their physical plants; a survey in 1976 indicated members of the Association of Private Vocational Schools have a potential for a 20-25 percent program expansion within existing facilities.</p>

IV. A REVIEW OF PLANS OR ADJUSTMENTS (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>D. Interim report on University outreach; liaison with HECB on inter-institutional issues.</p> <p>E. Planning and implementation of orderly and reasonable development of statewide delivery system for University of Mid America materials.</p>	<p>previously appropriated resources.</p> <p>Future budgets will similarly address enrollment/program needs.</p> <p>D. Facilities — No new facilities expected to be required. Any proposals for physical plant additions will be justified on basis of specialized program needs which cannot be addressed through remodeling of existing facilities.</p>	<p>small colleges are great distances apart and do not lend themselves to this.</p>		<ul style="list-style-type: none"> — Continue service to metropolitan area through short courses. <p>B. Staffing — Make appropriate plans in terms of faculty appointments and tenure decisions to meet decline.</p> <ul style="list-style-type: none"> — Restructure tenure and appointment policies. — Implement hiring guidelines. — Increase support for faculty development. — Establish endowment fund for research. — Maintain current average of five tenured faculty on annual or sabbatical leave. — Use present staff more effectively. — Combine some administrative offices with teaching assignments in some fields without causing harm to either one. — Use teachers from neighboring schools for some courses. — Meet minor staff needs by part-time contracting of ser- 	

C-8

IV. A REVIEW OF PLANS OR ADJUSTMENTS (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
				<p>vices with non-tenured personnel.</p> <ul style="list-style-type: none"> - Achieve faculty-student ratio of 14/1 by 1980-81; make adjustments by natural attrition and retirement. - Avoid increasing number of faculty on tenure. - Use "transition funds" to faculty who desire time or special training to enter a new field. <p>C. Funding Requirements</p> <ul style="list-style-type: none"> - Reduce unrestricted operating expenditures to address enrollment decline. - Complete fund drive. - Establish debt service reserve by 1984 that will fully fund outstanding debt. - Establish endowment. - Increase effort to obtain grants, gifts. - Raise tuition. - Increase room and board charges. - Increase income from other sources. - Attempt to continue trend of increasing 	

C-9

IV. A REVIEW OF PLANS OR ADJUSTMENTS (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
				<p>funds from alumni and friends.</p> <ul style="list-style-type: none"> - Possible launching of major fund-raising campaign. - Retrench to counteract decline. <p>D. Facilities—</p> <ul style="list-style-type: none"> - Expand college facilities to meet anticipated enrollment increases. - Renovate plant and improve grounds. - Improve physical plant energy efficiency and reduce energy demands. - Maintain current physical plant services but limit cost. - Design future facilities for multi-use, without inside walls, to provide flexibility in planning. - Make scheduling changes so that full-day, evenings or Saturdays may be used more fully; remodeling for reassignment of space for energy savings. 	

C-10

V. A SUMMARY OF BUDGETARY, PROGRAMMATIC OR STAFFING CHANGES TO BE IMPLEMENTED IN FISCAL YEARS 1978 AND 1979 WHICH ARE INTENDED TO DEAL WITH FLUCTUATING ENROLLMENTS.

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>1977 Legislature reacted to enrollment pressures:</p> <ul style="list-style-type: none"> — 147 academic positions were cut from base complement for FY 1977. This reflected legislature's view that student-faculty ratio was richer than intended by 1975 appropriations act. — Net result is intended academic dollar base for teaching units in FY 79 which is \$1.6 million and 115 positions fewer than 77 base. — University allowed to retain and use all tuition associated with enrollments in excess of 76-77 actual experience. <p>Staff hiring decisions in response to enrollment pressures are now postponed until fall term enrollment and corresponding tuition estimates are known. Before, hiring was done previous spring to respond to anticipated pressures and based on enrollments and tuition estimates for the following year.</p>	<p>Budget approved by 1977 Legislature provided full staffing and other support for the enrollment increases realized during 1975-77 biennium. Board authorized to meet needs from enrollment increases through use of additional tuition revenues.</p> <p>Budget adjustments resulting from enrollment fluctuations were to be made after fall quarter enrollment data were available in late October. New faculty positions were to be temporary (fixed-term/non-probationary) or part-time so that no continuing obligations will be created beyond June 30, 1978. A similar process will be followed for the 1979 Fiscal Year</p> <p>System has long-standing internal policy of adjusting staffing and other enrollment related budget categories on the basis of actual enrollment realized.</p> <p>1977 Legislature authorized following enrollment-related measures:</p> <ul style="list-style-type: none"> — Southwest State granted firm minimum staffing plan and budget to 	<p>Procedure described in previous questions is major tool in dealing with fluctuating enrollments.</p> <p>Allocations to colleges fluctuate with enrollments. A 3% increase in full-time equivalent enrollment is being experienced in FY 78, so there have been few changes.</p> <ul style="list-style-type: none"> — 15 occupational programs have been added and three have been deleted. — two sports activities have been added and four have been deleted at colleges. <p>In many cases the number of sections has been reduced but the discipline has not been eliminated.</p>		<p>Private colleges indicate no serious or major changes for fiscal years 1978 and 1979.</p> <p>Generally, colleges note that enrollment fluctuations will have little effect before 1980. Colleges say that next two years will be a time when additional adjustment strategies will be identified and refined.</p>	

C-11

V. A SUMMARY OF BUDGETARY, PROGRAMMATIC OR STAFFING CHANGES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
	<p>accommodate an enrollment range of 900-1500 FTE students.</p> <p>— Metropolitan State University granted "firm" budget for a stable enrollment of 865 FTE students, with the understanding that contingent fund monies may be requested for up to 200 additional students per year.</p> <p>Graduate off-campus instruction was converted to a self-sustaining (tuition) financed program by increasing tuition from \$12 to \$23 per credit hour.</p>				

C-12

VI. AN EVALUATION OR IDENTIFICATION OF ANY CURRENT STATE POLICIES WHICH WILL REQUIRE REVIEW OR MODIFICATION AS A RESULT OF FLUCTUATING ENROLLMENTS OR SUBSTANTIAL DECLINES

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>A. Appropriations Based on Student-Faculty Ratio — Believes the single, system-wide ratio is less responsive to multiple changes than other alternatives. Is developing more detailed proposal to relate instructional volumes to costs of instruction.</p> <p>B. Assumptions About Program Equivalence — If assumptions of equivalence result in formal policies or appropriations guidelines without due consideration of missions and other factors, serious mistakes could be made in effort to manage changing enrollments. Is need to improve ways in which appropriations decisions take into account research mission.</p> <p>C. Tuition and Financial Aid Policies — These policies can provide some of most powerful tools for expanding, limiting or redistributing enrollment. Full exploration of issues needed.</p>	<p>A. State Funding Basis — Continued ambivalence about program budgeting/formula ratio budgeting has net effect of obfuscating rather than clarifying issues. One of two approaches possible: establish credibility of program activity basis of budgeting; refine formula and ratios traditionally used to reflect core program service requirements and incremental needs beyond those core levels.</p> <p>B. Staffing Flexibility and Collective Bargaining — To insure flexibility, management must retain certain substantive and procedural rights in personnel administration. They have been preserved but nature of bargaining process suggests some erosion of flexibility is highly probable in long term.</p>	<p>A. Geographical Access — State must review its commitment.</p> <p>B. Support for Small Institutions — is related to geographical access but also involves policy in regard to breadth of program, size of staff, and unit costs.</p> <p>C. Uses of Academic Credit as a Measuring Device — must be some uniformity between systems and institutions in terms of what a credit means.</p> <p>D. Tuition Policy — What should be an appropriate share for the student? What affect does tuition policy have on where students enroll?</p> <p>E. Financial Aid Policies — Should availability of financial aid be a tool in manipulating enrollment?</p> <p>F. Commitment to Non-Credit Activities — Should state share in costs?</p> <p>G. Conditions of Staff — should be uniformity between systems. Should a full-time faculty member who</p>		<p>A. Private College Contract Program — will have added importance in 1980s as source of insuring access and institutional stability. State funding per resident will continue to be necessary even though total number will decline.</p> <p>B. Student Aid Programs — State policies which provide aid to students to attend an institution of their choice should be continued in periods of declining enrollments even though publicly-supported institutions will have increasing capacity to educate students, who, through aid programs, choose to attend private institutions.</p> <ul style="list-style-type: none"> — Student need will rise. — Educational choice will be enhanced by increasing the maximum awards under the state scholarship and grant programs. <p>C. Higher Education Facilities Authority — Energy conservation and efficient use of ex-</p>	<p>Private vocational schools have been aware of problems facing public area vocational-technical institutes regarding fluctuating enrollments, particularly in specific course areas where student over-applications often necessitate waits as much as one year, or more. The private vocational schools have extended an offer to school boards and/or administrative heads of AVTIs to serve overenrollment at these public institutions. (It should be noted that both federal and state law provides authority for contracting by public institutions where appropriate quality educational offerings are available). Nothing has developed from the offers. Responses to offers have been negative. While the private post-secondary vocational schools, by their very nature, are designed to and do react to fluctuating enrollments, it is a general claim of the public institutions that they are unable to respond as quickly, particularly when the demand for enrollments exceed teaching stations. A close</p>

C-13

VI. AN EVALUATION OR IDENTIFICATION OF ANY CURRENT STATE POLICIES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>D. Role of Work Force Supply and Demand — Is bound to be pressure to pay more attention to supply and demand in making decisions on public subsidy. All systems will have to be more sensitive to these pressures and provide better information on programs that should or should not be adjusted according to employment markets.</p> <p>E. Reciprocity Agreements — No modification is called for now, but any reaffirmation of policies should consider their implications on Minnesota enrollments and recognize that other educational reasons warrant continuation of the agreements.</p> <p>F. Geographic Access — Whether community services are sufficient to justify keeping institutions open will have to be determined with aid of thoughtful</p>	<p>C. State Tuition Policy — Student's Share of Costs — Is no generally accepted tuition policy based on full range of factors which ought to be reflected in such a policy. Continuation of HECB 1969 policy will accelerate difficulties of systems with most significant initial enrollment decreases.</p> <p>D. Non-Instructional Role of Post-Secondary Education — Issue in absence of clear state policy as to what importance and resources should be attached to non-instructional role of institutions. As enrollments decline failure to recognize community service role of positions funded primarily to instruct students leads to an inevitable decrease in such services.</p> <p>E. State Financial Aid Policies — Needs to be recognized that modification of present aid policies could be a tool in addressing problem of fluctuating enrollments.</p>	<p>teaches school be 1.0 or 1.3?</p> <p>H. Reciprocity — In a period of declining enrollment should we drive up unit costs in Minnesota institutions because we are losing large numbers of students to other states through reciprocity?</p> <p>I. Executive Branch Intervention — Is it fair to impose arbitrary cuts upon segments of college operation? We believe that systems and institutions should be allowed to manage their budgets within the appropriations made to them.</p> <p>J. Flexibility of Staff — Labor contracts may need modification so that there is not undue pressure to hire full-time staff.</p> <p>K. Coordination — Is the activity worth the effort, or would we now be better served if we put the emphasis upon prudent operation of the separate systems? Can we afford the large number of people in state government who are not in-</p>		<p>isting buildings will dictate continuation of bonding.</p> <p>D. Program Review — Current policy of academic program review must be monitored to ensure institutions are allowed to develop new programs.</p>	<p>study of the relative capabilities of public and private vocational institutions should be undertaken to provide a common service capability to fluctuating enrollments. A second consideration should be given to the question of "appropriate curricula" offered by all vocational institutions, public and private. Since both public and private vocational schools service the same economic market place, which absorb graduate personnel, demand should be analyzed against the combined capacities of the two systems with a goal towards considering the appropriate recognition of the ability of private education to deliver services.</p>

C-14

VI. AN EVALUATION OR IDENTIFICATION OF ANY CURRENT STATE POLICIES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>analyses encompassing wide variety of considerations.</p> <p>G. Staff Mobility — Given different sets of personnel policies in public systems, need to match supply and demand and the "people factor," ease of transfer among systems will not be accomplished through legislation.</p> <p>H. Tenure, Seniority and Retirement — Tenure and seniority will limit each system's ability to make quick program adjustments and will affect each system's ability to bring in new faculty members. Will need careful analyses of retirement schedules for systems, updated to take into account any federal legislation on mandatory retirement.</p> <p>I. Policies and Procedures on Non-Traditional Students and Programs — There is not clear understanding of state policy on non-regular instruction. Teaching personnel and</p>	<p>F. Geographic Access/Program Scope/Unit Costs — Consequences of 1960s policy will require review. Given political realities associated with attempts to close or consolidate institutions, it would appear that a realistic approach might be to address issue in terms of scope of programs (and, consequently, unit costs) appropriate for institutions of various sizes.</p> <p>G. Other Issues — (1) development of cost-effective early retirement plan for senior faculty in declining disciplines; (2) development of statewide policy on availability, funding and cost to students of extension and continuing education programs; (3) review of projected impact of reciprocity agreements on efficient use of existing resources during enrollment decline anticipated.</p>	<p>involved in the actual provision of service?</p>			

C-15

VI. AN EVALUATION OR IDENTIFICATION OF ANY CURRENT STATE POLICIES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>facilities may become more available for these programs when enrollments decline, but extent to which the programs should be integrated with regular instruction and conditions under which support might be provided remain to be settled.</p> <p>J. Governance Structure — Legislative assumption in reorganization proposals was that system and HECB as now constituted could not be expected to deal effectively with these problems. It seems fair to suggest that this effort to study the enrollment fluctuations issues will be viewed as a test of that assumption.</p> <p>K. Relationship of Size to Effective and Economical Performance — Most common sense analyses come up with conflicting conclusions about size and quality.</p>					

C-16

VI. AN EVALUATION OR IDENTIFICATION OF ANY CURRENT STATE POLICIES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>Fiscal realities will force judgments about eliminating or relocating programs when costs of instruction get too far out of line with costs of similar or comparable programs elsewhere. No data processing system will produce automatic answer. But improved comparative data can inform the political and educational judgments that will have to be made.</p> <p>L. University as Service Resource to Community and State — Service activities are not functions of enrollment. While it may be unavoidable, reductions in staffing that are based on enrollments alone will produce reductions in service activities, unless special consideration is given in appropriations process.</p>					

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VII. A SUMMARY OF YOUR VIEWS REGARDING THE MAJOR CHALLENGES CONFRONTING YOUR INSTITUTION ON POST-SECONDARY EDUCATION AS A RESULT OF FLUCTUATING ENROLLMENTS.

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
<p>Development of defensive rationale and methods for legislative funding other than appropriations based on a student/faculty ratio.</p> <p>University is working on development of funding mechanism proposal to relate numbers of students to costs of instruction rather than numbers of students to faculty positions.</p> <p>Mechanism would have at least 3 dimensions — teaching unit, level of instruction and object of expenditure.</p>	<p>Insure that we enter period of fluctuating enrollments with policies and processes designed to do more than merely cope with immediate consequences of fluctuations; such policies and processes must provide the internal flexibility to address the programmatic developments required at the same time as we accommodate the fiscal consequences of fluctuating enrollments.</p> <p>System has initiated internal process which seeks to insure that fiscal/staffing policies for future years evolve through careful definition of the objectives of the programs and activities of the state universities and explicit identification of the staffing and resources required to realize each objective.</p>	<ol style="list-style-type: none"> 1. Convince state policy makers that the decisions made in the middle 60's which placed institutions in sparsely settled areas of the state were good decisions, and that quality programs of limited breadth can be provided in those locations at reasonable unit costs. 2. To convince state policy makers that our large and growing institutions have faculty, equipment and staff needs that have not yet been met. 		<ol style="list-style-type: none"> 1. Human Problem <ol style="list-style-type: none"> a. Staff anxieties about security in context of personnel policies with regard to promotion, tenure, etc. b. Keep faculty morale high while facing need to hold numbers at present levels or reduce them. c. Avoid retrenchment attitude; think and plan creatively. 2. Effective Planning <ol style="list-style-type: none"> a. Plan thoroughly. Identify contingencies that make management of decline possible and tolerable. b. Maintain planning as on-going part of program rather than crisis tactic. c. Have consciousness of institution's identity which has grown out of mission and goals. Needed for sense of direction and accountability. d. Clearly articulate and focus goals in order to maintain sound programs and fiscal responsibility. 3. Financial <ol style="list-style-type: none"> a. Inflation and in- 	

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VII. A SUMMARY OF YOUR VIEWS REGARDING THE MAJOR CHALLENGES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
				<p>creased costs of education.</p> <ul style="list-style-type: none"> b. Increasing dependency of students on aid to meet rising costs. c. Escalation of energy costs and their disproportionately increasing claim on budget. d. Develop endowment fund, cultivate regular giving. e. Manage finances well. f. Develop efficient means for reallocating institution's resources internally so it can adapt as readily as possible. g. State and federal tax policies. h. Public-private tuition differential. i. Use current space without succumbing to urge to build. <p>4. Programs-Quality</p> <ul style="list-style-type: none"> a. Explore ways to adapt or change program to serve student clientele whatever numbers may be. b. Don't undermine quality of institution's mission. 	

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VII. A SUMMARY OF YOUR VIEWS REGARDING THE MAJOR CHALLENGES (CONTINUED)

UNIVERSITY OF MINNESOTA	STATE UNIVERSITY SYSTEM	COMMUNITY COLLEGE SYSTEM	AVTIs	PRIVATE COLLEGES	PRIVATE VOCATIONAL SCHOOLS
				<ul style="list-style-type: none"> c. Move to teacher/student ratio of 14/1 by early 1980s. d. Emphasize continuing education program both during school years and summer months to make maximum use of facilities. 5. Admissions-Recruiting <ul style="list-style-type: none"> a. Recruit well in carefully chosen target population. b. Keep admissions program vigorous and aggressive. c. Continually study geographic distribution to see if changes are called for. d. Maintain church relationship in face of need to broaden college constituencies. 	

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APPENDIX D
PROCEEDINGS OF ANNUAL
GOVERNING BOARDS MEETING

The annual meeting of post secondary education governing board members was held December 7, 1977 at the St. Paul Arts and Science Center. The theme for the meeting was fluctuating enrollments. Participants included members of the Higher Education Coordinating Board, members of governing boards, state decisionmakers and other people involved in public affairs.

The keynote address was delivered by Dr. John D. Mallett, senior vice president, Academy for Educational Development, and Chancellor Emeritus of the Ohio Board of Regents. He spoke on "State-Level Issues and Planning Problems Resulting from Enrollment Fluctuations."

Participating in a two-part panel

discussion were representatives of post-secondary governing boards and state decisionmakers. The governing board representatives responded to the question of "Which of the Policy Issues Affected by Fluctuating Enrollments Most Critically Affects Your System or Institution?" The panel members included Douglas Bruce, Community College System, Kennon Rothchild, president, State University Board; Clifford Larson, Private Vocational Schools; Mary Schertler, University of Minnesota Board of Regents, Henry G. Tweten, president, State Board for Vocational Education and James Krause, Private Colleges.

State decisionmakers commented on "Major Emerging Problems Caused by Fluctuating Enrollments Which Require Study and Action."

Panel members included Gerald Christenson, state commissioner of finance, Senator Nicholas Coleman, Senate Majority Leader; Senator Robert Dunn, Assistant Senate Minority Leader; Senator Roger Moe, Senate Finance Committee Chairman; Senator Jerome Hughes, Senate Education Committee Chairman; Representative Ray Faricy, House Appropriations Committee Education Division Chairman; Representative Peter X. Fugina, House Higher Education Committee Chairman and Representative Rodney Searle, Assistant House Minority Leader. Governor Perpich's executive assistant, Terry Montgomery, spoke on behalf of the governor who was unable to attend due to an emergency.

**STATE LEVEL POLICY ISSUES AND PLANNING PROBLEMS
RESULTING FROM FLUCTUATING ENROLLMENTS**

KEYNOTE ADDRESS

by

**John D. Millett, Senior Vice President
Academy for Educational Development,
Chancellor Emeritus, Ohio Board of Regents**

Mr. Erickson, Dr. Ingle, Distinguished Conference Participants:

In opening this very important annual meeting in the history of the Minnesota Higher Education Coordinating Board, the problem confronting me is one of selecting the particular policy issues and the particular planning problems to be addressed in an opening statement. I have had an opportunity to study the preliminary draft of the document prepared by the Coordinating Board for consideration at this time. It seems to me that this document had admirably identified the policy issues and planning problems confronting higher education in Minnesota, and indeed the issues and problems confronting all state governments, as we prepare to meet the changing enrollment circumstances of the 1980s.

Let me remind you that the locus of the planning

authority and responsibility for higher education in the United States rests with our state governments, and with the governing boards of institutions and institutional systems. We cannot and we should not look to the federal government to undertake our planning chores on our behalf. Two propositions seem clearly evident to me at this time. First, for various reasons, higher education is currently a low priority item on the agenda of national concerns occupying the attention of the Presidency, the bureaucracy, and the federal Congress in Washington. Secondly, the thrust of federal initiative and programming in higher education has already been determined and is unlikely to undergo change in the next few years. That thrust emphasizes support of research projects to be undertaken by our leading research universities, and the support of student access to higher education institutions by means of student financial aid. There will be some

additional modest programs in the arts, the humanities, and institutional development. And there will be considerable attention to federal regulation rather than financial support of our public and private institutions to achieve social objectives concerned with access by women, minorities, and the handicapped, and to achieve social objectives concerned with occupational safety, retirement practices, and environmental protection.

If we are going to plan to meet the changing circumstances of higher education in the United States today, that planning will have to be done by institutions and by state governments. I think this expectation is entirely proper. From the time of the founding of our Republic, higher education has been allocated in our federal system to state government authority. It is our states that have chartered private institutions and established public institutions to meet the higher education needs of our society and of our nation. Moreover, these needs have been notably well served, a circumstance we are apt to overlook as we face the difficulties of the present and of the future. I have not lost confidence in the competence or the ability of institutions and of states to continue to be masters of their destiny in the field of higher education.

Before I embark upon a discussion of the three major policy issues I have chosen for emphasis here, there are two preliminary observations I wish to make. The problems you confront in Minnesota are the same problems every institution of higher education and every state government confront today. Oftentimes we in higher education are apt to believe that our particular circumstances are unique, that our troubles are especially burdensome. The fact is of course that while individual situations do vary, the scope of our general problems are nation-wide; indeed from my participation in a current international study I can say that our general problems are world-wide. If misery is in fact made bearable by company, our current misery should almost be enjoyable.

The other preliminary observation I would make involves my admiration for the way in which the Minnesota Higher Education Coordinating Board is approaching the problem of state government planning for higher education. It is indispensable in my judgment that there should be a state board of higher education to exercise state leadership in higher education planning. There are several state governments currently which are attempting to exercise this leadership through the executive office of the Governor, or even through legislative committees and staffs. To be sure, Governors and General Assemblies must eventually make the planning decisions about what state governments will undertake to provide and to support as higher education services to their states. I think this decision-making process will be better served by a state board of higher

education and a professional staff interested in and experienced in higher education than by other arrangements.

In addition, I am pleased to observe the approach to planning undertaken by the Higher Education Coordinating Board. This approach represents, I believe, the proper procedure. The Board has provided some planning parameters insofar as enrollment of the traditional college-age group is concerned. The Board has identified major problems and major policy issues; it has established a planning agenda. The Board has outlined a planning process, a plan to plan if you please, which places the first task of planning upon individual institutions and system governing boards. The Coordinating Board proposes to exercise a review role, not an initiating role.

The Coordinating Board concept of planning can work only if institutions and systems respond on an effective and timely basis to the planning initiative thus expected of them. I notice in some states today a sense of disillusionment on the part of chief executives and of legislators with state boards, with system governing boards, and with institutions in terms of their response to changing circumstances. Chief executives and legislators assert that institutions seem to expect to continue their programs as in the past, but always at greater cost. They observe that institutions ignore or short-circuit state boards, and that chief executives and legislators are then placed in the position of having to arbitrate conflict or disagreement between institutions and state boards. What use is a state board under these circumstances?

I think all of us in state government ought to recognize that if there isn't conflict between a state board of higher education and institutions of higher education, then obviously the state board is not doing its job. And if institutions short-circuit the state board, then chief executives and legislators must bear part of the fault since they can stop the practice if they wish to do so.

Now please do not misunderstand me. In making this last comment I am not talking about Minnesota, but about other states. And I am not suggesting that state boards must always be right and institutions must always be wrong. I do not believe that state boards are infallible. I do believe that state boards must necessarily have a perspective different from that of institutions and system governing boards, and I believe this different perspective should be invaluable to chief executives and to legislators in exercising their authority and responsibility for decisionmaking about the policies and programs of higher education.

Now let me turn to the three particular policy issues I wish to discuss with you. The Higher Education Coordinating Board has identified a major

problem for higher education institutions in Minnesota: the decline in the number of high school graduates from 1977 to some future year between 1985 to 1994 in 11 of 13 planning areas of the state. This decline will vary from 18 percent in one planning area to around 33 percent in six planning areas to over 40 percent in three planning areas. But in two planning areas there will be an increase in high school graduates between now and the beginning of the next century: in one instance an increase of 21 percent and in the other instance an increase of 50 percent. These changing numbers of high school graduates constitute the basic data for anticipating the enrollment fluctuations that lie ahead for higher education institutions in Minnesota.

Along with this fundamental problem of the changing number of young people of the traditional college age group, the Higher Education Coordinating Board has identified ten major areas of state government policy that will be affected by enrollment fluctuations. In effect, these ten policy issues embrace the major decisions about state government actions taken in the 1960s when our concern was to ensure access to higher education institutions and to varied higher education programs on the part of every individual who might seek the benefits of higher education. Let me add that state governments in general, and Minnesota in particular, responded with vision and effectiveness to the needs of the 1960s and early 1970s. Now we live in a new era and must respond to new expectations.

I wish to present my own comments about these policy issues under three general headings: issues of program, issues of relationship between the public and private sectors of higher education, and issues of financing. I believe that in connection with these three general subjects I shall encompass most of the issues identified by the Higher Education Coordinating Board as constituting the planning agenda of Minnesota state government.

The Coordinating Board has placed appropriate emphasis upon the review of mission by each institution and by each system-wide governing board. I would go a step farther and emphasize the importance of program review by each institution and by each governing board. Mission is a set of goals an institution desires to fulfill. Programs are the set of work objectives and work loads to be performed by an institution. A mission becomes specific only in terms of programs, a mission may change primarily because of program changes. And a mission is simply a generalized aspiration until it is translated into feasible programs. Moreover, programs are the units of activity that must be financed, that must have input resources of personnel and services if desired outputs are to be accomplished.

The National Center for Educational Statistics has provided us with a taxonomy of instructional

programs, the National Center for Higher Education Management Systems has provided us with a program classification structure, and the National Association of College and University Business Officers has provided us with a chart of accounts for recording and reporting the income and expense of program performance.

The broad categories of program structure include instruction, research, public service, student financial assistance, and support services. Public service necessarily separates out two specialized categories for financial accounting and reporting: the operations of a teaching hospital of a medical or health science center and the independent operations of some specially funded agency such as a state mental health facility. And the research category breaks out the independent operation of a specialized and specially funded research facility. The support services should and do break out auxiliary enterprises because of their special identity as programs self-supporting on the basis of charges to the clientele served.

I wish to comment primarily about instructional programs. I am well aware of the faculty interest in undertaking research, and I know that faculty members generally are dissatisfied with the current levels of specialized funding of research projects. But I must express my opinion that faculty workload budgeted for research will depend in the future upon federal government project grants, plus specific state government appropriations for research. The public service workload of faculty members in the future will depend upon the income generated by these activities. I have a grave doubt that we shall be able to finance faculty research and faculty public service in the generalized fashion so common in the past.

The instructional programs of higher education are divided into specialized fields of study and particular levels of study. At the two-year or associate degree level, there are instructional programs in technical education and in general or college transfer education. At the four-year or baccalaureate level, there are instructional programs in the arts and sciences and in professional fields such as business management, teacher education, nursing, engineering, agriculture, music, and art. At the master's degree level there are instructional programs in the arts and sciences and in professional fields. At the graduate, professional or first professional degree level there are instructional programs in medicine, dentistry, law, optometry, veterinary medicine, pharmacy, osteopathic medicine, and theology. At the doctor's degree level there are instructional programs in the arts and sciences and in professional fields.

At the same time when a particular institution is experiencing enrollment declines in the arts and sciences and in teacher education, that institution may be experiencing enrollment increases in the administrative sciences, the health sciences, the engineering sciences, and the computer or information sciences. It is not enough for an institution to be alert to general enrollment decline, it is far more important for an institution to be alert to enrollment fluctuations in particular fields of study and at particular levels of study.

I know situations where a college or university has said that it was experiencing growth in several programs and that it had to have more income in order to meet these enrollment demands. Yet at the same time this college or university was experiencing enrollment declines in other programs. State boards of higher education, the staff of a chief executive, and the staff of the legislature would then rightly ask why all or part of the need for more income shouldn't be met by a reallocation of resources internally. The customary answer was that conditions of faculty tenure or the provisions of a faculty collective bargaining agreement prevented such flexibility. I suspect increasingly this kind of an answer will be regarded as inadequate.

There are certain other comments that must be made about instructional programs. Should instructional programs be tailored in enrollment to estimated manpower needs for educated talent in the labor market? My answer is generally no. Colleges and universities have an obligation fully to inform students about prospective employment in every field of study, including employment in the arts and sciences, and to inform students about the likelihood of admission to a law school, to a school of medicine or to any other professional field of study. Students should know what the job market in every specialized field is likely to be, and should be warned about the magnitude of the competition for available professional employment. But it is better, I believe, for students to prepare themselves for competition than for colleges and universities to limit enrollment. There are exceptions to this position, of course; but in general I prefer to see fluctuations in program enrollment occur as the result of student choice rather than as a result of state government or institutional planning. I lack the confidence in our capacity to foresee future employment to want to have manpower forecasts serve as enrollment limitations.

I cannot refrain from a few comments about general education. On every possible occasion for nearly 30 years I have broken a lance on behalf of general education as an instructional program, and along with some others I cannot perceive any impact of any kind resulting from this tilting with windmills. I

would like to see a shift of our resources for instruction in the arts and sciences from specialized education to general education. I would like to see a rebirth of the idea that education in the arts and sciences seeks to produce an educated person rather than an entrant to graduate study. To be sure, we shall continue to need entrants to graduate study, but probably we shall have employment for only about one-half of all the prospective number of Ph.D. recipients in each year of the 1980s.

I have listened all of the thirty-two years since my own return to academic pursuits at the end of World War II to faculty members who have talked glibly about education for a humane life rather than education to make a living. I have heard the talk, and after thirty-two years I am still waiting for the action. The greatest instructional program opportunity for every college and university in the land is general education, and I can't find a faculty of arts and sciences anyplace in the land taking this program opportunity seriously. Perhaps you can provide me with information about exceptions to this generalization.

There is one other instructional program factor which needs special mention. All of us talk a great deal these days about the non-traditional student, and indeed I believe there is a non-traditional student market for our colleges and universities to serve. But very few persons have explored the enrollment dimensions of this market, or the instructional program objectives to be sought in serving this market. I happen to believe that in every sizeable urban area there are older employed persons who want or need further higher education in order to maintain or advance their employability. We will find this market only when we devise instructional programs useful and advantageous to the older employed person. It seems to me that our program planning at the college or university level has thus far tended to be deficient in exploring the instructional needs of older employed persons in the various labor markets where our institutions are located. Obviously the institutions that ought to be doing this kind of planning are those located in sizeable labor market areas.

There is much more that can be said and should be said about instructional program planning. I hope I have said enough to suggest that no aspect of educational planning is more important or more critical in the years ahead than instructional program planning. We had better make sure that we give instructional program planning the attention and the emphasis it deserves.

My second general policy issue for discussion here is that of the relationship of state government to private or independent higher educational institutions. Here in Minnesota you have a student financial aid program advantageous to private higher educa-

tion, and you have the private college contract program that offers financial assistance to private institutions. In a time when all financial commitments of state government to higher education are under review, it is inevitable that these particular programs should come under careful scrutiny. When there are insufficient state government resources to meet all the financial needs as perceived by public institutions, these particular forms of state assistance to students and institutions in the private sector cannot be expected to escape appropriate re-examination.

Beyond this circumstance, there is scarcely any aspect of planning by public colleges and universities and scarcely any decisions of state government in the foreseeable future which will not have some impact upon the survival power of private colleges. Decisions about tuition policy, about the size and location of public institutions, about the instructional program offerings of public institutions, and about interstate tuition reciprocity—all of these decisions must necessarily have their influence upon the enrollment and financial well-being of private higher education.

Many years ago, in 1949, when in undertaking a study for the Association of American Universities I first became aware of conflict between the public and private sectors of higher education, there were some persons who had a formula to offer. It was suggested to me and to others that state governments should provide all the necessary financial support to state colleges and universities, and that these institutions should then refrain from any solicitation of private philanthropy. In turn, private institutions would refrain from any appeal for state government financial assistance. At that time, I and my colleagues from the AAU, all but one of whom served private colleges and universities, rejected that formula. I myself as a state university president and as a state government chancellor never had any occasion to regret, or to change, that decision. On the one hand, public institutions of higher education in the past 30 years have increasingly benefited from private philanthropy, and private institutions of higher education have increasingly benefited from state government financial assistance. I for one would not have it otherwise.

I have listened over the years to some unfortunate claims and counter claims on behalf of both public and private higher education. Both kinds of institutions serve a public purpose, both kinds of institutions have benefited numerous individuals, both have assisted private business enterprise as well as many other sectors of society, and both have advanced the quality of instruction and research and public service in our nation.

The essential differences between the public and the private sectors of higher education are differences of governance and differences in the finan-

cing of instructional programs. The public sector of higher education is governed increasingly by boards with authority and responsibility for systems rather than for individual campuses, and these governing boards are appointed by public agencies or elected by the people. The private sector of higher education is governed by boards of trustees that are often self-perpetuating or are selected by private groups. The instructional programs of public colleges and universities are financed essentially from two sources of income: state government appropriations and student tuition. The instructional programs of private colleges and universities are financed essentially from two sources of income: student tuition and philanthropy. It is sometimes said that private higher education is more expensive than public higher education because of smaller size and lower student-faculty ratios. But on a program by program basis of comparison, one can find high cost instructional programs per student in public institutions and low cost instructional programs per student in private institutions.

The principal causes of conflict between the public and private sectors of higher education over the past decade or more have been the tuition differential between the two sectors and the expansion of public higher education into major urban areas. Charges to students and geographical location have been the two major issues, and now that we see ahead a period of enrollment fluctuation these issues can become even more troublesome than they have been in the past ten years.

I am a strong believer in private higher education, and in state government planning and decisions concerned to preserve a viable private sector. Nineteen years as a state university president and as a state government official have reinforced my belief. It may be said that as a state government official in the 1960s I gave too little concern to the welfare of private higher education, but my preoccupation was one of making certain that public higher education did accommodate every student who presented himself or herself for enrollment. And that objective was accomplished.

I am a strong believer in private higher education because I am a strong believer in public higher education. In a pluralistic society and in a liberal democracy there must be, I think, an alternative to public higher education. And it is this alternative that helps substantially to maintain the integrity and the quality of public higher education. Without private higher education in this country I fear that public higher education might well deteriorate in performance, and all of our society will be the worse if that unfortunate event should occur.

I know no simple solution to the future of private higher education. Some private colleges are too small for viable operation under changing cir-

cumstances and must federate or die. All private higher education must participate in state government planning, and must accept some constraints upon their autonomy in return for state government financial assistance. I prefer that a state should assist private higher education through financial assistance to students, and through financial assistance to students that recognizes the tuition gap between public and private colleges and universities.

It is time then to turn our attention to financial issues. The issues identified by the Coordinating Board are a bundle of interrelated problems. It is essential to understand that the issues of financing policy, tuition policy, student financial aid policy, interstate tuition reciprocity, and funding formulas cannot be separated one from the other. All these issues are important and deserve careful consideration, but they can be resolved in a coherent and rational way only if they are approached and decided as a package rather than piecemeal.

I would begin consideration of these issues with that of the funding formula. I have argued for many years as an administrator and as a consultant that the comprehensive annual operative budget of a college or university is in fact a series of component budgets, and that each of these component budgets must be formulated and analyzed in terms of both income and expenditure. These component budgets include the instruction budget, the separately funded research budget, the separately funded public service budget, the student financial aid budget, and the auxiliary enterprises budget. To these budgets must in a few instances be added the budgets for teaching hospitals and for independent operations. Since so much of the income of colleges and universities is restricted income, restricted by law and gift or restricted by common understanding, every institution needs to know for each component budget the extent to which earmarked income meets programmed expenditures.

It is in connection with these component budgets that the first major issue of financial policy arises: the extent to which expenditures shall be restricted to earmarked income. It is prevailing practice in the United States, for example, that auxiliary enterprise expenditures shall be matched by auxiliary enterprise charges. I would apply this policy standard to residence halls, food service, bookstores, a student health service, and income producing intercollegiate athletics. I recognize that both public and private colleges and universities spend more for student financial assistance than they receive in earmarked income for student aid. In the most recent year for which we have detailed institutional data, the fiscal year 1975, public institutions reported that they received some 470 million dollars in restricted in-

come for student aid, but they spent 740 million dollars, a gap of 270 million dollars. Private colleges and universities reported that they received 370 million dollars in earmarked income for student aid, but they spent 735 million dollars for student aid, a gap of 365 million dollars.

I do not question the need for both public and private colleges and universities to spend money from general income for student financial assistance. But I think this gap should be precisely budgeted and should be clearly known throughout the academic community and to all agencies and parties who provide support for our academic enterprises.

From this point on I shall be referring specifically to our instructional budgets, to the income and expenditures related to instructional outputs and their correlative research and public service outputs. The first requirement in instructional budgeting consists of two parts: the output budget and the support budget. The support budget is our institutional overhead: our costs of academic support, student services, plant operation, mandated transfer payments, and institutional services and management. I am appalled to observe how overhead costs have mounted in recent years. Thanks to the inflation in energy charges, and to social costs mandated by the federal government in such fields as affirmative action, occupational safety, access for the handicapped, and retirement benefits, our plant costs and our service costs are mounting rapidly. It is imperative for us to find some way to bring our support program costs under some kind of control.

In this connection let me remind you that the smaller the enrollment size of a particular campus the larger will be the support costs per student enrolled. I know of campuses today where support costs are approaching 50 percent of the total educational and general budget. The whole question of desirable size of a campus must be considered first in terms of what it costs to support and maintain a campus, and then in terms of what it costs to provide a minimum effective instructional program.

I have long been an adherent of budgeting for instruction on a program basis, on the basis of costs by general fields of study and by levels of study. The budget formula appropriate for state governments in the 1960s, however, will not, in my judgment, be adequate for the circumstances of the 1980s. For one thing, enrollment declines must be budgeted in terms of marginal costs, not average costs per program. Moreover, just as there is a minimum support cost for every institution regardless of enrollment size, there is also a minimum instructional cost for every instructional program regardless of enrollment size. Our instructional program budgeting must be much more sophisticated in the years ahead than in the years past.

Our budget formulas in the 1960s tended to recognize higher cost for upper division students than for lower division students, higher costs for students at graduate level II than at graduate level I. These expenditure differentials were realistic at the time, but they also encouraged public institutions to expand their graduate programs but also to seek ways to reduce the economic incentive to undertake and maintain graduate programs.

I take it that financial policy issues include a consideration of the desirable instructional income between charges to students and support from society. In the public institution the choice is between tuition and state tax dollars. In the private institution the choice is between tuition and philanthropic dollars. Inflation and governmental student aid dollars have encouraged increases in charges to students. If a college or university, public or private, wants to obtain any institutional income from the federal government's educational appropriations for 1978, that college or university will have to obtain that income by charges to students. Of some 3.9 billion dollars appropriated for higher education by the federal Congress in the HEW budget, over 3.5 billion dollars or almost 90 percent is for student financial assistance.

The argument today in favor of low tuition is not that low tuition is necessary for students from low income families but that low tuition is essential for middle income families, for families who find themselves in the second quartile of income distribution, the family income bracket from \$15,000 to \$24,000 a year. I think we have in recent years given too little attention to the impact of constantly rising tuition charges upon students from this family income bracket.

Some states have attempted to adopt a policy setting forth the appropriate distribution between tuition charges and state tax support of instructional programs in public institutions. The policy on tuition charges may vary from 20 percent of average expenditures for baccalaureate programs to 50 percent, and from 30 percent of average expenditures for graduate and first professional programs to be 50 percent. I do not know what the appropriate distribution ought to be. In the fiscal year 1975 public universities on the average in the United States obtained 22 percent of their instructional and overhead costs from tuition, while public four-year colleges obtained 19 percent of their instructional and overhead costs from tuition. Private universities in the United States as a whole obtained 54 percent of their instructional and overhead expenditures from tuition, while private four-year colleges obtained 66 percent of their instructional and overhead expenditures from tuition. Obviously these national aggregates encompass a wide variety of particular situations and circumstances.

In the last resort I suspect tuition charges are more apt to reflect a pragmatic concern for needed income than any policy position on charges to students for instructional services. The practice of tuition charges should really begin with a concern for instructional expenditures and for support costs. We need to ask how can we control costs before we begin to talk about how to price these costs to students.

There is of course another possibility we need to consider. Traditionally we have said that higher education derives its income from three principal sources: charges to students, governmental subventions, and philanthropy. There has always been a fourth source of income. In the jargon of our standard accounting practice we refer to this fourth kind of income as the "sales and services of educational activities." Not including hospital income, these sales and services produced over 550 million dollars of current income in 1975 out of a total income of nearly 36 billion dollars, or just 1.5 percent of all income. But I wonder if we in higher education ought not to cultivate our entrepreneurial talents and ask ourselves how we might increase our income from sales and services.

More and more in the brochures that come across my desk today I am finding reference to "continuing education units." I find professional consultants and professional associations already busy at work cultivating this market for continuing professional education and the award of those precious continuing education units needed for the renewal of professional licensure. I cannot understand how any college or university can afford to ignore this market, or can fail to plan how to expand the sales and services of educational activities.

There is so much more than can and should be said about the problems and policy issues of fluctuating enrolments. In a short period of time one can do no more than call attention to some of the more important problems and issues, and then to express a deep, abiding faith that the planning process can and will offer us rational, considered lines of action to meet our changing social circumstances.

There was a national advertisement by one of the great American business enterprises last winter that carried this arresting statement. The advertiser said, "There are no simple solutions. There are only intelligent choices." The search for simple solutions to the current and prospective problems of higher education is doomed to failure. The search for intelligent choices is our only hope.

I congratulate as warmly as I know how the Higher Education Coordinating Board of Minnesota for launching this concerted, calculated effort to find intelligent choices for the future of higher education in this great state.

TERRY MONTGOMERY
EXECUTIVE ASSISTANT TO GOVERNOR PERPICH

The governor had looked forward to being here with you tonight. He has a deep interest not only in education in general, but particular interest in the work that many of you have been doing within your systems and within the boards that represent those systems. He was, because of an emergency, unable to be here now. He asked me to convey some of the thoughts which he had in mind and would have been speaking to had he been here this evening.

The Governor recognizes that your presence here tonight is testimony to your foresight and your willingness to work together in resolving one of the most difficult problems facing higher education today.

This spirit of cooperation—among educators, among administrators and elected officials—is absolutely necessary in continuing our commitment to quality education, despite the pressures of tight budgets and enrollment swings.

The Governor is confident that a state which achieved educational excellence in a time of boom-

ing enrollments can indeed respond positively and can indeed respond creatively to the new enrollment trends. I believe, and he certainly concurs with this, that we can maintain Minnesota's position as a national leader in the field of education.

The problems posed by fluctuating enrollments are particularly difficult and sensitive because human lives and opportunities are affected so dramatically.

Whether one is rich or poor, whether you live in Hibbing or Minneapolis or Grove City, a person should be able to get the skills and training one needs to make a decent living and lead a satisfying life. It's the promise, a promise we all recognize, of the American system.

And I'm proud to say that in Minnesota, we have come very close to fulfilling that essential promise.

And might I digress and say, that I believe strongly, and I know the Governor concurs, that the reason this state is where it is, is because in a great degree because the leadership provided by the legislators

some of whom are here this evening. They are in fact not only pioneers in many respects in the field of education, but they are most importantly the solid follow through which is necessary to sustain the system we have.

The Governor has said many times and I know many of you have heard him say it, that a good education was the passport out of poverty for him personally, his wife, for his brothers and for so many others in his family. We owe a tremendous debt to our parents and our grandparents, he says, who recognized the importance of education and supported Minnesota's educational system so generously.

As a result, Minnesota has made incredible strides toward making quality education available to everyone.

Almost 94 percent of our young people graduate from high school, which is rather astounding when one realizes that other states, on the average, have less than a 75 percent graduation rate. The Twin Cities, traditionally, have had the lowest high school dropout rate in the entire nation.

Minnesota ranks fifth among the states in the amount it spends per capita on postsecondary education, and it is also fifth in the amount of financial aid given to postsecondary students.

Only three states in the nation have more heads of households with some degree of college education.

Because education is so vital, we must not allow this proud record to be eroded. As we make plans for coping with enrollment trends, we must evaluate the impact upon human lives in a very serious and a very careful manner.

We must aim for improved efficiency and service in educational institutions while guaranteeing that no region and no individual is deprived of adequate educational opportunities.

And we must continue our progress in opening up the educational system to women, minorities and the handicapped.

We need to realize, also, that our plans will affect the careers of many educators. We must allow the skills of highly trained teachers and administrators to be wasted; these people may have new roles to play, but in all cases, their livelihood needs to be assured.

The Governor will do everything he can as an elected official to help you cope with these difficult tasks. But, I must remind you, that the immediate burden of responding to fluctuating enrollments lies primarily with you and the educational institutions you represent.

After all the years of playing catch-up with enrollments which expanded faster than schools could be built, faster than teachers could be trained...many of you now find yourselves with empty classrooms, and changing staff needs.

And developing an effective response is very difficult because—as the working paper for this conference reveals—the changes affect different institutions very differently.

Meanwhile, the cost of education has gone up and up and up. Although enrollments in general are declining, the costs of maintaining the existing physical plants and paying salaries continue at record levels.

At the same time, education has faced increased competition for resources. Inflation and higher energy costs have affected other public services as well, stretching tax dollars thinner and thinner. We all know this simply can't go on.

In Minnesota we already spend more than one-half the state budget for education. It will be hard to justify any increase in this share at a time of declining enrollments.

And it will be hard—maybe next to impossible—to maintain this share unless educators themselves are able to improve the efficiency and the service of their institutions.

Today's conference demonstrates that you recognize this challenge and that you are ready to plan for the future in an atmosphere of coordination and cooperation.

By sharing ideas, by sharing resources, you can accomplish so much more than you could by trying to go it alone.

Several programs already underway offer some good examples of the benefits of a cooperative approach.

The Minitex program, for example, has given students and faculty at almost all postsecondary campuses access to an incredibly broad array of research at remarkably low cost.

The Minnesota Union List of Serials, developed as part of Minitex, has enabled many libraries to save money previously spent on developing their own union lists. In fact, the M-U-L-S system has been so effective that it serves as a national model.

Minitex also provides valuable service to students and nonstudents alike through regional public libraries.

Another important example of cooperation is the regional center idea. We now have three such centers—in Wadena, Rochester and on the Iron Range—all working to reduce duplication in instructional services and increase students' access to programs they need.

The Iron Range Center, in particular, has been able to generate many new educational services, ranging from a videotape selfstudy program for engineers to improved in-service training for Native American teacher aides. Also, the Governor is pleased that the new southwest Minnesota consortium is getting started.

Every time he goes to Hibbing he is encouraged by the high degree of cooperation between the Community College and the AVTI. Sharing facilities and instructors makes much sense when it means we can save money and improve education at the same time.

The Governor, by the way, and I think you've heard him mention this many times, believes strongly that the cooperative approach offers one of our best solutions to meeting this new efficiency in education.

Cooperation between the public and private sectors of higher education is also an important part of Minnesota's education policy. The Private College Contract Program, in particular, embodies the commitment of this state to a continuing diverse educational environment.

We recognize that private colleges and universities are hit even harder by inflation, and must have some help if they are to keep their doors open to students from all economic levels.

As we develop a master strategy for dealing with fluctuating enrollments, these cooperative ventures need to be continued and perhaps expanded.

The Higher Education Coordinating Board can work with you as you make some of these tough decisions. It can provide some of the expertise you need in developing enrollment projections, budget plans and instructional goals.

Additionally, the board can keep you advised about how your enrollment trends compare to those of other institutions and how it can recommend other possible areas of cooperation.

I hope the board will take a leadership role in developing state policies that will provide reliable guidance for our postsecondary institutions as they respond to enrollment changes. The board also could provide valuable assistance by developing effective program auditing indicators to help institutions determine whether their resources are being allocated most effectively.

One way of reducing maintenance and energy costs, at least in underused facilities, is to invite other institutions and groups to share space and share equipment for a reasonable fee.

The state energy agency will be glad to help you develop ways to cut fuel and utility costs at your institutions.

Another way that we can respond creatively to fluctuating enrollments is to seize this opportunity to increase our emphasis on continuing education and

lifelong learning.

Many of our postsecondary schools already are doing a fine job of keeping various professional groups, such as teachers, nurses and lawyers, up-to-date in their particular fields. New licensing requirements for groups such as real estate agents are producing a demand for additional programs.

Continuing education should be expanded and extended to as many professional fields as needed. These programs pay for themselves as well as improve the skills of practicing professionals. Ultimately, clients and customers also benefit from improvements as a result of these professional services.

The lifelong learning concept also makes a lot of sense to many people and particularly the governor. All of us know that our need to learn doesn't stop when we finish high school or college.

This means 18 to 21-year-olds are not the only ones who need attention in postsecondary planning. A senior citizen who wants to put his or her retirement years to good use...a woman who wants to go back to work after 10 to 15 years of raising a family, a mechanic who loses his job because of new technology...these people also have a legitimate need for additional educational opportunities.

The plan that you are beginning to develop now, for dealing with fluctuating enrollments, will be a guide for postsecondary education in the state through the end of the century. I am confident, the Governor is confident, that plan will demonstrate our commitment to quality education in Minnesota, a commitment that is stronger than it ever has been before.

Your work will also be helpful to elementary and secondary educators who are trying to cope with similar enrollment changes.

The Governor is calling the first Minnesota Governor's Conference on declining enrollments this spring to provide a special forum for sharing ideas and resources among elected officials, educators, and administrators at all levels.

We'd like to invite Clyde Ingle to serve as your representative at that conference and report on the conclusions of today's meeting.

Again the Governor wishes he could have been here. He certainly believes in what you're doing is paramount to the future of education in this state. He very much appreciates the invitation and he plans to see you frequently and at subsequent meetings. Thank you very much.

**Which of the Policy Issues Affected by Fluctuating Enrollments
Most Critically Affects Your System or Institution?**

**DOUGLAS BRUCE
COMMUNITY COLLEGE BOARD**

After Dr. Millett's presentation it seems to me that we're moving from the macro down to the micro. With the community college system in this state even though we have some 18 colleges and some 30,000 odd student enrollment, some of your colleges in Ohio and other locations have in themselves 30,000 students.

I get the impression from the very, very good report of the Higher Education Coordinating Board that this is a sort of a doomsday approach, a doomsday situation. It seems to me that as Dr. Millett indicated, this day that shall live in infamy, we have made so many changes, we have adopted ourselves

to so many changes that certainly we are going to be able to adapt to the population curve, the enrollment decline. Who, for example, would even five years ago—what professional five years ago—would have said that in 1977 we would have 16 students from Saudi Arabia in the little prairie community college at Willmar, Minnesota. Well, we have and there's no way that a planner, be he a professional in education or in planning, could anticipate that.

We do, of course, agree that planning is essential and we agree that the recommendations of the Board are in excellent order. We must keep from making crisis decisions. Our

experience last winter, for example, taught us what happens with crisis decisions, how inadequate they were when we had suddenly to close institutions and created problems, that, had overtones that were less efficient than we anticipated. As a matter of fact, the energy problem in this state of Minnesota and in the whole row of states throughout the northern border might well be more important in the next ten years than will be the population curve

Looking back over the annual reports of the Coordinating Board, we see the emphasis on planning, planning, planning, at least during the past five, six years that I have

seen these reports. It's essential that there be planning in order to make recommendations to these gentlemen who have to make the decisions that fall between disagreeable and utterly intolerable. The Community College issues are numerous and perhaps quite different from some of the other institutions. I want to though express our thanks to the parents of some 10-15 years ago who gave us this bulge in the curve which will make it possible to have a little time to approach the problem.

Our issues relate essentially to the nature of the Community College System. And that is our geographical spread with 18 colleges throughout the state. Now for 50 years or more we have been proud of the colleges on the Range, the junior colleges on the Range. We have been proud of the graduates of those schools. We've been proud of the fact that there are more people and students in the Range colleges who go on to four-year activity than at any other location, geographic location in the state of Minnesota. These have been small schools, and it seems to us that one of our most difficult problems is to rationalize this problem of geographic access in low population centers or areas, and in some way find some way to federate or to bring technology support to these small colleges.

One of the problems we have is

the development of some uniformity between systems and students. What is a proper or appropriate academic credit? Again, of course, the appropriate share for this student in tuition is one of our problems. As Dr. Millett indicated, the CEU (Continuing Education Unit), the unit for non credit activities, to what extent should the state share in costs with the individual?

Reciprocity as we mentioned it, encouraged declining enrollments. Should we drag up our unit costs by continuing the reciprocity agreement with the state on our border?

One other issue that we feel in particular is the problem of the flexibility and staffs in view of our labor contract with the faculty association. Are we going to dilute our faculty, our full-time professional faculty, to a great extent by the use of part-time temporary help?

Another serious question relates to the degree of coordination. The time that is involved in the coordination or attempt at coordination of our system with the other systems.

I would like to bring up from a personal point of view two other observations, two other issues. Everybody is in favor of planning, but there is a lot of dispute over the process of planning. It seems to me that we need both the professional, skilled plans that Dr. Millett has referred to

as existing in the coordination board. But we still have the question as to how much time is going to be involved for the system involvement in the upper level planning. Planning takes time. It has been a shock to me as a layman to see the amount of time that has been involved in our state system staff in particular that has been involved in planning. One other thing is, I think, we should recognize that the primary and most creative unit for planning is going to be the community-based institution.

The executive and the Coordinating Board should make incentives to develop that creative planning and should give recognition and credit to these local groups in their accomplishments for planning and in following up the plans they develop. Therefore I think—one, there are limits to centralized planning. And they should be considered. And that we must rely on the Coordinating Board and the legislature to maintain the vital signs of the educational institution throughout the state of Minnesota. But the only place that the process can also become the product is at the college level, the community level. It's the local administration, the faculty and the advisory committee that develop the character and the color and the longevity of the institution and of the system. Thank you.

KENNON ROTHCHILD

PRESIDENT, STATE UNIVERSITY BOARD

We in the State University System believe that we have been dealing with the issue of fluctuating enrollment for some time. Our enrollment soared in the late 1960s but began going down in the 1970's. For example, in 1970 we had an enrollment of 36,000, which was down to 31,000 in

1975. Enrollments are back up from that figure. And then within the system each of our universities has experienced variations in the level of enrollments. So we have had a good deal of experience, we believe, in dealing with fluctuating enrollments.

Out of our experience comes

some reflections on the use of projections. Our own university-by-university projections have, we find, been very good on a two or three year basis. But we are suspicious of applying such projections beyond two or three years. We also know that our systemwide projections

have been very, very accurate for two or three years, but going beyond the two or three year period is hazardous. We recognize that the statewide projections of graduates coming out of the high schools are very likely to be extremely accurate, but we are not so sure that there is a certain extrapolation of those numbers to what will happen within our system or within our institutions. In fact, we are bothered by the notion that those figures are seen as absolute ends rather than a base upon which to build institution-by-institution estimates, a base upon which to apply the variables—the variables of economic conditions nationally, of regional economics, of programs within the institutions, of students' changing interests, of location, of differing tuition and board, and a host of other things.

But what are we doing about fluctuating enrollments now? We have for some time been trying to develop the internal flexibility needed to be able to respond to program changes, that is, changes arising out of changing student interests. We are planning that flexibility developed for program changes will also work for enrollment changes, up or down, institution by institution. Specifically, we're working on the integration of program goals and objectives with our budget process, we're working on the improvement of teaching skills, and flexibility within tenured faculty. Where feasible, we're trying to cooperate with other institutions in programs intended to enrich our students' academic experience—that is, consortiums, internships, exchanges of students, exchanges of faculties, in-

ternational programs, national programs, etc. And we are trying to monitor decisions on rank, tenure and promotion and the effect of those decisions and the effect of retirement policies and laws on our resources and available faculty.

Such analysis has led us to consider making specific adjustments, specific program changes, in response to both the changing interests of the students and the fluctuations in enrollment. To begin with, we are reviewing all academic programs, degrees, majors, and minors for both quality and need. We began two years ago by analyzing every master's program in the system and eliminating a number. We are in the process of looking at all of our undergraduate programs and degrees with the same critical eye. We are analyzing different personnel policies and are, for instance, moving as much as possible to fixed term or non-probationary contracts. That makes particular sense for us in the face of our bulge in enrollment, in the face of the decline in enrollment that we feel is sure to come. We are also looking at changes in the form of our requests for appropriations. In fact last year we went to the legislature with a budget request that moved away, in part, from the traditional funding ratios between faculty and FTE's. And as far as facilities are concerned, we are emphasizing primarily maintenance rather than the production of new space.

All this, then, is our introduction to what is our system's view of the most challenging issue in a period of fluctuating enrollment. We believe there is only one issue and that is the

quality of education for the student, that is, under all circumstances, the most challenging issue before us. Our overriding concern in facing that issue is maintaining flexibility sufficient to the challenge of fluctuation.

We see our flexibility inhibited by formula funding rather than program funding, by our personnel management requirements such as collective bargaining, by tuition formulas, by certain views of our regional and community responsibility, by the financial aid structure, by geography and by buildings. We see these factors as a part—not always specifically mentioned but of course implied—of all that's been said about flexibility. So we see enrollment fluctuations on the demand side of our system but rigidity on the supply side. I view that rigidity as being so severe that it threatens the collapse of public higher education. Rigidity's effect on faculty and students can be very damaging, whereas flexibility probably sows the seeds of accommodation to changing numbers and needs in our system.

Just before coming to this meeting I left a meeting in which we were dealing with an SEC problem. One of our companies had an accounting problem with the SEC and we proposed a solution. And the SEC said, "Yes, it is reasonable; yes, it is logical, yes, it is in the best interest of the public, yes, it's in the best interest of the issuer—it is just not according to law." That's the way we feel about the problems of fluctuating enrollments, the solutions we see, and the laws that govern our actions.

CLIFFORD LARSON

PRIVATE VOCATIONAL SCHOOLS

I have been asked to respond to policy issues affected by fluctuating enrollments—more realistically, let us speak to declining enrollments.

Which of the policy issues affects private non-profit and proprietary vocational schools most critically?

I am speaking as a representative

of the Minnesota Association of Private Vocational Schools whose members are private post-secondary educational institutions,

domiciled in Minnesota. These schools are operated as proprietary enterprises with the exception of one non-profit school.

There are a number of other private schools in Minnesota who are not members of our organization but whose concerns must be similar to ours. In every case the schools are established and have institutional missions which reflect an interest and expertise of the founders or founding organization.

The chief educational objective is to train and prepare suitable persons for entry-level jobs or advancement in one or more occupations requiring manual, mental, manipulative, technical competence and skills.

Accordingly, the enrollment projections for private vocational schools are dictated by market demand. This market is measured primarily by the demand of employers and also by the interest of students who have been alerted to the opportunities existing in a chosen field.

By their very nature, the private vocational schools can justify their existence solely by preparing students in a very practical way for job entry or upgrading continuing education.

The climate of the job market is the determining factor for the control of institutional expansion or cutback of curricula offerings.

The recruitment of students to private vocational schools is accomplished through use of advertising in the media, referrals from graduates and students, agency contracts and visits to high schools and career program participation.

Fluctuations in enrollment present a major concern to our system much the same as the uncertainties impact the public institutions.

However, I believe private

vocational schools more readily adapt to changes in enrollment as would any general business enterprise be prepared for fluctuations in the market place.

Our prime, direct source of revenue is tuition income from enrolled students.

Since tuition charges to students represent the total cost of the educational services to these students, the total operational expenses must reconcile with an increase or decrease of enrollments while hopefully providing a profit to the owners or at least a break-even status.

Teacher personnel are employed without tenure, however with the same employee benefits and responsibilities normally found in private enterprises.

Faculty is expanded or cut back directly in ratio to student enrollments. For us, this is a fact of life.

Retention of all staff is highly desirable but in the face of decreased enrollment the money will not be coming in to support a low student-teacher ratio. The alternative would be to retain staff and raise tuition charges to the student. This action could invoke financial disaster for the school as tuition charges increased beyond the competitive framework would result in still fewer students.

I am reminded of a statement made by Senator John Olson in a talk he gave at Mankato State a few years ago.

He told us, and we were talking about declining enrollment at that time, about this bakery in Worthington that had to lay off clerks when the sale of cookies dropped significantly. This is the way we operate in private vocational schools. If the income decreases, we then have to cut expenses.

Enrollment projections and

budgetary planning are essential ingredients for successful management and survival practices for our schools.

Most private vocational schools operate well within the maximum potential capacity of their plants.

A survey of MAPVS schools taken in 1976 reported a potential of 20-25% expansion within existing facilities.

Maybe, these available capabilities of the private schools should be recognized and coordinated into the overall institutional survey which MHECB might process.

Both federal and state law authorize the use of private vocational schools to maximize the availability of educational services to the citizens of Minnesota. A close study of the relative capabilities of both public and private vocational institutions should be undertaken to provide a common service capability to fluctuating enrollments.

Another vital concern relates to policy issues on student financial aid programs. As the phrase describes, these programs are for students. The preservation of their rights of access and choice should be ensured.

We are preparing for critical times. Much more can be said and will be said about the policies and procedures that will be established—but I have used enough time for now.

In closing, let me assure you that the issues and concerns as presented in the Working Paper prepared by the HECB staff are mutual concerns.

We must work together, the public and private systems, to maintain the practical delivery of quality educational services to the STUDENT.

MARY SCHERTLER
UNIVERSITY OF MINNESOTA BOARD OF REGENTS

When I was given the topic, "Which of the Policy Issues Affected by Fluctuating Enrollments Most Critically Affects Your System?" one policy issue was implied. However, as Dr. Millett expressed in his opening remarks, all of the policy issues mentioned in the materials provided do have an interrelated connection. It is very difficult to separate one from the other in terms of fluctuating enrollments.

In looking at the University of Minnesota, I tried to separate all the policy issues and decided to address two of them, one which directly and specifically affects the University of Minnesota (namely the present funding formula) and the second which applies generally to the University and to the other public institutions of higher education in the state (namely, tuition policy). Before addressing those two particular policy issues—present funding formula and tuition policy—I would like to take a moment or two to mention some background information.

As we discuss the subject of fluctuating enrollments, I am pleased with that particular title because it does suggest, and very aptly so, that we are talking about bulges in particular parts of the educational system with decline in other parts. However, we have to look at the entire system, also.

The University of Minnesota, like the other systems of post-secondary education in Minnesota, has multi-campus. Fluctuating, rather than declining, enrollments very adequately describe the picture of higher education in Minnesota at this time. We are witnessing some enrollment increases until 1982 and then some decline after that.

I am almost reluctant to mention that in looking at preliminary figures

for the University of Minnesota for the fall of 1977, the University of Minnesota was the only public higher educational system in Minnesota that experienced, in the aggregate, a small decline in enrollment, and very quickly I want to add that I think this enrollment decline is temporary and not the beginning of the long range decline that we will be seeing beyond 1982. In the aggregate, the University of Minnesota system had a 1.2 percent decline, with enrollment decreases on the Twin Cities' campuses, offset by increases at Crookston, Waseca and Duluth and stabilization at Morris.

In regard to the first policy issue—the present funding formula—revisions and re-emphases will have to take place as the University's enrollment declines. Should a state policy be formulated, there are funding distinctions at three levels that would have to be taken into consideration: 1) the distinction between funding for instruction, research and public service programs; 2) within the instructional component, further distinction between funding of traditional, full-time students (which at the University is 55,000 plus) and of non-traditional, part-time students (which my "guesstimate" is someplace between 15,000 and 20,000), and 3) some distinction between undergraduate, graduate and professional programs at the University of Minnesota. We all know that graduate and professional programs are more expensive than undergraduate programs, and the student-teacher ratio is quite different in the various-leveled programs.

In Minnesota, as well as in the entire country, everyone is asking for more accountability and better coordination. We all know that we are

talking about one limited pie in higher education. The question is, "How do you divide the pie equitably?" All of us who serve on the various higher education boards in Minnesota want cooperation among the systems, we want the best for students in each of the respective systems, we want to make sure that our tax dollars are being used well and that we are trying to diminish any duplication in programs and services for students in this state.

A funding policy which was developed at a time of enrollment increase will have to be looked at differently in a time of enrollment stabilization and decrease. It is, and was, workable to use increases in FTEs (Full Time Enrollments) or FYEs (Full Year Equivalents) to increase program funding, that is, a five percent increase in enrollment meant a five percent increase in appropriations.

Applying that policy to enrollment decreases is not as workable because, besides full-time enrollments, we are also talking about support services, we are also talking about research needs of the University and its mission. I do not believe that the same percentage ratios (of numbers to monies) work as well with decreased enrollments as they have with increased enrollments.

In regard to the second policy issue—tuition—I do not think that one can discuss a tuition policy separate from financial aid to students. At the University of Minnesota, tuition is about 24 1/2 percent of instructional costs. Over the past five years, this percentage has ranged between 24 and 26 percent. We would love to see "tuition free" higher education, but that is not possible.

However, students have a right to an education at all levels — elementary, secondary and post-secondary, I feel though, that we are approaching a point in Minnesota where we are beginning to make public higher education inaccessible to lower and middle income students. When we do that we will have done a disservice to everyone.

We have to look more closely at the tuition "picture" coupled with available financial aids to students.

In Minnesota in the last biennium, the Legislature doubled the financial aid to students, aid that now totals approximately \$52 million. We have to look at both tuition and financial aid jointly, and not separately as we have been doing, then, perhaps, we will keep higher education within the realm of middle and lower income students.

It concerns me that 25 percent of the private higher education student today in Minnesota receives more

than 50 percent of the financial aids and that 75 percent of the public higher education student body has to share and distribute the remaining 50 percent of available financial aids. We have to look at financial aids more completely and place less emphasis on discussing increases in tuition in the public sector.

In conclusion, I would like to quote from Dr. Millett's earlier remarks. "There are no simple solutions, but we can make intelligent choices."

HENRY TWETEN

PRESIDENT, STATE BOARD OF EDUCATION

Members of the legislature, department heads, members of the boards, friends of education. I'm probably in a very unique position because I have to represent the State Board of Vocational Education which is very, very fortunate because we don't think that we are going to suffer a great decline in enrollment in the future years. We feel that we have moderate or a very slow decline but we feel that something is very workable. There is a reason for that, and it is because we have had a big backlog of students attempting to enroll in our various courses. With few exceptions, practically every educational institution under our jurisdiction has a backlog of students who couldn't get into class this year but have to wait until next year.

Our mission is a little different. Our students don't stay in the pipeline of education as long—they are in the pipeline anywhere from six weeks to two years. We also have 400 courses that we are offering. We do monitor our educational system closely. We monitor the students, we monitor the programs, we monitor employability. We'll have analyzed, we'll know what is going to happen because we monitor the students. If they don't—a certain percentage

doesn't get employment—the program is abolished. But we find that there is a greater need for the type of student that is coming out of AVTIs. And when we think that we are only offering 400 courses and there are over 25,000 job skills, we've just barely scratched the market.

One of the greatest concerns that we have is that we will have sufficient funding. We've got 42 percent of all of our students that are receiving some kind of financial aid. The choice is very, very clear. We are never going to solve the great social problems if we don't solve the educational problems. But by having this financial aid we're making good productive citizens, we're putting people back into the job market. And the system of education we've had in this state, including the vocational system, has come a long way.

I'm confident that any system of education and any government that has developed this state from a frontier to a highly technical society isn't going to have too much trouble taking and dealing with fluctuating enrollments. The thing is we've got to constantly monitor, we've got to constantly analyze, we've got to know

what our enrollments are in various subjects, we've got to know how our people are getting employed. We've got to make projections, but we've also got to take and use the projections as only one source of our anticipation of enrollments. We've found that our projections have been off many, many times. One of the things we can't discount is the fact that what might happen to our economy. The economy has a great deal to say what happens to our enrollment. The past ten years have indicated that. With the high economy and the good job market you will see that enrollments in all of our institutions of education will be high because students will be able to be employed, the parents will be able to send them to school.

I feel that in our particular case I don't see a very serious decline. As a matter of fact, we would like to have the legislature take another look this year at the programs that we didn't get. There were 20 programs that weren't funded and we feel that they are very, very important as far as the state is concerned. I would like to say that any system that's been able to go through the years and accept the responsibility that we have, won't have too much trouble with fluctuating

tuating enrollments. I'd like to close by making one statement, and I don't think that most people really understand the fact that you might have a 10 percent or 5 percent decline in any year in educational institutions doesn't necessarily mean that you're going to have a 5 percent less expenditure because you don't take

and cut off the class because you lose three students. So I don't anticipate regardless of what happens as far as enrollment is concerned that educational funding can decline substantially because you're going to have certain fixed costs—of administration, of insurance, maintenance, administrative personnel;

and we had better anticipate that.

I think we've got the responsibility to tell the public that they can't anticipate great declines in budgets because there are going to be small deviations or fluctuations in enrollments. Thank you very much.

JAMES KRAUSE
PRIVATE COLLEGES
CONCORDIA COLLEGE (MOORHEAD)

Members of the legislature, educators, members of boards, fellow citizens. I've been asked to represent the private colleges and I'm not formally connected with the Minnesota Association of Private Colleges. Thus, my observations are more intuitive than they are representing a centralized viewpoint.

From the viewpoint of the private colleges, it's somewhat like the old, good news bad news stories. When you have fluctuating enrollments, as enrollments go up, the private colleges can close the door. You can turn students away, raise your standards or whatever other steps you want to take. In contrast, the public institutions have the responsibility to serve the public regionally and provide access for all students to state institutions. So in that sense the private institutions have more flexibility. The bad news side is that the private schools look to tuition and private grants for a major source of funding. They do not have as appropriate or as easy access to taxation for financing.

The speaker and other panel members have made comments about planning and how to proceed with joint planning between public and private institutions. I have a little difficulty in going ahead—I'm all for planning. But I think we all should plan for a common goal and keep in mind that we're service institutions.

Our real purpose is to contribute to the long term growth of the country, its national product, production, quality of life, and values. That is where the common goal has to be. And, of course, as in any other structure, limited resources determine what is available to us. If the resources aren't there to draw on in the form of taxes, gifts or tuition, we cannot meet all our goals. On the other hand, the planning process of bringing together all these different institutions—does it become a planning process or a political process made up of compromises and negotiations—and with compromise and negotiations do we tend to level off and give up some good things and really come up with more mediocre standards? I think that is the real challenge in the planning process between all the public and private institutions.

On the other hand, I don't advocate a dictatorship or a monarchy. I'm reminded of the story of comparing a monarchy to a democracy. A monarchy is like a sleek clipper ship going along under the expert guidance of the skipper. Everything's going fine unless it is off course or hits an iceberg. And then you have chaos. A democracy is like many people on a raft, it probably doesn't go in any one direction, with much purpose, but it never tips over.

It was reassuring to hear the

speaker talk about the need for a balance between the public and private. Minnesota is fortunate. If my numbers are correct, we have one out of four students in the private schools. I think the national average is much lower than this. The private institutions represented 40 to 50 percent of the students before the second World War. So the influence of the private institutions has dropped dramatically and in some instances, its influence will disappear entirely.

What issue really is of concern to the private schools? We already have the relationship where there is tuition assistance, loans and grants from tax-supported funds to the private institutions. I think this decision was a good policy. At the point of crisis when there are pressures for funds, the obvious concern of the private institutions will be the decision under political planning and financial pressures to carry out an ever handed policy of giving out funds.

That again would point to the long term goal for all of us, the purpose in education, and that is having a good society, whatever definition you want to use—values, activities, standard of living or quality of life. This is the balance you have to maintain and the concern I would reflect is how the limited resources are allocated.

**Views on Major Emerging Problems
Caused by Fluctuating Enrollments
Which Require Study and Action**

**GERALD CHRISTENSON
STATE COMMISSIONER OF FINANCE**

I suppose that first we ought to provide a 30 second commercial on behalf of the legislature in regard to what a good job they've done of supporting post-secondary education in Minnesota.

For example, the increase in the budget for post-secondary education in Minnesota in this past biennium is greater than the total support for post-secondary education provided by the state in the 1963-65 biennium. Minnesota is fifth in the country in per capita support for higher education as reported in your MHECB publication. I won't go on with other examples, but I think it's important to keep that perspective.

The theme for this conference is fluctuating enrollments and I think we can learn something from the experience we've had, and are having, in elementary and secondary education. One thing we've learned is the powerful cost of seniority in paid staff. We've also learned that there are going to be demands for money to ease the pain, not necessarily to solve the problem. Also, that there will be a reduced constituency as there are fewer young people attending the schools. And we've learned that sometimes the interest of the students becomes secondary to other forces at work out there.

So, I think we can predict some

things as we look at post-secondary education in the years ahead. For example, the cost per student will rise considerably. That's been the experience of elementary-secondary schools and it's probably going to be as likely with post-secondary. It is likely that post-secondary education will face criticism because of the difficulties encountered by graduates in obtaining appropriate jobs. There's going to be a fight for a scarce commodity, and the scarce commodity is going to be students. And if we are not careful, and if we don't plan, and if we don't cooperate, we are apt to be in some competitive hassles between the various institu-

tions. There is going to be a continuing emphasis on continuing education. Many are going to start to look at that as an easy solution. There will be struggles over the closing of institutions and people pointing at other institutions that could be better closed. It's going to be tough to start new programs. There will be a holding action tendency. We'll probably have some tension between younger and older instructors in the institutions. Who's going to go, who costs the most and so on. There will probably be, unless we're careful, some unfair and un-

necessary competition between the public and private institutions. And I think a major development will be a greater movement for student rights, student access, student decision-making.

As we look to future state budgets, there is going to be a greater competition in some areas for tax dollars. We are starting to see it developing with highways, bridges, housing, jobs, recreation, and arts—and that is going to continue.

In preparing for the future of post-secondary education I think that the worst thing you can do is to take a

kind of "circle the wagons" approach, to say that your sole concern is to protect the rights and the privileges of those inside the circle of wagons, that you are not going to expand programs, that you are not going to draw new people in, but simply to retain the status quo.

We've had good support for education in Minnesota. I think that support will continue. There are some trouble spots ahead. But if we engage in serious cooperative planning, the future can be brighter.

SENATOR NICHOLAS COLEMAN SENATE MAJORITY LEADER

I suppose I should be the first of the legislators to say hello to the analysts from the boards of higher institutions in areas of this and that and other legislators and citizens out in the audience because I know less about the subject than anybody else. Although I do know I've heard a lot of moving words and...we love you. That's what my dad used to tell me when he said I couldn't go out at night or I couldn't have something—"you'll understand later, I love you."

It might be interesting very briefly to talk about how the word fluctuating got in this conversation. I can't be 100% sure but years ago I introduced a bill to study declining enrollment. And I got one rural author and another city author and I got a subcommittee and the bill went absolutely no place. Until someplace in the subcommittee, I don't know if it was staff or another senator said, "why don't you change the name to fluctuating enrollment and maybe you can pass the bill." So we changed the name from a declining

enrollment bill to a fluctuating enrollment bill, and we passed the bill and got a commission which has never reported.

But we are talking about fluctuating enrollment and it probably isn't a fluctuating enrollment, it's declining enrollment with small amounts some place along the line which some have spoken of as giving us a little extra time perhaps. But it is not going to change the fact situation very much. And the fact situation is that there are going to be fewer people there and more intense competition for the total amount of dollars.

I've been using a figure lately, and it seems that people have forgotten and it is somewhat impressive. I was elected for the 1963-64 biennium and the total state budget at that time was \$850 million. That was for elementary and secondary education, for higher education, for corrections, for legislative salaries and you name it. For everything but the highway department that came out of that and about, I think, 400 or

500 million dollars in federal money. At the current biennium, elementary and secondary education is \$1.7 billion; welfare has a one billion dollar appropriation, half of which goes to those of greatest need—the druggist, the doctors, the dentists. But even with that we sent home many disappointed people after the last session of the legislature, and they are going to come back again—they warned us that they are going to come back. And you're doing the same kind of thing in the area of education—your sincere, genuine interest, which I accept as such, that it dictates for you that you must come back to the legislature and say you overlooked our need in this particular area. Well maybe we did overlook that and maybe we didn't. But we cannot satisfy the demands of the, even the just and most just demands in some cases of people in our society. And the legislature has to make hard choices. We're not just choosing between education as you perceive it and as we perceive it but between the other needs—nutrition,

housing, jobs (the job problem is so big in Minnesota that we basically ignore it and say that only the federal government can resolve it and our cities lie for what a national commission has said is for a life of like hell living in an inner city, we're not there yet but I'm not sure how much improvement we're making on a year to year basis). So you are competing for a lot of very basic needs and even within your own system you are.

For some reason or another this has been educate Coleman in some of the educational needs of the state month, and I've been out to a small community in southwestern Minnesota where I had an opportunity (Roger—Senator Moe—says it's dangerous when I travel, he wants to keep me in the metro area) because I came back with exciting news of a new program which the legislature passed six years ago. But it was the program to pay transportation aids for vocational schools which is working very successfully in this particular community and the surrounding six towns. What is not working in that community is the program to transport students for academic needs. So the long hand in this community who could teach higher math only had six students enrolled. So he's teaching a junior social studies program in the junior high school. And they're going to be back asking for more money for that program, and they'll have a sym-

pathetic legislature.

I spent the night at the extension school and they want the legislature to recognize some very practical needs—the need for more care of the child of the parent that is attending class. Wives on campus, who, it never occurred to me that this is a serious problem, but they say it's part of the problem when the university does not recognize that education doesn't end when the sun goes down, and that there is another group of people coming to improve their life and they want to come to the legislature and ask for additional sums of money.

A committee has been formed in Minnesota—Friends of the Institute of Technology—who have already been approaching some cities on the grounds that as the Institute of Technology—in their minds—starts to slide downhill a little bit, and we're not turning out the kinds of scientists that we need to keep the economy healthy in Minnesota, the state of our economy is going to decline unless we pay attention to needs there. We're going to have to compete with the needs of the Institute of Technology and the School of Veterinary Medicine and see what our obligations are there.

So within the total society if we had not \$6.3 billion but we had \$10 billion we could not satisfy the needs of the people that are coming to us. So the legislature has to make some

assessments. And they are a lot like how you make a lot of your own decisions. "Oh, that's a good idea" or "that doesn't make any sense," or "we will take a look at it," or "we can't." And I think more and more we are starting to ask that the programs that come to us make sense. My own particular point of view is that it is going to require more coordination, and that you can't be competing among yourselves. You're going to get a very increasing negative reception from the legislature unless you coordinate your activities.

It is a bias of mine. I've introduced a bill, and I passed it through the Senate with the aid of a lot of good people a couple of times. I hope someday it will pass, and I know it will, through the House of Representatives, in which all these systems of higher education are going to have to coordinate their needs. So if I have a plea from this, it is that as a politician I would like to give everybody who came to us everything they ask for, and I can't. So then I have to ask all kinds of people to cut back or give me more information or better information. And the way that you and I can serve the needs of the people of our state in the vital area of education is to come to us, it seems to me, with a coordinated program that we can fund with some enthusiasm. Thank you.

SENATOR ROBERT DUNN

ASSISTANT SENATE MINORITY LEADER

I just want to focus on one aspect of the problem of fluctuating enrollments. As Senator Coleman said, when we say "fluctuating" enrollments we are thinking "declining". I come from an area where this isn't true at all as far as the population and the high school, or any other,

enrollment goes. So I think that when we look at fluctuating enrollments, let's really look at the geographic disparity that exists. Geography is important because the service areas of our institutions are closely related to where they're located. When it is a broad based institutional system

such as the University or the State University System, there is a tendency to draw more from the surrounding geographic area, but when you get to the community colleges and the AVTIs, this becomes even more pronounced.

Dr. Millett talked about the plann-

ing regions of which only two in the long run show increases, while the state—most of the regions—show, in high school graduates, declines from 29 up to 48 percent. There are just two regions with increasing enrollments—7E and 7W. Seven-W shows an increase of 21 percent in high school graduates and 7E has a 51 percent increase projected. This is at the same time that almost everybody else in the legislature is worrying about how to meet the declining enrollment problem. I just think it is important for us, if we are going to be in fact truly statewide in any one of our systems, to think about that problem. There are areas which are growing dramatically. The locations of institutions are based on demographics that are 10C years old or projections that are decades out of date.

We're running into the problem of

what do we do when we underutilize the facilities that now exist, the brick and mortar facilities that were located around where they were needed many years ago. By concentrating too heavily on that, we overlook the providing of equal educational opportunities where the people are now and where the high school graduates currently originate.

Look at the use of staff. I think we should be more imaginative, more creative in the way we move staff from one institution or from one system to another and how we reach out geographically. There are a lot of things we could be doing where we've barely scratched the surface. At the same time we know that this is a simpler thing to do and staff is really where the cost is. When we talk about what the capital costs are in institutions, as compared to the ongoing costs, we get a lot less

money involved.

I guess what I'd say is to look at Region 7E with one AVTI and no other institution of higher learning at all. Look at four of the five counties which ring the northern metropolitan area and there isn't a single higher education institution in any of those four counties — Isanti, Chisago, Wright or Sherburne. They don't have even an AVTI—nothing. Yet those are the counties which are growing fastest of all Minnesota counties. Sherburne County will have grown 100 percent in the next couple of years since the 1970 census. It's up by 60 percent now. This is an important aspect of the whole fluctuating enrollment picture. This may be a parochial point of view I'm expressing today and I'm doing it only because I think it's a point of view that really hasn't been discussed too thoroughly.

SENATOR ROGER MOE

SENATE FINANCE COMMITTEE CHAIRMAN

Thank you for the invitation to be with you today. It is very appropriate that we meet. An additional speaker talked about where were you on December 7. It's very important to take a look at that date because had it not been for what happened that day, we probably would not have entered that war. But let's say we wouldn't have. People wouldn't have gone off in those various battles, and we wouldn't have had the war ending and you wouldn't have had the baby boom and that big enrollment bulge, and we wouldn't be here today wondering what happened. But really what did happen, and since I'm a product of that post war boom, I can speak from practical experience. When I went through college there was a lot of pressure to get in, a lot of pressure to build. And this state went through it as all of you know.

And we built, let's face it, we built an institution that we probably would not have built had it not been for a bulge in the enrollment. And so the legislature is now suffering from what I would call the "Southwest State syndrome," and that is, we don't want to go through that particular thing again although I see some of my colleagues in the legislature in the audience who might take issue with whether we should have built that institution or not. But the facts remain, had we had a demographer and a state planning agency that was as sophisticated then as it is now, we probably would not have built that. So the legislature has—at least in my time in the legislature—reacted to that particular problem in higher education.

It's obvious in building requests,

and that's something we are going to try to come to grips with this session. Obviously, all the requests that we will have presented to us, when they get to the point where they are appearing before the finance and appropriations committees, obviously they are all of some merit otherwise they wouldn't be there. And yet, I suspect the requests probably total at least a couple of hundred million dollars and there is no way that we can possibly fund all those requests. And at the same time, Senator Dunn's remarks are very appropriate, what do you do with an area of the state that will experience population growth and has a void in higher education facilities in that particular area? So it's all somewhat difficult to come to grips with.

I do want to respond to Mr. Rothchild's remark, I believe, who in-

icated that sometimes the difficulty for the boards is that the boards do various things because the way the laws are written, and I laughed just a minute and looked up. And I thought that I was chairing the Finance Committee because the back of the room looks exactly the same now as it does when I chair that Finance Committee. And it looks exactly the same now as it did when I was sitting on Senator Hughes' Education Committee. Anybody who thinks that legislators write educational policy doesn't attend meetings. Because we all know that you write it, and you know. Let's take a look at who really sets a lot of the direction for education in Minnesota.

I'm supposed to give just a little reaction to the HECB, to the role. And that I hope that in the years to come, and since it was set up initially to represent special interests, you can't expect otherwise. But hopefully once we move away from special interest representation on the Board,

and what I mean by that is pure and simple. You have representatives from vocational education, you have representatives from the University of Minnesota, State Universities, so on. I question whether you can really have the sort of coordination and planning that you would like to have because everybody's going to look out for their own interests. At least that's my impression. So I guess I'm looking forward to a HECB that in effect will get tough and do the sort of coordinating that we would like to see done, that would be tough on program expansion. I'm hoping that maybe someday somebody sitting in this room will come up with a foolproof method of program evaluation so that we can get back to talking about excellence in education, and not have to talk about formulas, and headcount and per pupil weighing, and aid per pupil and all of this. Because I think it will be obviously much better for all of education. And when that genius appears,

I hope that he or she will come out of this room.

Let me close by saying what has been said before. We have an awful lot of demands. Some people will want tax cuts, some will want increases in spending. We try to weigh them accordingly and make the proper decisions. We can't do it without your input. It is very important. But even though we might think the sky is falling in on education in Minnesota, I would simply just ask you to look around you at other states. We have not closed any schools, we do not have massive layoffs and strikes and problems with funding, we have a pretty good system that is recognized nationwide. There's rarely a conference that I attend with people from other states where they don't point to Minnesota as the example of how things can be done. You people ought to be very proud of that. I'm very proud of being a part of that. Thank you.

SENATOR JEROME HUGHES

SENATE EDUCATION COMMITTEE CHAIRMAN

I was at a conference out of the state last week and somebody asked me a question—you know when someone is elected do they represent their particular area, really, or do they have a broader perspective of legislation as far as the state is concerned? I was thinking of Senator Dunn, when Senator Dunn was speaking as a senator from a particular area of the state and his concern about that particular area with respect to post-secondary education. And he's really doing what he should do as a senator—he is parochial in a sense. And I remember when we put the cutoff on those community colleges. And he

didn't talk about Cambridge but we are sitting in a city here. I don't represent St. Paul although people identify me clearly with St. Paul. We don't have a community college in this city and we don't have one in Cambridge. Those were two of the three that were up for consideration when we put a moratorium on the development of community colleges in Minnesota. But Senator Dunn is appropriate when he is concerned about his particular area in the state. Senator Dunn also as a senator does represent the total state of Minnesota. And he does take a look at the broad picture.

And I'd like to just say first of all,

I'd like to start out where Senator Moe ended. When we take a look at education in Minnesota as we finance it, from the beginning when people start to learn—we're just starting that—we're really slow in getting started in where people begin to learn and develop as human beings. But as we go all the way up through the spectrum, we are ranked very high in funding education. And that quality of life that we talked about in Minnesota is significant. We do produce talent in this state. We in this state do produce quality employees for employers. And I think the last count that I had was 4.5 percent unemployment in

this state. So within the state and outside of the state, we do a very effective job.

Would you look at the issue of reciprocity, Dr. Millett. We certainly have led the country in our development of reciprocity with other states. And this session of the legislature we will be looking at legislation for a compact. So we're going to have to not only look at our own parochial interests if we are senators or representatives; certainly, we must look at this state and we must look beyond this state. We know that the governor of Wisconsin is under criticism at the present time because he is refusing to have a veterinary school; we know how costly a veterinary school is. We need cooperation between states. And if we are going to be effective in sitting on boards of education, those of you that are members, you must be concerned about the mission of your particular institution or system; but you also must realize the mission of the others.

And this means that we need to continue to have cooperation. We passed the legislation last time that made some people feel uncomfortable a little bit. It passed in the Senate, and I think it is appropriate legislation. I would ask the boards and the executive heads of the higher education institutions of the state and the House to look again at

that bill, and any bill can be modified. But I think there is going to be a greater need in the future to strengthen this whole issue of the higher education coordinating role. That is something that has to be done if we are going to look at the broad picture.

I'm pleased that this meeting is taking place. I think probably that we ought to have more meetings like this, and we probably ought to even think in terms of some foundation grant—the research and development that would take place through some monies that would be made available. And working together between the systems. It's going to be extremely important, I think, because any kind of research and development that we do in the private and public sector pays off in the long run.

Just a word about the fluctuating enrollment issue which is what we are really supposed to be talking about. The data already prepared by the HECB and by the information that we have from our demographer gives us a plan. We kind of know where we are going to be. That's quite wonderful, I think. It's a better situation than those people who have governance and responsibility up to the post-secondary level. They didn't have much time to deal with that and they are still struggling with it. But we can anticipate what's going

to be true, five, ten, fifteen years hence. And we can look at each of these systems. But we must work together and talk together and plan together. And I would encourage all of us to keep an open mind. Remember that your system is important and your institution is important if you are part of the private sector.

And I'm very glad, and I want to reemphasize two points that Dr. Millett made. Number one, he said there has to be a higher education board. He made that point. He didn't say coordinating board—I'm in support of a coordinating board—but he did emphasize the idea of a board. And I'm not so sure we looked upon this board as having the significance it should. And secondly, he talked about the private sector, and the viability of that private sector within the public system and within this pluralistic society. And I think we've done that very well in this state, and we need to continue to take a look at it with respect to financing and whatever. But I would urge, and let me just finish with one word, that we can all do together better than any of us can do separately. And so this whole idea of being synergistic, putting together the minds and ideas will strengthen not only each of the systems and the missions of each of those systems but certainly will strengthen all of the education programs in the state of Minnesota. Thank you very much.

REPRESENTATIVE RAY FARICY

CHAIRMAN, HOUSE APPROPRIATIONS EDUCATION DIVISION

Good afternoon, I really don't understand why I'm here, quite honestly, because we all know that the policy decisions are made in Peter Fugina's committee, and we and our committee simply provide money as a result of all of that.

Actually, I came here and I'm not really enthused about what's happening this afternoon. I guess I've

been accused of telling it like it is too many occasions, I guess. I came here for the purpose of having an interchange, I guess. Not with those people over there which wasn't an interchange because I've heard them, and now I'm supposedly saying something in a few minutes and we are all through.

I don't think we've accomplished

an awful lot other than perhaps what everyone in this room already knows as to our positions. I would like to follow up with what Senator Hughes has said saying that, "OK, let us get together and not this format, but some other format where we sit around with a cup of coffee or the number of us are appreciating — there are quite a few — but we start

talking about this problem and pick that brain and that one and a couple over there to find out where we are going with this whole thing."

I've learned a lot this afternoon. I have to say that for it. First of all I didn't understand, Mr. Tweten, that we had cut you out of 20 programs and never even heard about it. As I recall, we funded every nickel and dime that they asked for, but somehow we cut them out of 20 programs. I was enthusiastic when I heard Mr. Rothchild tell us about the fact that we are not going to be building in the State University System anymore, just maintenance; because tomorrow morning we are allocating concerning that system, and I think it is going to save us all sorts of problems and lot of time for us. I was particularly interested in listening to Regent Schertler talking about how we went after liberal arts people with our cuts. And then going back to Mr. Rothchild's comments about how we should be having program budgeting. As I remembered seeing the appropriation, we didn't say anything about where the cuts should be made at the University of Minnesota, and the decisions as to which programs would be cut were in fact done internally.

I think there is an awful lot of things going on here and misunderstandings of where we are and where you are. I like that comment, chancellor (Millett), about this business about educating the person. I guess I have been trying to say, that for so long that I'm getting hoarse, and I obviously am looking at you—you've got a few years on me. I'm glad that I wasn't just somebody that thought I was all by myself. I'm happy to have found you in this respect. If I go on and start talking to people about liberal arts and talking about educating the person for whatever system it is (the community college, the state university, including the AVTI), somehow we become extremely job orientated and I think that's a proper goal. But I think we are losing perspective as to really where this whole education system is going. Whether that's feeding on itself and causing a decline in enrollment which is forcing the young man or woman to go looking for a job, if we're self-fulfilling by having our system become job orientated already, maybe we are doing this to ourselves. Granted the bodies all aren't there. We don't have those kids, but the population of our country and

our state seems to be increasing. There are a lot of people that I think we still can work with, and I appreciate the many efforts many of you are doing in that respect. Another group you mentioned, the students, aren't on here and they are really some of the decisionmakers of what's going to happen.

I just would hope that somehow as a result of having this first experience with each other that problems such as declining enrollments can be discussed—and we aren't all looking for our own little turf. We are worried about this or that a little because it affects us immediately. I know it's pretty hard, you are all getting paid by your own system, but somewhere we have got to reach. Maybe HECB is the answer, maybe they can do it. I think there has been distrust over the years. There was a number of concerns that have existed among legislators and among you. You have heard that this afternoon. Maybe this is the time to start letting our hair down, and just say let's talk about education—education of the person—and see if we can find an answer. Thank you for having me this afternoon.

PETER X. FUGINA

CHAIRMAN, HOUSE HIGHER EDUCATION COMMITTEE

I don't know who the chairman around here is so I'll just start off. First of all, let me say that this is kind of an unusual situation. The Senate keeps telling us about quality and quantity. And they say it only takes 67 senators to do what the 134 House members do. I wonder how it happens that today we are outnumbered by the senators four to three. Ray, I think you really stole my speech. I, too, think that using the

terminology fluctuating enrollment as a singular important, all important problem is not the case at all. I think the important thing is, as Ray said a few minutes ago, the education of the individual in other words, fundamentally the important thing is not how many people we have enrolled, but how well we have them enrolled, how sound are our educational programs, how do we educate that person so that he develops for him-

self a place in this society either as a leader or as a worker who's certain skills or as a world leader because we are part of the community of nations of the world. And, therefore, we have to look at how well can you do the job, how do the institutions see themselves, how do they see themselves, say 20 years from today. And how do they measure that the training of today is going to satisfy that individual for him to be able to make

the proper decisions 20 years from today or 40 years from today.

The dollars—we'll let Jerry Christenson worry about them, he's the finance person—he's got the dollars and Ray Faricy passes them out like he said he does. But how well do our institutions function? Are they functioning up to their capacity and are they functioning in the real leadership position so they understand those problems, and say, "OK, you come here you are going to experience, we are going to give you a chance to develop as an individual so that you are going to see yourself in the future and your training of today is going to stand you in good stead."

My committee has started on the metamorphosis of the education process. The higher education committee of the House is going to investigate, not investigate, but to study the ramifications of education and the whole process. Starting next week there will be a first meeting of five or six members of my committee meeting with some of the professors of the University of Minnesota. I've already discussed this with the president, Peter Magrath. And he thought it was an excellent idea. And we're going to do it as Ray suggested today—or, an informal basis. We are going to have the first meeting just to sit down and have lunch with six professors of the College of Education because they're at the crossroad. The need

for teachers of tomorrow has been clouded somewhat because of the fact that today we are at the surface—there are other problems involved. Retraining and so on is another problem. So we're going to sit down and see if what the legislature, what we in the way of determining the policy of education in Minnesota and support a program that is going to bring this about. And this will be a format that will be studied. It will not be the regular system of entirety that legislatures so often use and find to advantage to use. In this case this is not going to happen.

And I hope then that with this kind of study, this kind of intensive study, and comprehensive study, we are going to find out how we trust work at the University. We are not going to be interested only there, but after a format is developed, then the overall committee is going to be divided into several subcommittees and this process will then be repeated with every possible institution or groups of institutions so we can come back to Ray Faricy's appropriations committee—and Rod Searle incidently who has been there longer than anyone else. I've spent 14 years on the appropriations committee so I can well appreciate what kind of problems they have when the University comes and says we need \$136 million for these purposes.

We as an education committee should be the evaluator saying these

are the kinds of programs that are needed and we think, that, in a study with the appropriations committee, that this process is going to cost a certain number of dollars. Then with greater knowledge, the legislature, both houses, when they debate the problems on the floor in making these decisions more final—in passing the bills they will have an opportunity then to listen to a metamorphosis of education in Minnesota; how well does it supply the needs of the state, how well does it project itself as a leader in the nation and in the world? And if we all put our back to this particular problem and put our shoulders to the wheel and we gain additional kinds of discussions of this kind, and at the same time passing the ball to the higher education board and saying, "OK we think we need, and as Dr. Millett said, we need a board."

The Higher Education Coordinating Board is going to be able to function cooperatively with the legislative base and in this way come up with some decisions that we hope will be beneficial to the entire state in the process of post-high school education regardless-regardless of the needs that we have for technicians or doctors or lawyers or politicians or anything else that are needed in society to make this a real great state, the best that we know how and also to contribute to the well being of democratic societies in the world.

RODNEY SEARLE

ASSISTANT HOUSE MINORITY LEADER

There's always a nice feeling, being the low man on the totem pole and in the minority, being the last to speak.

I have a very vital statistic that I want to share with you this afternoon. I've done this before and get a big kick out of it. The panel over

there took 47 minutes for a half hour program. Now, we have two extra people and we still have you beat by two minutes so that's all I am going to take—just two minutes.

I share with you my leader, Mr. Faricy, that I think what we have been through here this afternoon

really is an exercise in defense. We had to defend the decisions that we have made over the last many years in education, and it's been well defended. I think the panel over there by and large is not talking to the audience. They were pleading with us legislators.

I'm reminded that fluctuating enrollments is nothing new. Peter and I were freshmen back in the late 50s. Only that was before the HECB, State Planning Agency and coordination. Then, instead of being fluctuating enrollments they were called overestimating, for the students didn't show up.

I kind of look at this whole program this afternoon pretty much

from the vantage point of old age I guess. An analogy of what we have in higher education is like grandmother's kettle sitting on the back of the stove and each little while we're adding ingredients depending on the flavor that someone in the family wants. The only difference today is it's not the same stove. Instead of wood we have electricity; but we've the

crockerpot now—plug it in. But still the same ingredients. Still pretty much the same problem. Depends on emphasis—priority.

I'll end by one of my favorite quotations from the scriptures. And I think that it all boils down to this from Ecclesiastics: "A feast was made for pleasure, wine maketh merry, but money serveth all things."