

**Higher Education and Work Force Development Testimony**

**Minnesota State House**

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Chair Rukavina and Members of the Committee:

Good afternoon, I am Nancy Black, a faculty member at Metropolitan State University. Currently I am on leave, serving as President of the Inter Faculty Organization, or IFO. The IFO is the union for approximately 3200 full and part-time faculty at Minnesota's seven state universities. We are the people who teach approximately 57,000 (FYE) students seeking Baccalaureate and Master's degrees from state universities. We produce the mid-level professionals in our society—nurses, engineers, accountants, —over half the teachers in the state.

Out of consideration for our outstate colleagues who have come to testify, we first will turn to Professor Sonja Meiers of Minnesota State University, Mankato.

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I have been proud to teach at Metropolitan State University for more than 15 years. Today I want to talk a little about who the faculty are, what we do, why it is important, and why we hope you will invest in higher education at the state universities.

We are broad access institutions:

—we don't "cherry pick" and only admit the top 5 or 10% of the class;  
—we take students, many of whom are in the middle or even lower half of their class, and we make successes of them;

And we are efficient—the total expenditure per student (both tuition and state appropriation) at state universities is about half of the expenditure per students by private colleges.

We think what we do is important—that we add value for individuals and society as a whole. There is a strong correlation between a person's level of education and the

income they earn and their job security. I have passed out a chart [Education and Training Pay, IFO-1] —the more education a person achieves the more money they make and the less likely they are to be unemployed.

We give students access to careers they could not achieve without higher education. But we do more than just give people access to jobs—we give them the skills that help them to be smart consumers, wise investors, effective parents and civic leaders. Many of our graduates end up on school boards, city councils, even as legislators. If you look through the legislative manuals, you will see dozens of legislators educated at state universities.

Higher education is an investment. You get paid back in the future for expenditures you make today. Because educated people make more money, they pay more taxes; and the state gets a direct return on its investment. I have passed out a chart from a recent issue of Postsecondary Opportunity newsletter—which shows the percent of taxes paid by educational level [Households, Income and Federal Income Taxes Paid, IFO-2]. For instance, people with bachelor's degrees make up 18.4% of the population—but they pay 27.4% of federal taxes.

Higher education—at all levels—not just state universities—pays big dividends. At one time Minnesota was a national leader in the support of higher education—but sadly, our rank is quickly falling. And each year, Minnesota is shoving more of the cost off of state appropriations and on to students and their families in the form of skyrocketing tuition.

Each year, *Governing Magazine*, a publication for state and local government officials, puts out a ranking of spending per capita on higher education [Governing Source Book 2006, IFO-3] showing spending *per capita* four years ago and on the reverse side, the *per capita* spending this past year. Four years ago—Minnesota ranked 20<sup>th</sup> among the 50 states; this past year Minnesota has slipped to 30<sup>th</sup>—behind Mississippi and Alabama.

A little over a month ago, *The Chronicle of Higher Education* published a comparison of higher education funding increases between last year and this year. I have distributed a copy of that ranking [State Appropriations: How the States Rank 2006, IFO-4]. Minnesota had a 2.6% increase. We ranked 45<sup>th</sup>. Only 5 states had a smaller

increase. But worse than that is the distribution of the increase. If you look on page 3 of the handout, the U of M had a 4.8% increase. Financial aid had a 3% increase. But MnSCU only had a 2/10 of 1% increase—the smallest of almost any system or institution in the nation! Even worse, this comparatively low funding has been going on for four years. Last year Minnesota ranked 33<sup>rd</sup> in the nation, the year before Minnesota ranked 44<sup>th</sup> in the nation, and four years ago we ranked 47<sup>th</sup> in the nation.

In Fiscal Year 2006, which ended last June 30<sup>th</sup>, MnSCU received a state appropriation of approximately \$600 million dollars; four year earlier, in FY 2002, MnSCU received \$601 million. In other words, MnSCU institutions received less actual dollars than four years earlier--despite the fact that inflation was nearly 12% over those same four years, and enrollment grew by 8,005 full time students (FYE), the equivalent of a good sized university's enrollment.

Minnesota has been coasting on our past reputation for a long, long time. At a time when higher education is more vital than ever for success, other states are passing us by. My plea today is that you make higher education a priority again. That you fund inflation for higher education—all of higher education—not just state universities and not just MnSCU. In the last four years, because the state didn't fund inflation costs, these costs got pushed on to students in the form of skyrocketing tuition. Student tuition rates at state universities went up 53% in four years. Most of our students come from modest income households—they can't afford these large increases, and they are going too deeply in debt. We believe the state should pick up inflation costs this time—it's their turn.

On behalf of all faculty, thank you for all your efforts and support of higher education.

