



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Audit Committee

DATE: November 19, 2024

TITLE: Trends in Higher Education

Action

Review and Discussion

This item is required by policy

PRESENTERS

Amy Jorgenson, Chief Audit Officer

Don Loberg, Managing Principal with CliftonLarsonAllen, LLP

Chris Knopik, Principal with CliftonLarsonAllen, LLP

Brenda Scherer, Signing Director with CliftonLarsonAllen, LLP

Liz Cook, Principal with CliftonLarsonAllen, LLP

PURPOSE

The purpose of this presentation is to provide the Audit Committee with comprehensive insights into the current trends and future outlook of higher education. Given CLA's extensive involvement with over 600 higher education institutions, they are uniquely positioned to offer valuable perspectives that can aid in strategic decision-making and enhance the overall understanding of the sector's evolving landscape.

BACKGROUND INFORMATION

Public Perception of Higher Education

In recent years, the public perception of higher education has become increasingly complex. On one hand, higher education is still viewed as a crucial pathway to career advancement and personal development. Many people recognize the value of a college degree in securing employment, increasing earning potential, and fostering critical thinking skills. However, there is also a growing sentiment of skepticism and concern regarding the cost of tuition, student loan debt, and the return on investment of a college education. These concerns have led to debates about the accessibility and affordability of higher education, as well as the need for reform to better align educational outcomes with labor market demands.

Election Results and Potential Higher Education Impacts

With Mr. Trump winning the election, higher education institutions will likely face a change in policies. Some of the policies which may be impacted could include international students, funding, restructure of U.S. Dept of Ed, forgiveness of loans, DEI and many more.

Future Demographics

Several key trends are likely to shape the student population in the coming years: Enrollment Cliff, Ethnic and Racial Diversity, Economic Barriers and Technology and Online Education

Overall, higher education institutions must be prepared to adapt their offerings, support systems, and outreach efforts to meet the needs of this evolving and diverse student population, especially considering the enrollment cliff and the decreasing number of high school graduates.

Competitor School Closures and Mergers

Higher education institutions are closing more rapidly than before due to financial pressures, declining enrollments, and shifting demographic trends. This phenomenon presents a unique opportunity for healthier institutions to expand their influence and resources. By strategically acquiring or merging with struggling competitors, stronger institutions can enhance their offerings, diversify their student base, and strengthen their market positions. These moves not only help preserve educational opportunities in affected communities but also foster innovation and collaboration across the academic landscape.