



The Honorable Bud Nornes, Chair
Higher Education and Career Readiness Committee
471 State Office Building
St. Paul, Minnesota 55155

The Honorable Michelle Fischbach, Chair
Higher Education Finance and Policy Committee
95 University Avenue W, Room 2113
St. Paul, Minnesota 55155

April 7, 2017

Dear Conference Chairs Nornes and Fischbach and members,

The Office of Higher Education staff and I appreciate the courtesy and positive working relationship you and your House and Senate staff have provided as you have processed your omnibus postsecondary bill to conference committee.

At a time of relative economic prosperity and a significant state budget surplus, the Governor has recommended investing \$318M in postsecondary students to help enhance the economic vitality of the State and secure future potential for our students in the workforce and community.

The House and Senate bills align with the Governor in that both institutional support and investment in direct aid to Minnesota's low and middle income students are contemplated. Appropriately, both bills recognize the need for, although do not fully fund, Minnesota State to upgrade their Integrated Statewide Record System and the University to invest in NRRI and MnDRIVE research. The Senate bill wisely funds the University request for Health Training restoration. Although the investments in the need-based state grant may differ in size and contour from Governor's recommendation, both bills help low and middle income families and are headed in the right direction.

Unfortunately, the House currently provides for only 47% and the Senate only 32% of the investment recommended by the Governor. Of particular concern is the **smaller investment in need-based aid** that will lead to higher debt loads for the many students and families already struggling to pay for college. The Senate bill would fund nearly 5,000 fewer students and the House would fund 3,000 fewer students than the Governor, with recipients averaging \$300 to \$400 less in State Grants.

Additionally, the **lack of investment in campus support at Minnesota State and core mission support at the University of Minnesota** combined with tuition freezes will lead to degradation of educational quality for students through probable layoffs and diminished course offerings and support services. The Governor encourages the Legislature to adequately fund our public post secondary institutions and leave the setting of tuition up to the duly appointed Minnesota State Trustees and University of Minnesota Regents.

In comparison to the Governor's recommendation, the House and Senate provisions mean:

- less investment in need-based aid for middle and low income students to attend the college that best fits their aspirations and needs to prepare themselves for economic and social opportunity
House \$36M less or 58% less Senate \$52M less or 84% less
- less investment in students attending and research at our University of Minnesota campuses
House \$74M less or 75% less Senate \$67M less or 69% less

- less investment in students attending Minnesota State Colleges and Universities
House \$56.4M less or 37% less Senate \$96.8M less or 64% less

The House does invest more than the Governor's recommendation in Summer Academic Enrichment Program (SAEP) funding to help at-risk students successfully prepare to enter a best fit college. This is excellent!

The Senate invests even more than the Governor's recommendation in emergency assistance matching grants to campuses to help students experiencing homelessness or food insecurity, so they can finish college without dropping out. Bravo!!

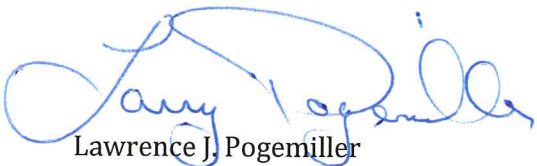
Although not at the Governor's recommended level, both bills provide funds to assist more students of color to enter the teaching profession, and to support entry into shortage areas. The Senate bill supports the creation of a Sexual Violence Prevention Coordinator as a statewide resource, particularly to assist smaller campuses.

The absence of new funding for cybersecurity and data infrastructure that the Governor recommended for OHE, as he did across agencies, is a concern as our basic 1988 data system ages, creating increasing security risk for hundreds of thousands of student records.

I also hope further consideration can be given to OHE operating funds (less than 1.7% of GF). The Senate bill reallocates \$350,000 to some very good programs, but puts further pressure on an operating budget strained by additional program responsibilities, inflation, and compensation increases.

Finally, it is important to remind conferees of the Governor's opposition to including policy language unrelated to the budget in your omnibus budget conference report (see page 3 of Governor's March 13th letter to Speaker Daudt and Leader Gazelka). He believes those items should travel separately in an omnibus policy bill coming out of this conference, or as separate bills, judged on their individual merits outside investment decisions. This will provide more **transparency** and **accountability** for decisions. Policy differences, unrelated to specific investments, could impede budget negotiations.

Again, thank you so much for the excellent working relationship between our OHE staff and your talented, hardworking staff. I personally appreciate the kind and thoughtful discussions OHE staff and I have had with each of you, and look forward to working with the conference as the session proceeds to a successful, timely conclusion.



Lawrence J. Pogemiller
Commissioner
Office of Higher Education

cc: Conferees
Representative Gene Pelowski, Senator Gregory Clausen