



April 21, 2025

Representative Dan Wolgamott, Co-Chair, House Higher Education Policy and Finance Committee
Representative Marion Rarick, Co-Chair, House Higher Education Policy and Finance Committee

Dear Co-Chairs Rarick and Wolgamott and Committee Members:

Thank you for the opportunity to share a few brief comments on the provisions in House File 2312 on behalf of the Office of Higher Education.

I want to start by thanking you for considering and including many of the Governor's budget and policy recommendations in the bill, particularly those that address the projected shortfall in the Minnesota State Grant program. As you know, the Governor recommended an additional investment in the State Grant program as well as adjustments to formula parameters necessary to balance the State Grant budget and create more predictable and sustainable awards for State Grant eligible students. We of course understand that the committee had a \$0 target to work with and had some difficult choices to make in order to prioritize the State Grant program. Although there are some differences between the Governor's recommendations and those within the bill, they are definitely a move in the right direction, and will help OHE model and project current and future State Grant spending more effectively.

I also want to thank you for prioritizing our agency administration request, allowing us to continue to maintain our commitment to providing outstanding service to students, our campus and community partners, and of course providing key information to the legislature. I want to thank you for including nearly all the recommended policy provisions, especially those intended to improve the program approval timelines of our Licensing and Registration division.

We do have a few concerns in the bill, particularly related to some of the proposed reductions and elimination of funding. We see that the committee reduced several programs that were not recommended by the Governor for reduction or elimination. It appears the intent was to find additional resources for the State Grant program, but rather than follow a more balanced approach, the committee chose to significantly reduce or eliminate critical and necessary supports that complement core financial aid programs. There are several reductions in the bill, but two of the most troubling are the \$4M reduction in the Student Parent Support Initiative, as well as the elimination of the Emergency Assistance for Postsecondary Students program. Some of these funds are transferred to the two public systems for program continuity, but the grants we administer on behalf of private non-profit institutions and tribal colleges have been eliminated. There is also a small \$60K reduction in the state Get Ready appropriation which acts as the state's contribution that unlocks over \$30M in federal Gear Up grants. Reducing that appropriation may impact our ability to appropriately administer that federal grant, which is particularly concerning in this unstable federal education environment.

We understand HF 2312 shifts funds in order to prioritize additional investment in some existing programs. We recommend a more balanced approach to ensure the continuation of programs that have been providing critical support to students and campuses.

Finally, I want to again thank you for recognizing the budget and policy recommendations from the Governor, and for including many of them in this bill. We know there are still items that need further conversation, and we look forward to working with the committee and other stakeholders as the bill continues through the process to create the best possible bill for Minnesota students during conference committee. We value our positive and productive working relationship with you and your staff and look forward to continuing to advance the important work of increasing college access, attainment, and success in Minnesota.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dennis Olson". The signature is fluid and cursive, with a large initial "D" and "O".

Dennis Olson
Commissioner
Minnesota Office of Higher Education