



March 26, 2025

Co-Chair Rarick, Co-Chair Wolgamott, and Members of the Committee
Minnesota House Committee on Higher Education Finance and Policy
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

RE: Letter of Support for H.F. 2634 - North Star Promise Eligibility Requirements

Dear Co-Chair Rarick, Co-Chair Wolgamott, and Committee Members:

On behalf of the Shakopee Area Chamber of Commerce, I am writing to express our strong support for H.F. 2634, which proposes to modify the North Star Promise scholarship's eligibility conditions to focus on students enrolled in programs leading to careers in high-demand industries and occupations.

The Shakopee Chamber represents businesses in Shakopee and throughout Scott County, and workforce development is consistently identified as one of our top priorities. Our region faces significant workforce challenges that this targeted approach would help address.

According to Minnesota DEED's 2024 Scott County Profile, our county is projected to add over 16,700 new jobs between 2025 and 2035, representing a growth rate of 10.5%, significantly outpacing the statewide projected growth rate of 3.7%. Many of these positions will be in high-demand sectors including healthcare, professional services, and manufacturing, where Scott County already shows strengths with manufacturing comprising 10.3% of local jobs and healthcare representing 9.3%.

Our Chamber has developed strong partnerships with local educational institutions, workforce development agencies, and industry leaders to create tailored training programs that prepare residents for careers with living wages. These collaborative efforts have been successful, but more strategic investment is needed to address specific workforce shortages in key industries.

H.F. 2634 represents a targeted approach to workforce development by:

1. Aligning educational investments with actual labor market needs
2. Supporting students pursuing careers where employment opportunities exist
3. Providing businesses with a pipeline of qualified workers in fields experiencing shortages
4. Creating a regular review process to ensure continued alignment with economic needs

The bill's requirement that the Office of Higher Education collaborate with the Department of Employment and Economic Development to identify and update the list of in-demand industries

and occupations ensures that scholarship funds will support programs genuinely aligned with workforce needs.

With Scott County's unemployment rate at just 2.5%, below the state average, and labor force participation rate at 75.3%, higher than the state average of 68.5%, our businesses already struggle to find qualified workers. This legislation would help ensure that the North Star Promise scholarship serves both students and employers by directing resources to fields where graduates are most likely to find meaningful employment.

We firmly believe that North Star Promise should be a program that helps fill labor shortages across Minnesota, and utilizing current labor market data is essential to accomplish that goal. This bill represents a fiscally responsible approach that maximizes the return on investment in higher education funding while addressing critical workforce needs.

We urge you to support H.F. 2634

Sincerely,



Tim Zunker
President
Shakopee Area Chamber of Commerce