

April 19, 2025

Rep. Dan Wolgamott, Co-Chair, House Higher Education Policy and Finance Committee
Rep. 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 the perspectives of our institutions and students on House File 2132, the Omnibus Higher Education Finance and Policy bill.

We appreciate all of the work that Committee members and staff have put into assembling this bill under deeply challenging financial circumstances and limitations, including a budget target that provides no additional funding for higher education needs in the next biennial budget.

Our students and our institutions are grateful that the Committee has recognized the harsh impacts facing lower-income students as a result of the \$237.0 million shortfall in funding for the need-based grants provided by the Minnesota State Grant program. Thank you for prioritizing resources to add \$34.5 million to the Minnesota State Grant program. These additional resources will help mitigate the State Grant reductions to some degree, but these students will still face very substantial reductions in their need-based grants. This will make access, retention, and degree completion even more challenging for many students and drive students to higher levels of borrowing to pay for college.

While any reductions to State Grants will make college access and success harder for State Grant recipients, we generally appreciate the changes you have proposed in the State Grant program parameters to narrow the funding shortfall, with one exception. The limitation on recognized tuition only for students at four-year nonprofit colleges and the University of Minnesota-Twin Cities campus injects an element of unfairness into the State Grant formula. A more fair allocation of cost savings could be achieved by temporarily reducing the Living and Miscellaneous Expense element of the formula from 115 percent of the poverty level to 112 or 113 percent, similar to the proposal from Governor Walz (but with a smaller reduction). This alternative approach would affect all State Grant recipients but the impact on each individual recipient would be much more modest than the impact of the tuition limitation because the tuition limitation targets a smaller subset of State Grant recipients for larger reductions.

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Thank you for increasing funding for the Fostering Independence Grants. This investment is making a tremendous difference for a unique student population. FIG grants, like State Grants, facilitate a critical partnership between State-provided financial and our institutionally provided financial aid that makes college access and success a reality for these students.

We want to express our support and appreciation to the Committee and the Office of Higher Education for the fee restructuring and regulatory process changes in this bill that will simplify the approval processes at the Office of Higher Education for new degrees, programs, and majors at Higher Learning Commission-accredited institutions. These changes will ultimately reduce costs and expand educational opportunities for students.

As this bill moves forward in the legislative process, we hope the final budget target for Higher Education will be significantly higher so that the Legislature can do much more to limit the reductions in State Grants for lower-income students who face the highest financial barriers to college success. We look forward to working with all of you toward this end as the legislative process moves forward.

Thank you,

A handwritten signature in blue ink, reading "Paul Cerkenik". The signature is fluid and cursive, with the first name "Paul" and last name "Cerkenik" clearly distinguishable.

Paul Cerkenik
President