

Senator Greg Clausen

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State of Minnesota

Representative Ilhan Omar

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

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

May 1, 2017

Dear Senator Fischbach and Representative Nornes,

We write to express our concerns with the Higher Education Omnibus bill. In particular, we believe there are: significant issues with the overall funding of higher education institutions and the State Grant program; unnecessary attempts to micromanage Minnesota State and the University of Minnesota; a disproportionate funding split between the two systems; a large list of unvetted and controversial policy provisions; and a non-transparent conference committee process.

Most concerning to us is the low target and lack of investment in our higher education institutions which will hit students the hardest. The joint target of \$125 million is 39% of what Governor Dayton has requested in his budget and does a disservice to our higher education systems. Both Minnesota State and the University of Minnesota have indicated that without additional investment, they will be forced to increase tuition and/or cut programs. After years of continued disinvestment in higher education which have weakened our state systems, our current budget stability allows us repair past cuts and build our workforce for the future.

Additionally, while the conference committee proposal requires a tuition freeze and decrease, the additional investment in operations and maintenance is far below what will be needed to cover that mandate. This is, in effect, a cut to Minnesota State, which will result in larger class sizes, fewer program offerings, fewer services for students, staff reductions, and more. These combined effects may also

have unintended consequences, including increasing the time it takes students to graduate, thereby actually raising the cost of attendance. As such, we request that the committee increase investment in both Minnesota State and the University systems. In addition, we support the tuition freeze and decrease language in the bill, contingent on an actual investment to cover these initiatives.

We also strongly support an increased investment in the State Grant to assist middle and low-income families who support students working to earn a degree. As the state continues to disinvest in our higher education systems, the cost of college is steadily increasing. Our current budget stability allows the state to make an additional investment in our workforce by providing all Minnesotans the opportunity to earn a two or four-year degree without burdening themselves with a mountain of debt. We need this investment to ensure a quality workforce in Minnesota.

Within the system budgets, there are numerous provisions which direct the system to spend operations and maintenance dollars on new programs. We do not specifically oppose the implementation of these programs, but we do object to requiring the use of existing operations and maintenance dollars. If the conference committee decides micromanaging these new programs is warranted, we request the committee fully invest in them with new funding above what is needed for operations and maintenance with the tuition freeze language.

We also have concerns with the balance of new system funds invested in the House and Senate bills, both of which are skewed towards Minnesota State. While we believe the committee should invest in both systems with a higher target, we also believe a balance is needed for whatever portion of the surplus is invested into our higher education institutions. Governor Dayton has expressed his support for a minimum 60/40 split of investment in Minnesota State and the University of Minnesota (respectively), as reflected in his budget. Unfortunately, the conference committee proposal is a 80.6/19.4 split. We request the committee respect this minimum balance with whatever investment is made in the two systems.

The numerous policy provisions in this bill are objectionable on two fronts. First, Governor Dayton has stated his opposition to any policy, especially controversial provisions, being included within omnibus budget bills. We believe the long list of policy provisions included within the current bill only serves to further endanger the viability of this bill. Second, we find many of the provisions objectionable from a policymaking standpoint. As we have previously expressed in our respective Higher Education committees and this conference committee, we believe many of

the policies will be detrimental to students, decrease the quality of higher education, or simply do not belong in the higher education budget area. We once again request that policy provisions move in a separate policy bill, especially those which has been identified as controversial.

Finally, we express our concerns with the manner in which the conference committee has been conducted. Negotiations related to policy and budget provisions in the final report were done behind closed doors in meetings at which minority members were either not invited or invited at the last minute. This, combined with the failure to release the omnibus policy and budget amendments in a timely manner, or even an overview of what was in the amendments, have led to a completely non-transparent process. We strongly request the chairs show respect to the public and the minority members of the committee, something which is not achieved when information is released shortly before the start of committee.

We appreciate the work which committee staff, counsel, and the chairs have put into this proposal, and we understand that target negotiations are ongoing and not within complete control of the chairs. However, with the low target, numerous controversial policy provisions, and the non-transparent process through which this conference committee was conducted, we cannot in good faith sign on to the conference committee report.



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