



The Honorable David J. Tomassoni, Chair
Senate Higher Education Finance and Policy Committee
75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol, Room 328
St. Paul, MN 55155

The Honorable Connie Bernardy, Chair
House Higher Education Finance and Policy Committee
563 State Office Building
St. Paul, MN 55155

May 11, 2022

Dear Conference Chairs Tomassoni and Bernardy 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 bills to conference committee.

With a \$9.25 billion state surplus, we have a once-in-a-lifetime opportunity this session to make significant investments in our state. These investments could change the lives of every Minnesotan. While we appreciate that the House's bill included a number of Governor Walz's supplemental budget recommendations, less than one percent of the Governor's recommendations are included in the Senate's bill. I can understand there may be differing viewpoints regarding how much investment should be made or how implementation would be handled, but to simply brush aside these recommendations is incredibly disappointing. I hope we can work with you to ensure the final bill is one that effectively uses the historic budget surplus in a way that benefits students and our state's workforce. The investments you could make this session will help sustain, grow, and strengthen Minnesota's economy for the future.

Particularly, I am grateful that the House bill includes funding for the Student Parent Support Initiative, and investment in grants and loan repayment for underrepresented student teachers and teachers in shortage areas.

Three other investments that are in the House bill but not the Senate bill and that deserve consideration are:

- Funding for the state's tribal colleges. Tribal colleges, which serve a critical need in Minnesota, have been asking for these funds for years, to no avail. In the same way that we routinely invest in the University of Minnesota and Minnesota State, now is the time to provide necessary support to these public higher education institutions.
- Funding for the Minnesota State Grant program. In 2021, over 70,000 Minnesotans received a state grant helping to make college accessible while reducing student loan debt. Increased funding is vital for reducing financial barriers and ensuring postsecondary education is possible for all Minnesotans. I will note that we would also like to see the inclusion of the Governor's recommended changes for eligibility,

which would help us provide an additional 8,000 grants to Minnesotans and would align the program with other state financial aid programs. This expansion of eligibility is not currently in either bill.

- Funding for Minnesota State and the University of Minnesota. The House bill includes funding that is not in the Senate bill to advance Minnesota State's work around campus stabilization, equity, and affordability; support scholarships for students attending the University of Minnesota's greater Minnesota campuses; and provide enhanced student support services system-wide for the University. We are hopeful that the conference committee considers funding these systems, that these investments will be included in the final bill, and for the committee to consider the Governor's recommendation to provide ongoing, sustainable funding to our public systems.

Also, regarding the University of Minnesota, we are concerned about the punitive approach and precedent set by the Senate bill's request for the University of Minnesota to establish an intercollegiate sports commission and to withhold funding for unrelated areas if this request is not met. The inclusion of a mandate for Minnesota Management and Budget to withhold public safety funding if they do not develop the commission and provide an annual report is something the Office of Higher Education does not support.

There are two budget omissions from both bills that I sincerely hope will be considered for inclusion as the omnibus bill moves forward:

- Funding for the continuation of the Next Generation Nursing Assistant initiative, which recruited and trained over 1,000 new certified nursing assistants. Because the initiative was so successful, the Governor had recommended continuing the initiative with ongoing funding to support training of up to 3,000 students per year. There are 15,000 vacant nursing assistant jobs in this state. This initiative would help ensure we create a pipeline to fill those positions and keep Minnesota healthy.
- One of the most important workforce programs proposed by the Governor, the expansion of the Dual Training grant, is absent from both bills. This proposal adds two new important high-need, in-demand industry areas, transportation and early childhood education, and is intended to directly assist employers meet critical workforce needs.

I would like to take a moment to discuss a policy piece of concern in the Senate bill. Specifically, the inclusion of a major policy provision in Article 2, Section 2 (starting on line 18.28) that makes significant changes to state financial aid eligibility. The Office of Higher Education has, and continues to, express concern over sending state financial aid resources to out of state entities when there exists significant capacity to effectively serve Minnesota students, including adult learners seeking online options, within Minnesota institutions.

We share the same overall goals as Senator Rarick in serving adult students in Minnesota and we appreciate the Senator's leadership and willingness to work with the agency on alternative language. We have committed to continuing to work with Senator Rarick and the committee to develop language that protects current Minnesota financial aid recipients and also meets the intent of the original bill. The language currently in the bill is not something the agency can support.

Finally, we are unsure whether the newly-proposed Skill Path Grant Program in the Senate bill should be a program that the Office of Higher Education oversees and administers, since these grants are awarded directly to secondary schools. Further, it is still unclear how it differs from existing programs the Minnesota Department of Education already administers. During committee, the Department of Labor and Industry also raised concerns

related to child labor laws. Based on testimony shared during committee, we feel this new program needs further development closely informed by additional stakeholder engagement.

Chairs Tomassoni and Bernardy, I want to once again thank you for the excellent working relationship between the Office of Higher Education staff and your talented, hardworking staff, as well as all committee members. I look forward to working with the conference committee as the session proceeds to develop a good final bill that will serve Minnesota students in the ways they have asked and provide the support that they deserve.

Sincerely,

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

Dennis Olson
Commissioner, Minnesota Office of Higher Education