



November 2, 2020

Chancellor Malhotra and Vice Chancellor Maki:

On behalf of the Administrative and Service Faculty, I wanted to let you know of our position regarding the next biennial budget request that had its first reading at the October Board of Trustees meeting. Given the current budgetary times and the anticipated deficit that the State of Minnesota is facing, we believe the modest 3% increase (\$120 million) is a suitable request. We appreciate the main priority of \$75 million going for campus investments and support as all our campuses are struggling given the challenges of COVID-19 and enrollment drops. The \$45 million investments in equity and affordability we believe will help to achieve our long-term goal of closing the opportunity gaps. We hope that the Legislature realizes that the investments in critical student support and academic services are necessary to help Minnesota's workforce that is increasingly diversifying.

Where we have concerns in the request is the lack of scholarship opportunities for university students *UNLESS* they are transferring from a MN State 2-year college. We see this as inequitable access and affordability for our students who wish to have their entire career at one of the 7 state universities. This feels like the university students becoming second-class citizens within Minnesota State, which we know is not the intent. However, if scholarship opportunities are only afforded to those who start at a 2-year college, then are we not driving more enrollments to the 2-year colleges and thereby negatively impacting university enrollments in the long-term? All our campuses benefit from the diversity of students who set foot through our doors and we need to support all of them regardless of which campus they call home. We know that students across our system are struggling financially. These are the situations we are currently seeing:

- We know that students who start at a 4-year institution are more likely to graduate in a timely manner than those who transfer in.
- Students are left with greater reliance on private loans. Families increasingly find themselves in complex financial situations where their debt-to-income ratios and credit worthiness are not adequate to qualify for private loan options. This more frequently leaves middle income students finding themselves without access to financing necessary to bridge the gap left after using federal direct loans to finance a portion of their educational costs.
- Students transitioning from 2-year environments during this time of COVID interruptions could likely find themselves reaching aid and loan limits due to difficulties they encounter in completing coursework. That being the case, having scholarships that can follow students into their four-year institution assists in providing ongoing financial assistance as students strive to reach their educational goals.
- With the job losses in the service arena due to the pandemic, finances are even more challenging for students across the 7 universities: our students work their way through school.

Without additional scholarship support, more of these students will stop out and are struggling to maintain full course loads.

- As of 2017, between 34 and 39% of our undergraduate students at Minnesota State, Mankato have an Expected Family Contribution of less than \$7,000, which means our undergraduate students have a significant financial need. These students have limited financial resources and are struggling with a significantly higher cost of attendance than students at the 2-year colleges face.
- As of Fall 2019, 27% of St. Cloud State University students were Pell Grant eligible and 17% had an Expected Family Contribution of \$0. These students are just as worthy of support as the students at the 2-year colleges.

We realize that there is not enough money in the request as it is currently written and the data that has been pulled to fund the level of scholarships as you have available for the College Promise Program. However, there appears to be quite a bit of leeway in the budget of several components of the \$45 million request for equity and affordability. We are respectfully asking that the System Office revisits the scholarship opportunities and associated budgeting so that all Minnesota State students, regardless of institution, have equal opportunity for much-needed financial assistance.

ASF has always been a partner with Minnesota State in advocating for the most state funding. However, without scholarship opportunities available for the students we serve directly at the universities, it would be difficult for us to throw our full support for this request.

Sincerely

A handwritten signature in black ink, appearing to read 'Tracy Rahim', with a stylized flourish at the end.

Tracy Rahim  
State ASF President/Grievance Officer