

UNIVERSITY OF MINNESOTA

Office of the President

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April 21, 2017

Sen. Michelle Fischbach
Chair, Higher Education Committee
2113 Minnesota Senate Building
St. Paul, MN 55155

Rep. Bud Nornes
Chair, Higher Education Committee
471 State Office Building
St. Paul, MN 55155

Dear Chairs Fischbach and Nornes:

On behalf of the University of Minnesota, I want to thank you and your committee members for how accessible you have been to me and my staff during this legislative session. We hope we have not only answered your questions but also effectively told the story of the University of Minnesota and its positive impact on the entire State. The University's partnership with the State of Minnesota is critical to both the state and the University, and we take your input seriously when guiding the future of this great institution.

With the Higher Education Conference Committee now underway, we want to reaffirm our position on certain legislation in the House and Senate bills, pointing out what we support and offering perspective on issues of concern. The following represents our view of the key features of these omnibus bills.

We appreciate the House and Senate's commitment to the University's MnDRIVE and NRRI initiatives. We encourage the conference committee to accept the appropriations for MnDRIVE included in the Senate version, as well as the House appropriation for NRRI. Although the MnDRIVE appropriations in both bills are significantly lower than requested, this is a good start and will ensure the important work on cancer care, water research, and other core initiatives will continue.

We also appreciate the House provision appropriating \$14 million for the health training and restoration services program. As you know, this program is critical to sustaining our family medicine practice, supporting our mobile dental clinic, and providing care to underserved communities. We want to ensure these residency slots are filled and that the University is able to continue providing the best trained family physicians across the entire state. We encourage the Senate to accept this provision in conference.

The University, our students, faculty, and partners are very concerned about the low levels of funding in both the House and Senate bills for our core missions request. We strongly share the Legislature's desire to ensure that higher education is affordable for all Minnesotans. Unfortunately, the proposed funding level in the House and Senate will certainly

necessitate cutbacks in programs across the University – programs that serve Minnesotans. Moreover, lack of funding for the core missions could lead to recommended tuition increases that may be as high as 5%, including increases for all students on all campuses.

The tuition freeze requirements in the Senate bill coupled with the low funding levels would only exacerbate the challenges we face in managing inflation, salary and wage requirements, and ongoing operations and maintenance. If holding tuition flat is the goal of the Conferees, we have provided the Higher Education Committees with information on the amount necessary - \$128.6 million – to achieve that goal. We are happy to provide this specific information again, at your request.

The Senate bill also includes a provision adjusting the base appropriation supporting bonds for the construction of the Bell Museum. \$188,000 per year is equivalent to 2.25% of the Bell's total projected annual operating budget. It represents 3.3 science educator positions, which will provide hands-on teaching experiences to approximately 25,000 K-12 students per year. This reduction is especially concerning because neither the House nor Senate included funding in their bills for the University's operating budget request for the Bell Museum, and this base reduction provision was not introduced as a bill or heard in committee. We would ask that this provision be stricken.

We are grateful to the House for recognizing needs at our Morris campus in terms of tuition waivers for Native American students. However, it is our practice that the Board of Regents directs funds and decides priorities among all the campuses and the many competing needs of the entire University of Minnesota system. Our preference is for these funds to be allocated to the University's operations and maintenance budget.

On the Senate request for additional provisions in the Budget Allocation Report, the University encourages the conference committee to review the Senate's added provisions to determine if they are duplicative to information already requested in Ch. 135A, as well as remove provisions inapplicable to the University of Minnesota, such as provisions regarding a "system office" which does not exist at the University. Further, we request additional clarification language regarding the definition of "any consultant who is not an employee of the system" in order to properly ascertain legislative intent. We also encourage the conference committee to raise this "consultant" reporting provision from \$500,000 to \$1 million to reflect current reporting practices at the University.

It is our view, however, that such reporting requirements do not need to be in statute. The University has and always will be responsive to individual legislator's requests and we strive to be transparent to all about our budget and allocation decisions. We will produce such a report at the request of any legislator.

We would also like to raise several concerns related to policy language included in the House bill. First, the House provision requiring automatic admission for any undergraduate resident student who has a GPA in the top 10 percent of their class removes the University's ability to provide a holistic review of every applicant to determine if they can succeed at the University. GPA should not be the only factor that determines whether a student can succeed in college. We are concerned this provision may create unintended consequences in terms of imbalance between

students admitted, and is not a true reflection of the merit of particular applicants. Further, many Minnesota high schools do not track class rank metrics, making it very challenging to fairly discern which students would qualify for automatic admission.

Additionally, we are opposed to a provision prohibiting mandatory student activity fees. Students are engaged in every facet of the fee process from student advisory boards in the administrative units, to students who serve on the Fee committees that make funding recommendations to the University administration. All fees are fully available for review by students and their families at the Office of Admissions and One Stop websites with criteria for fees, information on exemptions, and historical data. There is consensus amongst students on all our system campuses that a prohibition on these fees would diminish the quality of education at the University.

We are also opposed to the provisions regarding fetal tissue research currently in the House legislation. As you are aware, we are very hopeful that our continued discussion with you and your colleagues can result in a solution that is acceptable to the Legislature and the University.

We have concerns with the provision in the House bill related to the program for students with intellectual and developmental disabilities. Such a program would need the development of new courses (across the students' interests in fields of study), creation of new programs (including mentoring, leadership, and community engagement), and the proposed allocation would not be sufficient to implement such a program properly to ensure success of the student. Similar to the provision for the University of Minnesota Morris, we respectfully request the funds appropriated for this program be allocated to the University's operations and maintenance budget.

Finally, we recognize the Legislature's interest in setting performance metrics to ensure the goals of the state are met in terms of the University's work. We have worked diligently to meet these performance goals in the past, and have successfully achieved all to date. The current performance metrics in the House bill reflect metrics passed by previous legislatures. However, we would note the requirement to achieve a \$15 million reallocation of administrative costs in FY18. The University has already implemented budgets reallocating over \$68 million of our \$90 million goal by the end of FY19. With two years remaining to reach this goal, we believe a \$15 million reallocation in one fiscal year is not a feasible request.

In total, this year's proposed funding in both the House and Senate bills is dramatically lower than our request and as a result, will limit our effectiveness in building on our shared economic success for all Minnesotans. We are committed to a cost effective education and to a lean and administratively efficient University, but we cannot complete our mission without the financial support of the State.

As the Conference Committee continues their work we call upon the Legislature to approach Higher Education funding as the investment that it is. Each State tax dollar invested in the University of Minnesota generates current and future prosperity for this great State. We accept the challenge of meeting the needs of all Minnesotans, but we must have the partnership of the State of Minnesota.

Please don't hesitate to contact me or J.D. Burton, Director of State Relations (612-625-1445; jdburton@umn.edu) if you have any questions or would like more information. We are ready to work with you to craft the best possible higher education bill and shepherd it through the conference committee process and on to a successful conclusion to the session.

Sincerely,

A handwritten signature in black ink, appearing to read "Kaler", with a long horizontal flourish extending to the right.

Eric Kaler

Cc:

Kurt Daudt, Speaker of the House
Paul Gazelka, Senate Majority Leader
Melissa Hortman, House Minority Leader
Tom Bakk, Senate Minority Leader
House Conferees to SF 2214
Senate Conferees to SF 2214