



490 Concordia Ave Suite 125
Saint Paul, MN 55103
651.227.8442 • www.ifo.org

Governor Walz & Lt. Governor Flanagan
130 State Capitol
75 Rev Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Governor and Lt. Governor;

I write this letter as the voice of our more than 4,000 members and urge you to consider increasing the proposed investment in higher education as you begin to discuss changes to your budget recommendations. Our campuses are in the process of laying off staff, faculty, and cutting student support services and other things that have a severe impact on students. We are thankful for your willingness to fully fund the system request for campus stabilization.

Unfortunately, the system request for campuses was not nearly enough to protect core services, programs, courses, and more. To this point, I have attached a document that shows campus budgets even if the \$125 million request and the \$77 million tuition freeze is funded. As the document shows, under this scenario only two of our seven campuses would have a budget that breaks even. The other 5 have historic budget deficits. The total of all MinnState campus deficits under this scenario is more than \$54 million.

Right now, we are witnessing the impact of the state's systemic disinvestment over the last 20 years. The next generation of students, particularly BIPOC, low income, and first-generation students, have been deterred from advancing their education by the high costs and limited access. We now have record declines in enrollment, attributed largely to the impacts of budget cuts. Our universities and the colleges in our system cannot survive if we continue the trend of the last 20 years. Without adequate funding we'll move to a conversation of closing campuses, limiting opportunities from students in Greater Minnesota, and making college a privilege for the few. We believe you both have the leadership and political will to help us fix this.

In our conversation in January, we mentioned a few important investments state college and university campuses need to remain whole and remedy two decades of cuts.

Base funding increases:

- I. \$137 million for campuses
 - a. This is the amount the state has underfunded higher education compared to inflation going back to 2015. This has resulted in dramatic reductions in staff, faculty, student support services, and academic opportunities. These cuts have made it harder for students to complete their coursework, succeed in that coursework, and/or access higher education. These dollars were not made up with using tuition increases. This is the shortfall AFTER tuition increases were included into the full budget.

2. \$77 million for tuition freeze
 - a. This amount would freeze tuition for all students within MinnState. The amount is an estimate based on a 3.5% tuition increase, the same increases our campuses were allowed under state statute in FY22-23.
3. \$1.4 million for Employer Pension Increases (SF1910, Frentz)
 - a. Faculty and staff in MinnState within the Individual Retirement Account Plan (IRAP) have contributed more to their retirement over the last 4 years that the employer has. We are asking the state to fund an increase in the employer contribution from 6% to 8.75% by FY25.

One-time funds:

1. State Support for NextGen Software System
 - a. The NextGen software system is something our system must do. The state has agreed to pay half to total cost. The other half is coming directly from campus operating budgets. Over the last 3 years campuses have paid \$36 million toward the project and more than \$70 million remains for campuses to pay. Funding this using one-time money will provide relief to campus budgets.
2. Funding Early Separation Incentives (BESI's)
 - a. Providing one-time funds to campuses will allow them to create more attractive incentives for faculty members who may be willing or interested in retiring earlier than anticipated. This will also help create budget savings and usher in a younger and more diverse body of faculty.
3. Maintenance of Academic Buildings (HEAPR)
 - a. Our campuses have more than \$1 billion in deferred maintenance needs and ADA upgrades for academic buildings. When an emergency happens due to poor maintenance it becomes a campus budget crisis. Sending one-time funds to the system to use for HEAPR projects will help alleviate campus budgets and create safe, dry, and accessible learning environments.

We understand there are many hard choices to make as your office and the Legislature work to repair years of underfunding across state government. We encourage you to consider these investments as part of changes to your FY24-25 budget proposal.

In solidarity,



Jenna Chernega
President, Inter Faculty Organization

cc:
Commissioner Dennis Olson
Education Policy Advisor Sydney Spreck
Deputy Chief of Staff for External Relations Patrick Tanis
Chief of Staff Chris Schmitter

Minnesota State

FY2023-FY2025 Budgetary Surplus/Gap

Based on Minnesota State Biennial Budget Request

- \$212 million - System Stabilization & Student Support Services
- Includes funded undergraduate tuition freeze

| | FY2023 Surplus/Gap | 23-24 change | FY2024 Surplus/Gap | 24-25 change | FY24-25 Biennial Change | FY2025 Surplus/Gap | FY2024 Enrollment % Change | FY2025 Enrollment % Change |
|---|-----------------------|--------------|-----------------------|--------------|-------------------------------|-----------------------|----------------------------------|----------------------------------|
| Alexandria Technical & Community College | (796,244) | (118,099) | (914,343) | 20,848 | (97,251) | (893,495) | 1.0% | 2.0% |
| Anoka Ramsey Community College | (2,691,012) | 477,289 | (2,213,723) | 160,547 | 637,837 | (2,053,175) | 0.0% | 0.0% |
| Anoka Technical College | (1,441,421) | 120,373 | (1,321,048) | 43,300 | 163,673 | (1,277,748) | 0.0% | 0.0% |
| Bemidji State University | (9,182,275) | 57,634 | (9,124,641) | 1,226,584 | 1,284,218 | (7,898,057) | -8.4% | 3.7% |
| Central Lakes College | (528,304) | (232,022) | (760,326) | 18,118 | (213,904) | (742,208) | -0.4% | 1.4% |
| Century College | (702,910) | (1,729,349) | (2,432,259) | 287,672 | (1,441,676) | (2,144,586) | -6.0% | 0.0% |
| Dakota County Technical College | (1,582,121) | 175,412 | (1,406,709) | 524,793 | 700,205 | (881,916) | 0.0% | 3.1% |
| Fond du Lac Tribal & Community College | (791,161) | 121,491 | (669,670) | (106,901) | 14,589 | (776,572) | 3.7% | -6.5% |
| Hennepin Technical College | (1,633,796) | 1,317,366 | (316,430) | (1,066,987) | 250,379 | (1,383,417) | -3.0% | 0.0% |
| Inver Hills Community College | (2,896,701) | (74,911) | (2,971,612) | 415,651 | 340,740 | (2,555,961) | -2.4% | 2.4% |
| Lake Superior College | 0 | (103,774) | (103,774) | (151,239) | (255,012) | (255,012) | -3.5% | -0.5% |
| Metropolitan State University | (6,145,949) | (151,024) | (6,296,973) | (208,964) | (359,988) | (6,505,937) | -1.0% | -0.5% |
| Minneapolis Community and Technical College | (1,390,807) | 1,158,938 | (231,869) | 274,644 | 1,433,582 | 42,775 | 0.0% | 0.5% |
| Minnesota North College | (1,418,888) | (447,890) | (1,866,778) | 182,950 | (264,940) | (1,683,828) | -5.0% | 0.0% |
| Minnesota State College Southeast | (1,150,000) | 289,829 | (860,171) | 426,210 | 716,039 | (433,961) | 5.0% | 5.0% |
| Minnesota State Community and Technical College | (1,476,458) | 661,780 | (814,678) | (237,442) | 424,338 | (1,052,120) | -1.0% | 0.0% |
| Minnesota State University Moorhead | (3,385,276) | (4,123,131) | (7,508,407) | (1,566,411) | (5,689,542) | (9,074,818) | -5.7% | -1.3% |
| Minnesota State University, Mankato | (1,000,000) | 1,294,106 | 294,106 | 467,296 | 1,761,403 | 761,403 | 0.3% | 0.0% |
| Minnesota West Community and Technical College | (679,760) | 453,736 | (226,024) | 432,683 | 886,419 | 206,659 | 2.0% | 2.0% |
| Normandale Community College | (920,039) | 605,456 | (314,583) | 173,799 | 779,255 | (140,784) | 0.5% | 0.5% |
| North Hennepin Community College | (6,304,164) | 2,524,587 | (3,779,577) | (3,701,582) | (1,176,994) | (7,481,158) | -7.7% | 0.0% |
| Northland Community & Technical College | (1,506,121) | 1,526,210 | 20,089 | (1,193,283) | 332,927 | (1,173,194) | 0.0% | 0.8% |
| Northwest Technical College | (815,173) | 377,642 | (437,531) | 215,845 | 593,487 | (221,686) | 2.4% | 1.5% |
| Pine Technical & Community College | (205,000) | 141,778 | (63,222) | 277,326 | 419,104 | 214,104 | 2.4% | 2.5% |
| Ridgewater College | (2,228,147) | 516,417 | (1,711,730) | 110,314 | 626,730 | (1,601,417) | 1.8% | 0.0% |
| Riverland Community College | (947,320) | 785,820 | (161,500) | 71,456 | 857,275 | (90,045) | 2.0% | 1.2% |
| Rochester Community and Technical College | (78,216) | 202,667 | 124,451 | 225,205 | 427,872 | 349,656 | -1.1% | 0.0% |
| Saint Paul College | (4,455,542) | 3,813,916 | (641,626) | 1,294,176 | 5,108,092 | 652,550 | 4.0% | 0.6% |
| South Central College | (964,501) | 1,070,111 | 105,610 | (11,881) | 1,058,230 | 93,729 | 0.3% | 0.0% |
| Southwest Minnesota State University | (1,325,899) | 66,256 | (1,259,643) | 766,856 | 833,112 | (492,787) | 1.9% | 6.1% |
| St. Cloud State University | (11,701,000) | (192,500) | (11,893,500) | 12,791,999 | 12,599,499 | 898,499 | 1.0% | 1.0% |
| St. Cloud Technical and Community College | (550,398) | (37,611) | (588,009) | (116,020) | (153,632) | (704,030) | -4.0% | 0.0% |
| Winona State University | (3,989,816) | (2,284,318) | (6,274,134) | 485,607 | (1,798,711) | (5,788,527) | -1.0% | 0.5% |
| | (74,884,419) | 8,264,184 | (66,620,235) | 12,533,171 | 20,797,355 | (54,087,064) | | |