

MSCF Minute



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The Minnesota State Grant Program

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by Kevin Lindstrom, MSCF President

This week Governor Walz, Lieutenant Governor Flanagan, and Office of Higher Education Commissioner Dennis Olson are visiting a few of our campuses to talk about their education budget proposal and, more specifically, the Minnesota State Grant Program. Since they are highlighting the State Grant and with the relatively large amount of money proposed for the program in the Governor's initial budget, a closer look at exactly what the State Grant is and how its funds are distributed seems prudent.

As you read in an [earlier Minute article](#), the Governor proposed \$51.6 million in new funding for the Minnesota State system during the 2020-21 biennium. This number is only a fraction of the system's \$246 million request. In the same budget proposal, the Governor proposed just over \$54 million in new funding for the State Grant program. When directly asked during a Twitter forum on the budget proposal if the intent to give the State Grant more than the system represents a larger philosophical approach to funding higher education in Minnesota, Commissioner Olson responded, "Yes, absolutely. We are increasing the state grant program, which provides financial aid for students from low-income, working, and middle-class backgrounds. This aid gives students the choice to pick the college or university that best fits their need."

We have two main concerns with the State Grant program and this apparent shift in philosophy.

1. The program is regressive. As the [data shows](#), students from higher income households get MORE money than students from lower income households.
2. The program is a voucher system. It funnels public funds into private institutions, and it does so disproportionately. As the table below shows, in FY2018, Minnesota State two-year colleges had 44% of the recipients, but received only 17% of State Grant dollars. Conversely, Minnesota Private Non-Profit institutions had only 17% of the recipients, but received 33% of State Grant dollars. Looking at [individual institution data](#), in FY2018, at Minnesota State Community and Technical College (M State), 1,185 students received \$1.2 million in State Grant funds. That same year, at Augsburg College, 1,135 students received \$5.8 million in State Grant funds.

Most importantly, this apparent shift in philosophy and in funding will, potentially, increase the debt burden on our students and place higher education further out of reach. Here's how. When lawmakers fund the State Grant rather than the Minnesota State system, they create upward pressure on tuition. They also shift a majority of the cost of that tuition increase to Minnesota State students. As the data clearly shows, a dollar put into the State Grant program returns only 35 cents to Minnesota State students.

So, even if the amount of money in the State Grant program increases, individual students will still be on the hook for a portion of a tuition increase, which, for many of our students will take the form of increased debt. More student debt, more calls for grant money, more money diverted from the public colleges to the grant program, tuition goes up, more student debt, more calls for grant money, more money diverted...and on and on it goes.

There are several ways to address this, but the first is to send our public dollars to our public institutions, keeping them affordable to all Minnesotans. Direct appropriation to the system is the best form of financial aid for our students, especially our students from "low-income, working, and middle-class backgrounds," to use Commissioner Olson's words. Second, we believe the most aid should go to the students with the most need. The current State Grant structure does just the opposite. This has been going on for too long, and now is the time to call it out.

We will be meeting with the Governor's staff this week to seek clarity on the Governor's values in regard to higher education, especially in light of the [questionnaire he completed when seeking Education Minnesota's endorsement](#). As a candidate, he stated that "As Governor I will fight against vouchers and public funding going to private schools." We took him at his word when we supported his candidacy, and we want to help make sure any revisions to his budget proposal stay true to that statement.

We'll keep you informed as we learn more. In the meantime, if you have any questions, please feel free to contact me.

| Type of Institution Attended | Number of Recipients | Combined Federal Pell and Minnesota State Grants (millions) | Minnesota State Grants (millions) |
|---|----------------------|---|-----------------------------------|
| Minnesota State Colleges | 35,421 (44%) | \$136.59 | \$33.87 (17%) |
| Minnesota State Universities | 15,099 (19%) | \$77.69 | \$34.01 (18%) |
| University of Minnesota | 12,139 (15%) | \$87.42 | \$57.16 (29%) |
| Minnesota Private Non-Profit Institutions | 14,097 (17%) | \$101.47 | \$63.91 (33%) |
| Minnesota Private For-Profit Institutions | 4,037 (5%) | \$17.75 | \$5.07 (3%) |
| Total | 80,793 (100%) | \$420.93 | \$194.02 (100%) |

Degrees, Not Debt Lobby Day

Education debt took center stage in the recent election and now it is time to make real progress on two big issues:

- Expand our state teacher loan forgiveness program in scope and funding
- Work to create a consumer advocate in state government for borrowers with loan servicers and lenders who are misguided or mistreated

JOIN US

Wednesday, March 27 41 Sherburne Ave., St. Paul
9 a.m.-3 p.m.

Register at: bit.ly/dnd2019

MSCF Delegate Assembly

If a chapter or individual member would like to submit a New Business item, Resolution, or a Constitution & Bylaw amendment, it must be received by the MSCF office no later than **Friday, March 8, 2019**.

All items should be emailed to
Ilissa Morrow at: ilissa.morrow@edmn.org or faxed to
651-767-1266.

Click on the picture below for a Legislative update from Mark Grant



Show your
MSCF union pride!

Submit pictures of your
faculty participating in
union activities.

Photos will be used in a slide show
for the
Delegate Assembly!

Submit photos to:
ilissa.morrow@edmn.org



Welcome, New Members!

Heidi Tarus, MN West

Nikkilynn Rud, Rochester

Jacob Barker, MN West

Daniel Bernstrom, MN West

George Backen, St. Cloud

Amy McCuen, MN West

