



May 8, 2025

Chair Omar Fateh  
Senate Higher Education Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 3219  
St. Paul, MN 55155

Chair Marion Rarick  
House Higher Education Committee  
2nd Floor Centennial Office Building  
St. Paul, MN 55155

Chair Dan Wolgamott  
House Higher Education Committee  
5th Floor Centennial Office Building  
St. Paul, MN 55155

Senator Fateh, Senator Putnam, Senator Duckworth, Representative Rarick, Representative Wolgamott, Representative Robbins and Representative Coulter,

Thank you for the opportunity to comment on HF2431, the higher education omnibus budget bill. Lutheran Social Service of Minnesota (LSS) provides essential services across all 87 counties, reaching one in 63 Minnesotans annually. This includes financial counseling services, which have been offered by LSS for over 35 years and have helped individuals overcome debt, build assets, and achieve financial wellness. Each year, we serve over 14,000 families through in-person, phone, or virtual counseling through the support of 22 certified financial counselors across Minnesota, including in Duluth, Willmar, Brainerd, Mankato, Rochester, Virginia, and three metro offices.

We appreciate and understand the difficult decisions this conference committee must make to ensure a balanced state budget. **As you begin negotiations, we'd like to share our support for the Senate's position of increasing funding for student loan debt counseling to \$500,000 per biennium.** LSS has been the grantee of the Office of Higher Education's Student Loan Counseling Repayment grant since March of 2020 and counseled more than 4,755 borrowers. In 2024 alone, LSS served 1,104 student loan borrowers in 58 counties—32% more than our grant targets, indicating the high demand for these services. This funding increase will create opportunities to provide counseling to an estimated additional 500 individuals who are facing challenges with their student loans. Access to this individualized repayment counseling will help more neighbors overcome their debt, achieve financial wellness and contribute to our state's economy.

**LSS also strongly opposes the exclusion of any funding for student loan debt counseling from the House higher education bill.** Without the state resources to fund this work, LSS will be unable to continue serving student loan borrowers in need of support given the lack of alternative funding options. Moreover, no other student loan debt counseling is free in Minnesota, so without funding for this program, borrowers who need free services can't seek this counseling elsewhere. This is particularly



concerning because the data shows this work makes a difference: after meeting with an LSS counselor, 93% of borrowers report increased knowledge and confidence in managing their repayment options, 95% avoided loan default for at least one year after receiving counseling, 58% report payments are more affordable one year after receiving counseling, and 97% developed a realistic individualized monthly budget plan.

Minnesota has taken meaningful steps in the past to address the burden of student debt, and we hope you will choose to continue investing in this progress. We urge you to increase support for student loan counseling services to ensure that students and families can manage debt, avoid default, and continue working toward financial and academic success.

Minnesotans with student loan debt deserve access to the tools and support that help them succeed—not just in school, but in life. Please contact me at [erin.sutton@lssmn.org](mailto:erin.sutton@lssmn.org) if we may provide further information on this important issue.

Sincerely,

Erin Sutton  
Senior Director of Advocacy  
Lutheran Social Service of Minnesota