



April 18, 2025

Dear Chair Rarick, Chair Wolgamott and Committee Members,

Thank you for the opportunity to comment on HF2312 – 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.

We appreciate and understand the difficult decisions your committee must make to ensure a balanced state budget. However, we strongly oppose the exclusion of funding for student loan debt counseling in HF2312. Since 2019, this program has proven to be a cost-effective service that helps students, graduates, and families make informed decisions, avoid default, and build financial stability. Without the state resources to fund this work, LSS will be unable to continue serving student loan borrowers in need of support.

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 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, but we are concerned that HF2312 as proposed would undo this progress. We urge you to reconsider the elimination of cuts to 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 if we may provide further information on this important issue.

Sincerely,

Erin Sutton
Senior Director of Advocacy
Lutheran Social Service of Minnesota