



UNDERGRADUATE
STUDENT GOVERNMENT



STUDENT
GOVERNMENT
ASSOCIATION
UNIVERSITY OF MINNESOTA - DULUTH



Sen. Omar Fateh
Minnesota Senate Bldg.
Room 3219
St. Paul, MN 55155

Rep. Marion Rarick
2nd Floor Centennial Office
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St. Paul, MN 55155

Rep. Dan Wolgamott
5th Floor, Centennial Office
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Sen. John Marty
Minnesota Senate Bldg.,
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Rep. Paul Torkelson
2nd Floor Centennial Office
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Rep. Cedrick Frazier
5th Floor Centennial Office
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Sen. Erin Murphy
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Speaker Lisa Demuth
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Rep. Zack Stephenson
5th Floor Centennial Office
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St. Paul, MN 55155

April 24th, 2026

Chair Fateh, Chair Rarick, Chair Wolgamott, Chair Marty, Chair Torkelson, Chair Fraizer, Leader Murphy, Speaker Demuth, and Rep. Stevenson,

On behalf of the 43,563 undergraduate students at the University of Minnesota, we, as the recognized student government associations of the five campuses, **urge the state legislature to ensure that all University of Minnesota students receive their full North Star Promise and State Grant Awards.** This includes **retaining negative SAI** when calculating state grant awards, **keeping the state grant cap at the University of Minnesota Twin Cities tuition and fees** for all students, **and fully funding the \$140 million State Grant deficit.**

Students from across our five system campuses rely on the State Grant program to fund their dreams of obtaining an affordable, high-quality undergraduate education. Many of these students who qualify for the State Grant program are Pell Grant recipients and rely on this aid to pay for college. **For students at our University, the State Grant and North Star Promise Programs are crucial for students from low and middle-income families, student parents, and Minnesotans who want to return to finish their undergraduate degrees.** **Not funding these programs would be detrimental to our campus community and the many Minnesotans who call the University of Minnesota home.**

Negative SAI (Student-Aid-Index) is a key bipartisan measure that actually assesses the true cost of college and university. Although **tuition and fees at the University of Minnesota are**

\$18,626, the total cost of attendance at the University of Minnesota Twin Cities is \$28,184.

Programs like the North Star Promise do not cover these additional costs. Negative SAI provides needed support for the neediest of students who are at or below the federal poverty line. The University of Minnesota has many students who rely on the negative change in SAI to afford higher education. Changing the SAI floor to \$0 will divert the financial aid students need most.

Negative SAI provides many benefits to students and advances equity and fairness in higher education through

- **Accurate Representation of Need:** Negative SAIs provide a more nuanced understanding of a student's financial situation, especially for those whose families face extraordinary hardship. A student with a SAI of negative \$1,500 is not in the same financial position as a student with a \$0 SAI.
- **Strategic Allocation of Funds:** With limited resources, recognizing negative SAIs helps prioritize aid for students who need it the most, ensuring that every dollar is used effectively to bridge gaps for the most vulnerable populations. Recognizing negative SAIs ensures that Minnesota is using all available data to best use its financial aid.
- **Advancing Equity in Higher Education:** This policy ensures students from the lowest-income households are not overlooked or penalized due to their financial circumstances. It empowers them with the resources necessary to pursue higher education and fulfill their potential. By assigning them a negative SAI, the federal government has told these students that they have exceptional financial need. Minnesota should recognize that and work to support those students' college plans

Even if the negative SAI is protected, University of Minnesota students will be excluded from any student aid under this if the HF4252 State Grant cap is implemented. Moving the State Grant cap from the 2024-2025 University of Minnesota Twin Cities tuition and fees rate (adjusted for inflation, 2%) down to the average public 4-year rate would nullify any additional student aid a student with a negative SAI would receive.

The University of Minnesota is home to thousands of students who rely on the negative SAI formula to pay for their education. The majority of these students' families make at or below the federal poverty line. If the cap in HF4252 passes, public school students will be excluded from the negative SAI formula at the University of Minnesota Twin Cities, Rochester, Duluth, Morris, and Crookston campuses.

Students at the University of Minnesota are already facing immense pressures, a 6.5% tuition hike for the '25-'26 academic year, and the rising cost of living has already stretched students thin. Lowering the State Grant Cap for the University of Minnesota students will cause great harm to our community. A study from the Education Advisory Board showed that a \$1,500 to \$2,000 reduction in a student's award will make them 4% more likely to drop out than their peers who saw no reduction. If the language in HF4252 passes, students could lose up to \$1,500 in

student aid. The reality of this change is that students will have to make difficult choices, and it will primarily fall on the neediest students.

This legislature should prioritize keeping its North Star promise to students, fully fund the state grant deficit in FY26-27, and prioritize programs that have shown immense student success: the North Star Promise and State Grant Programs. We are asking legislative leaders not to balance this budget on the backs of the neediest students, but instead to fill the state grant and ensure minimal rationing for students across our higher education systems.

Thank you for your dedication to hearing student voices. Together, we can continue the great progress we have made in making higher education accessible for all Minnesotans.

Sincerely,

The Undergraduate Student Government
A Recognized Student Government
Association of the University of Minnesota -
Twin Cities

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CC: Governor Tim Walz, Commissioner Dennis Olson, President Rebecca Cunningham,
Executive Vice President Erin Sexton.

Impact on Students of State Grant Rationing

- The **\$131 million shortfall** in the program requires statutory rationing starting this fall:
 - Rationing is necessary because the number of State Grant recipients is projected to increase from 75,000 last year to over 88,000 next year.
 - **Increased enrollment, especially of lower-income students, is a good thing!**
- **Rationing means** that the Student Share and the Family Share of the college costs will be increased:
 - The Student Share will be increased from 50% to 54.5% of the cost of attendance.
 - The Family Share will be raised from 95% to 185% of the SAI for dependent students, from 71% to 138% for independent students with dependents, and from 35% to 68% for independent students without dependents.
 - The SAI—or Student Aid Index—is derived from the FAFSA and used to establish a family’s expected contribution to college costs in the State Grant program. Under rationing, this coming fall State Grant recipients and their families will be expected to contribute almost twice as much to the cost of college as they are expected to contribute this year.
- **Overall student impacts** of increasing the Student Share and the Family Share:
 - Statewide, more than **18,000 students will lose their State Grant completely** – that’s 20% of State Grant recipients next year.
 - On average, students will have their State Grant award cut by 38%.
- **Rationing will have the largest impact on families and students with incomes over \$60,000 who typically don’t receive a Pell Grant.**
 - State Grant funds awarded to these students will be **cut by 73%** due to rationing.
 - **Cuts to grants will range from \$3,000 to \$7,000** for these students who are enrolled full-time in bachelor’s degree programs.
 - 57% of these students will lose their entire State Grant.

April 22, 2026

Dear House Ways and Means Committee Members:

On behalf of the 15,000 State Grant recipients at nonprofit colleges and universities, and the colleges and universities that serve them, we ask for an investment of additional funding to help mitigate the \$131 million State Grant funding shortfall.

The current funding shortfall is the result of two factors: (1) a significant increase in the number of low-income students seeking a postsecondary degree or credential, and (2) the new FAFSA's recognition that lower-income families have fewer resources to pay for college than previously recognized.

The increase in the number of lower-income students seeking a college degree or credential is a good problem: more lower-income students enrolling in postsecondary education means a more educated workforce, strengthening our state's economy for decades to come.

Failing to address the shortfall with additional funding will turn this good problem into a bad problem: if lower-income students do not have the financial aid resources needed to achieve their educational goals, the State will be left with a less educated and less well-prepared workforce.

The State Grant program is a promise to young people that the State will help them achieve their educational goals and career aspirations by ensuring that financial barriers do not limit their educational opportunities. Lower-income students need and rely on consistent and adequate financial aid to make college success possible

Without an investment of additional funding for the program, severe rationing of grants will be imposed on the students who count on these grants. Under rationing, State Grant recipients will face devastating cuts:

- State grants will be cut by \$1,000 to \$7,000.
- Overall, State Grants will be reduced on average by nearly 40%.
- About 20% of all State Grant recipients will lose their entire grant.

The magnitude of these cuts will make enrolling in college or staying in college unaffordable for many of these students.

The vast majority of last year's State Grant deficit – 80% – was resolved by reducing State Grant funding by nearly \$200 million. Students cannot afford more cuts to their financial aid again this year.

Minnesota Private Colleges | Excellence within reach

Augsburg University
Bethany Lutheran College
Bethel University
Carleton College
College of Saint Benedict
The College of St. Scholastica

Concordia College
Concordia University, St. Paul
Gustavus Adolphus College
Hamline University
Macalester College
Minneapolis College of Art and Design

Saint John's University
Saint Mary's University of Minnesota
St. Catherine University
St. Olaf College
University of Northwestern - St. Paul
University of St. Thomas

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For these reasons, we hope that as the legislative process moves forward, legislators will continue to work to find funding for the State Grant program that will make a meaningful impact in mitigating the State Grant cuts students are facing for this coming fall.

Finally, we would encourage the committee to remove the language in Section 63 on Page 41 that sets the State Grant tuition maximum below the highest public four-year institution. If the State Grant program does not recognize the actual full public tuition level as provided for in statute, the State Grant will be insufficient to allow students the option to attend the University of Minnesota or nonprofit colleges, even when those institutions are closer to home or best suited to meet these students' educational goals and aspirations.

Thank you for considering the needs of Minnesota's lower-income students, their future, and the collective future of our State as you make what we recognize are difficult funding decisions within limited resources.

Sincerely,

A handwritten signature in cursive script that reads "Paul Cerkenik". The signature is written in black ink and is positioned above the printed name.

Paul Cerkenik