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Chair Fateh, Co-chair Rarick and Co-chair Wolgamott,

This is an exciting time as thousands of Minnesota high school students receive college acceptance letters. However, that excitement often turns to anxiety as students and families struggle to decode the true cost of college from unclear and inconsistent financial aid award letters. But we have the opportunity to change that.

**The Senate omnibus higher education bill has adopted critical language to create the College Financing Literacy Act, and I urge you to include this in the final omnibus bill.**

Today, we require upfront pricing clarity for significant purchases like homes and cars, yet the cost of higher education—a life-altering investment—is shrouded in ambiguity. Testimonies from students, parents, and advocates before the Senate committee confirm the widespread confusion and frustration caused by current financial aid practices.

These experiences are further reinforced by a 2022 Government Accountability Office (GAO) report showing that nearly two-thirds of colleges fail to meet even half of the ten best practices for transparency in financial aid offers. Alarming, 91% of colleges either omit or understate the "net price," the true out-of-pocket expense for students after grants and scholarships are applied. Nearly half of the institutions reviewed fail to mention net price at all, leaving students forced to make critical financial decisions blindly.

Unclear financial aid information disproportionately impacts low-income and first-generation students, making it harder for them to achieve their academic goals and often leading to unforeseen debt. This is not just a policy issue; it's a fundamental consumer protection issue.

While the Department of Education has proposed voluntary best practices, compliance has been insufficient. Without enforceable standards, the burden continues to fall unfairly on families. That's why the College Financing Literacy Act is so crucial in addressing these consumer protection issues.

This legislation takes significant steps to ensure Minnesota students have access to clear, accurate, and comparable financial aid information by requiring colleges to:

- Use standardized terms and formatting for financial aid offers.
- Include the full Cost of Attendance, clearly breaking down direct and indirect expenses.
- Explicitly separate grants, loans, and work-study, prohibiting deceptive practices like combining loans into the total “aid” amount.
- Provide a clear calculation of the net price and estimated bills.
- Engage in consumer testing to ensure financial aid letters are easily understandable for students, families, and advisors.

These changes would empower families to make informed financial decisions and avoid unnecessary debt, giving them a fair chance at success.

Additionally, **I encourage the inclusion of language introduced by Sen. Draheim to require greater disclosure of job placement data and educational outcomes.** By mandating the publication of job placement rates for specific fields of study and gainful employment outcomes like median earnings, students would be equipped with valuable insights into the economic return on their educational investments. This level of transparency would foster better choices and a more trustworthy higher education system.

While some institutions may view these requirements as burdensome, transparency is fundamental to consumer protection. Students and families deserve to understand the true cost of college and the potential value of their education.

By supporting the **College Financing Literacy Act and disclosure of job placement data**, you have the opportunity to help students make more informed decisions when deciding what college or university to attend. Thank you for your time and consideration of this vital initiative.

Sincerely,

Mike Dean  
Executive Director  
North Star Prosperity

cc: Governor Tim Walz  
Commissioner Dennis Olson  
Sen. Putnam  
Sen. Duckworth  
Rep. Robbins  
Rep. Coulter