# Minnesota's Higher Education History 2015-2018

# Historic Structural \$\$ Imbalance! Partial Tuition Freezes! Record Student Debt! Declining Student Enrollment!

Prepared by Representative Gene Pelowski April 2017

# Minnesota's Higher Education History 2006-2012

# Historic CUTS! Record Tuition Increases! Record Student Debt! Record Administrator Bonuses!

Prepared by Representative Gene Pelowski Summer 2013

# Minnesota's Higher Education History 2013-2014

# Historic Investments! Record Tuition Freezes! Record Student Debt Relief! Outlawed Administrator Bonuses!

Prepared by Representative Gene Pelowski Summer 2013-14

We raised tuition because we could...

#### NOW IT'S FROZEN!

We pledge to invest these funds wisely to deliver the graduates Minnesota needs to compete globally...

We look forward to overseeing the wise investment of these resources!!!



At the first House of Representatives hearing on the University of Minnesota's Budget, when asked why tuition costs went up by historic amounts, the U of M replied; "We raised tuition because we could."

Cartoons the creation of Representative Dorholt, Vice Chair of House Higher Education Committee May 2013.



"We pledge to invest these funds wisely to deliver the graduates Minnesota needs to compete globally." MNSCU Chancellor Rosenstone email 5/18/13

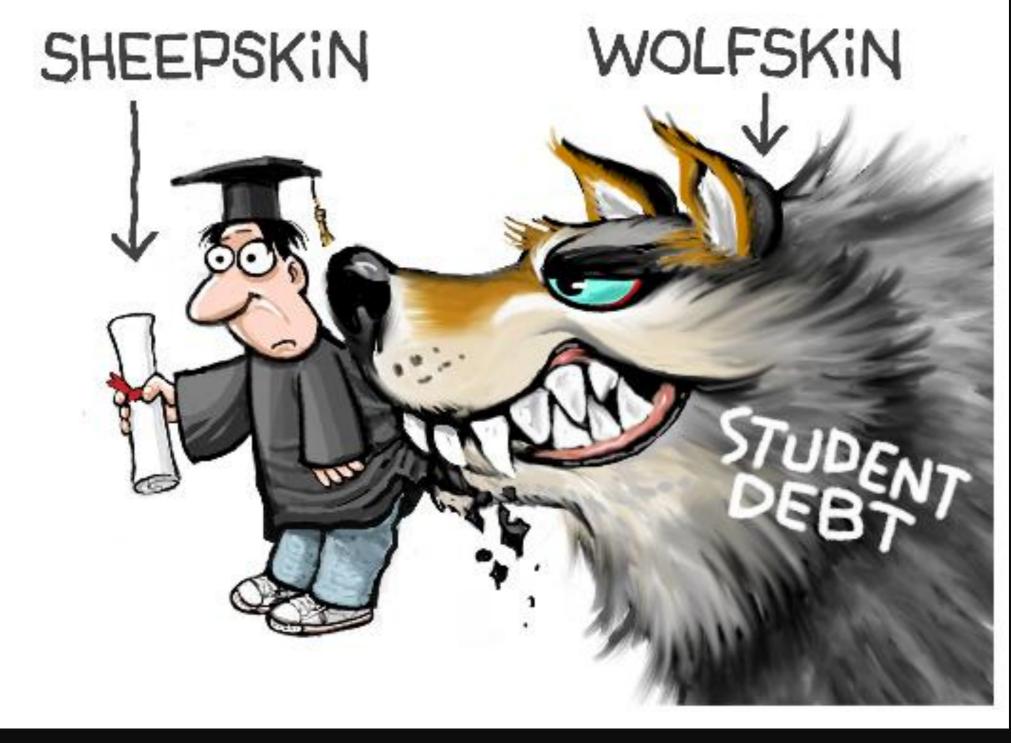
"We look forward to overseeing the wise investment of these resources." Representative Gene Pelowski's reply



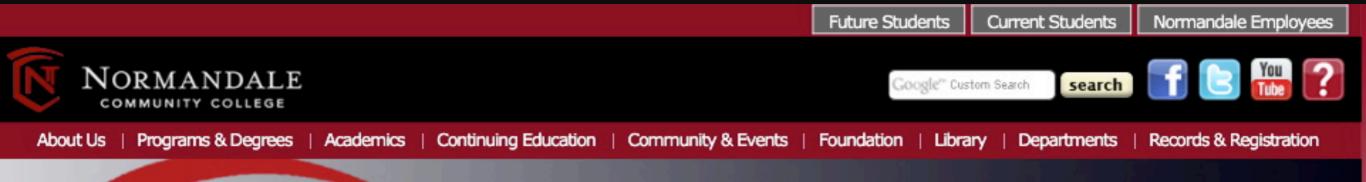
WSU students begin wearing T shirts with their major and school on the front and the debt they will have to carry to get that major on their back.

# Bearing the brunt of the Budget OWE





The cost of tuition at Minnesota's two year colleges has gone from 25<sup>th</sup> in the country to 2<sup>nd</sup> highest in the country in less than a decade.



### No Tuition Increase for Two Years!

There's no better time to get your degree.

The summer of 2013. MNSCU did not support the tuition freeze but by web site and entry signs they embraced it.

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Kitchen/Bath Design Info Session July 17, 5:30 pm, E. Campus, Rm 1311

Discover Century Info Session July 18, 1 pm, E. Campus Rm 1331

# **TUITION FREEZE** FOR THE NEXT TWO YEARS!

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#### Fall Semester begins August 26

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×









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#### Academics

Put Your Tuition on Ice Friday, June 28, 2013 🛃 No tuition increase for two years!



### Hennepin Technical College"

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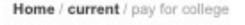
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#### APPLY NOW

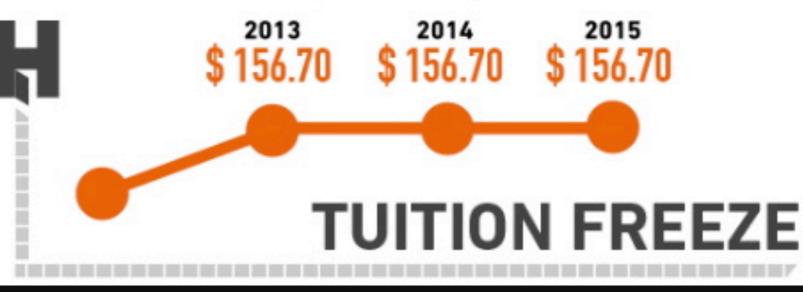
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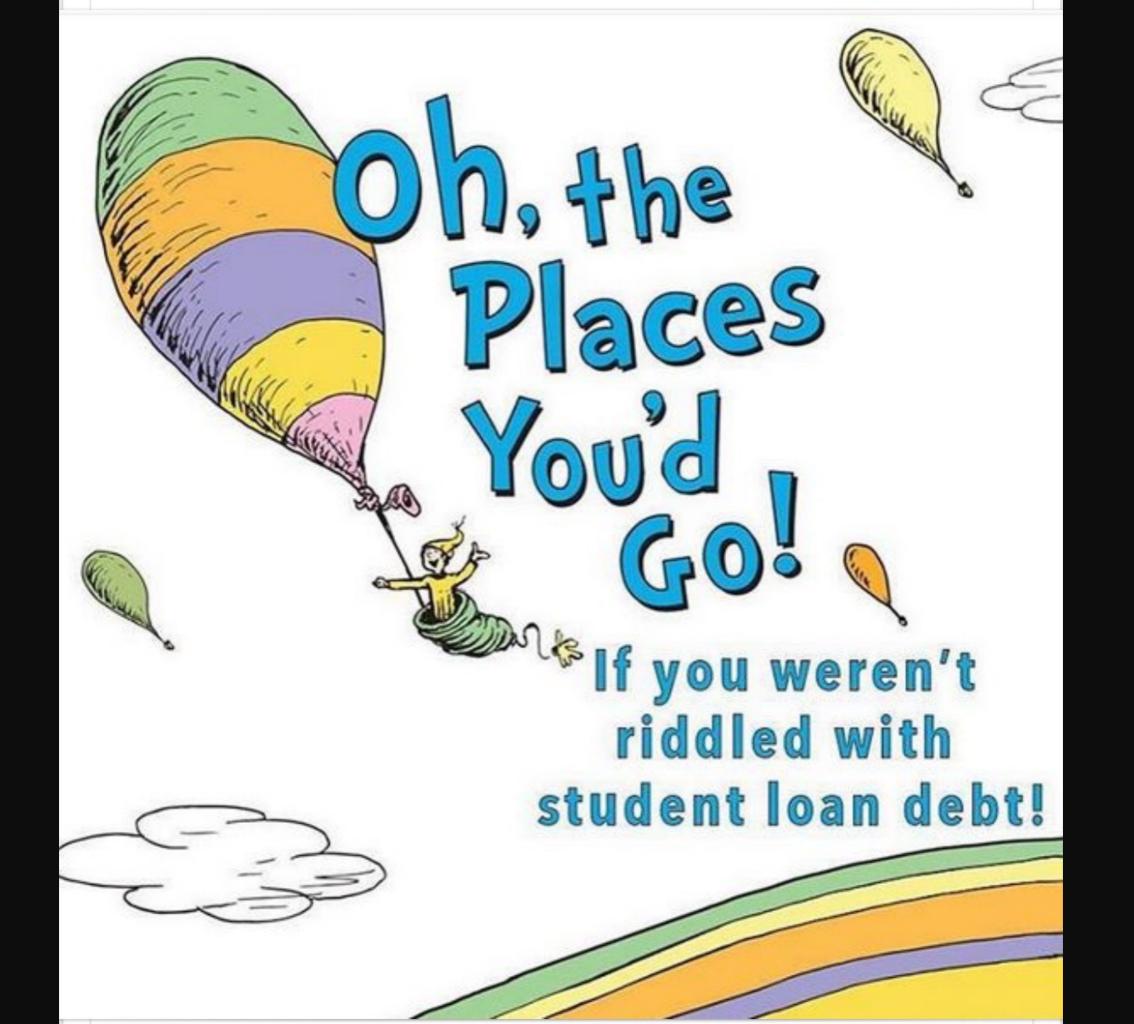
### PAY FOR COLLEGE

Hennepin Technical College is a wise choice for many reasons. One of them is certainly value. HTC has one of the lowest tuition rates in MInnesota. It gets better... Hennepin Tech has announced that tuition will be frozen for 2 years. Now is the time to lock in that rate and save a bit of money. Get started today!





### Zamboni used to promote Tuition Freeze



# Governor Mark Dayton December 2014 DFL House Caucus Retreat

"There were two things I got applause for everywhere during the campaign; Freezing Tuition and funding All Day K! Everyone understood and approved." Pelowski Journal Entry

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Prepared by Representative Gene Pelowski April 2017

Without the House's support of a tuition freeze, University of Minnesota students may face an increase in tuition between \$2,100 & \$2,600 over four years.

#### UNIVERSITY OF MINNESOTA Driven to Discover

<	Tweet	
In reply to @UN	/INAlumni	
S S S	<b>e Pelowski</b> nePelowski	

@UMNAlumni Been there, done that happy to do it again 5/8/15, 1:29 PM



View



Gene Pelowski @GenePelowski

@UMNAlumni Been there, done that happy to do it again

Opinion

CONTACT: Editor Brian Voerding | 507.453.3507 | brian.voerding@lee.net

# **Tuition increases are taxes on students**



GENE PELOWSKI Winona

The following is a transcript of the House Floor speech by Rep. Gene Pelowski, DFL-Winona, during debate on the House Higher Education Omnibus bill on April 27:

It's no news to anyone that we have a surplus. What should be news is that in this bill we are about to increase a tax, an extremely regressive tax – a tax called tuition.

Tuition became a tax during the recession when we borrowed and cut from higher education by record amounts. Those record amounts added into the hundreds of millions of dollars. There were then record tuition increases. Tuition increases that in some years were double digit. There was no consequence to this increase in this regressive tax according to the University of Minnesota or MnSCU until relatively recently, when the consequence of a tax increase unabated became record debt. We are now fourth and fifth in the nation in the amount of debt students carry and the number of students that have debt — but we have a surplus.

In 2013 over the Easter break, former Gov. Arne Carlson called me. He was a little upset with what was going on with the administration at the University of Minnesota, with its cost, and with its successiveness. He was also upset with what was going on in MnSCU. He told me when he was governor, the governor's salary was approximately the same salary as the University of Minnesota's president.

Well, the governor hasn't gotten a raise since Carlson, but the University of Minnesota president now earns \$800,000. The chancellor of the MnSCU system earns \$380,000. These salary increases came about at a time when there were record cuts to higher education, record debt and record tuition increases.

There have been discussions on this floor about the salaries of commissioners. And we're worried about the salaries of commissioners. They're pikers compared to the administrators in higher education.

Almost any higher education MnSCU president gets twice and sometimes three times what a commissioner makes. Plus, over the Great Recession, they received a bonus for making startlingly good decisions like "we can raise tuition and there is no consequence" - except record debt. We had in the 2013 bill oversight and accountability of higher education. Rep. Greg Davids called the 2013 higher education bill accountability on steroids. Well, if that bill had accountability on steroids, this bill is anemic.

We still have problems in

higher education. We have problems with tuition, we have problems with debt, and we have problems with administration. None of those issues are properly addressed in this bill. We have a surplus — tuition is going to go up. We can argue that it isn't going to go up for everyone, but it is going to go up for all of the University of Minnesota and the four-year campuses of the MnSCU system.

Some people have said that having a freeze on tuition is a band aid. We gave higher education a gaping wound during the Great Recession. This is no Band-Aid. We're trying to repair an almost fatal blow to higher education.

In 2013, the House stood alone. We were the only body that said we were going to freeze tuition. The governor didn't have it in his budget, the Senate did not. And yet by the end of the 2013 session, the governor signed into law the first and only tuition freeze this state has ever seen. Then the House stood alone.

In 2015, MnSCU had tuition freeze as the core of its budget proposal. The University of Minnesota had tuition freeze as the core of its budget proposal. The Governor had tuition freeze as the core of his budget proposal.

Today we shouldn't be increasing a regressive tax like tuition. We should be repairing the wound that was delivered to higher education over The Great Recession. We should be telling the parents and students that they've had enough. That if you get a degree in the state of Minnesota you don't have to mortgage your life for the next 10 to 20 years. That you might be able to have a family, that you might be able to buy a house. And that you can return to Minnesota the gifts that were given to you in the higher education systems of this state.

We have a surplus. This is not the bill that should be passed when we have a surplus.

Gene Pelowski Jr., DFL, represents Minnesota House District 28A.



# The 1% cut in the House bill will cost university campuses approximately the following amounts:

Bemidji — \$167,000 Mankato — \$410,850 Metro — \$196,000 Moorhead — \$222,750 St. Cloud — \$458,000 Southwest — \$135,000 Winona — \$260,000

These regional centers were once dominated by DFL legislators.

#### **Minnesota State**

FY2018-2019 Biennial Budget Request, Governor's Recommendation, & House & Senate Proposals- DRAFT distribution based on FY2017 allocation framework (subject to change based on results of FY2018 allocation framework)

	MN State Request	Gov's Rec	House	Senate	Biennial Differences From Request		
Colleges and Universities	FY2018-19 Biennium	FY2018-19 Biennium	FY2018-19 Biennium <sup>1</sup>	FY2018-19 Biennium <sup>2</sup>	Governor	House	Senate
Alexandria Technical & Community College	2,474,000	2,162,000	1,384,000	778,000	(312,000)	(1,090,000)	(1,696,000)
Anoka Ramsey Community College - Anoka Technical College	6,016,000	5,259,000	3,366,000	1,893,000	(757,000)	(2,650,000)	(4,123,000)
Bemidji State University & Northwest Technical College-Bemidji	5,313,000	4,644,000	2,972,000	1,672,000	(669,000)	(2,341,000)	(3,641,000)
Central Lakes College	3,282,000	2,869,000	1,836,000	1,033,000	(413,000)	(1,446,000)	(2,249,000)
Century College	5,410,000	4,729,000	3,027,000	1,703,000	(681,000)	(2,383,000)	(3,707,000)
Dakota County Technical College	2,547,000	2,227,000	1,425,000	802,000	(320,000)	(1,122,000)	(1,745,000)
Fond du Lac Tribal & Community College	1,186,000	1,036,000	663,000	373,000	(150,000)	(523,000)	(813,000)
Hennepin Technical College	4,867,000	4,254,000	2,723,000	1,531,000	(613,000)	(2,144,000)	(3,336,000)
Inver Hills Community College	3,141,000	2,745,000	1,757,000	988,000	(396,000)	(1,384,000)	(2,153,000)
Lake Superior College	3,359,000	2,936,000	1,879,000	1,057,000	(423,000)	(1,480,000)	(2,302,000)
Metropolitan State University	6,233,000	5,448,000	3,487,000	1,961,000	(785,000)	(2,746,000)	(4,272,000)
Minneapolis Community and Technical College	5,345,000	4,672,000	2,990,000	1,682,000	(673,000)	(2,355,000)	(3,663,000)
Minnesota State College Southeast	2,016,000	1,763,000	1,128,000	635,000	(253,000)	(888,000)	(1,381,000)
Minnesota State Community and Technical College	4,902,000	4,285,000	2,742,000	1,543,000	(617,000)	(2,160,000)	(3,359,000)
Minnesota State University, Moorhead	7,076,000	6,185,000	3,959,000	2,227,000	(891,000)	(3,117,000)	(4,849,000)
Minnesota State University, Mankato	13,051,000	11,408,000	7,301,000	4,107,000	(1,643,000)	(5,750,000)	(8,944,000)
Minnesota West Community and Technical College	2,752,000	2,405,000	1,539,000	866,000	(347,000)	(1,213,000)	(1,886,000)
Normandale Community College	4,882,000	4,268,000	2,731,000	1,536,000	(614,000)	(2,151,000)	(3,346,000)
North Hennepin Community College	3,589,000	3,137,000	2,008,000	1,129,000	(452,000)	(1,581,000)	(2,460,000)
Northeast Higher Education District	4,760,000	4,161,000	2,663,000	1,498,000	(599,000)	(2,097,000)	(3,262,000)
Northland Community & Technical College	2,919,000	2,552,000	1,633,000	919,000	(367,000)	(1,286,000)	(2,000,000)
Pine Technical & Community College	919,000	804,000	514,000	289,000	(115,000)	(405,000)	(630,000)
Ridgewater College	3,598,000	3,145,000	2,013,000	1,132,000	(453,000)	(1,585,000)	(2,466,000)
Riverland Community College	2,754,000	2,407,000	1,541,000	867,000	(347,000)	(1,213,000)	(1,887,000)
Rochester Community and Technical College	3,765,000	3,291,000	2,106,000	1,185,000	(474,000)	(1,659,000)	(2,580,000)
Saint Paul College	3,638,000	3,180,000	2,035,000	1,145,000	(458,000)	(1,603,000)	(2,493,000)
South Central College	3,001,000	2,623,000	1,679,000	944,000	(378,000)	(1,322,000)	(2,057,000)
Southwest Minnesota State University	4,283,000	3,744,000	2,396,000	1,348,000	(539,000)	(1,887,000)	(2,935,000)
St. Cloud State University	14,562,000	12,729,000	8,147,000	4,583,000	(1,833,000)	(6,415,000)	(9,979,000)
St. Cloud Community and Technical College	3,097,000	2,708,000	1,733,000	975,000	(389,000)	(1,364,000)	(2,122,000)
Winona State University	8,262,000	7,222,000	4,622,000	2,600,000	(1,040,000)	(3,640,000)	(5,662,000)
Total	143,000,000	125,000,000	80,000,000	45,000,000	(18,000,000)	(63,000,000)	(98,000,000)

Notes:

1. The actual distribution of funds in the House proposal would be modified based upon tuition changes at our colleges and at our universities. The House proposal

freezes tuition at colleges in FY2018 and lowers tuition by 1% in FY2019. It freezes tuition at universities in FY2019 only.

2. The Senate proposal freezes tuition at colleges and universities in FY2018 and FY2019.

#### Minnesota State

#### **Structural Deficit Analysis - House Position**

#### Annual incremental revenues/expenses

#### House position assuming a 3% tuition rate increase for universities in FY2018 and FY2019

\$s in millions	FY2017	FY2018	FY2019	FY2020	FY2021
Additional State Appropriation and Tuition					
Revenue					
State Appropriation and Tuition Support	50.0	35.1	44.9	44.9	44.9
University (Tuition Revenue)	12.7	10.8	21.6	21.6	21.6
College (Tuition Revenue)	-4.3	0.0	-4.0	-4.0	-4.0
Total State Appropriation and Tuition Support	58.4	45.9	62.5	62.5	62.5
Estimated Inflationary Expenses					
Compensation and Other Operating Costs	95.0	47.6	95.4	95.4	95.4
Total Estimated Expenses	95.0	47.6	95.4	95.4	95.4
Revenues over/(under)expenses	(\$36.6)	(\$1.7)	(\$32.9)	(\$32.9)	(\$32.9)
Structural deficit					
If university tuition was increased 3% in FY2018 a	and 3% in FY2	2019 the st	ructural de	ficit would	be:
\$s in millions	FY2017	FY2018	FY2019	FY2020	FY2021
		(\$38.3)	(\$71.2)	(\$104.1)	(\$136.9)
Structural Deficit					
If university tuition was increased 3% in FY2018 a	ind frozen in	FY2019 the	structura	deficit gro	ws to:
\$s in millions	FY2017	FY2018	FY2019	FY2020	FY2021

(\$38.3)

(\$82.0)

(\$125.7)

(\$169.3)



Nicholas Robert Pelowski born December 2007, wears the WSU fleece jacket given to him by Grandmother.

Abigail Marie Pelowski born November 2016 U of M gift from President Eric Kaler & wife Karen.



"There were two things I got applause for everywhere during the campaign; Freezing Tuition and funding All Day K! Everyone understood and approved." Governor Mark Dayton, December 2014