

STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

May 15, 2017

The Honorable Michelle L. Fischbach
President of the Senate
2113 Minnesota Senate Office Building
St. Paul, MN 55155

Dear Madam President:

I have vetoed and am returning Chapter 65, Senate File 2214, the Omnibus Higher Education Appropriations bill.

At a time a significant state budget surplus, an investment of \$318M in postsecondary students to help enhance the economic vitality of the State and secure our students' future potential in the workforce and community simply makes sense. Further, while many other states are disinvesting in postsecondary education, we gain an edge by investing.

Unfortunately, the bill you sent me provides for less than 39% of that investment. Of particular concern is the smaller investment in need-based aid that will lead to higher debt loads for the many middle and low income students and families already struggling to pay for college. At the bill's level of funding, grants to each full-time student recipient would be \$183 to \$661 less than I proposed and 4,600 fewer students would receive grants.

Additionally, the lack of investment in core mission support at the University of Minnesota and campus support at Minnesota State risks the degradation of educational quality for our students. The bill exacerbates the situation for Minnesota State by setting the tuition rate rather than leaving that up to the appointed Minnesota State Trustees. This will likely lead to layoffs and diminished course offerings and support services on many campuses.

While the bill does provide my recommended level of funding for the University of Minnesota's Health Training Restoration, I am concerned that it falls short in funding for MnDRIVE and NRRI.

The absence of new investment in cybersecurity and data infrastructure at OHE is concerning as well. The agency's basic 1988 data system continues to age, increasing the security risk for hundreds of thousands of student records.

In addition, the agency operating budget adjustment is ignored. This is an issue, particularly as the bill creates multiple new loan forgiveness and grant programs with no administrative funds and reduces administrative funds for existing grant programs. Creating new programs and expanding non-core functions without first adequately funding basic institutional campus operations is inconsistent and ill advised.

The investments in the Summer Academic Enrichment Program (SAEP), emergency assistance matching grants to campuses, and creation of a Sexual Violence Prevention Coordinator as a statewide resource all would benefit students.

You are aware of my opposition to including policy language unrelated to the budget in this bill. Those should travel separately in an omnibus policy bill, or as separate bills, judged on their individual merits.

If you were to honor my request to separate budget items and non-budget policy, let me offer the following and encourage your members and staff to continue the good discussions they have been having with Commissioner Pogemiller and his staff.

If it would suffice for legislative need, perhaps Article 2 Section 2 (10) could be at the \$1 million level since it is my understanding that the University of Minnesota could report on consultant work at the \$1 million level without creating additional workload.

Some of the Article 2 Section 2 (11) language on institutional reporting may be too micromanagement in nature for what the Legislature needs for the oversight function.

As we discussed the other day, a study or report on mandatory student fees should be sufficient rather than the prohibition in Article 2 Section 3. Student representative groups and Minnesota State and the University of Minnesota believe a prohibition will negatively impact student life and the student experience will be degraded.

Article 2 Section 13 originally had a limited exemption for only some regionally accredited non-profit institutions from certain curriculum oversight under 136A, but now exempts some for-profit institutions. This unwisely removes the authority and oversight necessary to protect students when new or modified majors, minors, and concentrations related to degrees are introduced at regionally accredited for-profit institutions licensed or registered by the State of Minnesota.

The Honorable Michelle L. Fischbach

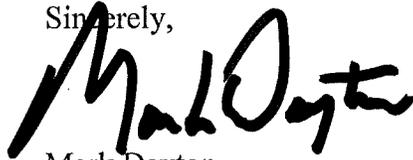
May 15, 2017

Page 3

Article 2 Section 14 restricting OHE's authority to revoke registration, degree and name approval upon court adjudication of fraud or misrepresentation is very troublesome and weakens the State's ability to protect students and may lead to additional costly and unnecessary litigation.

Again, I believe strongly that investment in postsecondary education is vital to the continued economic success of our state and its citizens. This bill simply comes up short. For the above-stated reasons, I am vetoing the bill.

Sincerely,

A handwritten signature in black ink that reads "Mark Dayton". The signature is written in a cursive, slightly slanted style.

Mark Dayton
Governor

cc: Representative Kurt Daudt, Speaker of the House
Representative Melissa Hortman, House Minority Leader
Representative Bud Nornes, House of Representatives
Senator Paul E. Gazelka, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
The Honorable Steve Simon, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Patrick Murphy, Chief Clerk of the House of Representatives
Mr. Paul Marinac, Revisor of Statutes