



June 16, 2022

Chair Cowles, Chancellor Malhotra, and Trustees. Good afternoon and thank you for the opportunity today to provide in-person remarks on the FY23 Annual Operating Budget. Obviously, the fact that the Legislature didn't finish their work during the session is disappointing at best. The inability to work together and come up with an agreement on a \$9 million dollar surplus makes me angry. My livelihood as an employee of the State of Minnesota gets called into question when our colleges and universities are struggling to get their budgets out of the red. Over the last decade, we have lost \$91 million in revenue. I've always known it was a lot, but to hear that number is staggering. Couple that with nationwide declining enrollment for the last twenty years, and we are in a real state of crisis.

For years, our colleges and universities have been cutting operations where they could – supply budgets, department budgets, program budgets. But the enrollments continue to decline because higher education has changed and our students aren't registering in the numbers they did before. Those cuts have not kept up with inflation, rising tuition, declining revenue, creating new programs to entice more students to register, and then not getting those anticipated new students to register for said new programs.

Then we get hit with a world-wide pandemic. In-person classes moved to online and spring breaks were extended. But instead of the two or three weeks these changes were expected to last, they lasted for almost two years. Students dropped out of classes because they couldn't be successful online, and have returned very slowly.

There have been positions that haven't been filled, retirements, BESIs, and layoffs. The positions not filled after someone leaves have mainly been in staff positions. We have had to learn to work more with less, over and over again. We have had to learn how to clean and maintain the same amount of square footage of our campuses, as well as keep the same amount of green space outside looking attractive for potential students. While the number of students enrolled doesn't necessarily mean much to our workload, we are the ones taking the brunt of the consequences.

With the great resignation 2022 in full swing, one in five likely to switch jobs, workers are more careful about their work/life balance. We are not seeing the talented applicant pools we once did. Having a state job is no longer the pinnacle career it once was. The benefits are great! The pay, not so much anymore. We have lost great employees because they didn't have the option to telework. To be a great employer, we have to offer great things to our employees...and right now, we're missing the mark.

In the meantime, Administration, who make six-figure incomes, creates new leadership and Dean positions, promotes Directors to Vice Presidents, and promotes Vice Presidents to Provosts. Administration jobs are always backfilled when someone leaves or retires. An Administrator's payroll is approximately 3.5 times more than a staff employee's payroll.

All this being said – if increasing enrollment, creating new high-priced programs, and offering the same higher education services as always, isn't working, maybe we need to start looking at something else. I don't have the silver bullet of how to make our budgets not so scary right now, but we have to figure it out. Living year to year, legislative session to session, pandemic to future worldwide problem – higher education has changed, and we need to figure out how to get on board with those changes and make them work to our benefit. I don't mean hire more consultants – that defeats the purpose of living within our ever-decreasing means. I'm saying take the talent we have on payroll already, the six-figure incomes, the Ph.D.'s, the Master's degrees, and figure out how to stop hemorrhaging money at all turns. AFSCME wants to keep our jobs – we work hard for our colleges and universities, our students, and our livelihoods. Don't let us down.

Thank you again for this opportunity today.

Sincerely,

Jennifer Erwin

President – Minn State Policy Committee