



Dear Members of the Senate Higher Education Committee,

On behalf of the roughly 40,000 undergraduate students our organization represents, the Undergraduate Student Government at the University of Minnesota urges you to support S.F. 2932, which would require a standardized financial aid offer form.

Deciding what university to attend is a difficult decision. Confusing and deceptive financial aid offer letters make this decision even harder. According to the U.S. Government Accountability Office, roughly 91% of colleges do not give students accurate information in their financial aid offers.<sup>1</sup> Many schools exclude additional fees, or make their net price appear cheaper by factoring in loans, which students will eventually have to repay.

These predatory tactics can have devastating consequences, as students are saddled with debt they may not know they have, and will follow them long after they graduate. Not only does this impact students' wellbeing, it impacts the economy. The Education Data Initiative reported that student loan debt reduces consumer spending, business growth, and homeownership.<sup>2</sup> Would-be entrepreneurs are less likely to start businesses, making small businesses uniquely vulnerable to the impacts of student loan debt.

This is why we urge members of the committee to support S.F. 2932. Standardized financial aid offer forms prevent students from taking on more debt than they can afford and help them make the right decision when deciding between schools. Providing accurate, informative aid letters should be standard practice. Concerns about administrative burdens simply highlight a current lack of support for staff. The University should provide administrators with the support they need to ensure students make informed decisions, rather than continue a lack of commitment to students and staff under the guise of administrative burden.

Deciding what university to attend is often the first big financial decision students have to make. We are simply asking that when prospective students make this choice, they are treated fairly and given the tools they need to make an informed decision.

Sincerely,

The Executive Board of the Undergraduate Student Government

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<sup>1</sup> U. S. Government Accountability Office, "What Financial Aid Offers Don't Tell You about the Cost of College | U.S. GAO," April 4, 2023.

<sup>2</sup> Education Data Initiative, "Economic Effects of Student Loan Debt," November 25, 2024.