

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2925
Version: As introduced

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Authors: Hortman and others

Subject: State grant assigned family responsibility reduced and living and miscellaneous expense allowance increased

Analyst: Sean Williams (Sean.Williams@house.mn)

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Minnesota's state grant program provides need-based financial aid to resident undergraduates to attend a public or private postsecondary institution in Minnesota. State law requires grant awards to be based on a shared responsibility for paying for the recognized cost of attendance. OHE determines a student's award amount according to the following formula:

$$\text{Grant Amount} = \text{Cost of Attendance} - \text{ASR} - \text{AFR} - \text{Pell Grants}$$

Under current law, the components of this formula are defined as follows:

- The **cost of attendance** is equal to the amount of tuition and fees up to a cap set by the legislature each biennium plus an allowance, also set each biennium, for living and miscellaneous expenses (LME).
- The **assigned student responsibility (ASR)** is at least 50 percent of the cost of attendance.
- The **assigned family responsibility (AFR)** is the amount the FAFSA determines a student's family should contribute toward the student's education. For the purposes of the state grant, the family responsibility number determined by the FAFSA is multiplied by either 50 percent, 86 percent, or 96 percent for students who are independent, independent without children, or dependent.
- **Pell grants** is the federal Pell grant amount for which a student is eligible.

H.F. 2925 would reduce the assigned family responsibility and increase the living and miscellaneous expense allowance, which would have the effect of increasing state grant awards. The bill would reduce the assigned family responsibility to 34 percent for independent students without children, 70 percent for independent students with children, and 75 percent for dependent students. It would increase the living and miscellaneous expense allowance for fiscal year 2017 to \$9,000. OHE's February projections estimated that the allowance would be \$8,910 in fiscal year 2017 under current law.