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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. The Office of Higher Education 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 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 is multiplied by either 50 percent, 86 percent, or 94 percent for students who are independent, independent without children, or dependent.
- **Pell grant** is the federal Pell grant amount for which a student is eligible.

H.F. 1430 reduces the assigned family responsibility for dependent students, independent students with children, and independent children without children.

- Dependent Students: AFR is 86 percent of the parental contribution in fiscal years 2018 and 2019, and 76 percent thereafter.
- Independent students with children: AFR is 76 percent of the student contribution in fiscal years 2018 and 2019, and 66 percent thereafter.
- Independent students without children: AFR is 40 percent of the student contribution in fiscal years 2018 and 2019, and 30 percent thereafter.

The bill also reduces the assigned student responsibility. The bill sets the ASR at 47 percent in fiscal years 2018 and 2019, and 44 percent thereafter.

Baseline Example

University of Minnesota Dependent Student (2016 Tuition and LME), 4-person Household, \$60,000 of Adjusted Gross Income, Expected Family Contribution of \$3,800

Cost of Attendance		ASR	AFR	Pell Grant	State Grant
Tuition & Fees (\$14,186)	LME (\$8,910)	50% of Cost of Attendance	94% of FAFSA Contribution		
\$23,096		\$11,548	\$3,572	\$2,070	\$5,906

H.F. 1140, Fiscal Year 2018

University of Minnesota Dependent Student (2016 Tuition and LME), 4-person Household, \$60,000 of Adjusted Gross Income, Expected Family Contribution of \$3,800

Cost of Attendance		ASR	AFR	Pell Grant	State Grant
Tuition & Fees (\$14,186)	LME (\$8,910)	47% of Cost of Attendance	86% of FAFSA Contribution		
\$23,096		\$10,855	\$3,268	\$2,070	\$6,903

H.F. 1140, Fiscal Year 2020

University of Minnesota Dependent Student (2016 Tuition and LME), 4-person Household, \$60,000 of Adjusted Gross Income, Expected Family Contribution of \$3,800

Cost of Attendance		ASR	AFR	Pell Grant	State Grant
Tuition & Fees (\$14,186)	LME (\$8,910)	44% of Cost of Attendance	76% of FAFSA Contribution		
\$23,096		\$10,162	\$2,888	\$2,070	\$7,976

State Grant Formula

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