

Subject Higher Education: State Grant Parameters

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Summary

This bill decreases the assigned student responsibility for calculating a state grant award, from 50% to 42% of the institution's cost of attendance under the program. This would have the effect of raising average state grant awards. The bill contains a to be determined appropriation to pay for the change.

State law requires grant awards to be based on a shared responsibility for paying for the recognized cost of attendance. The Office of Higher Education determines a student's award amount according to the following formula:

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

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). If the legislature does not to establish a tuition cap or LME, both numbers are set at an amount established in statute. In such a case, the tuition and fees cap is equal to the highest tuition and fees charged by a public two- or four-year institution, and the LME is 109% of the federal poverty guideline for a one-person household in Minnesota for nine months.
- The assigned student responsibility (ASR) is currently 50% 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 35% if the student is independent without children, 71% if the student is independent with children, or 79% if the student is a dependent.
- Pell grants is the federal Pell grant amount for which a student is eligible.